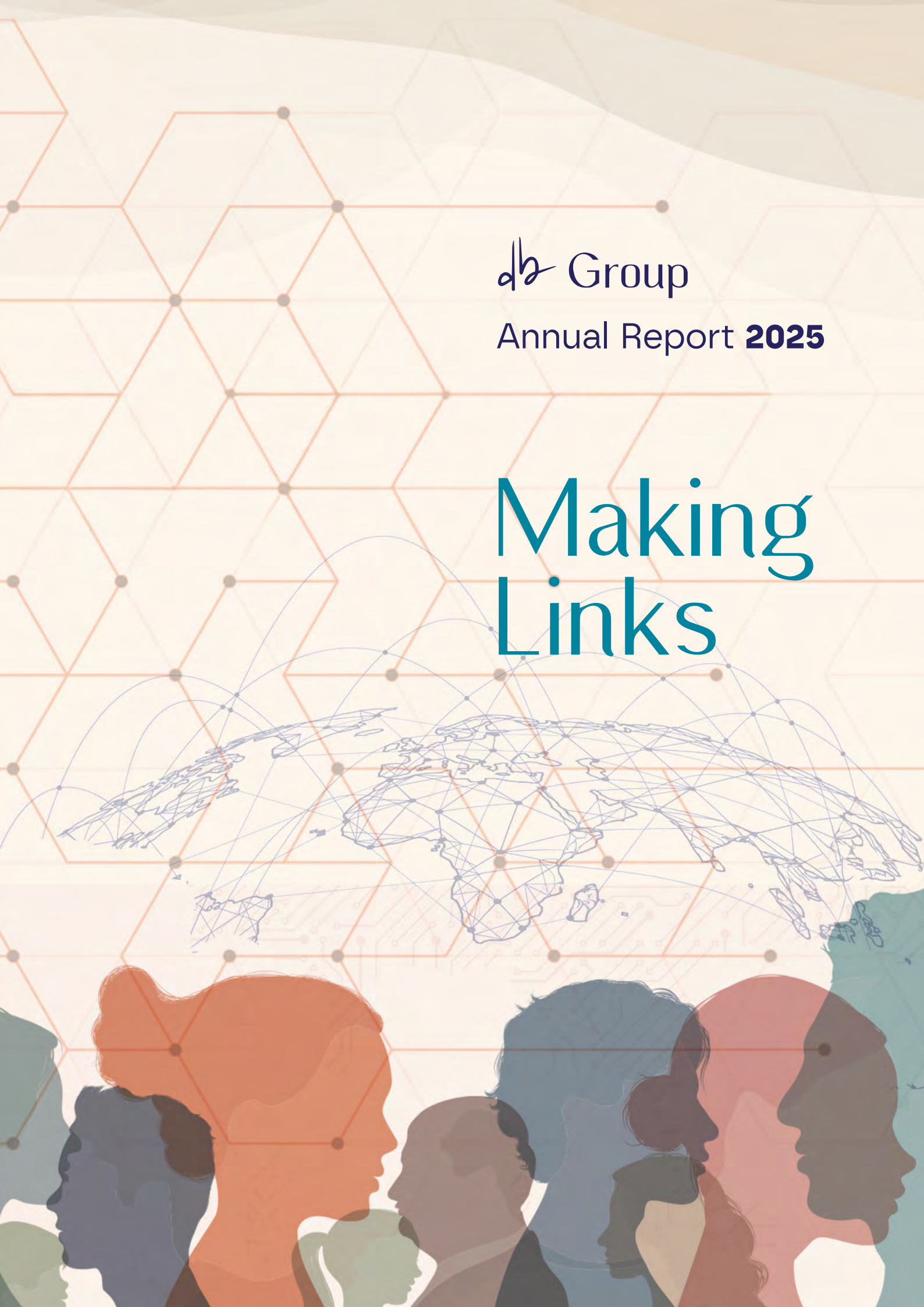




db Group

Annual Report **2025**

Making Links



db Group Our Mission

One word which...

Is the essence of success of our business.

Always reminds us of how we got here.

Has guided us for three decades.

Inspires all our new ventures.

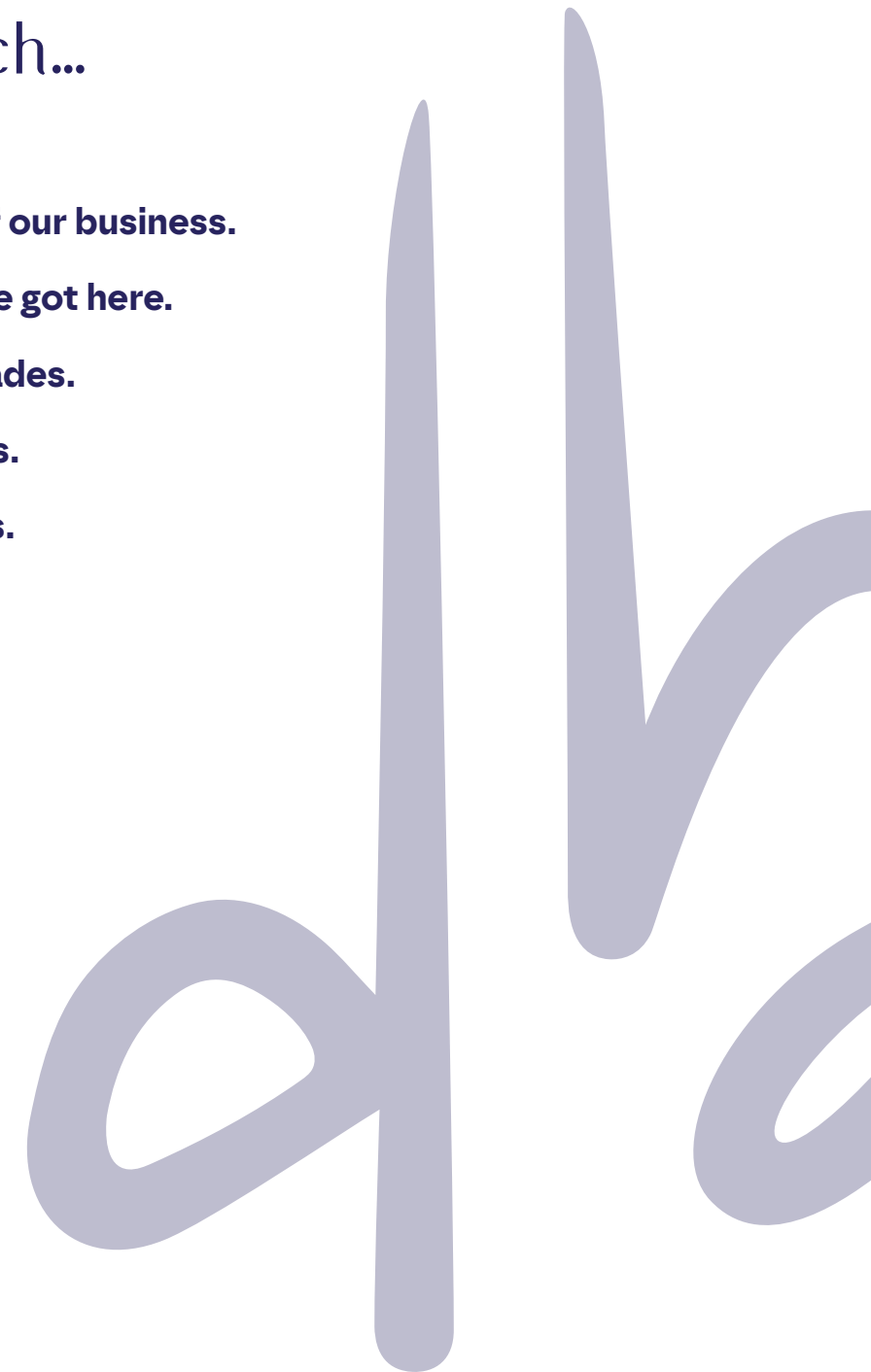
Distinguishes us from others.

Explains our staying power.

Defines who we are.

Is our future.

EXCELLENCE



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Chairman's Introduction

SILVIO DEBONO is the db Group's Founder, Chairman and Managing Director. He has been in the catering industry since the early eighties. From a single small guesthouse, he has built the largest leisure industry group in Malta.



Making Links

Today we are living in a world in which people, businesses, nations and the public good are increasingly linked in a myriad ways. Near and far. For better or for worse. Completely new links are constantly being forged, and existing ones are regularly being reinvented.

Tourism is linked to geopolitics, business is cautiously surfing new economic models, finance is tied more tightly to procurement, restaurant concepts follow ever-changing global trends, quality of service is linked to national human resources, global travellers reach out to link up with local authenticity, and much more.

It is as if life, business and the public good are permanently in flux, increasingly interconnected in ways that constantly open up new doors and closing old ones. A quarter of a century after the turn of the millennium, these are the moving parts that make up the picture of where the world stands today.

As always, we at the db Group are keeping our ears to the ground and our eyes trained on the horizon. Beyond the Grand Harbour, our mindset is increasingly being driven by the search for the right links with partners, markets, cultures and new ideas. These are the crucial links that constitute the grid for planning our next moves, today and in the future.

In technical terms, we are also at the cusp of a profound revolution, a sea change in how we live, work and do business. It is probably unprecedented in history—a human creation which, for the first time, promises to be bigger, in some sense, than us its creators.

I am speaking, of course, of AI. Its exponential rise across the board is sowing the seeds of completely new links which lead to new ways of thinking, doing business, of giving a service. Like the internet, and arguably much more profoundly, AI is redefining the links between people, places and things. It also dovetails perfectly with how we are seeing our Group's future.

A final word on how all this impacts our core hospitality footprint, both directly and indirectly. Today's travellers and hospitality seekers are becoming more sophisticated, demanding and discerning. To find what they are looking for they are making novel links between culture, culinary offerings, history, experiences, authenticity and comfort, particularly in the service industries. Even on this front we are mindful of how rapidly things are changing, with new opportunities—and pitfalls—opening up.

Deeply understanding how all this leads to radically new choices is at the heart of the db Group today.

A stylized, handwritten signature in dark blue ink, consisting of a large, sweeping 'S' followed by a smaller, more intricate flourish.

SILVIO DEBONO
Chairman & Managing Director

CEO's Report

ROBERT DEBONO, is db Group's CEO. He read for a Bachelor of Commerce Degree, specialising in Business Management at the University of Malta. He started his journey with the Group seven years ago in the finance department of Healthmark, a subsidiary of the Group, joining the team to foster its growth. More recently, Robert gave a strong input to the drive to open a wide range of restaurants and to implement an extensive refurbishment and maintenance programme. He also charted the Group's course through the COVID-19 pandemic and the subsequent recovery.



Making Links

For the past few years we have been strategically focused on the internationalisation of our Group. What was a vague wish to explore various options a few years ago gained traction year on year until it became a concrete goal. It is now a strategic driver of our business and we are about to start delivering the goods.

In September we will be opening the doors of Aki London, the first international outpost of our very own restaurant brand. It is positioned in Cavendish Square in the heart of Marylebone. Beautifully designed within the vaults of a former bank, and with a meticulously curated menu, we are confident it will be well received by those with a discerning palate.

The key announcement this year is that the db Group has signed a major international deal to bring Hard Rock International to the United Arab Emirates (UAE) with a new, branded mixed-use development project located on the Arabian Gulf. The development, Hard Rock Hotel & Residences, Beach District, Ras Al Khaimah, is slated to open in 2028. Other opportunities are also on the cards.

Obviously, our internationalisation drive has put us on a steep and challenging learning curve. Having said this, as we worked the new ropes, we were reassured that we haven't been working our local ones too shabbily. In the process of evaluating opportunities overseas, dissecting their market averages and benchmarks, we realised how strong our performance in Malta has been all along.

Financially, strategically and managerially our numbers are comparable to those of our international counterparts. To cite just a few KPIs, the Seabank's Hotel & Resort's occupancy rate is just shy of a 90% and that of San Antonio's stands at 83%. This achievement is even more significant given that both room rates as well as competing bed stock increased. Seabank's average daily rate increased by 9% and San Antonio's by 12%. Clearly, the current and future of this sector is not all about the rates but also about offering guests memorable experiences and events.

Turning to the residences and sky villas which are part of our flagship St George's Bay project, it is significant that 163 of 171 units have already been sold.

Complimenting our search for new investment frontiers and markets we endeavoured to keep our house in order, renovating it to meet new challenges. Apart from moving to our new head office, this year we launched an intensive modernisation programme across our finance, purchasing, and property management systems which will be completed by Q4 of this year.

This brings me to this year's theme which perfectly captures where we stand and where we're going—making links. Local and global, new and established markets, internal change and external forces. All are linked or waiting to be linked.

In the hospitality sector, the old has become the new authentic, tourists have become travellers, visitors are looking for experiences, not just places and different cultures are meeting in new and exciting ways. Taking it all in, we are linking people, places, businesses, and ideas in new path breaking ways.

Making links—the path to our future. Together.

ROBERT DEBONO
CEO, db Group

db Group Executive Team



SILVIO DEBONO
CHAIRMAN



ROBERT DEBONO
DIRECTOR & CHIEF
EXECUTIVE OFFICER



JEAN CLAUDE FENECH
CHIEF FINANCIAL
OFFICER



JESMOND VELLA
DIRECTOR & CHIEF
OPERATIONS OFFICER



**VICTORIA DEBONO
BORG**
DIRECTOR



DAVID DEBONO
DIRECTOR



ALAN DEBONO
DIRECTOR



RAY BEZZINA
DIRECTOR



NICHOLAS PORTELLI
MANAGING DIRECTOR
OF SDH CAPITAL



THOMAS FEHLBIEL
COO OF HOTELS



JOHN WILTSHIRE
COO LSG

Group Background



The Group has been operating in hospitality for over four decades, starting off as a guesthouse in 1984, operated by the Group's founder Silvio Debono. Today, as the db Group Chairman, he sits at the helm of the largest operation in the sector in Malta.

Over the years, the Group has forged strategic relationships with a range of global players. Among them are the Accor Hotel Group, RIU Hotels & Resorts, RAK Hospitality Holding LLC, Hard Rock Cafe International, Starbucks, GROM, EL&N and TATEL. In the process, the Group has accumulated vital global business acumen and operational experience.

Year-on-year, the Group continues to achieve several prestigious international awards, in hospitality and catering, positioning it at the forefront of the Maltese hospitality and leisure industry. This track record has enabled us to establish our very own unique brand, db Hotels & Resorts, driven by the fundamental principle of excellence in everything we do.

Following four decades of sustained growth and success across the Maltese islands, the Group took a pivotal step in October 2022 to internationalise and diversify its operations. This strategic move was anchored by the establishment SDH Capital, the Group's investment office, in Mayfair, London—a gateway to global markets and a hub for forging new partnerships and investment opportunities. SDH Capital's primary focus is to identify new international business opportunities and manage the Group's international interests. Further details of this office can be found at: <https://www.sdhcapital.co.uk/>

This year the Group marks a significant milestone with the launch of its first overseas restaurant, AKI, in London's prestigious Cavendish Square. This venture not only extends our culinary footprint but also symbolises Malta's growing presence in the global hospitality arena. It is a tangible link between our local heritage and international ambition.

On a much larger scale db Group has signed a major international deal to bring Hard Rock International to the United Arab Emirates (UAE) with a new, branded mixed-use development project located on the Arabian Gulf. The development, Hard Rock Hotel & Residences, Beach District, Ras Al Khaimah, is slated to open in 2028. Other opportunities are also on the cards.

As we look ahead, the Group remains focused on strengthening its international expansion through a pipeline of projects that are designed to create value, foster innovation, and deepen the links between our people, our partners, and the communities we serve. While our global footprint grows, our commitment to investing in and growing our hospitality and catering operations in Malta remains unwavering—reinforcing the vital link between our origins and our future.



Key Milestones and Our Path Ahead

Key Milestones Achieved During The Financial Year And Our Path Ahead

Making Links – Building a future of strategic connectivity

Several key milestones were achieved during the financial year (FY) spanning 1 April 2024 to 31 March 2025 (FY25). The Group continued to build on the success of previous years, with significant growth registered in the 12 months under review.

In this respect, turnover increased by 11.8% reaching c.€99.2 million, the highest turnover ever achieved by the Group. In addition, EBITDA increased by 19.3%, factoring in at c.€37.5 million.

As db Group continues to pursue growth and diversification, the past financial year has been marked by a series of strategic milestones that reflect our commitment to forging meaningful links—between people, places, ideas, and opportunities. These achievements not only reinforce our operational foundations but also chart a clear path forward, guided by innovation, internationalisation, and excellence.

Strengthening Our Operational Base: New Headquarters in Mriehel

In December 2024, db Group proudly inaugurated its state-of-the-art headquarters in Mriehel, marking a pivotal moment in our journey of growth and strategic investment in Malta. The ceremony was marked by the presence of Prime Minister Robert Abela, who joined db Group Chairman Silvio Debono in touring the premises and engaging with approximately 100 employees based at the new headquarters.

Set across 1,700 m² with an investment of approximately €1.2 million, the modern facility embodies db Group's commitment to fostering innovation, sustainability, and employee wellbeing. This inauguration strengthens db Group's position as a key player in Malta's economic landscape and reinforces its pledge to enhance operations through continued workplace investment and development.



Laying of foundation stone for Hard Rock Hotel at St George's Bay: A Landmark Development

In October 2024, db Group commenced structural works on the Hard Rock Hotel Malta with the ceremonial laying of its foundation stone at St George's Bay. The development forms part of a €300 million mixed-use investment that includes the 5-star Hard Rock Hotel, the Ora Residences, and St George's Mall. Once complete, the hotel will comprise 394 rooms, including 25 suites, many of which will offer panoramic views of the Mediterranean.

The project will also feature 12 restaurants and bars—including Hard Rock Cafe and EL&N—a 1,300 sqm supermarket, 1,300 parking spaces, and a globally branded beach lido. Over 5,000 sqm will be dedicated to green and public spaces, reinforcing the Group's commitment to accessible, high-quality urban environments.

The Ora Residences, conceived as vertical gardens, will offer a luxury residential experience supported by a suite of personalised services. These include private temperature-controlled wine cellars, private pools, housekeeping, chauffeur services, and 24/7 concierge support. The residences are designed to integrate seamlessly with the surrounding development.

St George's Mall will span over 20,000 sqm and combine a mix of premium and accessible retail brands with family-oriented entertainment offerings. This commercial component is intended to serve both residents and visitors, contributing to the vibrancy and economic sustainability of the area.

In line with db Group's focus on sustainable urban development, internationally recognised landscape architect Laura Gatti—renowned for her work on Milan's Bosco Verticale—has been appointed to lead the site's landscape design. Her contribution will focus on integrating vertical greenery and enhancing the environmental and experiential value of the development.



Building Global Links:

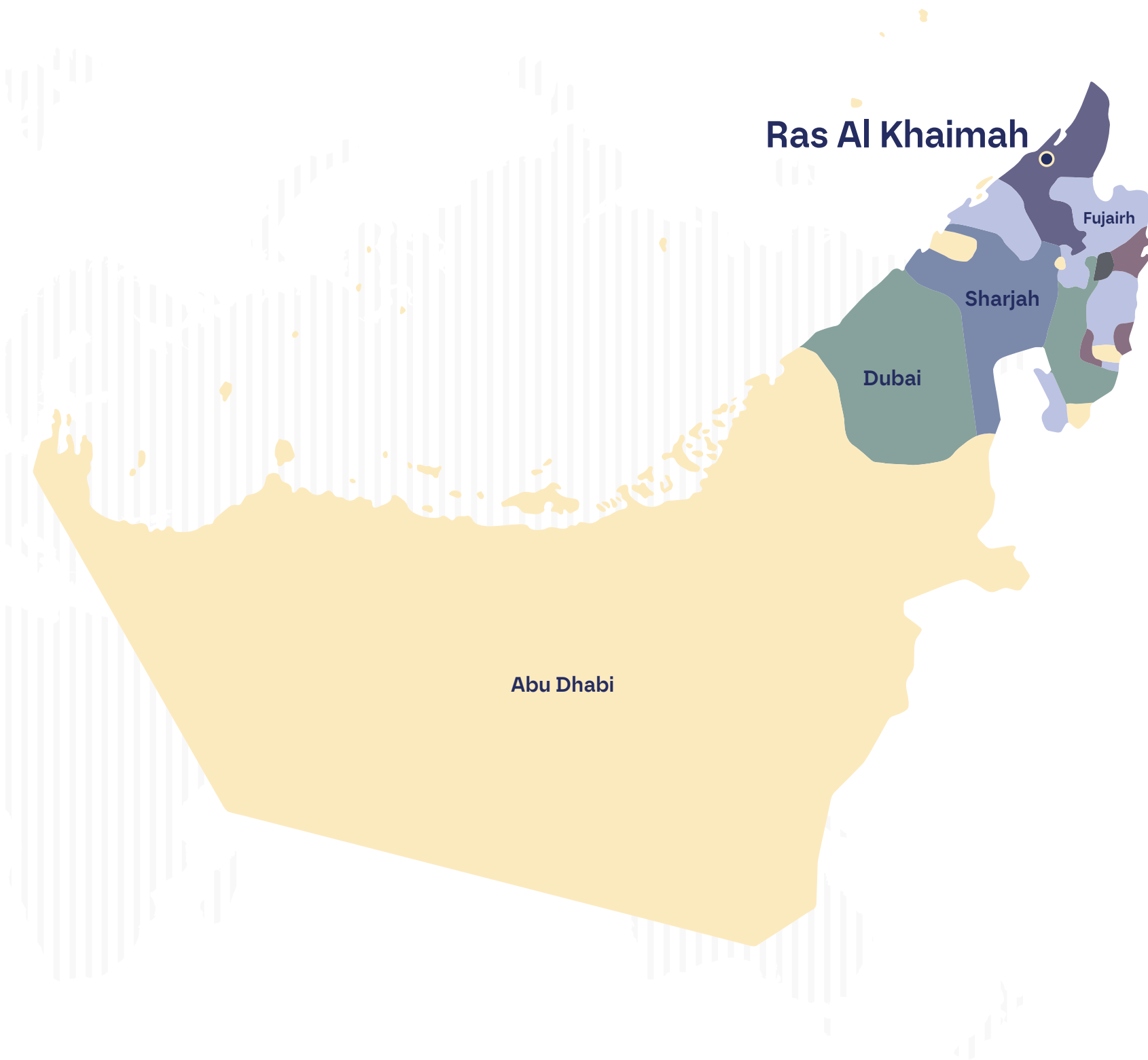
db Group’s London office, established two and a half years ago with the strategic objective of internationalising the business, has experienced a particularly active year. The Group is now pleased to report that these efforts are coming to fruition with the advancement of its first major overseas project—a landmark mixed-use development in the United Arab Emirates.

db Group to Bring Hard Rock Hotel & Residences to Ras Al Khaimah

The Hard Rock Hotel & Residences project in Ras Al Khaimah, United Arab Emirates, marks a significant milestone in db Group’s international expansion strategy. This development is being undertaken by HR Hotel FZ LLC, a newly established 50:50 joint venture between db Group and RAK Hospitality Holding LLC—an entity owned by the Investment and Development Office (IDO) of the Government of Ras Al Khaimah. Through this partnership, we are proud to bring the Hard Rock International brand to the Middle East with a landmark mixed-use development scheduled to open in 2028.

Strategically located on a prime beachfront site in Ras Al Khaimah’s Beach District, directly opposite Al Marjan Island, the project is set within one of the region’s most dynamic and fast-growing tourism and lifestyle destinations. The development will feature approximately 300 hotel rooms and 400 branded residences, complemented by a comprehensive suite of five-star amenities. These include multiple dining venues offering diverse cuisines, specialist beachfront restaurants along the promenade, a rooftop bar, conference and event facilities, direct access to a pristine beach, a beach club, swimming pools, a fully equipped gym, and a premium spa.

Ras Al Khaimah continues to position itself as a strategic hub for diversified business opportunities and sustainable development, underpinned by robust investment infrastructure and world-class tourism experiences. Known as the Nature Emirate, it offers unique attractions such as Jebel Jais—the UAE’s highest peak—and the world’s longest zipline. In parallel with this development, we are actively exploring additional opportunities to expand our all-inclusive and five-star offerings beyond Malta, building on the success of Hard Rock Hotel Malta and the forthcoming Ras Al Khaimah project. These initiatives reflect db Group’s commitment to delivering high-impact, destination-led projects in key international markets.



Aki to Debut in London’s Culinary Scene

db Group’s London team is currently in the final stages of the fit-out of AKI London, with the restaurant expected to open its doors at 1 Cavendish Square in September 2025. This development marks the Group’s first hospitality venture outside Malta and reflects its long-term strategy to position Maltese-born brands in globally competitive markets. AKI London builds on the success of AKI Valletta, which has maintained a listing in the Michelin Guide for four consecutive years since its establishment in 2020. The new site, a Grade II-listed former bank, is being redeveloped into an 80-cover restaurant featuring cocktail bars in the original vaults, a mezzanine terrace, and a private dining area.

The project is being led by UK-based Maltese designer Francis Sultana, whose work integrates heritage architecture with contemporary design principles. The restaurant will offer a curated menu of sushi, robata grill, kushiyaki skewers, and Japanese small plates, complemented by a beverage programme featuring premium sake, Japanese whiskies, and signature cocktails. This initiative forms part of db Group’s broader international expansion strategy, underpinned by a commitment to quality, innovation, and the export of Maltese service excellence to new markets.



db Group secures Spanish Tatel Brand

Earlier this year, db Group secured the renowned Spanish restaurant brand Tatel, famously co-owned by Cristiano Ronaldo, for its restaurant portfolio at St George’s Mall in St Julian’s.

While the Group is seeking to grow internationally, it remains committed and determined to continue investing and growing its hospitality and F&B operations in Malta.



db Hotels & Resorts acquires and rebrands Xemxija Bay Hotel with €1 million investment

In September 2024, db Group expanded its local hospitality portfolio through the planned full acquisition of the Porto Azzurro Hotel in Xemxija, St Paul's Bay rebranding it to Xemxija Bay Hotel. Through its holding Company SD Holdings the Group signed a preliminary agreement to acquire the remaining two-thirds of the property for €8 million, having already held a one-third stake.

Porto Azzurro is a 110-room, three-star seaside hotel generating approximately €1.43 million in annual revenue. In 2023, the property delivered an estimated EBITDA of €350,000. The acquisition is expected to contribute stable cash flows and create operational synergies with db Group's existing assets in the north of Malta.

The integration of Porto Azzurro will enable the Group to broaden its presence in the mid-scale hospitality segment while leveraging its Management expertise to enhance guest experiences. The property also presents opportunities for cross-marketing alongside db's flagship resorts. This investment reflects the Group's confidence in the long-term fundamentals of Malta's tourism sector and its strategy of growth through selective, value-accretive acquisitions.



Launch of the GROM brand in Malta

Following the successful acquisition of franchising rights in the previous financial year, db Group introduced the GROM brand to the Maltese market with the opening of its first two outlets in FY25. The expansion forms part of the Group's strategy to diversify its food and beverage portfolio through partnerships with internationally recognised brands.

GROM, an Italian gelateria franchise founded in Torino in 2003, is known for its artisanal gelato made without added aromas, food colourings, or emulsifiers, and is entirely gluten-free.

With over 50 stores across Italy and a growing global footprint, GROM's entry into Malta enhances the local premium dessert offering and aligns with db Group's focus on quality-driven, experience-led consumer concepts.

The second outlet, located at the Eden Complex, complements the Group's existing hospitality and retail footprint in the area. The introduction of GROM supports db Group's broader objective of elevating the standard of food and beverage experiences across its portfolio while capitalising on Malta's year-round tourism and favourable climate.



EL&N London, the latest international brand to be attracted to Malta by db Group

In FY25, db Group entered into a strategic partnership with EL&N London, a globally recognised lifestyle café brand known for its distinctive design and strong social media presence. The agreement will see the opening of multiple EL&N outlets across Malta, further diversifying the Group's food and beverage portfolio.

Founded in 2017 by Alexandra Miller, EL&N has expanded from its original location in Mayfair, Park Lane to a broad international footprint spanning London, Europe, East Asia, Dubai, and the MENA region. Drawing on Miller's background in luxury fashion, the brand combines high-end aesthetics with a focus on health-conscious dining.

One of the confirmed outlets will be located in St George's Mall, part of db Group's mixed-use development at St George's Bay. The café will offer a curated menu of patisseries, all-day dining options, and a beverage selection that includes specialty coffee, alternative lattes, mocktails, and other signature drinks. The introduction of EL&N supports the Group's strategy to bring globally relevant, experience-led concepts to the local market.



AKI and LOA Malta recognised by prestigious bodies

Once again, the AKI restaurant in Malta has earned its place in the 2025 edition of the Michelin guide. It has also landed a two-fork rating by the Forbes Travel Guide Star Awards which recognizes the finest restaurants on the island.

Apart from AKI, our upmarket South American restaurant LOA has also been included in the Michelin guide of 2025, cementing a successful second year of operations. These achievements are a testament to the Group's talented people who tirelessly work together as a team to deliver excellence in everything the Group does.



Manta collaboration with Meraki

Situated in a stunning setting in Tigné and offering an unparalleled view of the Valletta skyline, Manta is a beautiful and picturesque lido which was launched in June 2023. With its delightful Mediterranean fusion restaurant and sparkling pool, Manta offers an extraordinary dining experience.

In July Manta collaborated with the acclaimed Meraki culinary team, as they brought a taste of their global journey to Malta, having restaurants established in London, Mykonos and Riyadh.

Charles & Ron Lifestyle Brand Expansion

FY25 marked a pivotal year for Charles & Ron (C&R) as the brand broadened its lifestyle offering. Following the successful operation of its first café in Naxxar, with the db Group's assistance since 2025, the brand launched a second outlet in Valletta.

This move not only increased the café's footprint but also introduced the Charles & Ron lifestyle experience to a broader audience. The Valletta location, set in the heart of the capital, reflects the brand's signature aesthetic and extends its offer in the evening, reinforcing its presence as a homegrown Maltese brand with international appeal. The db Group is proud to continue its association with this brand.



Expanding the coverage of Starbucks outlets across Malta

Following the successful rolling out of two new outlets in FY24, an additional store was opened in FY25 at the Eden Complex adjacent to the newly opened VOCO Hotel. This brings the total number of Starbucks outlets across Malta and Gozo to 18. The Group also plans to relocate the Bugibba outlet from its current site to a more prominent location in Bugibba Square, taking over the former Pizza Hut premises.

Looking ahead to 2026, two new stores are planned, one at the db Group's St. George's Bay development and another in the historic city of Mdina. With these additions, the total store count is expected to reach 20 by the end of 2026.

The Group remains committed to expanding the Starbucks brand in Malta. Outlets are strategically located across the island to ensure accessibility for both locals and tourists. We will continue to build on our brand's success and strengthen our position as Malta's leading coffee retailer.

Hospitality

db Seabank
Resort + Spa

The Melior
Boutique Hotel

db San Antonio
Hotel + Spa

Xemxija Bay
Hotel

Property Development

db San Ġorġ
Property

Siar Property
Investments

Kika Construction
Company Limited

Għadira Property
Investments

Leisure Lifestyle Group

Adeera Complex:

Amami

Blu Beach

Westreme

Nine Lives Beach
Club

Dining:

AKI

LOA

TORA

Amami

MANTA

Casual Dining:

Westreme

Amami Food Bar

Colette

Grab & Go:

Verani

Franchised Outlets

Hard Rock Cafe Malta

Starbucks

GROM

EL&N

TATEL

C&R Café

Healthcare

Healthmark
Care Services

Health Services
Group

Support Services
Limited

Contract Catering

Kore Air
Services Ltd

Malta Healthcare
Caterers

db Seabank
RESORT & SPA - MALTA

db San Antonio
HOTEL & SPA - MALTA

XEMXIJA BAY
HOTEL

MELIOR
BOUTIQUE
HOTEL

Hard Rock
CAFE
MALTA

EL & N
LONDON

Starbucks

GROM

TATEL

Aki

LOA

TORA

AMAMI
SMILES OF ASIA

Colette
BRASSERIE

MANTA

Blū.
Brewery Club

NINE
LIVES

CHARLES & RON
CAFE

WESTREME
KITCHEN + BAR

pick
& go

VERANI

AMAMI
FOOD BAR

db PROJECTS LTD

db SAN GORG
PROPERTY LIMITED

KIKA CONSTRUCTION
COMPANY LIMITED

SIAR PROPERTY
INVESTMENTS LIMITED

GHADIRA PROPERTY
INVESTMENTS LIMITED



Financial Highlights

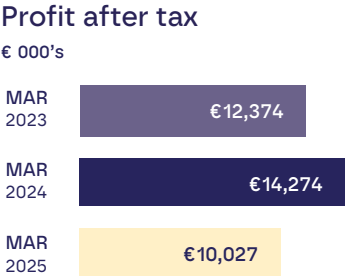
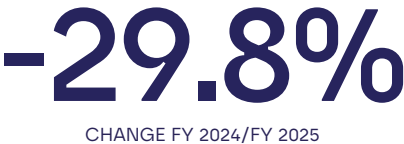
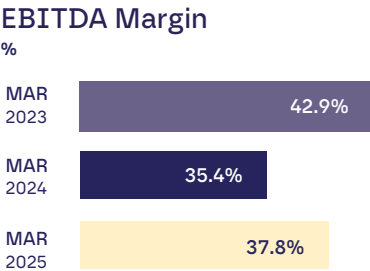
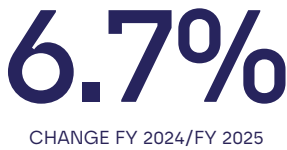
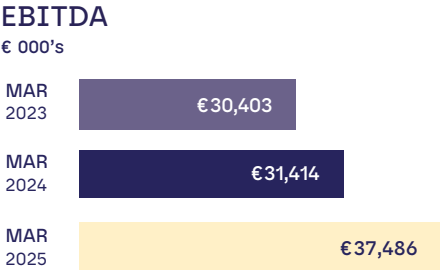
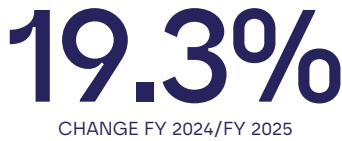
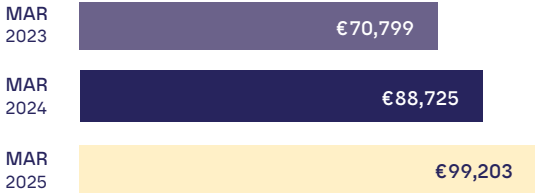
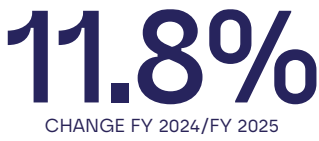
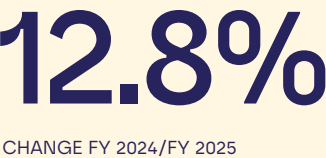
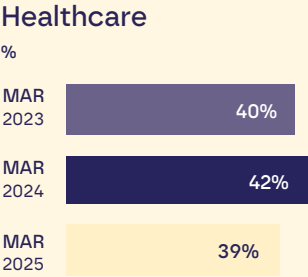
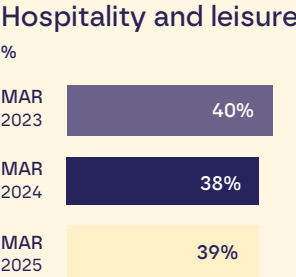
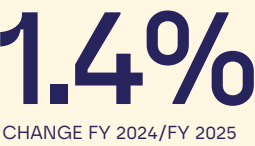


Financial Highlights

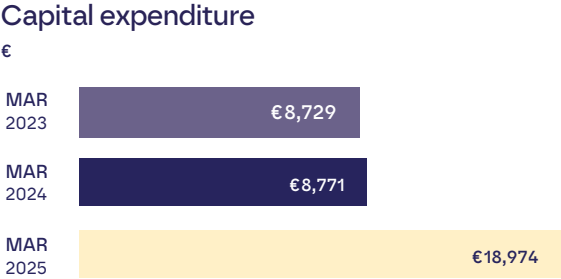
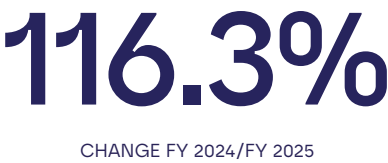
With around 3,500 beds the db Group is the largest local hotel operator. The Group’s full head count including its subsidiaries and associated companies amounts to 6,531 employees.

Group revenue including by individual associates for the year ending 31 March 2025.

FY25 was characterised by a strong performance of the Group across the different operational segments. The healthcare segment generated the most revenue.



Profit after tax declined by 30% in FY25, primarily due to increased capital expenditure driven by new significant investments, including the Group’s ongoing St George’s Bay Project. The Group’s significant increase in capital expenditure is reflected below.



Malta's Country Profile



Malta: Key Facts

The Maltese archipelago is situated in the heart of the Mediterranean and is directly accessible by air or sea from most key European commercial centres, the Middle East and North Africa. The country enjoys long-standing political stability, a high quality of life, and a relatively low cost of living.



VALLETTA
Capital city



316KM2
Area



271 KM
Shoreline



574,250
Population



1,817
Persons per square kilometre



39.8 YEARS
Median age of population



300 DAYS
Of sunshine per year



MEDITERRANEAN CLIMATE
Mild, rainy winters; hot, dry summers



285MM
Annual rainfall



EURO
Currency



€33,450
GDP per capita



+356
International dialling code



MALTESE & ENGLISH
Official languages



HIGH INTERNATIONAL CONNECTIVITY
100 direct airline connections



GMT +1
Time zone

Malta’s Benchmark Rating

Ratings of Malta’s products, services and processes against those of other countries, both in the EU and globally

Productivity 26th globally Represented by the total output volume (measured in terms of GDP) produced per unit of labour (measured in terms of the number of employed persons or hours worked). The ranking is based on OECD and the World Bank data.	SMEs with at least a basic level of digital intensity 4th out of 27 EU Member States As per the 2024 edition of the Digital Economy and Society Index (DESI), Malta enjoys a high share of ICT graduates (5.8% of graduates in Malta, versus 4.5% in the EU).
Human Development Index (HDI) HDI is 0.924, placing Malta in the 24th position out of 193 countries in 2023 The country is categorised under the ‘very high human development’ group by the UNDP Human Development Report. The HDI is a summary measure of a long and healthy life, education and a decent standard of living.¹	Gini coefficient of equivalised disposable income Malta has a coefficient of 30.8, ranking 9th highest in the EU The Gini coefficient is defined as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income, to the cumulative share of the equivalised total disposable income received by them.³ The higher the coefficient, the higher the inequality in the country.
Health Malta has a health index score of 88.9, the 18th overall global ranking Based on Health and health care systems ranking of countries worldwide in 2024. This is evaluated based on the health of the population and access to healthcare.²	Skills 5th out of 31 countries in the European Skills Index (ESI) in 2024 Malta ranks in the top performing group, with a poor score in skill development, but the second highest in comparison to EU countries in the skills matching pillar and fourth in the skills matching pillar.
Unemployment rate 3rd lowest in the EU and 29th globally in 2024 In 2023, 96% of recent graduates were currently in employment.	Innovation capability 29th out of 133 economies This ranking is based on criteria that include institutions, human capital and research, infrastructure, credit, investment, linkages; the creation, absorption and diffusion of knowledge; and creative outputs.
Corporate tax rate 35% - upon the distribution of dividends Foreign shareholders may qualify for a refund generally equivalent to 6/7ths of the tax paid.	Sovereign ratings Moody’s ratings A2 stable outlook S&P ratings A- stable outlook Fitch ratings A+ stable outlook
Double taxation treaties 70 signed conventions in force	

¹ UNDP Human Development Reports
² Health and health systems ranking of countries worldwide in 2023, by health index score
³ Eurostat

Malta:

The EU's smallest, yet one of the fastest-growing and more resilient economies

Malta has been a member of the European Union (EU) for two decades, joining on May 1, 2004 and is now fully integrated in the broader European political and economic community. The country adopted the Euro as its official currency on January 1, 2008. Its free market economy, the smallest in the eurozone, relies heavily on trade in both goods and services, principally with Europe, and on human resources.

Since Malta's accession to the EU, the country's opportunities and prospects expanded significantly. Between 2012 and 2019, Malta's real GDP increased from €9.0 billion to €14.8 billion, making it one of the fastest growing economies in Europe during that period. The latest real GDP figures reached €19.2 billion at the end of 2024.

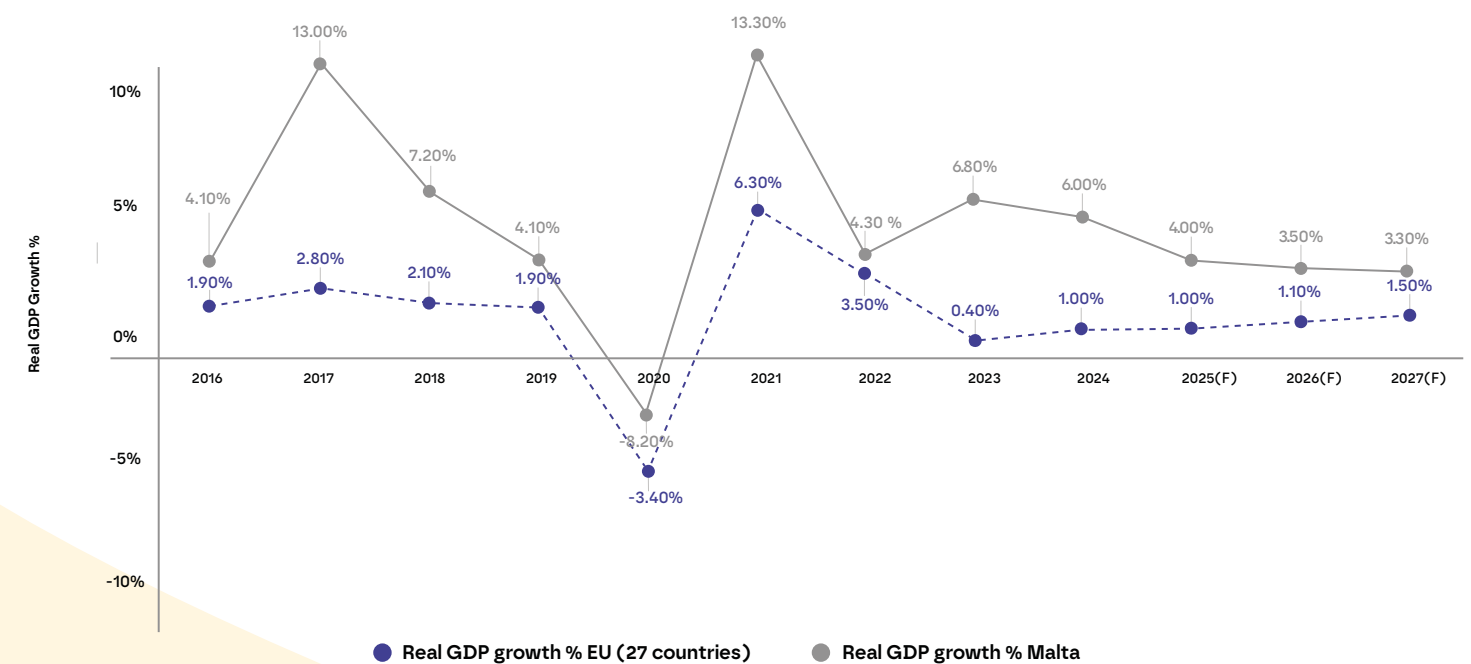
Malta's economy is primarily driven by financial services, tourism, real estate, iGaming, and high-value manufacturing. Other important sectors include pharmaceuticals and information technology. Human resources are crucial for Malta—education is therefore imperative in shaping them in parallel with labour market demands.

Malta's economy has consistently registered one of the highest GDP growth rates amongst the other EU-27 economies yet appears to be converging with EU levels of growth, as most recent quarterly data points showed a marginal slowdown in GDP growth rate.

In terms of real GDP growth, the Maltese economy has been consistently outperforming the EU average since 2009, experiencing a harsher dip during 2020, the year of the pandemic, than other EU countries, but recovering at a very fast pace in successive years. This growth has been driven by significant structural changes in the economy and by a large influx of migrants relocating to Malta in search of employment.

Following the significant economic disruption during the global pandemic, Malta's economy is once again outperforming the euro area average in terms of growth which is driven by domestic demand and net exports, in turn reflecting a strong tourism rebound. Strong economic performance continued to mark 2021 with a peak of 13.3% and 2023 with real GDP growth hitting 6.8% following a temporary slowdown in 2022 when growth declined to 4.3%, in 2024 the GDP growth reached 6.0% according to Eurostat historical data. According to Central Bank of Malta forecast, between 2025, 2026 and 2027 economic growth is expected to stabilise at 4.0%, 3.5% and 3.3%⁴ respectively, converging more closely to average growth rates expected in the EU, which are expected to marginally rise to 1.5% in 2027.

Real GDP growth Malta and EU



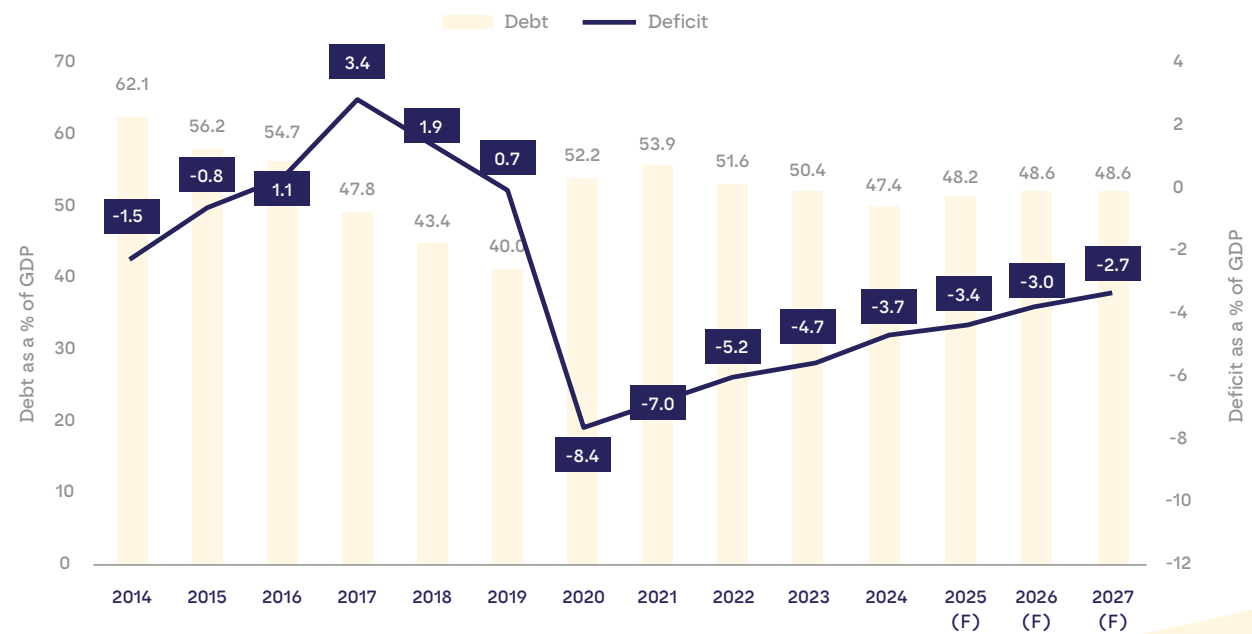
Source: Historical – Eurostat, Projections – CBM Outlook for the Maltese Economy (2025:2) & European Commission Spring 2025 (EU)

⁴ Central Bank's Forecast 2025-2027 (June 2025)

Following the pandemic, Malta has been running high deficits, exceeding the 3% Maastricht Criteria

Historical data from Eurostat highlights the large deficits Malta's Government has been running since Covid-19, registering at 4.7% of GDP in 2023, amongst the higher cohort in the EU. As a result, the EU had put forward a recommendation to impose an Excessive Deficit Procedure (EDP) due to it being above 3% of GDP during the past few years. In fact, the European Commission 2025 Spring forecast projects the general government deficit to gradually decline to 3.2% in 2025 and to -2.8% in 2026, that is below the 3% threshold.

The government's aim is to reduce it to 3% over the medium term, driven by continued robust growth. Forecasts of the Central Bank of Malta also show that government's efforts to go below the 3% threshold will be recover the next two years. On the other hand, the Government's debt-to-GDP ratio of the past year at 47.4%, remains below the 60% threshold.⁵



Source: Historicals - Eurostat, Projections - CBM Outlook for the Maltese economy (2025:2)

Malta's economic prosperity attracts expatriates, further fueling the local economy

Malta's strong economic growth has increased labour demand, resulting in record low unemployment levels. The demand for labour in Malta would appear to substantially outstrip local supply, triggering a significant influx of foreign workers and driving population growth and density. In fact, according to most recent NSO statistics, Malta's population reached 574,250 residents by the end of 2024, with expatriates being the main driver behind this growth.

The size of the expat community increased exponentially to circa 168,938 in 2024, representing an increase of more than eight times the share of foreign nationals since 2011, making up a quarter of Malta's population. As per December 2023 data, 115,721 foreign nationals were in active employment. EU nationals made up 32% of total foreign employment, while the remaining 68% were third country or EFTA nationals.

⁵ Central Bank's Forecast 2025-2027 (June 2025)

Inflation

In 2024, as supply conditions and certain import prices continued to normalise, annual inflation based on the HICP declined to 2.4% from an average of 5.6% in 2023. Inflation in Malta in 2024 was largely driven by unprocessed and processed food, including alcohol and tobacco categories which experienced inflation of 4.9% and 3.9% respectively. This was lower than what was experienced in 2023 as the Government's Stabbiltà scheme in 2024 helped to dampen food inflation.

The HICP is projected to remain stable in 2025, averaging around 2.3% according to CBM forecasts. The first four months of 2025 show an average inflation rate of 2.1%. A slight pick-up in recent months has been registered with the HICP inflation rising from 1.8% in December 2024 to 2.6% in April 2025.

Food Inflation

Unprocessed food inflation fell to a 4.9% average in 2024, from 8.5% in 2023, with its contribution to overall inflation broadly halving to 0.2 percentage points. This reflected a slower rate of increase in the prices of meat, fruit, and vegetables. From 9.6% in 2023, processed food inflation (including alcohol and tobacco) stood at 3.9% during 2024. Its contribution to overall inflation declined to 0.6 percentage points. The decline in processed food inflation mainly reflects a slower rate of increase in the prices of bread and cereals, dairy products and non-alcoholic beverages.

Services

Due to its large weighting, the services component was the main contributor to overall HICP in 2024. The average annual rate of change registered was 2.8%, but its overall contribution to inflation amounted to 1.3 percentage points in 2024, down from 2.4% in 2023. A slight uptick was registered in transport services inflation, mainly due to an increase in the annual rate of change of international flight fares and an increase in selected bus fares paid by individuals who do not hold a Tallinja card. This was offset by decreases in other components, particularly a drop in the prices for package holidays.



Economic outlook

GDP growth forecasts

As anticipated by the European Commission (EC) and the International Monetary Fund (IMF), forecasts indicate that Malta’s economy will continue to perform strongly in 2025, despite a slight reduction in the growth rate compared to 2024. Both institutions forecast a growth rate for Malta of 4.1% and 3.9% for 2025 and 4.0% and 3.9% respectively for 2026. Despite the marginal slowdowns, these figures still compare favourably to EU forecasts for the same period, which are 1.1% (EC) and 1.2% (IMF) for 2025 respectively. According to current projections this positive gap from the EU average is also expected to persist in 2027, although to a lesser extent.

GDP growth forecast	Region	2024	2025P	2026P	2027P
Central Bank of Malta	Malta	6.0%	4.0%	3.5%	3.3%
European Commission	Malta	6.0%	4.1%	4.0%	N/A
	EU-27	1.0%	1.1%	1.5%	N/A
	Euro Area	0.9%	0.9%	1.4%	N/A
IMF	Malta	5.0%	3.9%	3.9%	4.0%
	EU-27	1.1%	1.2%	1.5%	1.6%
	Euro Area	0.9%	0.8%	1.2%	1.3%

Inflation forecasts

In line with global trends, forecasts indicate that Malta’s economy will continue to be impacted by inflation above the historic average of 0.2-1.8% throughout 2013-2021. The EC and IMF predict that in 2025, HICP inflation in Malta will reach 2.2% and 2.1% respectively. Over the same time period, forecasts indicate that the EU’s headline inflation will reach 2.3% (EC) and 2.1% (IMF) in 2025. For 2026 and 2027, Malta’s inflation rate is expected to remain stable around these percentages and closely in line with EU and Euro Area forecasts.

Inflation forecast	Region	2024	2025P	2026P	2027P
Central Bank of Malta	Malta	2.4%	2.3%	2.1%	2.0%
European Commission	Malta	2.4%	2.2%	2.1%	N/A
	EU-27	2.6%	2.3%	1.9%	N/A
	Euro Area	2.4%	2.1%	1.7%	N/A
IMF	Malta	2.9%	2.1%	2.0%	2.0%
	EU-27	2.7%	2.1%	1.9%	2.1%
	Euro Area	2.4%	2.1%	1.9%	2.1%

Malta’s Unemployment

In line with increased economic activity, unemployment rates continue to decrease. This has led to a tighter labour market in which foreign workers are filling in the gaps left by shortages in the local workforce. As per most recent data from NSO, the unemployment rate in April 2025 stood at 2.7%, decreasing by 0.1 percentage points from the previous month, and decreasing by 0.6 percentage points compared to April 2024.⁶

Forecasts suggest that unemployment in Malta is expected to remain low and stable over the medium term. According to the Central Bank of Malta, the unemployment rate is projected to hold at 3.0% between 2025 and 2027, following a slight decline from 3.1% in 2024. Similarly, both the EC and the IMF project Malta’s unemployment to remain steady at 3.1% through the same period. These figures are almost half of what is projected for the broader EU and Euro Area, with the IMF forecasting unemployment in the Euro Area to decrease gradually from 6.4% in 2024 to 6.2% by 2027.

Unemployment forecast	Region	2024	2025P	2026P	2027P
Central Bank of Malta	Malta	3.1%	3.0%	3.0%	3.0%
European Commission	Malta	3.1%	3.1%	3.1%	N/A
	EU-27	5.9%	5.9%	5.7%	N/A
	Euro Area	6.4%	6.3%	5.7%	N/A
IMF	Malta	3.1%	3.1%	3.1%	3.1%
	Euro Area	6.4%	6.4%	6.3%	6.2%



⁶ NSO Unemployment rate: April 2025 NR 095/2025

Malta's Residential Property Market

The Maltese real estate market has always been strong. It registered capital appreciation for three consecutive decades, withstanding both the global economic crisis of 2009 and the pandemic.

Following the pandemic-driven slowdown in 2020, the local real estate market bounced back to record volumes in 2021. However, this increase could be attributed to a backlog of contracts that were halted that year but were eventually finalised in 2021. The number of property transactions completed in 2022 was comparable to that of 2021 and slightly above 2019 figures, showcasing the robustness of the local residential property market. The promise of sale agreements registered in 2024 shows that the market remains steady and robust.

During the fourth quarter of 2024, the Residential Property Price Index (RPPI) stood at 165.22, an annual increase of 5.2% when compared to the corresponding quarter of 2023. In the period under review, the Apartments Price Index and the Maisonettes Price Index stood at 165.34 and 157.53, registering annual increases of 5.0% and 5.2% respectively.

Sales to non-nationals tend to be concentrated in new, larger developments (typically in Special Designated Areas [SDAs]) whereby the conditions of acquisition are the same for Maltese and foreign residents. Furthermore, non-EU nationals are eligible to purchase more than one property in an SDA. Other nationals who visit in search of employment tend to rent property. The rental property market in Malta has been growing throughout 2024, with active registered contracts standing at 64,856 at the end of June 2024.⁷ This represents an increase of 15% compared to a year earlier.

⁷ Housing Authority



Economic agility, diversification and stability

In recent years, Malta distinguished itself in a range of sectors, particularly the financial, maritime, aviation, digital and high-end manufacturing ones. Indeed, during the years preceding the pandemic Malta nurtured a truly robust and resilient economy, with consistently high rates of GDP growth, record unemployment lows and multiple years of fiscal surpluses.

The decision of high-profile companies to invest in and move their operations to Malta is a strong indicator of the country’s status as a profitable business hub. HSBC, BNF Bank, French maritime line CMA CGM, Microsoft, Lufthansa Technik, Playmobil and Toly amongst others, have all made Malta their business home.

The solid economic foundations put in place during this period of growth provided the Maltese government with the tools to help sustain the economy and withstand the challenges posed by the pandemic. These foundations facilitated a fairly rapid economic turnaround and the recovery process began in earnest once restrictions were lifted.

Malta’s Economic Vision 2021-2031, which sets out the overall direction and mission to ensure Malta’s future success, highlights this reality. The vision emphasises community vitality, virtualisation and innovative solutions. The focus will be on five overarching pillars:

- 1. Sustainable economic growth** - Safeguarding current growth industries while cultivating and creating a culture of innovation for new niches and engines of growth which lead to substantial quality-of-life improvements.
- 2. High quality infrastructure and investment** - In an increasingly globalised economy, Malta strives to develop a world-class, sustainable infrastructure across road, air and sea transportation. In parallel the country strives to create a vibrant investment environment for domestic and foreign entrepreneurs, as well as to gradually become a regional hub for start-ups.
- 3. Education and employment** - To provide the necessary educational system geared for the acquisition of the knowledge and skills to build the economy of the future, create high-quality and well-paying jobs, and ensure that Malta remains a natural home for global talent.
- 4. The environment** - To ramp up to a smooth transition to a circular and sustainable economy across all sectors of economic activity, while embracing new alternative energy solutions to achieve carbon neutrality by 2050.
- 5. High standards of accountability, governance and rule of law** - To continue to enhance and promote good governance in every sphere of public life, key institutions and decision-making authorities, affirming the country as a trustworthy, transparent and efficient economic partner in the global sphere.

This long-term economic vision was set out to in order to align Malta with European priorities, facilitating the hooking up of national, sectoral and thematic strategies to available European Commission funding streams. Malta will be eligible for a total of €2.25 billion in EU funding through the Multiannual Financial Framework (MFF) over the period 2021-2027. It will provide:

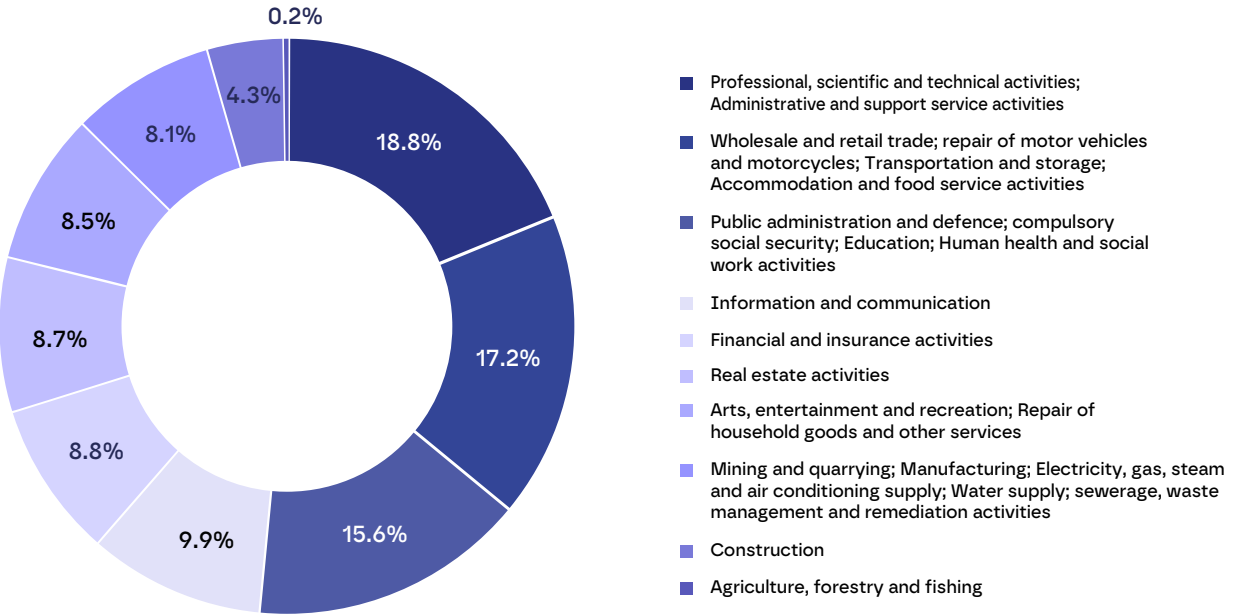
- €934 million for Cohesion Policy;
- €316 million for Recovery & Resilience, Single Market and European Values;
- €327 million for COVID-19 stimulus;
- €191 million for Agriculture; and
- €276 million for Migration, Borders, Security, Education and Fisheries;
- €162 million for Strategic Investment, Research and Innovation and the Environment.

To stay on this positive trajectory a key driver of Malta’s future economic growth is to further nurture the health and sustainable growth of the financial sector, adhering to the highest levels of good governance.

Diversification in new niches of economic activity is equally at the forefront of Malta’s economic vision. It will be essential to create a compelling value proposition for innovative businesses to base their operations here. Malta intends, and is capable of, making full use of the country’s size, EU membership and location to position itself as a leading global test bed to pilot new initiatives, solutions and business models.

A primary ambition is to establish Malta as a global leader in research, development, and innovation. The government aims to double its spending on R&D, mainly through the fostering of private sector investment alongside that of government, academia and policy levers involving both supply-side and demand-side measures. In this respect, artificial intelligence (AI) and the Internet of Things (IoT) are high on the country’s agenda. Other key focus areas include health and well-being, digital education technology and services (EdTech), technology driven regulatory solutions (RegTech), autonomous marine vessels, public sector blockchain solutions, green solutions such as carbontech, and international arbitration.

Malta's GVA by industry - 2024



Source: NSO: Gross Domestic Product: 2024 NR035/2025

Malta's key economic sectors



High-value manufacturing

Several foreign corporations have relocated their manufacturing divisions to Malta to benefit from a skilled, multilingual workforce, as well as advantageous regulations. To maintain its competitive edge, Malta is moving away from labour-intensive industries and focusing on automated and high value-added activities.



Gaming

In 2004, Malta was the first EU Member State to regulate online gaming, gaining a significant competitive edge over its EU counterparts. The country has also been exploring an e-sports strategy, a promising industry which is one of the fastest growing in the world. It is projected to globally grow beyond the €1 billion mark. As Europe's iGaming capital, Malta is home to the world's largest operators and hosts circa 350 iGaming companies. As the first EU country to license online gaming, Malta boasts almost two decades of uninterrupted growth in this sector. Due to the efficient and stringent licensing process, a Maltese license provides real value and is held in high esteem.

More recently, eSports (electronic sports) is becoming an increasingly important facet of Malta's gaming industry. Esports involve multiplayer video game competitions and tournaments, often mimicking traditional sports by using similar tournament formats and regulations. Local interest has grown, and the industry has experienced a steady growth in popularity thanks to numerous competitions and events.



Maritime

Traditionally, the marine and maritime sector played an important role in the local economy. The country now has one of the most extensive ship registers in the world. It is well connected and set up for sea transportation, offering various berthing, ancillary and other services to private vessel and superyacht owners. In addition to a cost-effective jurisdiction for ship registration, as a neutral state, Malta offers both economic and political stability.

The country has also dedicated resources to position itself as a leader in new emerging activities such as aquaculture, marine biotechnology, renewable energy and e-maritime services.

To provide more efficient regulatory practices to internal operators, improve customer relations and administration for a such a nationally vital economic sector, Malta's Recovery and Resilience Plan allocated part of the €55 million earmarked to foster a digital, smart and resilient economy to the digitalisation of the Merchant Shipping Directorate within Transport Malta. This investment will support the development of IT systems, including the digitalisation of 15,000 physical shipping files, the vessel Management system, a digital maritime interface, an improved seafarers Management system and maritime analytics tools.



Financial Services

Malta has become a long-standing, reputable international financial services hub with several big players already on the island, including many insurance firms. The core pillars of Malta's financial sector are represented by domestic and international institutions including Credit & Financial, Investment Funds & Asset Management, Insurance & Reinsurance, Private Wealth, and more recently Fintech companies.

Fintech has expanded its portfolio into profitable niche areas such as pensions, payments and securitisation as well as opening its doors specifically to Fintech entrepreneurs. Given Malta's ambition to become an innovation hub, the global Fintech sector is finding it attractive to relocate here due to the wealth of local talent, both in the technological and financial fields.



Healthcare

Malta's public healthcare is among the best in Europe and is provided to residents free of charge. Often referred to as "The Hospital of the Mediterranean", the country's reputation serves as an insight into the high level of care provided.

Malta's vision for the future is to continue to offer, high-end and efficient healthcare, including better amenities and quality services as well as a plan to become a reputable health-tourism hub.⁸

To this end, one of the main components outlined in Malta's Recovery and Resilience Plan is to strengthen the built-in adaptability of the health system through policy reforms and investments focusing on prevention measures, improvement of quality medical treatment, digitalised services, and further bolstering of the workforce. This component of the Recovery and Resilience Plan has been allocated a budget of €50 million.⁹



Digital Strategy

The Maltese government has taken a clear and proactive stance on technological innovation. ICT is identified as a crucial facilitator in the development of the nation's economy, asserting the country's aspiration to become a disrupter. In line with this commitment, Malta has firmly established itself as a leader in new, up-and-coming areas such as distributed ledger technology (DLT). In terms of ICT infrastructure¹⁰ Malta ranks 29th in the world.

The country has now set out to establish itself in the field of Artificial Intelligence as well as fostering a digital, smart and resilient economy. This has been outlined in the "Strategy and Vision for Artificial Intelligence in Malta 2030" which includes plans to revolutionise many industries from tourism to gaming to financial services. "Malta's Recovery and Resilience Plan" has been allocated €55 million to fast track digital transformation. The goal is to strengthen the national policy framework, including two policy reforms that will facilitate more digitalisation of services in public administration and regulatory bodies and four areas of investment that will support both the public and private sectors in digitalising and improving overall security and efficiency.

The Malta Digital Innovation Authority has set aside €4.1 million for a plan to launch six new artificial intelligence programs covering transportation, energy, health, education, tourism, and online government services in Malta. The plan will target Malta's aspiration of becoming a hub for AI technology development, testing and implementation.¹¹



Education

All public education up to the tertiary level is of high quality, free and receives public funding. There is currently only one public Maltese university, the University of Malta (UoM) which offers a wide range of degrees and diplomas, including new courses in AI and micro- and nanotechnology. The Barts Medical School, based in the Gozo General Hospital complex, was opened in 2019. This private university offers degrees in medicine and dentistry. The American University of Malta (AUM), which was inaugurated in early 2019, offers students a mix of undergraduate, graduate and doctorate programs in areas of business, engineering and technology, and the arts.

In recent years Malta's education system benefitted from investments in solid ICT infrastructure, offering students access to crucial technology which has enabled enhanced digital learning as well as facilitating online learning.



Construction

The construction industry represents a stable, resilient, and growing sector in the Maltese economy. It experienced a consistent growth in 2021, 2022 and 2023 by 17.4%, 8.8%, and 7.2% respectively. In 2024, the industry grew further by 7.1%.

Data for the first quarter of 2025 shows that the sector's growth remained stagnant compared to the same quarter of last year. As highlighted in the Central Bank of Malta's Economic Update, the construction confidence indicator rose to 24.4 in April 2025, well above the long-term average of 7.6, reflecting more optimistic expectations regarding workload and employment.

Nevertheless, the construction industry continues to be an important sector in the local economy, accounting for roughly 4.3% of the total GVA of the economy in 2024.

⁸ Malta's Recovery and Resilience Plan

⁹ Malta's Recovery and Resilience Plan

¹⁰ Global Innovation Index 2024

¹¹ economy.gov.mt

Tourism

The tourism sector is a significant contributor to the local economy, with the island attracting millions of visitors year on year. One of Malta's main strengths as a tourist destination is its rich history and cultural heritage. The island boasts several UNESCO world Heritage sites, including Valletta, the Hal-Saflieni Hypogeum and the Megalithic Temples. These sites along with other historic sites around the island such as Mdina, Rabat, the 'Three Cities', and Gozo, allow Malta to attract a number of cultural tourists.

Malta is also known for its warm sunny Mediterranean climate, its beautiful beaches and diving spots. In 2022, 12 beaches around the Maltese islands were awarded the blue flag award, which recognises the quality, cleanliness and sustainability of the island's beaches. Popular beaches include the Blue Lagoon in Comino, Paradise Bay, Mellieħa Bay and Ramla il-Ħamra in Gozo.

In 2024 a new record number of tourists visiting the island was registered - 3.56 million. Total tourist expenditure rose by 23.1%, up from €2.7 billion in 2023 to €3.3 billion in 2024, with a per capita expenditure of €924. This reflects Malta's ability to attract higher-spending visitors, reinforcing the industry's role as a key economic driver.

Due to considerable growth in tourist arrivals over the last decade, in recent years there has been a significant investment in supply-side projects, which are expected to come to fruition in the next few years, increasing the available bed-stock in Malta. The private accommodation bed-stock, through aggregators such as Airbnb, has also grown exponentially in recent years. All of this has led to concerns over the sustainability of the local tourism industry, or at least parts of it.

In this regard, a recent study commissioned by the MHRA highlighted that if the possible increase in bed stock exceeds the expected growth in demand, then this could impact the financial sustainability of the tourism accommodation sector. Such a scenario could potentially lead to lower occupancy rates which could result in a price war between competitors, impacting the long-term profitability of collective accommodation providers.

Aviation

The local economy offers all the services required for aircraft operations. Aircraft manufacturers, operators and ancillary service providers are based in two dedicated aviation parks. In agreement with Malta Enterprise and INDIS, Ryanair has announced an investment of €20 million¹² a new three bay, heavy maintenance hangar facility at Malta International Airport. The investment is expected to create over 250 highly skilled jobs.

In January 2023, Malta launched its first national aviation policy—'A Civil Aviation Policy for Malta 2023-2030'.¹³ The policy identifies five key strategic pillars, which include:

1. Capacity building;
2. Optimising economic benefits;
3. Increasing stakeholder participation;
4. Revising regulations and legislation; and
5. Sustainability.

These five strategic pillars also include 24 policy objectives which need to be achieved by 2030. These objectives are expected to result in an overall improvement of local human resources and skills in the aviation sector, creating a path to work towards Malta's decarbonisation goals whilst maintaining Malta's key connectivity and competitiveness. Moreover, the policy seeks to develop and support emerging niches such as drones and eVTOL (electric vertical take-off and landing) aircraft.

¹² Stqarrija mill-uffiċċju tal-Prim Ministru, Government of Malta (2022)

¹³ A Civil Aviation Policy for Malta 2023-2030

Reasons to invest in Malta

Malta's economy has emerged as one of Europe's best performing ones with high GDP growth, low unemployment and agile resilience throughout the pandemic. Characterised by its pro-business attitude, cutting-edge technology, competitive labour costs and a strategic location, Malta proved to be alluring to foreign professionals and international companies in a range of sectors, including finance, maritime and digital industries.

Malta ranks 29th among 132 economies listed in The Global Innovation Index (GII). The GII ranks world economies according to their innovation capabilities. Meanwhile, Malta's global innovation output ranks 17th, highlighting strong knowledge and technology-based as well as creative product outputs. Infrastructure, business sophistication and creative outputs all rank in the top 30 amongst the other 132 economies.¹⁴

Geography

Malta's strategic location in the middle of the Mediterranean makes it an ideal steppingstone or intermediary for any organisation to branch out and expand to both Europe and Africa. EU membership also allows legal bodies incorporated in Malta freedom of movement throughout the EU.

Political stability and economic performance

Malta is a democracy based on the Westminster model and enjoys long-standing political stability. In turn, this is reflected in its solid economic performance. The country also scores highly on all quality-of-life aspects.

Business-friendly environment

The country is an internationally-recognised financial services hub and is fast becoming a regional centre of ICT expertise. Malta has a business-friendly environment with a sound infrastructure and favourable tax rates for corporations and individuals. As per the Global Talent Competitiveness Index in 2023, Malta ranked 21st among 134 countries in terms of attracting, developing and retaining talent.

Ease of access

At the height of the pandemic, a number of airlines had to cancel some or all of their routes to and from Malta. Nevertheless, a number of the major ones continued to operate—Emirates, Lufthansa, British Airways, Qatar Airways, Ryanair, EasyJet, Jet2, Wizzair, ITA Airways, and Turkish Airlines.

As identified in Malta's national aviation policy, following the drastic decrease of connectivity during the pandemic, the Maltese government together with key local stakeholders have prioritised investment in rebuilding and growing Malta's air connectivity and seat capacity.

Being an island, Malta is also fully accessible by sea. Currently there is a fast RoRo ferry service operated by Virtu ferries between Valletta and Pozzallo, Sicily and Catania. Additionally, in 2024, Valletta Cruise Port achieved a record-breaking 940,000 passenger movements, surpassing the previous high set in 2019 by 4%. This milestone was reached with 357 cruise ship calls throughout the year.

Infrastructure

Substantial investment in both the public and private sectors is being made to increase the residential and tourist capacity, office and retail space as well as to improve and modernise the quality of life. Due to Malta's growing population, the infrastructure has been struggling to keep pace, mainly due to the increasing number of cars on the road. As of 2025 Q1, the total of licensed motor vehicles reached 447,455.¹⁵

As a result of overcrowding, the government has invested heavily in new roads, as well as increasing and upgrading junctions in key traffic nodes. Such ventures include the Marsa flyover project, which was completed in April 2021, the Central Link project completed in January 2022, as well as the airport road infrastructure project completed in 2023. The 2025 national budget allocated €300 million towards greening projects aimed at modernising infrastructure and utilities, with the goal of creating resilient, eco-friendly urban environments.¹⁶

Workforce

The labour force is productive, highly educated, speaks English, is flexible, and has an excellent work ethic. The country has a good pool of professional, managerial and technical human resources and a ready supply of top graduates. However, due to the surge in economic growth in recent years, the country's biggest challenge is to attract the right fit skilled human resources and to curtail skills mismatches.

¹⁴ Global Innovation Index 2023

¹⁵ NSO: Motor Vehicles: Q1/2025

¹⁶ <https://www.bgmtmalta.com/post/malta-budget-2025-an-overview>

Start-ups

The Maltese Government has recognised the key role that new entrepreneurs, innovators and disruptors play in the economy. The country already stands out as an appealing destination for start-ups, particularly in the digital, technical and manufacturing sectors. Research shows that seed investment can last five times longer in Malta than in other, more costly, jurisdictions. Attractive initiatives for start-ups include tax benefits as well as less burdensome audit and administrative requirements. “Start in Malta” is a government initiative aimed to broaden and stimulate interest in the country’s set up for start-ups, in order to make this country the home turf for those who are geared to succeed.¹⁷ Not surprisingly, Malta has witnessed the emergence of multiple successful start-ups, testament to a supportive ecosystem.

Containment

Malta’s size and population allows its market to be used strategically for pilot testing and adjustments prior to scaling up to international markets. Additionally, the country’s size diminishes commuting times.

Climate and energy

Malta enjoys around 300 days of sunshine annually, making it an enjoyable destination for travel and work, and offers great potential for renewable energy generation.

History and activities

Malta has a 7,000-year-old history and is home to the oldest free-standing structures in the world. The country is a treasure trove of architectural, artistic and cultural remnants of Phoenician, Arab, Roman, Knights of Malta, and British origins.

Foreign Direct Investment (FDI)

Foreign Direct Investment in Malta continues to rise, with Germany being the leader, followed by Italy and the United Kingdom. Additionally, investment from strong economies such as the United States, China and India are contributing to this trend. Apart from maintaining excellent relations with the US, China and the UK, Malta relies on its diligent workforce and is free of foreign debt.

The Maltese government regularly updates and implements policies and incentives to enhance the island’s appeal to FDI. Malta Enterprise is the country’s economic development agency, tasked with attracting new foreign direct investment which also facilitates the growth of existing operations. The island’s favourable FDI environment is further enhanced by its strategic location and size, English being spoken by everyone, and the availability of enticing packages designed to support the growth and success of start-ups. These promising factors highlight Malta’s attractiveness as an investment destination.

In June 2024, FDI flows in Malta increased by €13.1 billion, with financial and insurance activities being the main contributors, accounting for 97.5% of the total FDI stocks.

¹⁷ Department of information Malta: Press Release - PR230066



Malta's Permanent Residence Programme

An individual may obtain permanent residency rights in Malta through the Immigration Act under the Malta Permanent Residence Programme (MPRP), subject to the fulfilment of certain criteria.

The MPRP enables third country nationals and their dependents willing to invest in Malta to obtain a Maltese residence permit and may reside, settle, and remain in the country indefinitely, as well as travel in the Schengen area without the need to apply for a visa, for a period of 90 days in a 180-day period.

The main applicant must satisfy the following five criteria:

- pay a non-refundable administrative fee of €50,000 and a further €10,000 for each dependent;
- purchase property situated in Malta or Gozo with a minimum value of €375,000 or lease a property situated in Malta or Gozo with an annual rent of at least €14,000;
- pay a government contribution of €30,000, if purchasing a property situated in Malta/Gozo or €60,000 if leasing one;
- make a donation of €2,000 to a local philanthropic, cultural, scientific, sport, animal welfare or artistic non-governmental organisation; and
- show that s/he is in possession of capital assets of not less than €500,000, out of which a minimum of €150,000 must be in financial assets or show that the capital assets held are of not less than €650,000, of which €75,000 must be financial assets.

Tax incentives for foreign investors

Malta offers various incentives to foreigners, a policy which has been instrumental to attract a significant number of expatriates.

A long-standing, full tax system has been in place in Malta since 1948. Although the corporate taxation rate stands at 35%, upon the distribution of dividends, foreign shareholders may qualify for a refund generally equivalent to 6/7ths of the tax paid. This results in an effective tax rate of 5%. Furthermore, through fiscal unity, the 5% effective tax rate may be achieved immediately without having to distribute a dividend or file a claim for a tax refund.

With regards to personal taxation, individuals, as a rule, are subject to progressive tax rates. Having different rating scales for different categories, the system has a 35% ceiling. The general rule is that expats are taxed on income and certain local capital gains as well as foreign income remitted to or received in Malta. Foreign funds of a capital nature are not taxable, even when received in Malta. However, remittances to Malta for ordinary expenses such as living expenses are presumed to be remittances of income, unless proved otherwise. Furthermore, there are no property, wealth, or inheritance taxes (other than stamp duty). One may opt to be taxed on gross rental income from residential or commercial property at a flat rate of 15% (subject to certain conditions).

Expatriates, who meet certain criteria, may now be subject to a minimum tax of €5,000, before double tax relief.

In addition, the country offers various tax programmes to high-net-worth expatriates, pegging an attractive flat tax rate of 15% on foreign income received in Malta. To qualify for one of the below special tax programmes certain criteria must be satisfied. Amongst others, the individual must hold a ‘Qualifying Owned Property’ worth not less than €275,000 (or €220,000 if situated in Gozo or the south of Malta) or lease a ‘Qualifying rented property’ for at least €9,600 per annum (or €8,750 for a property situated in Gozo or the south of Malta) and must not reside in any jurisdiction other than Malta for more than 183 days in a calendar year.

For an individual qualifying under the Global Residence Programme (for non-EU/non-EEA/non-Swiss nationals) or the Residence Programme Rules (for EU/EEA/Swiss nationals) all foreign sourced income, which is remitted to Malta, is taxed at 15%, subject to a minimum tax payment of €15,000, after double tax relief.

The Malta Retirement Programme Rules apply to expatriates (EU/EEA/Swiss and third country nationals) who are not in employment and who receive a pension as their regular source of income, all of which must be received in Malta and constitute at least 75% of the beneficiary’s income chargeable to tax in Malta. An individual qualifying under this programme will be subject to a tax rate of 15% on chargeable foreign income received in Malta, subject to a minimum income tax of €7,500 and an additional €500 per dependent per annum, after double taxation relief. To qualify for this special status, the individual must physically stay in Malta for at least 90 days a year averaged over 5 years.

The United Nations Pensions Programme (UNPP) is available to expatriates in receipt of a UN pension or a Widow’s/Widower’s Benefit of which at least 40% is received in Malta. UN pension or Widow’s/Widower’s Benefit income received in Malta is exempt from local income tax. Other foreign income received in Malta is subject to income tax at a flat rate of 15%, subject to a minimum tax of €10,000, after double tax relief. In the case of a married couple both of whom are in receipt of a UN pension, the total minimum tax for the couple increases to €15,000, after double tax relief.

Malta also offers tax programmes to attract highly qualified foreign individuals to work in specific economic sectors. Under the Highly Qualified Persons Rules, expatriates satisfying certain requirements and employed in an eligible office, may opt to be subject to tax on such employment income at a flat rate of 15%, on condition that they do not claim double tax relief or any other deductions of credits. Companies which qualify include those licensed and/or recognised by the Malta Financial Services Authority, the Malta Gaming Authority or with an undertaking to hold an air operator’s certificate or with the Office of the Chief Medical Officer to Government earning income payable from a ‘qualifying contract of employment’.

Beneficiaries of the said Rules may benefit from the reduced tax rate for a period of 5 years in the case of EU/EEA and Swiss nationals and for a period of 4 years in the case of third country nationals. Furthermore, any person who is eligible to qualify under the said Rules shall be eligible for two further extensions of the qualifying period, provided that the maximum qualifying period does not exceed a consecutive period of fifteen years (in the case of EU/EEA/Swiss nationals) or twelve years (in the case of third country nationals). After December 31, 2025, no new decisions about eligibility under these Rules will be made.

Similar programmes are also available: the Qualifying Employment in Maritime Activities, the Servicing of Offshore Oil and Gas Industry Activities (Personal Tax) Rules, the Qualifying Employment in Aviation (Personal Tax) Rules, the Qualifying Employment in Innovation and the Creativity Rules. Individuals who are established in a field of excellence and return as ordinary Maltese residents may opt to have their income from employment in Malta taxed at a rate of 15%, subject to certain terms.

These incentives and schemes are having a multiplier effect on the Maltese economy and leading to an increased demand for upmarket property in the country.

Hospitality & Leisure



Hospitality & Leisure

Tourism is a key sector in Malta, accounting for a large portion of the GDP and jobs. In 2024, 3.6 million tourists visited, a notable figure given the local population of just over half a million.

Between 2015 and 2019, arrivals grew at an annual rate of 8.9%, outpacing EU averages. Pandemic restrictions in 2020 and 2021 caused a sharp decline. Malta rebounded strongly in 2022 with almost 2.3 million arrivals, surpassing pre-pandemic numbers in 2023, almost hitting the 3 million visitor mark. In 2024, arrivals rose 20% year-on-year, reaching around 3.6 million.



Main Indicators for Inbound Tourism for Malta 2020-2024

	2020	2021	2022	2023	2024	% change 23-24
Inbound tourists, not including overnight cruise passengers (thousands)	659	969	2,287	2,976	3,564	+20%
Tourist guest nights (thousands)	5,230	8,390	16,608	20,289	22,917	+13%
Average length of stay (days)	7.9	8.7	7.3	6.8	5.4	-21%
Tourism expenditure (€ millions)	455	871	2,012	2,675	3,292	+23%

Source: National Statistics Office, Inbound Tourism: December 2024

Typically, May through to October are the peak tourist months with August being the busiest. In 2024, tourists coming from the EU accounted for around 67% of all visitors. In 2024, the UK was Malta’s main source market, accounting for 19.8% of annual arrivals. In 2023, Italy was the main source market, but was marginally edged out by the UK, with 17.3% of tourists visiting from Italy. Around 8.3% of tourists come from France, followed by German visitors, accounting for approximately 7.0%.¹

Over the years, Malta’s tourist profile has shifted from a ‘sun and sea’ focus to a more varied and cosmopolitan one, embracing history, culture, entertainment and business travel requirements—meetings, incentives, conferences, and exhibitions, diving, sports, and English language learning. The majority of tourists are aged between 25 to 44 years.²

As at Q1 2025, the number of hotels in Malta and Gozo stood at 140, amounting to c. 41,800 beds. The majority are 4- and 3-star establishments, housing 22,395 and 10,847 beds respectively. During the first quarter of 2025, 52% of non-resident hotel guests stayed at 4-star hotels, 30% stayed at 3-star ones and 17% opted for 5-star.³ In addition to the hotels, there were another 150 collective accommodation establishments with a total of c.6,094 beds. This segment includes guest houses and boutique hotels, amongst other small establishments.

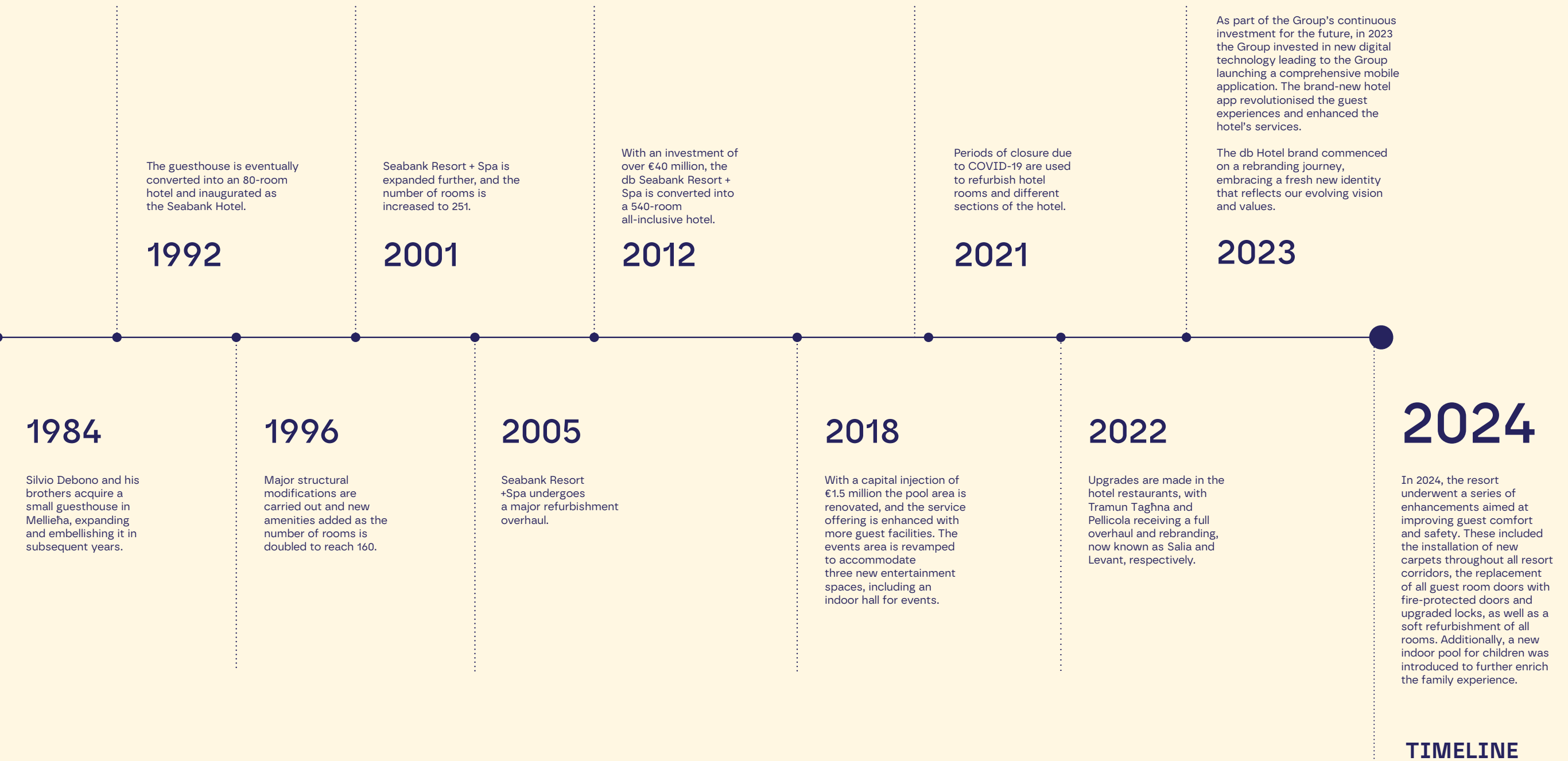
Malta recorded its highest number of tourist arrivals in 2024, thereby strengthening the Group’s hospitality operations and delivering a strong performance during FY25. Throughout FY25, hotels and restaurants operated at a steady and competitive pace, as indicated by the financial results shown below.

¹ National Statistics Office, Inbound Tourism: December 2024
² National Statistics Office, Inbound Tourism: December 2024
³ National Statistics Office, Collective Accommodation Establishments: Q1/2025

db Seabank Resort & Spa



db Seabank Resort & Spa



db Seabank Resort & Spa

The db Seabank Resort & Spa is a 538 room 4-star all-inclusive hotel located in Mellieħa Bay. It has been in operation since 1992 and is Malta's first fully all-inclusive resort. It offers superior service and enjoys spectacular and unobstructed sea views. The hotel sits on approximately 23,000 square metres of land, 19,000 square metres of which are landscaped, and employs over 420 staff from 27 different countries.

In 2012, with an injection of €40 million, the resort was renovated and extended to a 540-room facility. The hotel houses seven themed restaurants, 3 bars, Malta's largest hotel pool, a state-of-the-art fitness centre, and a spa with a heated indoor pool offering panoramic views. In 2015, a new entertainment complex including three restaurants, a bowling alley, a sports bar, and a teens and kids club were inaugurated on its grounds.

The dbSeabank Resort & Spa offers guests a total of ten varied food and beverage establishments to choose from. Over the years, the Group has kept up with consumer trends by frequently updating the hotel's offering through reinvestment and renovation. We have commissioned new restaurants and updated their offerings to showcase our deep understanding of market demands as well as the Group's extensive experience in the hospitality and catering industry. Through constant re-investment and refurbishments, the Group ensures that we are able to provide new exciting experiences for both resident and non-resident guests.



Over the years, the hotel was awarded a number of prestigious awards by leading tour operators and certification bodies:



LIST OF AWARDS

2025

- Green Key Certification - a globally recognised eco-label awarded to establishments in recognition to continuous efforts and high standards to operate responsibly and support global environmental goals



- Top Hotel Partner 2024 by Schauinsland Reisen
- Traveller's Review Award by Booking.com

2024

- Traveller's Choice Award by Tripadvisor
- 2023 Zero Waste HoReCa Champion Award
- Quality Award by Jet2Holidays
- Top Hotel Partner 2023 by Schauinsland Reisen
- Top Hotel Performer Award 2023 by MTS Globe Malta & Robert Arrigo & Sons

2023

- Traveller's Choice Award by Tripadvisor
- Traveller's Review Award by Booking.com
- 2023 KAYAK Travel Awards
- Top Hotel Partner 2022 by Schauinsland Reisen

2022

- Traveller Review Award by Booking.com
- Traveller's Choice Award by Tripadvisor
- Forbes Travel Guide "Sharecare VERIFIED"

2021

- Traveller Review Award by Booking.com
- Traveller's Choice Award by Tripadvisor
- Recommended Hotel by HolidayCheck

2019

- Traveller's Choice by Tripadvisor 2018
- Traveller's Choice by Tripadvisor 2017
- Traveller's Choice by Tripadvisor
- Top-rated All-inclusive Hotel for the year by Hotels.com

2016

- Certificate of Excellence by Tripadvisor
- Traveller's Choice by Tripadvisor
- Loved by Guests Award
- Guest Review Award by Booking.com

2015

- Certificate of Excellence by Tripadvisor
- Traveller's Choice by Tripadvisor
- Hall of Fame Award by Tripadvisor
- Excellence Award by Booking.com
- Quality Award by Jet2holidays

2014

- Certificate of Excellence by Tripadvisor
- Traveller's Choice by Tripadvisor
- Most Popular Hotel in Mellieħa by HolidayCheck.com
- Gold Award Accessible Tourism by Travelife

2013

- Top 25 All-Inclusive Resort in Europe by Tripadvisor
- Certificate of Excellence by Tripadvisor
- Traveller's Choice by Tripadvisor
- Quality Selection Certificate by HolidayCheck.com

2012

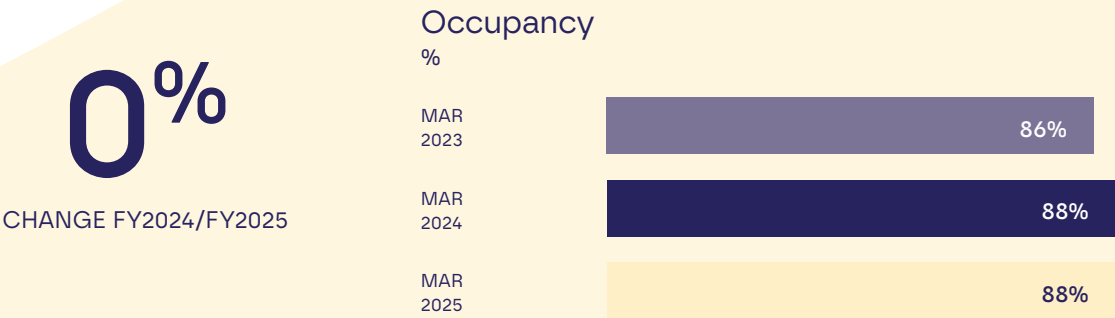
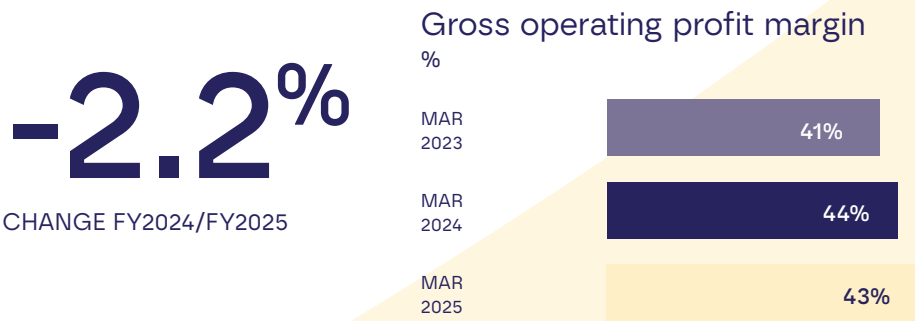
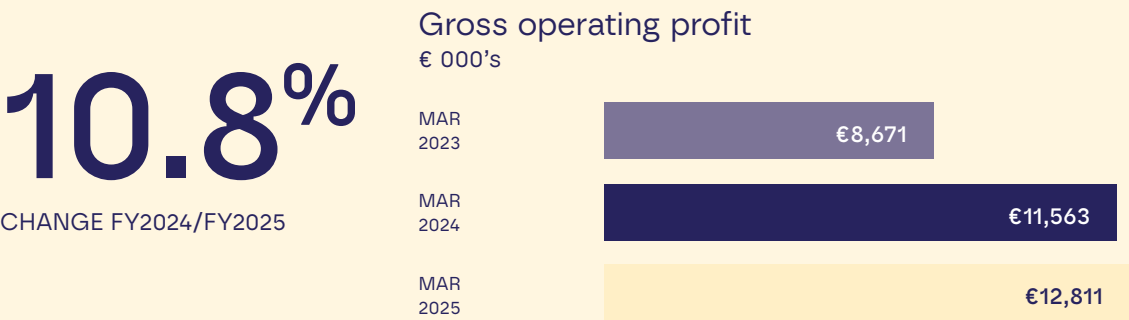
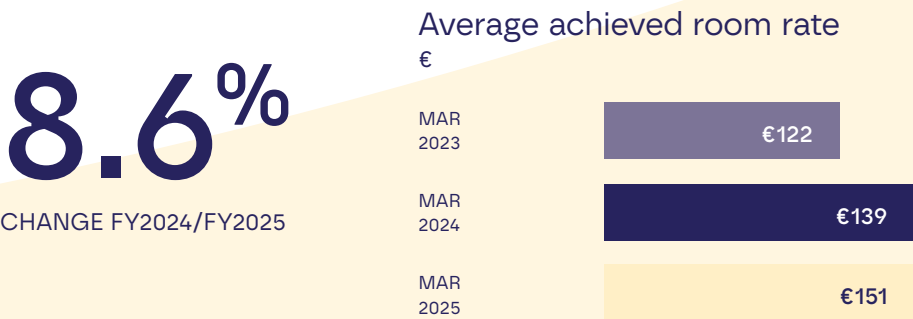
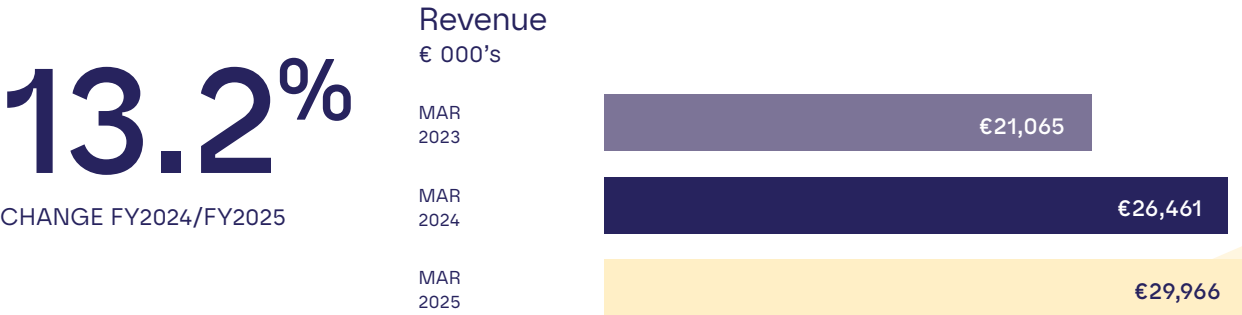
- Certificate of Excellence by Tripadvisor

2011

- Certificate of Excellence by Tripadvisor

FY25 RESULTS AND KPIs

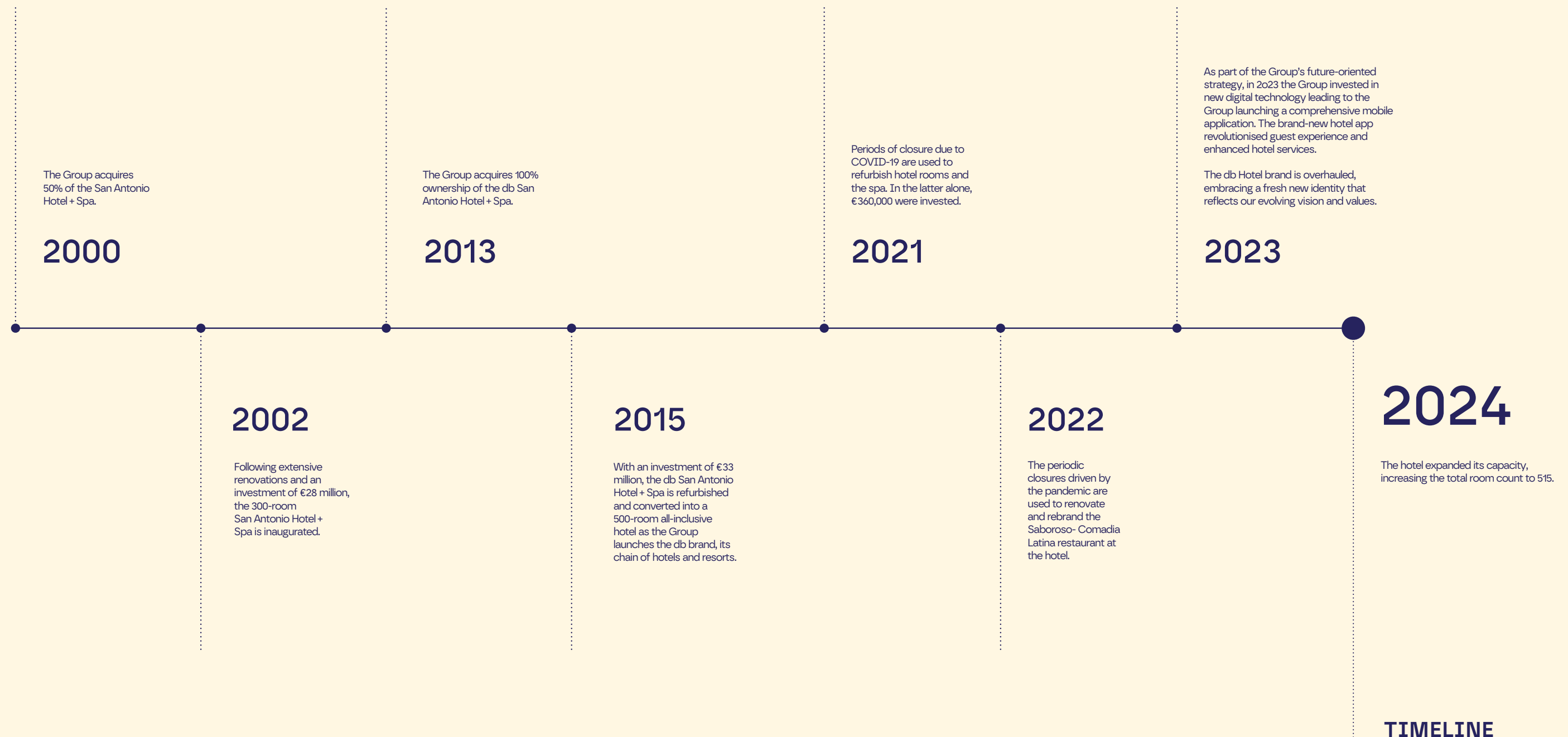
The db Seabank has performed positively during FY25, generating €30 million in revenue, an increase of 13.2% over FY24. When compared to FY24, occupancy levels in FY25 stayed relatively the same whilst the average achieved room rate increased by 8.6% as tourism reached a new record high in 2025. The reported Gross Operating Profit (GOP) increased to reach €12.8 million, with a lower GOP margin of 43%.





db San Antonio Hotel & Spa

db San Antonio Hotel & Spa



db San Antonio Hotel & Spa

The 4-star all-inclusive db San Antonio Hotel & Spa forms part of the db hotel chain brand. Located in St Paul's Bay, it is built in a Moorish style and has 500 rooms spread over ten floors. The hotel has over 400 staff from 41 countries. It includes seven themed restaurants, two bars, indoor, outdoor, and rooftop pools, a fitness centre, a Hammam spa, and extensive conference facilities.

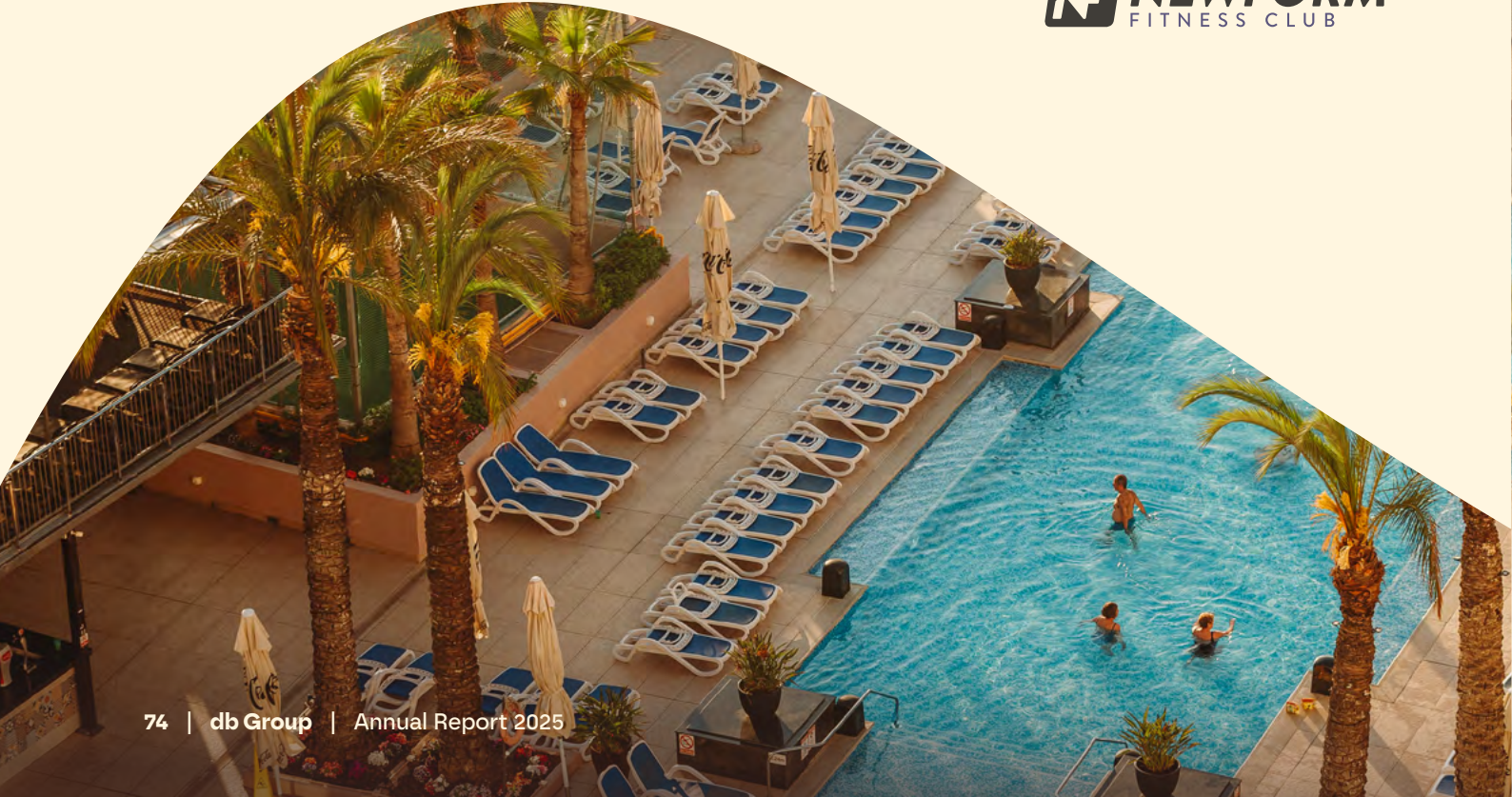
Operating since 2002, db San Antonio Hotel & Spa was substantially upgraded in 2015. With an investment of €33 million, the number of rooms was increased from 300 to 500. In addition, a number of apartments are also offered on a long-term accommodation basis. In line with this upgrade, the hotel was converted into an all-inclusive hotel destination.

Periods of closure due to the pandemic provided the Group with the opportunity of carrying out further work and investment. Most of the rooms and public areas were refurbished and a further €360,000 was invested in the upgrading of the spa which now has a total of seven treatment rooms, a hammam, ayurveda room and sultan's bath. The indoor pool including the hydro bath area has also been refurbished and upgraded. The result of this investment was that guests arriving over the past year could enjoy a range of new and improved facilities, ensuring that the hotel offers an all-round excellent accommodation experience.

NewForm Fitness Club is the Group's premier fitness facility, offering guests and members a modern, fully equipped state of the art environment to pursue their health and wellness goals. Open 24 hours for hotel guests, the club combines cutting-edge equipment with expert guidance to deliver a comprehensive fitness experience.

The gym features a wide array of cardio machines, resistance training equipment, and free weights, catering to all fitness levels. Complementing the facilities is a team of qualified professionals who provide personalised training plans, dietary advice, and motivational support.

NewForm also offers a variety of group fitness classes, including AquaGym, designed to make workouts engaging and accessible. Membership packages are available to individuals, couples, students, and seniors, with flexible durations ranging from weekly to annual plans.



Over the years, the hotel was awarded a number of prestigious awards by leading tour operators and certification bodies:



LIST OF AWARDS

2025

- Green Key Certification - a globally recognised eco-label awarded to establishments in recognition to continuous efforts and high standards to operate responsibly and support global environmental goals



2024

- Traveller's Choice Award by Tripadvisor
- 2023 Zero Waste HoReCa Champion Award
- Top Hotel Partner 2023 by Schauinsland Reisen
- Top Hotel Performer Award 2023 by MTS Globe Malta & Robert Arrigo & Sons

2023

- Traveller's Choice Award by Tripadvisor
- 2023 KAYAK Travel Awards
- ECO Certification by MTA
- Traveller Review Award by Booking.com
- Top Hotel Partner 2022 by Schauinsland Reisen

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- Traveller Review Award by Booking.com
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2019

- Certificate of Excellence by Tripadvisor

2018

- Certificate of Excellence by Tripadvisor

2017

- Traveller's Choice by Tripadvisor
- Certificate of Excellence by Tripadvisor
- Guest Review Award by Booking.com
- Recognition of Excellence Award by HotelsCombined
- Top Local All-Inclusive 2017 by Hotels.com
- Top Producer for Package Room Nights in the 4 star category by Expedia
- Outstanding Service Award by GoHotels.com
- Best Hotel in Malta by Travel Republic Blog

2016

- Certificate of Excellence by Tripadvisor
- ECO certified by the Malta Tourism Authority
- Guest Review Award by Booking.com
- Recommended Hotel Award by HolidayCheck

2015

- Traveller's Choice by Tripadvisor
- Certificate of Excellence by Tripadvisor
- Top Bargain Hotel by Tripadvisor
- Certified by Lufthansa Holidays
- Bronze Award Winner by Zoover
- Quality Award by Jet2Holidays
- Top Producer Package Rooms by Expedia.com
- Sunny Heart Silver Award by Thomas Cook UK

2013

- Certificate of Excellence by Tripadvisor
- Recommended Hotel by Zoover
- Top Overall Ratings by venere.com
- Top Clean Award by venere.com

2012

- Certificate of Excellence by Tripadvisor

2011

- Certificate of Excellence by Tripadvisor

2010

- Best Hotel in Qawra by Zoover

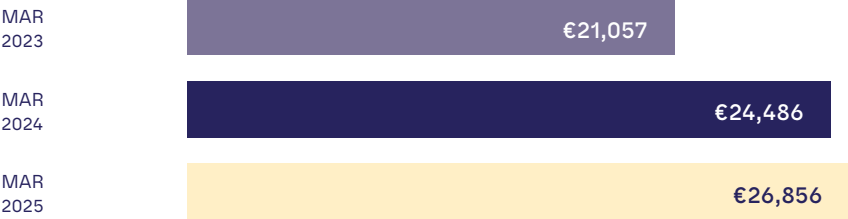
FY25 RESULTS AND KPIs

db San Antonio Hotel & Spa also had an improved performance as the hospitality sector reached new highs. Annual revenue for FY25 increased by 9.7% to reach €26.9 million. The average achieved room rate also increased from €130 in FY24 to €150 in FY25. Occupancy rates decreased to 81% from 91% in FY25, however at the same time the hotel increases room capacity by 3%. The hotel reported a GOP of €11 million and a GOP margin of 41%.

9.7%

CHANGE FY2024/FY2025

Revenue
€ 000's



15.4%

CHANGE FY2024/FY2025

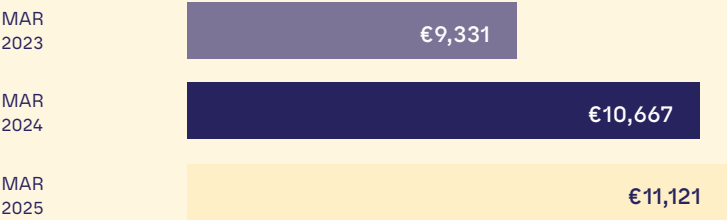
Average achieved room rate
€



4.3%

CHANGE FY2024/FY2025

Gross operating profit
€ 000's



-4.9%

CHANGE FY2024/FY2025

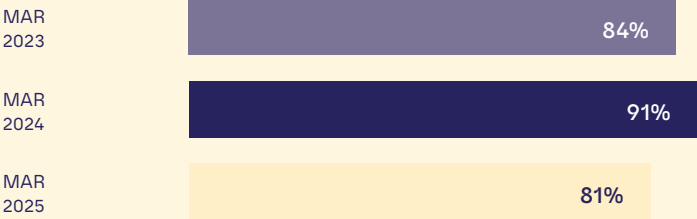
Gross operating profit margin
%



-10.9%

CHANGE FY2024/FY2025

Occupancy
%



The Melior Boutique Hotel



The Melior Boutique Hotel

Situated in the heart of Valletta, the Melior Boutique Hotel opened its doors at the start of 2022, along with the Starbucks Reserve Bar located directly below the hotel. This boutique hotel houses 18 stylish rooms and suites designed thoughtfully to provide guests with the ultimate level of comfort and convenience.

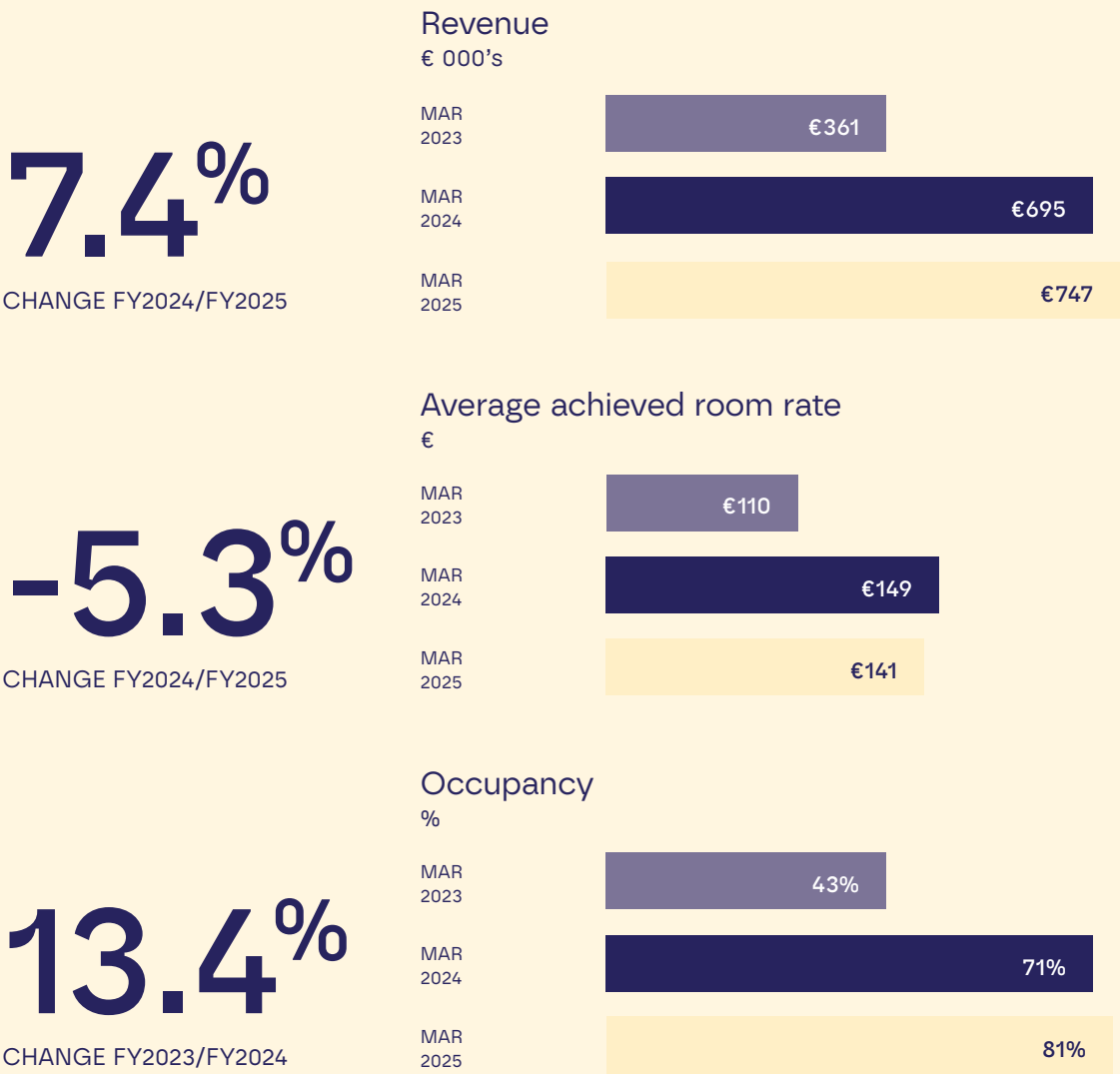
The renovations embrace elements and aesthetics of Maltese culture, carefully designed to complement the existing architecture and finishes of the original building. An exhibition of specially commissioned wall murals and art pieces from local Maltese artists adds to the overall experience. The iconic address at 300, Republic Street means that guests are offered many of Malta's must-see sites and attractions right at their doorstep.

The Melior Boutique Hotel opened its doors in the midst of some of the most turbulent times, January 2022, the last 9 weeks of FY22. It was a move that may have seemed unusual to most, but offers insight into the powerful strategic vision that db Group deploys. Choosing to grow, rather than retrench operations during the pandemic, the Group's unique awareness of its operational environment is crystal clear.

After three years in operation, the Melior Boutique Hotel has established its position in the market and was successful in attracting guests. It has gone from an occupancy rate of 71% in FY24 to 81% in FY25. It was highly rated on various websites which showcase its quality and success in the local market. Revenue figures have nearly doubled, growing by 7.5% over the previous year. The average room rate registered during FY25 was equal to €141, decreasing by 5.4%.



FY25 RESULTS AND KPIs



Xemxija Bay Hotel



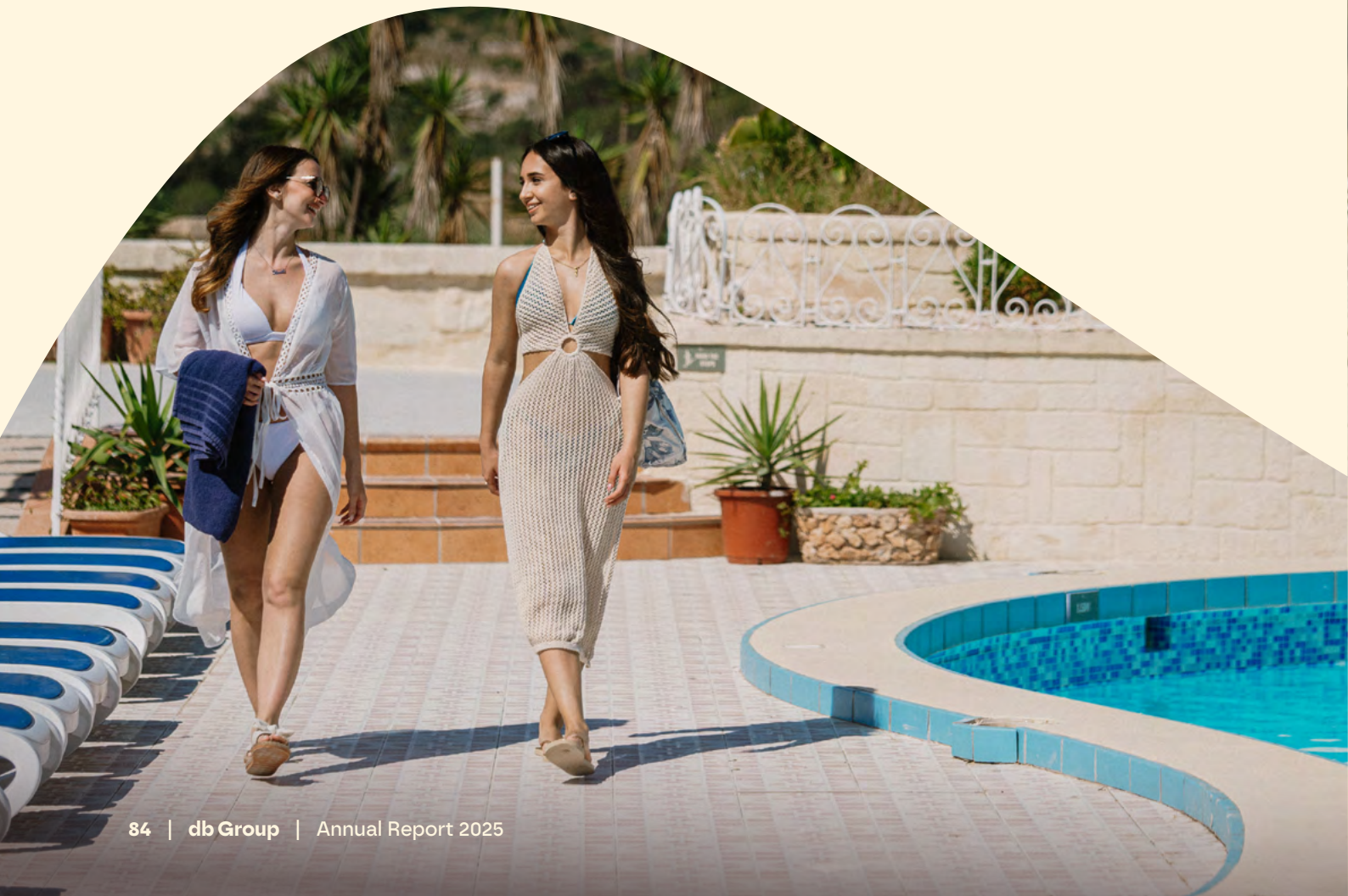
Xemxija Bay Hotel

- 1995** The Group acquires a third of the Porto Azzurro Complex, an 80-room aparthotel which was refurbished and opened in the following years.
- 1998** 25 new hotel rooms are added to the Complex.
- 2025** db Hotels & Resorts acquires and rebrands the Xemxija Bay Hotel with €1 million investment.

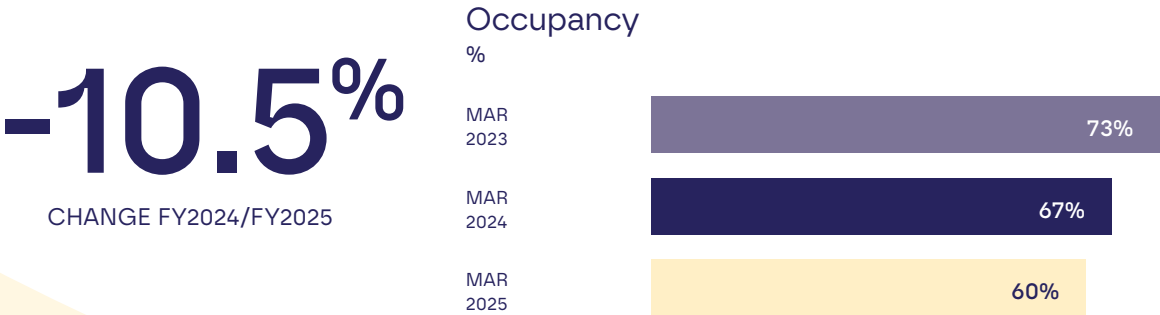
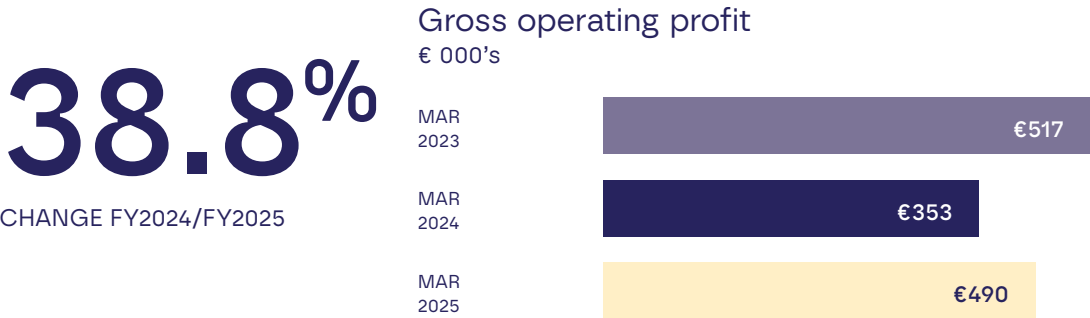
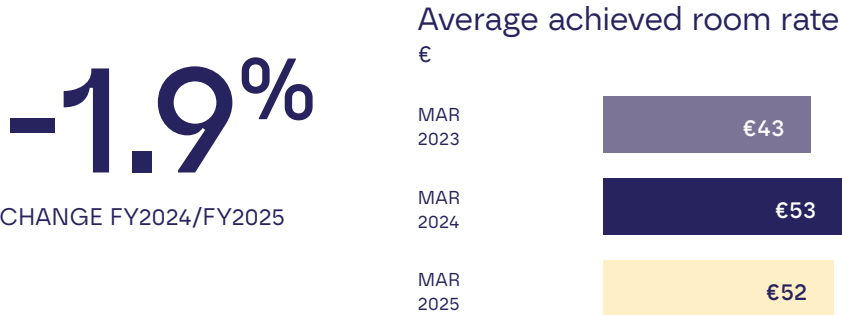
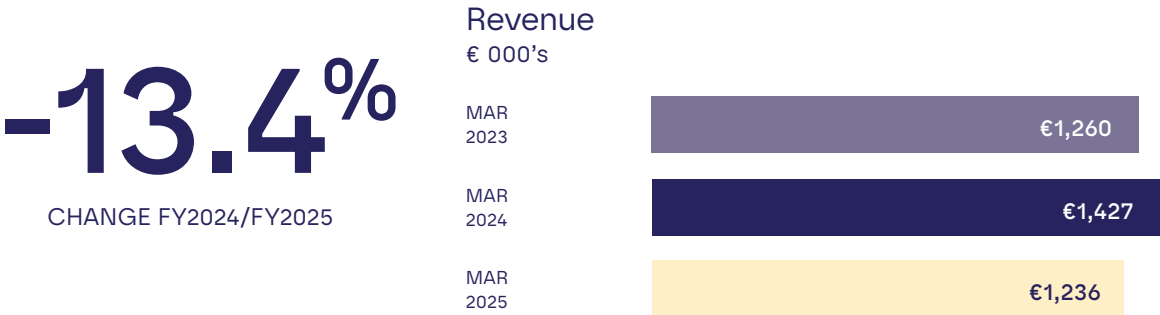
Xemxija Bay Hotel is a 3-star, 107-room hotel set along the picturesque coast of Xemxija Bay, St Paul's Bay. Recently refurbished under the db Hotels & Resorts brand, the hotel offers stylish and comfortable twin, triple and quadruple rooms, one- and two-bedroom apartments, and a brand-new penthouse suite. All rooms feature ensuite bathrooms, air conditioning, free Wi-Fi, flat-screen TVs and, in the case of apartments, fully equipped kitchenettes available for daily use.

Guests can enjoy a range of convenient facilities, including a 24-hour reception and a 24/7 bar. Leisure amenities have been upgraded and now include a heated outdoor freshwater pool with a sundeck, a heated indoor pool, a whirlpool, a fitness centre, a soon-to-open Pearl Spa, and a games room for added family fun.

In FY25, the revenue generated declined from €1.43 million in FY24 to €1.24 million in FY25. The average achieved room rate slightly declined to €52 in FY25. The occupancy rate marginally decreased from 67% to 60%. The hotel reported a GOP of €490,000 increasing by 38.8%. The downward trend in FY25 is mostly due to the Xemxija Bay being partially closed for refurbishment resulting in a decline in business activity.



FY25 RESULTS AND KPIs



Pearl Spas



Pearl Spas

Pearl Spas is the wellness brand of db Group, operating from its flagship properties—the db Seabank Resort + Spa in Mellieħa and the db San Antonio Hotel + Spa in Qawra. These spas are designed as holistic sanctuaries, offering guests a transformative escape that nurtures the body, mind, and spirit. In addition, Pearl Spas also provide in-room services to the Melior Boutique Hotel in Valletta and the Xemxija Bay Hotel.

Pearl Spas offer indoor heated pools, steam rooms, saunas, Hammam treatment areas, and relaxation lounges. Guests can also avail themselves of couples' suites and dedicated zones for Ayurvedic and Oriental therapies, ensuring a comprehensive wellness journey.

Pearl Spas offer a wide range of services tailored to diverse needs. Signature packages such as Golden Serenity, Glow Deluxe, and Island Dream Retreat combine multiple treatments for a full-day indulgence. The spa menu includes massage therapies (Thai, deep tissue, couples), facial treatments (hydrating, anti-aging), body rituals (scrubs, wraps, detox), and holistic therapies rooted in Ayurveda. Additional services include laser hair removal, manicures, pedicures, and a dedicated kids' spa programme.

Pearl Spas are staffed by professionally trained therapists and consistently receive high guest satisfaction ratings. Their tranquil ambiance and personalised service contribute significantly to the overall guest experience at db Group's hospitality venues.

As db Group continues to expand its leisure offerings, Pearl Spas remain a cornerstone of its wellness strategy, reinforcing the Group's reputation for excellence in hospitality and guest care.



Hard Rock Cafe Malta



Hard Rock Cafe Malta

In 2000, the db Group acquired the franchise rights to open Malta’s first Hard Rock Cafe and now operates two outlets on the island. Alongside the cafés, the group has recently also opened a Rock Shop at the Valletta Waterfront and is currently planning a new Hard Rock Hotel in St. Julian’s.

Malta International Airport

The Hard Rock Bar is situated in the departures lounge of the Malta International Airport and is the first Hard Rock Bar in an airport in the world, serving around 230,000 guests annually.

In 2023, the venue, back of the house and the Rock Shop were substantially refurbished. Following this investment, table service was introduced as the seating capacity and visibility were increased. As a result, revenues exceeded budgeted figures and closed off to a record of over €3 million.

Valletta

Hard Rock Cafe at Valletta Waterfront has a seating capacity of 140 and includes a cocktail bar, restaurant and Rock Shop. Centrally located along the promenade of the Valletta Cruise Port, it enjoys stunning views of the Grand Harbour and is a favourite destination for locals and tourists. During the previous financial year, Hard Rock Cafe Valletta Waterfront registered over €2.4 million in revenue, surpassing budgeted figures. However, due to the opening of the new Rock Shop in Valletta City Centre, the cafe in Valletta Waterfront experienced a decline in revenue by €400,000.

Rock Shop, Valletta City Centre

In July 2024, the Group opened a Satellite Rock Shop in the Valletta City Centre. The store which previously formed a part of the restaurant is now housed in a refurbished shop selling a range of merchandise including clothes, pins, memorabilia and more. The new Rock Shop closed off the first financial year with a registered revenue of €812,000 over 8.5 months.

Hard Rock Hotel, St. Julian’s

Plans are well underway for the Group to open another Mediterranean Hard Rock Hotel at the planned db Group project in St. Julians. The Hard Rock Hotel earmarked for St. George’s Bay. Hard Rock is contributing €2 million towards the €300 million ITS project.



Over the years, the restaurants have won a number of prestigious awards:

- 2023**
 - Certificate of Excellence by Tripadvisor
- 2019**

Hard Rock Cafe Malta

 - Certificate of Excellence by Tripadvisor
- 2014**

Hard Rock Bar, Valletta

 - Certificate of Excellence by Tripadvisor

- 2004, 2007 & 2010**

Hard Rock Cafe Malta

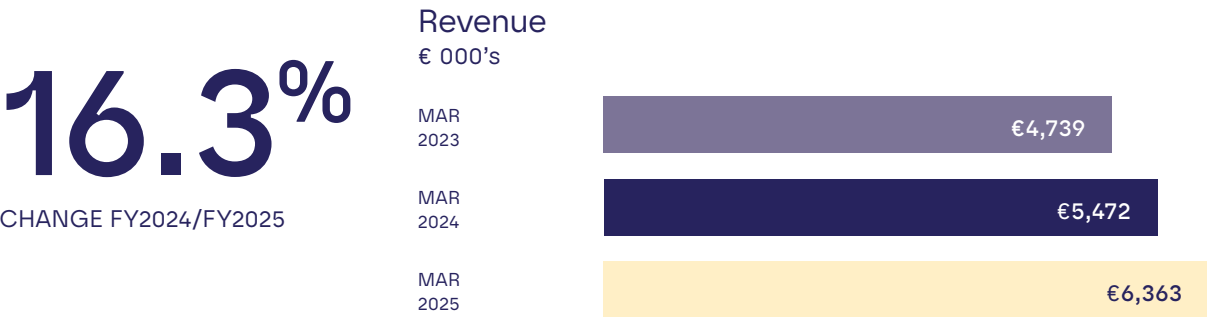
 - Top of the Rock Award
- 2007**

Hard Rock Cafe Malta

 - Best Franchise of the Year Award

FY25 RESULTS AND KPIS

During FY25, Hard Rock Cafe generated €6.36 million in revenue, representing a significant increase of 16.3% on its FY24 revenue, amounting to €5.47 million.



Starbucks Malta



Starbucks Malta

Since 1971, the Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 30,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Through its unwavering commitment to excellence and guiding principles, the unique Starbucks Experience is brought to life for every customer, one cup at a time.

In 2018, db Group announced a licensed exclusive partnership to operate and develop a number of Starbucks stores across the Maltese islands. As Starbucks’ 80th global market, the first Maltese store opened its doors at Vault 15 at the Valletta Waterfront. It was featured in the international press as one of four Instagram-worthy outlets to visit globally.

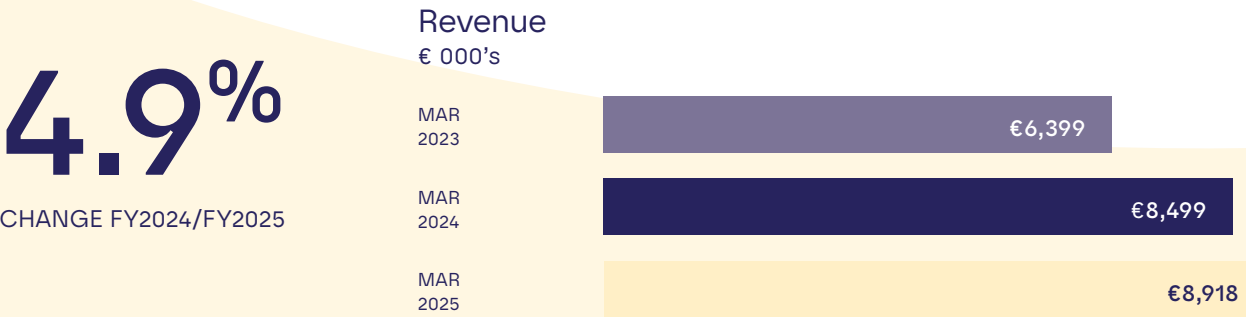
The Group continued to invest in the Starbucks brand with the opening of several new outlets. The introduction of the Starbucks Reserve Bar outlet in Valletta during January 2022 further highlights the level of trust the world-renowned Starbucks brand has in the Group’s ability to deliver excellence.



- 2018** The Group announces a licensed exclusive partnership to operate and develop a number of Starbucks stores across Malta and Gozo. The db Group expresses its pride to have introduced another global franchise to Malta, bringing the iconic American coffeehouse experience to the island.
- 2019** The first Starbucks store opens its doors at Vault 15 at the Valletta Waterfront. As the brand’s 80th global market, this store was designed to marry our vibrant Mediterranean culture and aesthetics with a touch of Starbucks’ own mercantile roots in Seattle’s historic Pike Place Market. This outlet is featured in the international press as one of four Instagram worthy outlets to visit. The second outlet opens in Mellieħa, in June 2019, at the Group’s seaside complex in Ġħadira Bay, overlooking Malta’s largest sandy bay.
- 2020** As the Starbucks brand quickly gains traction, the third and fourth outlets open their doors - at the bustling Piazzetta Business Plaza on Tower Road, Sliema, and on the equally busy Islet Promenade in Buġibba which opened its doors in May 2020 when partial lockdown measures and operational restrictions were already in force.
- 2021** Even though 2021 proves to be an extremely difficult year, particularly for the leisure and hospitality sector, the db Group does not halt its investment plans. It goes ahead with the planned store openings—an outlet at the Strand in Sliema in June 2021, the second in this town in a year.
- 2022** In January 2022 the Group opens the unique *Starbucks Reserve Bar* in Valletta. It becomes part of a series of global cafes and roasteries that sell rarer, higher-quality coffees that are more carefully selected than traditional Starbucks coffee. This was a significant achievement which reaffirms the level of trust shown in the Group’s ability to deliver exceptional quality.
- 2023** db Group pursues its strategy further by opening six additional outlets in key locations and further consolidates its position in the local market.
- 2024** Two new outlets are opened at well frequented shopping destinations, that is Centerparc in Qormi and the newly opened Shoreline mall in Kalkara.
- 2025** An additional outlet was launched during FY25 at the Eden Complex, adjacent to the newly opened VOCO Hotel. This brings the total number of Starbucks locations across Malta and Gozo to eighteen. The Group also plans to relocate the existing Buġibba outlet to a more prominent site in Buġibba Square, taking over the former Pizza Hut premises.

FY25 RESULTS AND KPIs

Following the additional outlets opened in the 12 months under review, Starbucks generated €8.9 million in revenue for FY25 representing an increase of 4.9% compared to FY24, demonstrating the positive position and significant growth of the Starbucks brand in Malta.



GROM



GROM

GROM is a highly acclaimed Italian gelateria franchise famous for its ice-cream that does not contain any artificial flavours and colours. The first GROM outlet opened its doors in Malta in May 2024 at Ghadira Bay in Mellieha. GROM was initially founded in Torino in 2003 and has since rapidly expanded, boasting over 50 stores in Italy and beyond.



EL&N London



EL&N London

EL&N London is the latest top brand we signed a partnership with to bring over to Malta. EL&N is a boutique coffee chain that will serve an array of visually attractive and delicious pastries alongside an all-day dining menu that features a selection of healthy and flavourful dishes.

The brand was founded in 2017 by Alexandra Miller and has rapidly expanded from its initial location in Mayfair, Park Lane, to numerous sites across London, Europe, East Asia, Dubai, and the MENA region.

The lifestyle brand will be opening a number of outlets across the island, with the first confirmed location set to be at the St. George's Mall, part of the db Group's development at St George's Bay.



TATEL



TATEL

TATEL brings a new layer of international flair to db Group's hospitality portfolio. The acclaimed Spanish restaurant brand, partly owned by global icons Cristiano Ronaldo, Rafael Nadal, and Pau Gasol, has been secured for the upcoming St George's Mall in St Julian's.

Known for its refined take on Spanish cuisine, live music, and 1920s-inspired interiors, TATEL has made its mark in cities like Madrid, Ibiza, Beverly Hills, Riyadh, and Dubai. Its Malta debut will introduce the brand's signature blend of gastronomy and atmosphere to a new audience, right in the heart of db Group's flagship development.



Lifestyle Group



Lifestyle Group

Lifestyle Group is one of Malta’s largest hospitality businesses operating various restaurants around the island. Lifestyle Group has a diverse portfolio of well-known and much-loved brands each with its own unique and differentiated offering, all delivered with great hospitality at their core. The portfolio of brands provides something for everyone’s lifestyle.

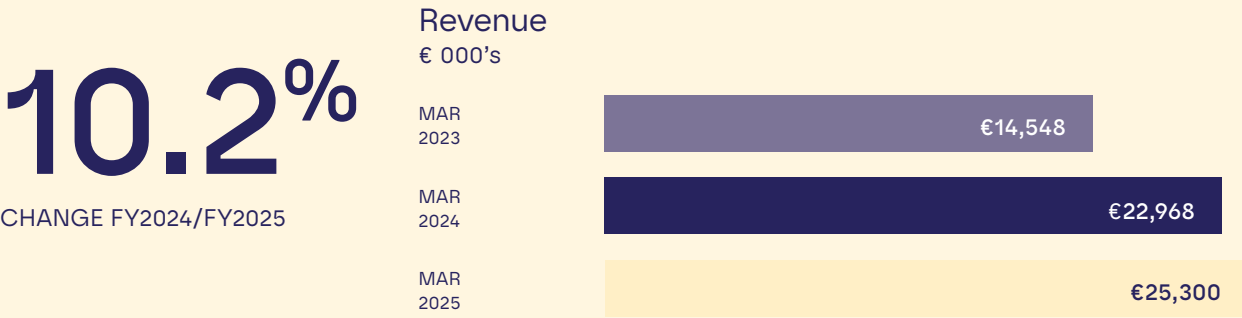
In recent years, Lifestyle Group has established itself as a leader in the local catering market, offering a range of highly successful and award-winning culinary experiences. In total twelve unique culinary concepts were put on the market, many of which have achieved high ratings and various prestigious awards.

The Lifestyle Group encompasses the following brands:



FY25 RESULTS AND KPIS

Lifestyle Group generated a turnover of €25.3 million during FY25 an increase of 10.2% over the previous year. This showcases a strong performance for our F&B segment, with a wide range of culinary concepts that cater for a variety of tastes.



●

1993

The Group acquires the Tunny Net Complex at the water’s edge in Ghadira, Mellieħa, 200 metres from the dbSeabank Resort & Spa.

●

1995

The original Tunny Net Complex is demolished and rebuilt to feature a restaurant, pub, club, beach lido, and water sports facilities.

●

2014

A complete refurbishment of the Tunny Net Complex is carried out.

●

2018

A €3 million redevelopment transforms the complex into a modern hospitality hub, becoming a home to three restaurants, a beach lido, and a convenience store.

Amami, Mellieħa: Japanese-Asian fusion restaurant opens in the revamped complex.

Westreme Kitchen & Bar, Mellieħa: Family-friendly restaurant offering casual dining and a play area.

Blu Beach Club, Mellieħa: Stylish beach lido and lounge replaces the original Tunny Net.

●

2019

Nine Lives, Bugibba: Ibiza-style beach club is launched at the perched beach in St. Paul’s Bay.

●

2020

February—AKI, Valletta: Japanese restaurant and cocktail lounge opens for business on Strait Street.

●

2022

April—LOA, St. Paul’s Bay: Nikkei cuisine restaurant opens near Sirens and gets listed in the Michelin Guide.

July—Amami Food Bar, Mellieħa: A casual spin-off of Amami focused on grab-and-go Japanese fusion, opens near the original location.

●

2023

May—Tora, Sliema: Oriental fusion restaurant opens on the Tigné seafront with harbour views.

June—Verani, Malta International Airport: Italian café-bar concept opens in the Departures lounge.

June—Manta, Sliema: Upscale lido and Mediterranean-fusion restaurant with an infinity pool.

October—Espiral, Mellieħa: Spanish fine-dining and tapas restaurant opens in the heart of Mellieħa. Espiral has since rebranded as Colette Brasserie.

●

2025

June—Colette Brasserie, Mellieħa: Elegant French brasserie opens its doors near St. Mary’s Church, serving classic French dishes and fine wines.

Amami, Blu Beach Club, Westreme



Amami, Blu Beach Club, Westreme

AMAMI

Amami is a Japanese and Asian haute cuisine restaurant located at the Mellieħa complex. Dishes are prepared by an expert team of international chefs who make use of authentic techniques such as a robatayaki grill, a traditional form of fireside cooking. Guests can enjoy magnificent, unobstructed views of Malta's most picturesque bay located in Mellieħa.



BLU BEACH CLUB

The Blu Beach Club is set right at the water's edge of Għadira Bay, Malta's largest sandy beach. The lido has all it takes to offer patrons the ultimate in seaside leisure. Great attention is given to every detail—from the comfortable sun loungers to the sublime menu, from the carefully selected summer cocktails to the relaxing décor and interior design.



WESTREME

Westreme is a family restaurant offering an extensive and well-priced menu. Patrons enjoy the spectacular and tranquil views of the Mellieħa Bay while children have fun in the dedicated play area right in the restaurant, making it the perfect family outing.



Nine Lives



Nine Lives

The Nine Lives beach club opened its doors in June 2019. With an investment of €2.5 million, the Group developed a cool, sophisticated and yet casual ambiance in a carefully curated space - the perched beach in St. Paul's Bay.

The club offers a one-of-a-kind chill-out, swimming, and dining experience right at the water's edge with spectacular views of St. Paul's islands. In between dips in the Mediterranean Sea, guests can bask in the sun and enjoy gourmet food. In the evening, music becomes an integral part of the seaside, tropical atmosphere, with regularly scheduled events. Nine Lives is one of the best-rated restaurants in Malta according to TripAdvisor ratings.

A refurbishment was carried out during the first quarter of FY24 to ensure that guests are offered the best experience in its fifth year of operations. It has established itself as a destination of choice amongst locals and tourists alike.



Aki



Aki

In February 2020, with an investment of €1.2 million, the db Group opened AKI, a restaurant and lounge bar in Valletta offering a unique gastronomical experience.

AKI offers a sophisticated spin on familiar Japanese flavours and dishes, serving haute Japanese cuisine. Guests are offered a wide range of signature Japanese-inspired dishes with flavours to satisfy contemporary palates. At the lounge area, guests can choose from an array of AKI branded cocktails. It is a cocoon where the music and sophisticated décor create the perfect setting to relax and unwind.

AKI was created with the aim of diversifying the db Group's extensive portfolio of restaurants, building on the experience gained over three decades. Highly specialised interior and lighting designers were engaged to deliver the concept and ambience envisioned by the Group. London-based Jestico + Whiles, an international architecture studio, designed the interiors while the lighting was entrusted to Into Lighting Ltd, a leader in lighting design with four decades of experience. During FY24, the bar and interior area were refurbished creating the perfect setting in place to offer guests a unique ambience.

Now in its fourth year of operation, AKI had a very positive performance. It is often fully booked on weekends from days in advance and sales figures are solid.

In 2022, AKI was included in the Michelin guide for the first time, testimony to the high quality of the all-encompassing experience provided by the restaurant. This success was repeated in 2023, 2024 and 2025 when AKI successfully retained its prestigious position on the Michelin guide, reaffirming its reputation as a culinary destination of exceptional quality. In 2024, AKI was also recognised by the Forbes Travel Guide, earning a Two Forks rating.

AKI is set to become international as we aim to open an outlet in London in September 2025. Works on this multi-million project are well underway, transforming a former bank into a state-of-the-art contemporary restaurant.



LOA



LOA

LOA is an upmarket South American restaurant and lounge bar which is contributing to the gentrification of the area around the Sirens Aquatic Club. Nestled right under the historic Wignacourt Tower in St. Paul's Bay, LOA offers patrons unobstructed views of some of the most pristine waters in Malta. In culinary terms, it showcases the best of Nuevo Latino cuisine, fusing traditional Latin flavours with some of the latest global palate trends.

The restaurant opened its doors in April 2022. In its first year it enjoyed a solid performance and was well received by both locals and tourists. In 2023, LOA was included in the Michelin Guide for the first time and retained this status in 2024 and 2025. This represents the Group's second restaurant to be included in the Michelin guide, further highlighting the Group's ability to offer high-quality dining experiences.



Amami Food Bar



Amami Food Bar

The Amami Food Bar was introduced in July 2022 and is nestled in the heart of the University Campus Hub which is frequented by thousands of students. The Amami Food Bar showcases the Group's vision for the local food and entertainment market. As the sister restaurant of Amami, it was designed to integrate the student lifestyle and tight class schedule in mind. It offers a unique experience, including a cool working space along with a fast, on-the-go service. Amami is one of the best-rated restaurants in Malta according to TripAdvisor.



Veràni



Veràni

Veràni is a fast-casual food outlet in the Departure's lounge of the Malta International Airport. It caters specifically to travellers, offering an enticing array of popular cuisines, ranging from traditional Maltese baked goods to popular dishes of Japanese, Spanish and Mexican origins. One distinctive feature offered by Veràni is an "Inflight Picnic", which includes a freshly prepared meal and drink for travellers to enjoy during their flight. In 2024, Verani introduced kids' meals and expanded the selection of RTE snacks to better serve the clients' last minute shopping needs.

Veràni opened its doors in April 2023. In its first year of operation, the restaurant registered an outstanding performance and was well received by all travellers. It continues to perform strongly and remains a popular choice for travellers passing through Malta International Airport.



Tora



Tora

Located in a bustling destination in Sliema, Tora marries Oriental cuisine with innovative cocktails. Situated at the water's edge, Tora's prime location offers breathtaking views of Valletta and sets the stage for a romantic evening, a family gathering, or a night out with friends.

Tora pays homage to the traditional Oriental cuisine while adding a contemporary twist. Tora's skilled chefs craft an array of dishes - from delectable dumplings to flavourful stir-fries and the popular signature Peking Duck. Guests can complement their meal with one of Tora's signature cocktails, inspired by the Orient and skilfully crafted by Tora's very own mixologists.

The name, Tora, derives from the Japanese word for "tiger," which in the East symbolises power, strength, and courage. These qualities are embodied in Tora's dishes, drinks, and hospitality.

Tora was successfully opened in May 2023 and has already generated significant interest and excellent reviews.



Manta



Manta

Perched on a stunning rocky seaside setting, Manta is a gorgeous lido that takes its inspiration from the grace and elegance of the majestic manta ray. With its delightful Mediterranean fusion restaurant and sparkling pool, Manta offers an extraordinary dining experience that is unmatched in both beauty and quality.

Whether one seeks to unwind in the warm embrace of the Mediterranean sun or revel vibrantly in the nightlife after it sets, Manta is the perfect place to relax, let loose and enjoy the finest dishes, cocktails and live entertainment. With an in-house DJ, percussionist and dancers, Manta is a true celebration of art, culture and life.



Colette Brasserie



Colette Brasserie

Tucked away in the heart of Mellieħa, just steps from the iconic St. Mary's Church, Colette is a sophisticated French brasserie that brings timeless elegance and authentic flavour to Malta's northern coast.

With its warm atmosphere and carefully curated menu, Colette invites guests to savour the very best of French cuisine—from freshly baked pastries in the morning to refined, seasonal dishes paired with crisp wines in the evening.

Set in a beautifully restored space once home to Espiral and operated by the same passionate team under the db Group, Colette blends familiar hospitality with a fresh culinary identity.

Since its opening in May 2025, Colette has quickly gained a loyal following for its quality, charm, and attention to detail—establishing itself as a standout addition to Mellieħa's dining scene.



C&R Café



C&R Café

Positioned in the heart of Naxxar, the first Charles & Ron café (C&R Café) brings the brand's signature flair to life, where bold design meets Mediterranean warmth. With artisanal coffee, beautifully plated treats, and a menu of fresh, flavourful lunches, the café quickly became a go-to destination for those seeking style and substance in equal measure.

Since 2025, the café has been operated behind the scenes by db Group, ensuring a seamless guest experience and supporting its continued evolution.

This vision now extends to Valletta, where a second café has opened in the capital's vibrant core. Open into the evening and echoing the brand's distinctive aesthetic, the new space offers guests a refined yet relaxed setting to enjoy the Charles & Ron lifestyle, through taste, design, and atmosphere.

Together, the two cafés reflect the brand's commitment to celebrating Maltese identity through fashion and hospitality, establishing Charles & Ron as a standout presence in Malta's café culture.



Healthcare



Healthcare

Background

The public sector is the main service provider of healthcare in Malta, supplying near universal coverage to all residents through social security legislation or humanitarian exemption. In parallel there's private healthcare which mostly delivers primary services. Over the past decade Malta has registered one of the largest per capita increases in health expenditure in the EU, despite being the smallest Member State. The increase has been relatively consistent year on year. The global pandemic and the subsequent pressures impacting the Maltese healthcare system have led to dramatic increases in public expenditure in this sector.

To foster stability, Malta's Partnership Agreement with the EU envisioned an overarching strategy rooted in three funding priorities, one of which is health and well-being improvement through locally financed investment in the sector's infrastructure.¹ As a result, the trend in year-on-year increases in expenditure on healthcare is expected to continue.

Long-term Care

Long-term care for the elderly in Malta is provided by the state, the Catholic Church and the private sector.

Projected expenditure on this type of care is predicted to increase by 1.9% of GDP, reaching 3.0% by 2070. This trend reflects the demands of an ageing society and an increased life-expectancy at birth, part of an overarching trend stretching back six decades.²

Due to the ever-increasing demand for long-term care facilities, the government has been investing in the construction and Management of a number of residences and nursing homes. In search of the best model to develop and operate these institutions, the government has signed various partnership contracts with the private sector. Although waiting lists for residential care have grown substantially, public-private partnerships served to shorten them to some degree.³ Available data indicates that around 1,400 persons were on waiting lists for admission to elderly homes.

According to the European Commission's joint report on healthcare and long-term care systems, one of the challenges faced by the Maltese system is the shortage of licensed beds in retirement homes. A relief solution being pursued is the encouragement of more home care. Accordingly, Malta has introduced the Carer at Home scheme through which the beneficiary receives a maximum amount of up to €8,500 a year to help support those citizens who employ a home carer of their choice. In addition, government offers incentives for elderly services that include a range of community-based and therapeutic support programmes. These span from Active Ageing Centres and home-based medical assessments to dementia care and continence support. A number of other specialised services are also available, tailored to promote independence for older adults. To further address the growing waiting list of those seeking residential care, in 2023 the government secured an additional 298 beds from the private sector, easing pressure on public facilities and expanding access to long-term care.

Nursing and Elderly Home Pressures

The old-age dependency ratio is a measure of the the population's age structure. It computes the number of individuals dependent on the support of others in their day-to-day life, to those capable of providing support. Globally, an increase in old-age dependency ratios is projected to significantly contribute to a higher demand for public spending on health, long-term care.⁴

In Malta, the old-age dependency ratio increased considerably, from 20% in 2008 to 27% in 2023. Simultaneously, the share of the population aged 65 and over increased from 14% to 19%. The pressure on long term care provision, as measured by the share of potential dependents in the total population, is therefore set to increase from 3.2% in 2019 to 3.8% in 2030 and 4.6% in 2050 of total GDP.

In view of these trends, coupled with a growing population, demand for long-term care is set to continue growing, adding further demand-pressures to a sector already facing supply issues. This could lead to a longer waiting period for those in urgent need. In this respect, the government is envisaging more public-private partnerships (PPPs) to meet current demands and shorten waiting lists.



¹ Update of Stability Programme 2022 - 2025

² The world bank—Life expectancy at birth, total (years)—Malta

³ Long-Term Care of Older Adults in Malta:

Influencing Factors and Their Social Impacts Amid The International Financial Crisis

⁴ 2021 Long-Term Care Report—Trends, challenges and opportunities in an ageing society

Healthmark Care Services Limited



- **2014** Through its partnership in Malta Healthcare Caterers Limited, the db Group acquires the two largest healthcare companies in Malta and sets up Healthmark Care Services Limited (Healthmark). The key objective is to supply healthcare workers to public hospitals and clinics, as well as home care and support services.
- **2015** Through its partnership in Malta Healthcare Caterers Limited, the Group acquires land to develop a 300-bed home for the elderly in Santa Luċija, as well as a historic building in Mtarfa which was subsequently converted into a 150-bed residence for elderly dementia patients. The service offering in this area significantly increases when the Group takes over operations from what used to be the MMDNA.
- **2016** Service offering is expanded to include domiciliary care for the elderly.
- **2017** Through a PPP, Malta Healthcare Caterers Ltd and James Caterers Ltd are awarded the concession for the construction and operation of an additional 490 beds at SVPR, a care residence for the elderly. Through the same PPP, and with an injection of an additional €36 million, Malta Healthcare is also tasked to set up an onsite, fully-equipped kitchen as well as provide daily catering services to residents.
- **2020** Four new blocks to accommodate an additional 490 residents are successfully completed, meeting the project timelines.
- **2021** All four new blocks at SVPR with a bed capacity at 504 become fully operational at 95% capacity. Additionally, during the pandemic Healthmark provides support across the country through the provision of nurses and carers in key areas such as swabbing and vaccination centres.
- **2023** The incorporation of *Healthmark Training FZE* leads to the successful establishment of a new training centre in Dubai, known as the Healthmark Training Centre. The 250m² premises houses a training room, a hospital simulation room with medical equipment, offices, meeting rooms and a recreation area.
- **2025** On the 25 July 2025, db Group sold its stake in healthcare and flight catering business to James B. Holdings.

Healthmark is one of Malta's leading independent providers of health and social care services, with a focus on hospitals and the community more broadly. Over the years, the venture grew considerably, increasing the number of staff substantially.

Healthmark operates in nursing homes, long-term care facilities and hospitals. It currently provides carers to over 12 healthcare institutions in both Malta and Gozo. It also provides five government hospitals with nursing services as well as care, support, nursing, home help and clerical services to various government, corporate and private clients.

For almost two decades, the Company has also been the service provider of care and support workers to Mater Dei Hospital, the country's main public hospital. In the local community, Healthmark provides home care and support services to seniors and to persons who need help at home due to illness or disability.

Such support ranges from morning and night-time assistance, personal care, medication support, laundry, cleaning, meal preparation and other household tasks.

Healthmark's care services also include specialised ones such as those living with dementia and palliative care.

In 2017, a consortium made up of Malta Healthcare Caterers Ltd and James Caterers Ltd, was awarded a concession on a PPP arrangement for the provision of services at SVPR. Malta Healthcare constructed four new blocks to accommodate an additional 504 residents at SVPR and provides nursing, caring, housekeeping, and catering services, amongst others, for the additional 504 beds under a 15-year agreement. In 2021, the blocks were fully completed ahead of schedule, despite challenges posed by the pandemic. They are now fully operational.

In a Company announcement issued by SD Finance plc on 25 July 2025, it was confirmed that James B. Holdings had acquired db Group's 50% shareholding in Malta Healthcare Caterers Ltd, along with its 40% interest in Kore Air Services Ltd and Kore Inflight Services Ltd.



Our Clients

Carers		Nurses
In government homes	At hospitals	
• St Vincent de Paul • Floriana home • Mellieħa home • Mosta home • Mtarfa home • Dementia centre Gozo • Night shelter Gozo • Dar il-Fjuri Gozo	• Mount Carmel hospital • Mater Dei Hospital • Sir Anthony Mamo Oncology centre • Karin Grech Hospital	• Mount Carmel hospital • St Vincent de Paul Long Term Care Facility • Mater Dei Hospital • Sir Anthony Mamo Oncology centre • Karin Grech Hospital

In 2023, in an effort to reinforce the quality of its services, Healthmark Training FZE was set up as a Company based in Dubai Silicon Oasis, United Arab Emirates (UAE), leading to the opening of the Healthmark Training Centre. The 250m² training centre features a training room, a hospital simulation room with medical equipment, offices, meeting rooms, and a recreation area. The academy is certified by the Knowledge and Human Development Authority (KHDA), which is the educational quality assurance and regulatory authority of the Government of Dubai, in the UAE.

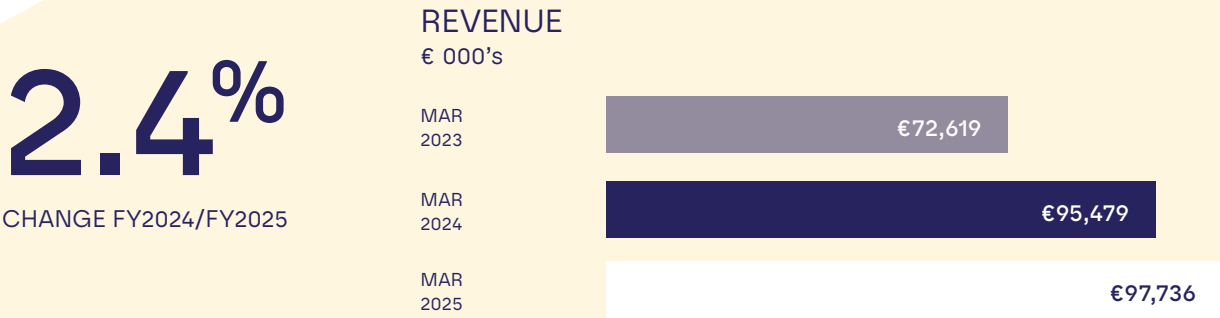
Each group consists of 20 to 30 students with 2 trainers to teach clinical and non-clinical content, with courses held on a weekly basis.

Over the past financial year, Healthmark has built on its existing quality care and support for the Maltese community, making significant strides in enhancing service quality and expanding its reach both in Malta and beyond its shores.

On 25 July 2025, db Group announced the sale of its stake in healthcare and flight catering business to James Barbara of James B. Holdings.

FY25 RESULTS AND KPIS

Revenue for Healthmark for FY25 was €97.7 million from €95.5 million in FY24, an increase of 2.4% in FY25.



Contract Catering



Contract Catering

Overview of the Contract Catering Market

Over the last few years, the local contract catering sector has grown substantially, with the highest demand coming from the healthcare and catering sectors, as well as detention centres.

The call for catering services in healthcare comes from both state and privately-owned hospitals, as well as retirement and care homes for the elderly. In line with Malta's growing and ageing population, demand from this sector has been steadily increasing over the last few years.

Additionally, Malta's aviation network has expanded, increasing from 70 direct routes in 2020 and 100 in 2023 to 109 airports across 35 countries in 2024. This growth, combined with rising passenger volumes, presents an opportunity for the contract catering industry, particularly in airport and in-flight catering, as well as food retail services in the broader travel and tourism sector.



- 2006** As part of its partnership in Sky Gourmet Malta Limited, the Group wins the in-flight catering contract of Air Malta, the country's national airline.
- 2007** Through its partnership in Malta Healthcare Caterers Limited, the Group enters the contract catering market, supplying meals to Malta's public sector hospitals.
- 2012** Through the same partnership, the Group starts supplying meals to Gozo's Acute Care Hospital.
- 2017** Under a 10-year catering agreement, Malta Healthcare Caterers Ltd and James Caterers Ltd are awarded the continued supply of meals to 1,100 beds at Saint Vincent de Paul Residence.
- 2022** In September 2021, Air Malta issued a call for tenders for the provision of services to its inflight catering operations. The db Group partnered with James Caterers Limited to submit a competitive proposal and was later selected as the preferred bidder.
- 2023** Together with its partner, the Group begins its new operations under the new branding of *Kore Inflight Services Limited* and *Kore Air Services Limited*.
- 2025** On the 25 July 2025, db Group sold its stake in healthcare and flight catering business to James B. Holdings.

Key Contracts

Malta Healthcare Caterers Limited



Malta Healthcare Caterers, a joint venture led by the db Group, provides hospital catering to all public hospitals in Malta. The Company uses state-of-the-art technologies and computerised regeneration trolleys to serve over 6,000 cook-chill meals a day, making it the largest operation of its type in the country.

The Company has been successfully providing such a service to Mater Dei, St Luke's and Sir Paul Boffa hospitals since 2007, as well as to the Gozo General Hospital since 2013 and to Saint Vincent de Paul Residence since 2014. The Company also started providing meals to the oncology hospital which started operating in September 2015.

In 2017, under a 10-year catering agreement, Malta Healthcare Caterers Ltd and James Caterers Ltd were awarded the continued supply of meals for residents at Saint Vincent de Paul and entrusted with the setting up of an onsite, fully equipped catering centre.

In a Company announcement issued by SD Finance plc on 25th July 2025, it was confirmed that James B. Holdings had acquired db Group's 50 per cent shareholding in Malta Healthcare Caterers Ltd, along with its 40 per cent interest in Kore Air Services Ltd and Kore Inflight Services Ltd.

Kore Air Services Limited



The Group and its partners have proudly serviced Air Malta, our national airline, for over 17 years. Since then, the business has widened its market footprint and successfully serviced international airlines such as Emirates, Turkish Airlines, Lufthansa German Airlines and Ryanair on both a regular and an hoc basis.

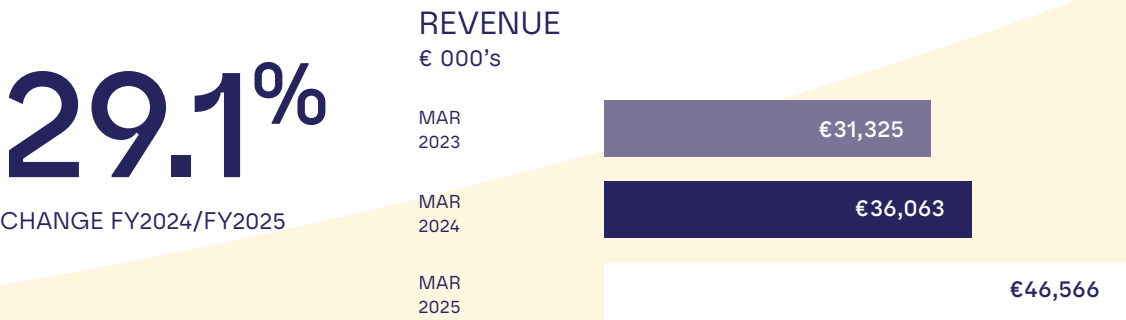
On average, over the years, the Company has served up to 2 million airline meals and snacks annually. In addition, it also provides Air Malta with commissary and transport services for on/off loading of meals. The pandemic resulted in a drastic reduction of flights and passengers, with

a predictable negative knock-on effect on our business. Post-pandemic, during FY24 we have seen a return to the growth trajectory that was on course in 2019, as demand exceeded pre-pandemic levels and flights scheduling went back to normal.

In recent years, the Group's inflight catering business unit has experienced significant growth in the ad-hoc flight service segment, providing catering options for chartered flights and private jets.

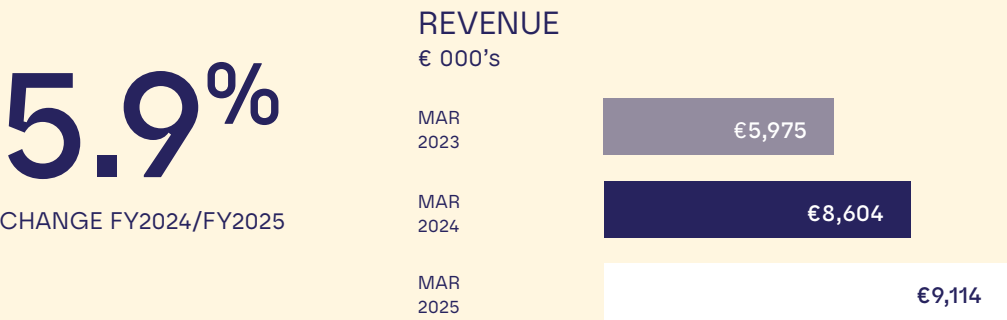
FY25 RESULTS AND KPIs

Revenue in FY25 hit the €46.6 million mark, compared to €36.1 million in FY24, which amounts to an increase of 29.1%.



FY25 RESULTS AND KPIs

During FY25, Kore Air increased in revenue to €9.1 million from €8.6 million in FY24, an increase of 5.9%.



Property Development



Property Development

Malta's property market

Malta continues to present a dynamic and high-demand property environment, shaped by its status as the third most densely populated country in Europe and its appeal as a leading tourist destination, welcoming around three and a half million visitors annually. These factors, combined with the island's limited land availability, contribute to a uniquely competitive real estate landscape. Over the past decade, the local property market has demonstrated sustained resilience and consistent growth across all segments. This upward trajectory has been largely underpinned by demographic expansion, particularly the steady rise in the expatriate population, which has significantly influenced housing demand. The interplay of spatial limitations and evolving population trends has fostered a property market that is both structurally robust and distinct from the broader European context.



- **1991** Kika Construction Limited is set up to oversee the construction of the Seabank Hotel.
- **2009** A block of upmarket apartments in St Paul's Bay is completed.
- **2012** The db Group completes the extension of the dbSeabank Resort & Spa in a record 8-month timeframe.
- **2015** A block of luxury apartments in Mellieha Bay is completed.
- **2017** The Group signs a contract to build a mixed-use development project in St George's Bay, Paceville with an investment of €250 million.
- **2020** Updated plans for the mixed-use development project are completed, focusing on preserving the historical heritage found on site and ensuring that the project is more sensitive to the environment and the communities in the vicinity.
- **2023** The Group kick-starts preparatory work on the mixed-use development in St. George's Bay, St. Julian's.
- **2024** db Group lays the foundation stone and begins structural works on its €300 million mixed-use development at St George's Bay, featuring the Hard Rock Hotel Malta, ORA Residences, and St George's Mall.

Overview of projects carried out

The Group's initial entry into the property development sector was driven by a strategic objective to support the construction of its own hospitality assets. Over time, this focus gradually evolved into a broader real estate development strategy, encompassing a range of high-value residential and commercial projects.

To facilitate this growth, Kika Construction and Kika Developments were established in 1991 and 1995 respectively. These entities were tasked with overseeing the construction and enhancement of the dbSeabank Resort & Spa, including its €40 million extension. Notably, this project was delivered within a record timeframe of just eight months.

Recognising the growing demand for premium residential offerings, the Group subsequently launched Siar Property Investments Limited to develop and market luxury apartments. This was followed by the formation of Ghadira Property Investments Limited, which focused on the development of upscale residences in Ghadira and Mellieħa. The Group also extended its footprint to St Paul's Bay, where it successfully completed a block of 16 high-end apartments.

Project Pipeline

The Group's flagship development is the mixed-use project at St George's Bay, one of Malta's premier seaside hospitality and entertainment destinations. The site is currently undergoing a €300 million transformation into a high-end, multi-functional destination. Project development is progressing steadily and remains aligned with the targeted construction timelines.

Hard Rock International is a globally recognised brand with a footprint spanning over 240 locations in more than 68 countries. The brand's mission is to embody and share the spirit of rock 'n' roll by delivering authentic and immersive experiences to its customers. Its global appeal is reflected in the endorsement of some of the world's most iconic artists, including Ringo Starr, Jon Bon Jovi, Eric Clapton, and Rihanna.

Hard Rock's strategic partnerships with leading global names such as Microsoft, Nobu, Fender, Starbucks, MTV, and Universal Studios further reinforce its position as a lifestyle and entertainment leader.

The brand's hotel portfolio includes properties in renowned destinations such as Ibiza, Chicago, and Bali, with each hotel designed to reflect the architectural heritage of its location. In Europe, Hard Rock Hotels are currently operating in six locations: Davos, Ibiza, Tenerife, Madrid, and Marbella. Looking ahead, the brand is set to expand further, with contracts signed for new hotel developments in several countries, including Canada, Brazil, UAE and of course, Malta.

In October 2024, db Group set a key milestone with the ceremonial laying of the foundation stone for the Hard Rock Hotel Malta, formally initiating structural works on site. The development will include a 5-star Hard Rock Hotel featuring 394 rooms and 25 suites—many with private pools and panoramic sea views. The hotel will also incorporate the restored 1860 British military quarters and offer a full-service Rock Spa®, Body Rock® fitness centre, and multiple pool areas. Construction of Blocks 1 and 2 of the hotels has reached Level 2, while Block 3 has progressed to Level 6.

Complementing the hotel, two premium residential towers, The ORA Residences, are currently under construction. Designed as Malta's first urban-greened buildings, the residences are curated by internationally acclaimed agronomist Dr Laura Gatti, renowned for her work on Milan's iconic Porta Nuova vertical garden.

By July 2025, ORA East reached Level 9 and ORA West Level 8. Future residents will enjoy a comprehensive lifestyle offering, including housekeeping services, access to a private members' club, a five-star fitness facility, and Malta's largest wellness centre. Reflecting robust market demand and investor confidence, 91% of the residences had been sold as at June 2025.

The development will also feature St George's Mall, a 20,000 sqm retail and entertainment complex with a mix of premium and accessible brands, family attractions, and 12 restaurants and bars—including Hard Rock Cafe and EL&N. Additional amenities include a 1,300 sqm supermarket, 1,300 parking spaces, and a globally branded beach lido. Over 5,000 sqm will be dedicated to landscaped green and public areas. By June 2025, construction of the mall was 90% completed while the completion of the residential component targeted for mid-2026. The full development is positioned to become a national landmark destination.

The db Group is recognised as one of the most established hospitality companies on the island with more than 30 years of experience, which includes the ongoing Management of Malta's existing Hard Rock Cafes

MARCO ROCA Executive Vice President of Global Hotel Development at Hard Rock International



Environmental, Social, and Governance



Environmental, Social, and Governance (ESG)

At db Group, we recognise that long-term business success is inseparable from responsibility to people, communities, and the planet. In 2025, we reaffirmed our commitment to Environmental, Social, and Governance (ESG) principles by embedding sustainability deeper into our operations, culture, and strategic vision.



Sustainability is no longer a peripheral concern. It is central to how we operate and grow. Our ESG strategy is guided by the belief that we must meet the needs of the present without compromising the ability of future generations to thrive. This year we took significant steps to align our business with global sustainability goals, including the United Nations Sustainable Development Goals (SDGs), and to ensure that our practices reflect the expectations of our stakeholders.

Over the past year the Group has made significant strides to improve our standing in these respects. We continued to embed the values of sustainability into our operations, driving positive change across our value chain and enhancing our impact on the communities we serve. Our ESG strategy, underpinned by our commitment to continuous improvement, has allowed us to make significant moves in various areas, from environmental conservation to employee well-being and diversity to corporate social responsibility.

Key efforts focused on reducing our environmental footprint, promoting digitalisation, minimising waste, and engaging with the community. These initiatives reflect our long-term vision for responsible growth. We continue to adopt a holistic approach to environmental responsibility, focusing on reducing our ecological footprint in energy, water, and waste sectors.



Social Impact

Our people and communities remain central to our ESG journey. In 2025, we strengthened our social impact through ongoing partnerships, community events, and targeted support across health, education, inclusion, and the arts.

Highlights from the year include contributions to national events such as the Special Olympics Malta, and ongoing investment in local arts and culture. We also extended support to Inspire Malta to enhance learning environments for children with autism, and organised a successful fundraiser for the Karl Vella Foundation, supporting families facing illness or loss.

Through these initiatives, the db Foundation remained focused on fostering inclusion, supporting vulnerable groups, and enriching community life.

We launched several initiatives aimed at promoting employee well-being and diversity, recognising the invaluable contributions of our large workforce. Our philanthropic Foundation continued to expand to reach more individuals, while our corporate social responsibility efforts have grown, reflecting our commitment to giving back to the communities we serve. As part of this, our ongoing partnership with Caritas supports employee mental health through confidential assistance services and awareness initiatives across the Group.

Governance and Ethics

Strong governance is the backbone of our ESG strategy. In the last financial year, we continued to uphold the highest standards of transparency, accountability, and ethical conduct, ensuring fairness in all our dealings. Our robust governance framework and internal controls have ensured that we operate in a manner that is consistent with our values and compliant with applicable laws and regulations.

In the following sections, we delve deeper into our ESG initiatives, providing a detailed account of our activities, achievements and future plans in each area. We invite all our stakeholders—employees, partners, guests, and communities—to join us on this journey. Together, we can build a more sustainable, inclusive, and resilient future.

Excellence remains our guiding principle even when it comes to ESG.

Environmental Stewardship

In our ongoing commitment to environmental stewardship, the Group took measures to further minimise the ecological impact of our operations. Our focus remains not only on reducing our direct footprint but also on fostering a culture of environmental consciousness among our clients and staff. In FY2025, both Seabank Resort & Spa and San Antonio Resort & Spa, were awarded Green Certification, a leading standard of excellence in the fields of environmental responsibility and sustainable operations. During the past financial year, both hotels were awarded the Malta Tourism Authority’s Eco Certification, a national scheme for ensuring the environmental, socioeconomic, and cultural sustainability of hotels and farmhouses on the Maltese Islands. Our certification has been recognised by the Global Sustainable Tourism Council.

Water and Energy Consumption

While occupancy rates have remained similar this year to FY24, our total water and energy consumption, our efficiency in terms of consumption per bed night improved significantly, particularly at the San Antonio Resort & Spa. At the Seabank Resort & Spa, energy efficiency declined slightly (7%) as did water efficiency compared to last year.

Seabank Resort & Spa

Year	Bed Nights	Water Consumption (m³)	Water Efficiency (m³/bed night)	Energy Consumption (KVAH)	Energy Efficiency (KVAH/bed night)
2023	404,150	6,461,000	0.0160	5,527,800	13.67
2024	423,043	21,826,660	0.0516	5,491,700	12.98
2025	421,068	47,665,000	0.1132	5,871,000	13.94
YoY % change	-0.47%	+118.38%	+119.40%	+6.91%	+7.42%

San Antonio Resort & Spa

Year	Bed Nights	Water Consumption (m³)	Water Efficiency (m³/bed night)	Energy Consumption (KVAH)	Energy Efficiency (KVAH/bed night)
2023	284,046	9,405,000	0.0300	5,659,810	19.92
2024	347,903	1,645,000	0.0040	5,657,645	16.26
2025	322,582	335,000	0.0010	5,276,505	16.36
YoY % change	-7.28%	-79.64%	-74.04%	-6.74%	+0.60%

At San Antonio, we have managed to reduce both our water and energy consumption. Water efficiency improved by 74% and energy efficiency remained at par with that of the previous year.

These figures demonstrate our commitment to improving our operational efficiency and reducing our environmental impact. We have made these improvements through a combination of measures, including the installation of new energy-efficient systems and ongoing monitoring to ensure optimal performance.

Resource Consumption

With respect to resource consumption, a total of 2,355,000 kg of waste was generated by the Group’s Hospitality and Leisure segment during FY25, a decrease of 6% YoY from FY24. The waste disposed of came from the following sources: 76% of mixed waste,16% of organic waste, 5% of glass waste and 3% of separated waste. Targets are being set internally to improve the performance of these consumption metrics.

Waste	FY24	FY25	Change FY24/25
Mixed	2,163,290	1,792,680	-17%
Organic	230,580	385,240	67%
Separated	21,690	112,530	419%
Glass	82,720	64,960	-21%
Total	2,498,280	2,355,410	+6%

In FY25, overall waste generation decreased, with notable reductions in mixed waste and glass waste. However, organic waste and separated waste increased significantly, mainly due to improved waste data collection and the addition of new hotels and restaurants during the financial year.

New Measures and Monitoring

Our commitment to environmental sustainability is demonstrated through continuous innovation and the implementation of best practices. By prioritising investment in advanced technologies, we aim to make a significant and lasting contribution to environmental preservation.

Recent initiatives include the installation of new chlorinators in all our pools to reduce chemical usage while maintaining the highest quality standards. At db Seabank Resort & Spa, the replacement of a Reverse Osmosis (RO) unit with a more energy-efficient model marks a key step in reducing our carbon footprint. Similarly, at db San Antonio Hotel & Spa we introduced variable speed drivers for chilled water and borehole pumps, further enhancing energy efficiency. Efforts to reduce food waste are also being strengthened through targeted awareness campaigns. These initiatives aim to engage guests via signage and staff communication in buffet and dining areas, encouraging more mindful consumption.

Looking ahead to 2025, the group is set to implement new sustainability measures. These include the digitalisation of guest check-in processes through tablet-based systems to reduce paper consumption. We are also introducing waste separation bins in rooms and public areas to encourage recycling and responsible waste Management. Our environmental efforts are complemented by community engagement. We continue to collaborate with schools and local organisations to promote environmental awareness and sustainability education.

Moving forward, we turn to our social responsibility efforts, where we focus on promoting employee well-being, fostering diversity, and reinforcing our wider corporate social responsibility commitments.

Social Matters

At the db Group we believe that our social responsibility extends beyond our business operations to the communities we serve and the people we employ. In 2025, we continued to strengthen our commitment to social matters, focusing on Corporate Social Responsibility (CSR) and employee well-being and diversity.

Corporate Social Responsibility

Our CSR initiatives this year were as diverse as they were impactful, reflecting our commitment to making a positive difference in our communities. One highlight was our annual Mater Dei CSR event in collaboration with the db Foundation, where Starbucks team members distributed gifts to children in six different hospital wards.

We have raised funds for various voluntary organizations looking after cats and dogs, demonstrating our support of animal welfare. In addition, in October, of breast cancer awareness month, we collected and donated money to the cause.

These initiatives reflect our belief in the importance of giving back to our communities and using our resources to make a positive impact.



db Group Charity Foundation

The db Group Charity Foundation is the philanthropic heart of the Group, seeking to create meaningful change in the lives of individuals and communities facing social, environmental, educational and health challenges. The foundation is governed by a Board of Administrators who meet regularly to implement the Foundation's mission and strategic direction.

This past year has been marked by strong outreach and impactful change. Our mission to support and uplift the most vulnerable in our society has guided every decision. The Foundation has been fortunate to collaborate with incredible organisations and individuals to make a tangible difference in our communities.

The db Foundation expanded its network of partnerships to include collaborations with both large-scale NGOs and grassroots organisations that struggle to secure financial support. Through this drive, the quality of life of these individuals is improved, especially those who are marginalized for one reason or another. These partnerships have been instrumental to extend our reach and increase our impact.

The Foundation's primary source of income remains corporate contributions from db Group together with fundraising events whereby all proceeds are channelled directly and entirely to a charitable cause.

In 2025, the Foundation continued to strengthen its presence and expand its work across key areas, including social welfare, education, healthcare, mental health, arts, culture, and sports. Throughout the year, we maintained our support for established NGOs while also developing new partnerships and initiatives that reflect our ongoing commitment to supporting vulnerable groups in our communities.

The following are some of the initiatives taken in the past year are:

- Our partnership with Caritas on the Employee Assistance Program has had a profound impact on the mental health and well-being of db Group employees, providing them with essential support during challenging times whilst offering our ongoing financial support to Caritas itself.

- We contributed to the organisation of the Special Olympics Malta held in September 2024 providing financial support for exhibitions featuring renowned Maltese artists, helping to foster the development of local arts and culture.

In March 2025, the db Foundation has proudly extended its support to Inspire Malta through a significant donation aimed at enriching the learning environments for autistic children enrolled in the STEP Intensive Early Intervention (IEI) and STEP Forward Programmes. This contribution will fund the installation of attenuation boards at Inspire's Bulebel Centre, creating calmer, more supportive spaces for children aged 3 to 6. By reducing auditory stress, these enhancements will help young learners better engage with their educational activities. This initiative reflects our belief that every child deserves a nurturing environment tailored to their needs and reaffirms our commitment to inclusive education and community well-being.

In June 2025, db Foundation raised €8,419 for the Karl Vella foundation by organizing a dinner prepared by the three finalists from MasterChef Malta Season 2. Karl Vella Foundation provides support to families dealing with illness or loss. The charity dinner was held at LOA restaurant in St Paul's Bay with more than 100 guests enjoying a specially curated three course menu prepared by MasterChef Malta finalists Nicholas Bartolo, Florina Silvio, and Christina Mousu.

As we look to the future, our goal is to continue broadening our support network, reaching even more individuals and organisations in need. We plan to further develop our partnerships, particularly in the areas of child welfare. We are proud of the impact we have made and are committed to continuing our work in the future. Together, we have laid the groundwork for a better tomorrow.

The Foundation extends its deepest gratitude to the db Group for its ongoing support and whose generosity makes this work possible.

Employee Well-being and Diversity

Our employees are our most valuable asset and we are committed to promoting their well-being and celebrating their diversity. In 2025, we introduced several initiatives aimed at recognising and rewarding our employees.

Currently, the Group employs 6,531 full-time equivalents. We provide an inclusive workplace for all employees, regardless of gender, age, nationality, religion, sexual orientation, disability, and other forms of diversity.

To ensure that we are meeting the needs of our employees, we conducted a Climate Employee Survey. This survey provided valuable insights into our employees’ experiences and helped us identify areas for improvement.

Employees by segment:

Seabank	400 employees
San Antonio	387 employees
The Melior Hotel	4 employees
Lifestyle Group	487 employees
Hard Rock Cafe	91 employees
Starbucks	138 employees
Healthcare	4,516 employees
Catering	303 employees
Head office & administration	205 employees

The db Foundation partnered with Caritas on an Employee Assistance Programme which will create a safe space for employees of the db Group to seek counselling or social work assistance freely and in total confidence. Through the programme, db Group employees can anonymously seek support, which is then paid for by the db Foundation. The partnership also includes psycho-social education through talks and workshops which help foster a culture of empowerment and understanding across the organisation.

The Group is dedicated to fostering a culture of continuous learning and development. We believe that investing in our employees’ growth through comprehensive training and development initiatives is crucial for both the Group’s and our staff’s personal and professional advancement. This year, employees received regular performance and career development reviews, ensuring that equal opportunities are given to all employees. Training relating to areas such as communication, health & safety, service standards, teamwork and on-the-job related activities was also given to our employees.



Governance Matters

At the db Group, we understand that strong governance is the bedrock of sustainable business. In this area, we are committed to upholding the highest standards that ensure transparency, accountability, and fairness in all our dealings.

In 2025, we took our governance practices a notch higher. Our framework is designed to protect the interests of our stakeholders, including staff, guests, and shareholders. It provides clear guidelines on decision-making processes, risk Management and ethical conduct. This ensures that we operate in a manner that is consistent with our values and compliant with relevant laws and regulations.

Our Board of Directors plays a crucial role in our governance structure. They are responsible for overseeing our strategic direction, monitoring our performance, and ensuring that we meet our legal and ethical obligations. Our Board is composed of individuals with diverse backgrounds and spheres of expertise, ensuring a broad range of perspectives in decision-making processes.

Last year, the Group established a dedicated sustainability team, marking a crucial step in embedding ESG principles across our operations. In 2025, this team continued to play a central role in driving our sustainability agenda forward. Notably, sustainability risks have now been integrated into the Group Risk Register, ensuring that environmental and social considerations are proactively identified, assessed, and managed as part of our broader risk Management framework.

The first task on the team’s agenda is to set up a Corporate Sustainability Policy which will be aligned with the ten principles delineated in the UN Global Compact, reflecting our commitment to human rights, labor standards, environmental protection, and anti-corruption. The Policy will also have targets aligned with such principles.

Training has been given to all executives and employees at Management level to clarify each individuals’ responsibilities for integrating sustainability into their daily operations and decision-making processes. Their roles include identifying sustainability opportunities, implementing best practices, and contributing to our overall sustainability goals.

We have robust internal controls in place to manage risks and protect the integrity of our financial reporting. These controls are regularly reviewed and updated to reflect changes in our business environment and regulatory landscape.

We are committed to maintaining open and transparent communication with our stakeholders. We regularly disclose information about our performance, strategies, and ESG initiatives, ensuring that our stakeholders have a clear understanding of our business and can make informed decisions.

Our commitment to strong governance underpins all our activities and is integral to our vision of becoming a more sustainable and socially responsible organisation. As we look ahead, we will continue to enhance our governance practices, ensuring that we remain accountable to our stakeholders and true to our values.

The Audit Committee

In April 2017, db Group issued a €65 million bond through SD Finance plc, the Group’s finance vehicle. This bond issue was oversubscribed by the public. The Guarantor of the bond, SD Holdings Limited, is not a publicly listed Company and is therefore not bound by the provisions of the Code of Principles of Good Corporate Governance set out in the Listing Rules to set up an Audit Committee. However, the Issuer, SD Finance plc, being publicly listed, had to formally set up an Audit Committee as a consequence of the bond issue.

The Audit Committee’s primary objective is to assist the Board in fulfilling its oversight responsibilities with regards to financial reporting processes, financial policies and internal control structures. The Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, Management and the external auditors. The latter are invited to attend Audit Committee meetings. The Audit Committee reports directly to the Board of Directors and its terms of reference include support to the Board of the Issuer in its responsibilities and dealings with issues of risk, control, governance, and associated assurance.

The Audit Committee also has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party, including the Guarantor, to ensure that the execution of any such transaction is at arm’s length, on a commercial basis and ultimately in the best interests of the Issuer. Furthermore, the Audit Committee assesses any potential conflicts of interest between the duties of the Directors of the Issuer and their respective private interests or duties unrelated to the Issuer.

The Audit Committee is made up entirely of independent non-executive Directors. It is composed of Mr Stephen Muscat, Mr Philip Micallef and Dr Vincent Micallef. The Chairman of the Audit Committee, Mr Muscat who is appointed by the Board and who is entrusted with reporting to the Board on the workings and findings of the Committee is the independent non-executive director of the Company and he is considered by the Board to be competent in accounting and/or auditing in terms of the Capital Markets Rules.

The Board of Directors of the issuer and the guarantor

SD Finance plc’s Board of Directors is composed of two executive and four non-executive directors. Mr Silvio Debono (Chairman) and Mr Robert Debono occupy the executive posts. Mr Arthur Gauci, a non-executive director, is engaged as a Group consultant and holds the position of director of many companies within it. The three independent, non-executive directors are Mr Stephen Muscat, Mr Philip Micallef and Dr Vincent Micallef. While the executive directors of the Issuer are entrusted with the Company’s day-to-day Management, the main functions of the independent non-executive directors lie in monitoring the operations of the executive directors and their performance, whilst reviewing any proposals tabled by the executive directors.

The Board of Directors of SD Holdings Limited also consists of seven directors, namely, Mr Silvio Debono, Mr Robert Debono, Mr Jesmond Vella, Mr David Debono, Ms Victoria Debono Borg, Mr Alan Debono and Ms Veronica Debono.





Conclusion

Looking back, we are proud of our ESG performance in 2024. It was a year of significant progress and continued commitment to key ESG principles. Despite the challenges posed by an ever-evolving global landscape, the db Group has remained committed in its dedication to sustainability, social responsibility, and strong governance.

Looking ahead to 2025 and beyond we are excited about the opportunities that lie ahead. We strive to keep on innovating and adapting, leveraging our strengths to navigate the challenges of the future. We are confident that our solid ESG strategy, combined with our unwavering commitment to sustainability and social responsibility, positions us well to navigate these challenges and continue delivering value to all our stakeholders.

We would like to express our deeply felt gratitude to our staff, guests, and stakeholders for their continued support and trust in the db Group.

Together, we look forward to building a more sustainable and inclusive future.

An aerial photograph of a city, likely Malta, featuring a prominent large dome in the background and dense, historic stone buildings in the foreground. The image is partially obscured by a white curved shape on the right side.

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 Mellieħa, 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 Mellieħa 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 Cafe 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.

Directors’ Report - continued

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. The Healthcare 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.

Directors' Report - continued

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.

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.

Directors' Report - continued

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



Statement of Financial Position

		AS AT 31 MARCH			
		GROUP		Company	
	Notes	2025 €	2024 €	2025 €	2024 €
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

Statement of Comprehensive Income

		YEAR ENDED 31			
		GROUP		Company	
	Notes	2025 €	2024 €	2025 €	2024 €
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					
<i>Items that will not be reclassified to profit or loss in subsequent period:</i>					
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

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

Statement of Cash Flows

YEAR ENDED 31 MARCH				
Notes	GROUP		Company	
	2025	2024	2025	2024
	€	€	€	€
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

Notes to the Financial Statements



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, Mellieħa Bay, Mellieħa, 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).

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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).

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

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.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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).

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.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

1.8 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

1.11 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

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:

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

- 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.

- 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 upfront 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.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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.

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

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	64,569,555	10,586,243	43,467,296	14,306,040
(Note 12)				
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.

2. FINANCIAL RISK Management - continued

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.

Impairment of trade receivables (including contract assets)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a life-time 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

2. FINANCIAL RISK Management - continued

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.

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 struc-ture, 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 ade-quate 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 fi-nancial 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 com-plex 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 discon-tinuation	Place of busi-ness	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 condi-tion.
- The actions to complete the sale were completed within one year from the date of initial classifica-tion.
- 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

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.

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).

4. PROPERTY, PLANT AND EQUIPMENT - continued

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.

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.

4. PROPERTY, PLANT AND EQUIPMENT - continued

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 EBIT-DA 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.

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.

4. PROPERTY, PLANT AND EQUIPMENT - continued

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.

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 Cafe, 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

8. INVESTMENTS IN SUBSIDIARIES - continued

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, Mellieħa, 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, Mellieħa, Malta	Ordinary shares	100%	100%
Seabank Hotel and Catering Limited	Seabank Hotel Marfa Road, Ghadira Bay, Mellieħa, 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
Investments in subsidiaries of the Group	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 W1J 5RL	DB Lifestyle Group Limited	DB Lifestyle Group Limited	Ordinary shares	100%	100%
	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%
Investments in subsidiaries of the Company	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%	-
	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%	-

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held			Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held		
					2025	2024						2025	2024	
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 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.	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%	-
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%	-		Porto Azzurro Resort Club Limited (Accounted as investment in associate in 2024. Refer to Note 9)	Porto Azurro 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 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, Malta	DB San Gorg Holdings Limited	DB San Gorg Holdings Limited	Ordinary shares	100%	100%								
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%								

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

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

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

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, Mellieħa, 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)
	Porto Azzurro Resort Club Limited (Accounted as investment in subsidiary in 2025)	Porto Azurro 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)

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

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.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		Kore Air Services Limited		Kore Inflight Services Limited		Total	
	Year ended 31 March		Year ended 31 March		Year ended 31 March		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
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			

	Malta Healthcare Caterers Limited	Kore Air Services Limited	Kore Inflight Services Limited	Total
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, Marclém 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

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

(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.

(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 with- in 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 es- tablishments.

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 liabili- ties (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%).

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.

12. TRADE AND OTHER RECEIVABLES - continued

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

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.

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.

16. SHARE CAPITAL- continued

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.

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 conjunction 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 occurrence 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

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:

20. BORROWINGS- continued

	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%).

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.

20. BORROWINGS- continued

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

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 out-flows	-	(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 out-flows	-	(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.

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).

21. LEASE LIABILITIES - continued

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

	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.

27. FINANCE INCOME AND FINANCE COSTS- continued

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).

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;
- (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
SRGN	Subsidiary	(10,492,416)	(10,492,416)	Current trade and other payables
Debar	Subsidiary	(600,000)	(600,000)	Current trade and other payables

Related Party	Relationship	Amount of Transaction (€)	Outstanding Balance(€)	Nature, Terms and Conditions
DB San Gorg Property	Subsidiary	(1,884,242)	(1,884,242)	Current trade and other payables
2024	SeaBank Hotel and Catering	3,078,838	3,078,838	Current trade and other receiv-ables
		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 receiv-ables
		(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.



Independent Auditor's Report



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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.

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.

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.



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





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