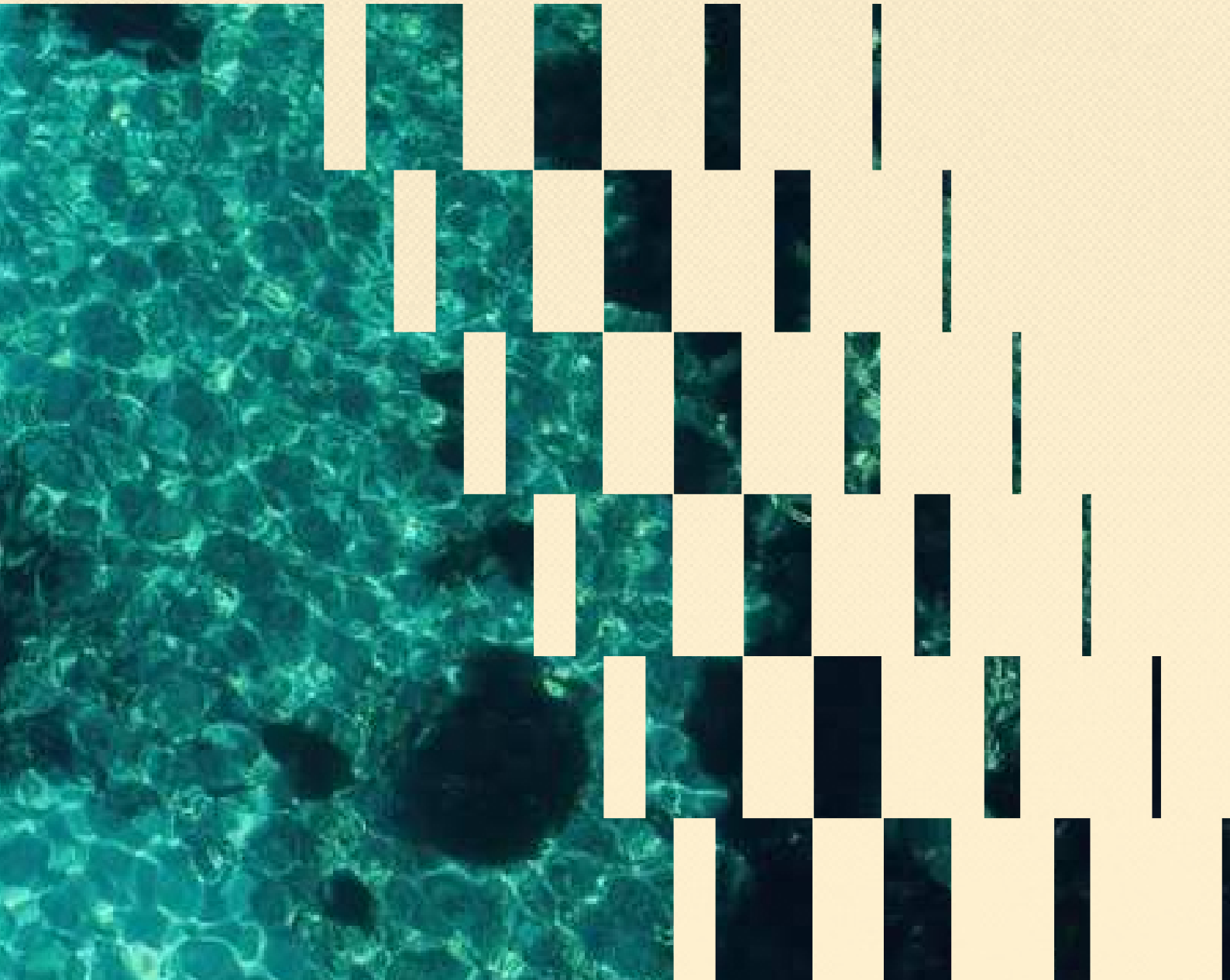
ANNUAL REPORT **2026**

db Group

FORWARD.
ON ALL FRONTS.



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.

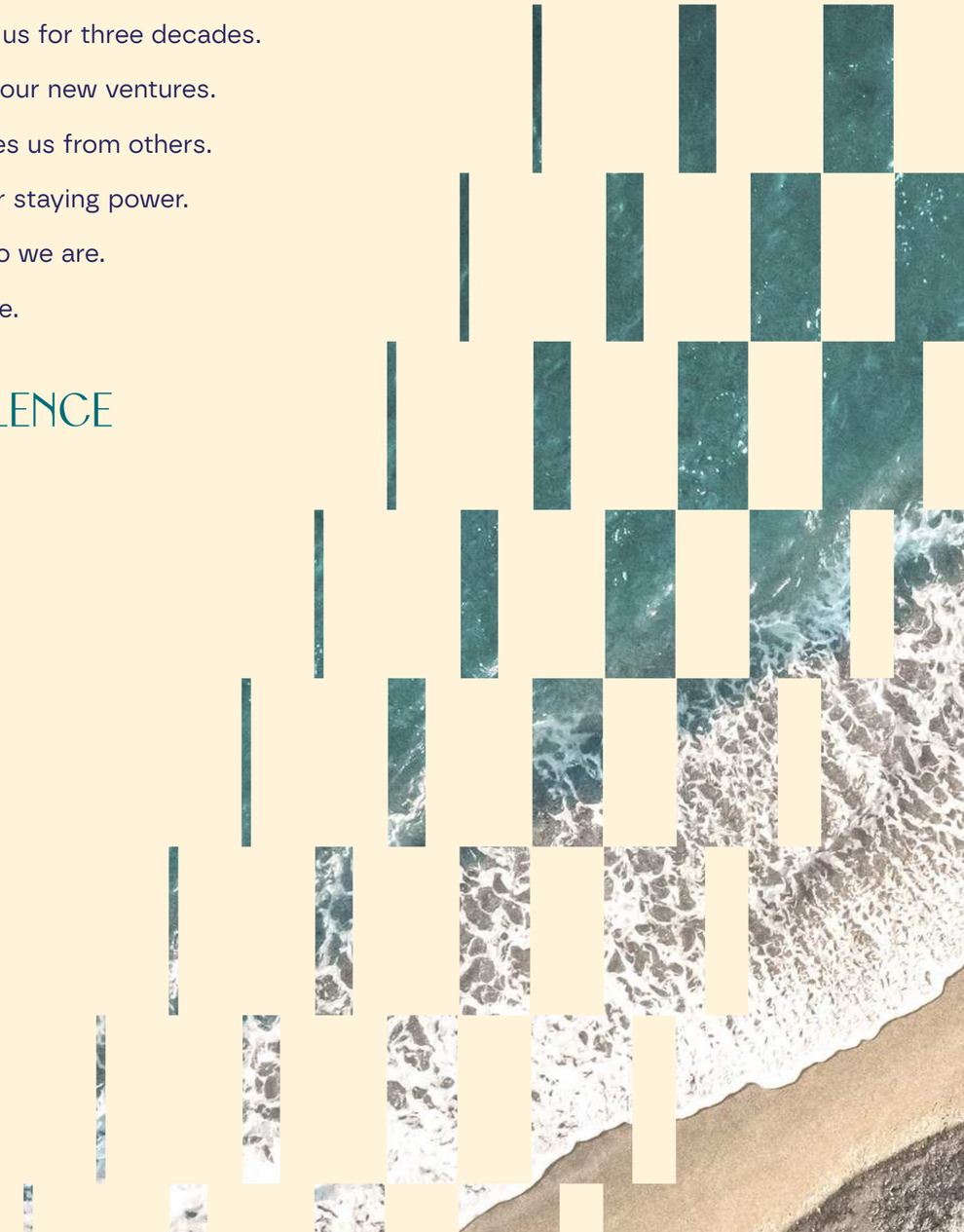
Distinguishes us from others.

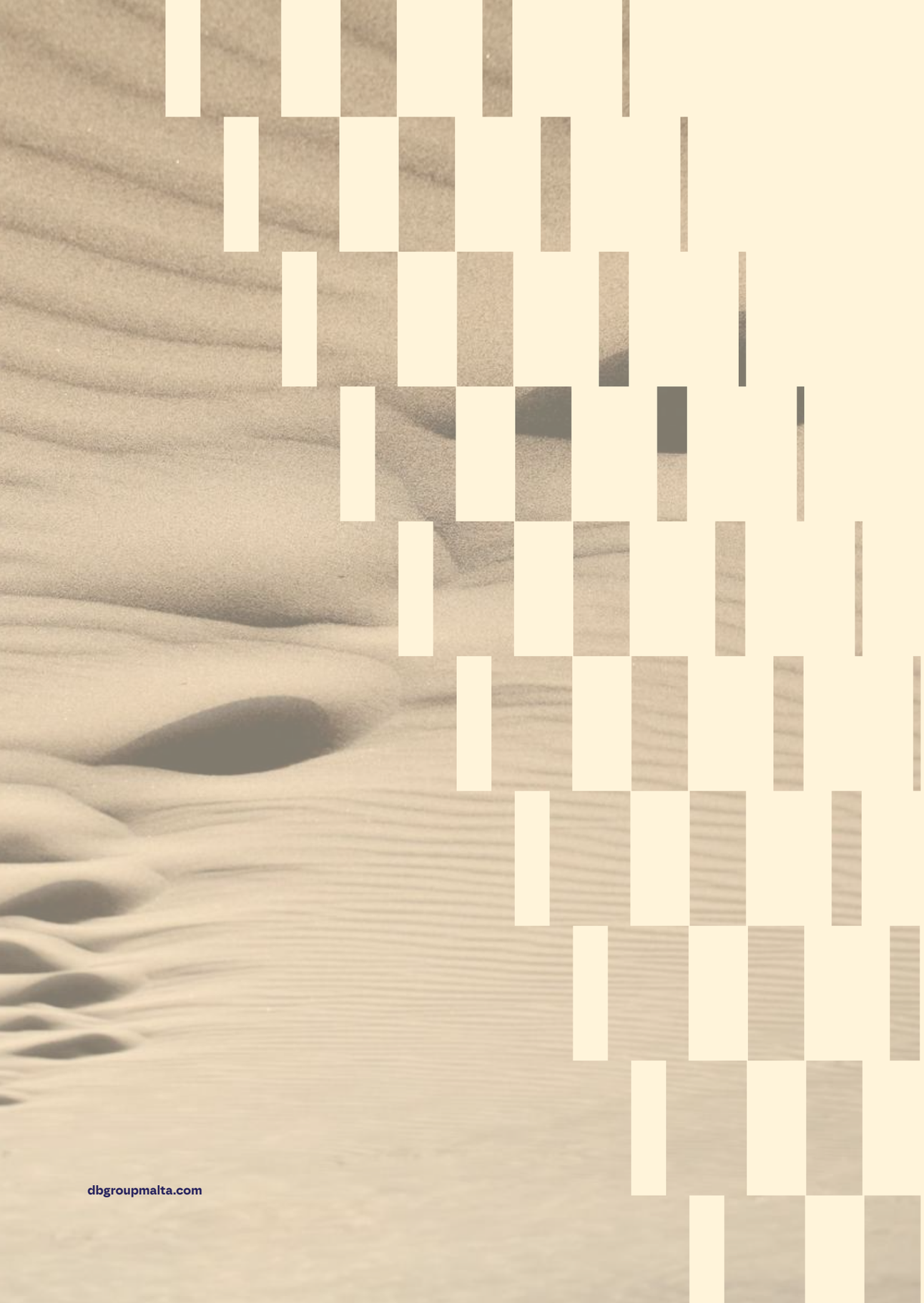
Explains our staying power.

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.*



Forward. On all fronts.

These financial results are not mere numbers. Nor are they just evidence of our solid growth and milestones reached.

More deeply, they are the embodiment of our Group's vision for today and tomorrow. To be told and understood, our story does require the financials. Equally, however, the full meaning and implications of our financials are captured only when placed in the context of our story and our vision.

One of our strategic pillars has been, and will remain, the pursuit of growth and opportunities - locally and abroad - in equal measure, and with the same determination. Moving forward on these two fronts has led to the reimagining and reshaping of our Group. Positively, the two parallel drives are increasingly coming closer together, thereby creating fruitful, seamless synergies. Today, and more so in the future, local business will be global and vice versa.

There is another equally important pillar underpinning this financial year. We consolidated and streamlined our core business, sharpening our focus on what we do best. And what we do best is hospitality.

The decisions to reconfigure our commercial and investment footprint were challenging and consequential. We did not take them lightly. But they were the right ones, and the results already speak for themselves.

The reason? As we have been doing since the founding of our Group, we risk but do so prudently and with an eye constantly trained on the horizon.

This has been a watershed year for yet another reason. Following a long journey our flagship project has finally reached its destination. Hard Rock Hotel Malta, its mall and the ORA residences at St George's Bay in St Julian's are all in full swing.

This project is a milestone for the country as much as it is for our Group. I am confident that it will redefine and benchmark the lifestyle and upmarket hospitality sector. Indeed, the news is already very positive. We are very proud that Hard Rock Hotels global has set this project on course in the race to become their flagship hotel in Europe, the Middle East and Africa.

Still on the local scene, we continued to bring over top and globally renowned restaurant and hospitality brands. Our strategic move was perfectly aligned with the key national tourism goal and that is to raise the level of quality of our country's offer. In this sense, we are the leading game-changer in Malta's hospitality sector.

Clearly, we are moving forward and doing so on all fronts. Focused, more agile and with a 360-degree view of opportunities at home and beyond our shores, the future looks bright.

We are ready for it. On all fronts.

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.*



Forward. On all fronts.

We delivered
This financial year was exceptional for our Group, and this report is its testimony. A single milestone brought us to this juncture. Almost ten years in the making, the project at St George's Bay in St Julians has finally opened its doors. We are very proud to have delivered Hard Rock Hotel Malta, St. George's Mall and the ORA Residences. Hard Rock Hotel Malta's 397 rooms and its wide range of facilities has pushed up the bar of upmarket accommodation in Malta. The project also features an impressive and diverse array of eleven restaurants, each bringing uniqueness to the table.

Brands and beyond
Experience and research confirm that tourists gravitate towards global brands they know. The reason is simple. A familiar brand removes the risk factor from the equation. Tourists feel safe because they know what they will be getting. If they want a fun night out, there's Bagatelle. If they want their usual matcha drink and a pastry, there's the same EL&N in Malta as the one they visited in Mayfair. If they want more of Tatel's quintessence of Spanish gastronomy, the same they tasted in Ibiza and Dubai, they can have it at St George's Bay. And so on. In parallel, when we introduce our homegrown culinary concepts, we do so after keeping a keen eye on what is becoming popular abroad. We then adapt and mould it for the local market. That's what we did with AKI and Loa in the past. That's what we're doing with Kiru, our Korean Steakhouse at St George's Bay, and other culinary concepts we concocted.

We believed. We acted.
Throughout our journey, we believed in this country and we believed in ourselves. That's why we invested €350 million in the St George's Bay project. That's why we completed the project under budget and in record time. That's why the mall is fully leased and we already have a queue lining up for 5,000 - 10,000 sqm. All this has synchronised us with the national tourism target of raising the quality of Malta's hospitality offer. We are very proud to have heard and acted on this call, thereby doing our part in changing the face of Malta's hospitality industry for the better.

ORA Residences
ORA Residences have continued to perform exceptionally well, with all the units released to the market currently secured under Promise of Sale. This strong level of demand reflects the market's confidence in the quality of the development and the Group's long-term vision. As a result, the Group expects to recognise approximately €110 million in residential sales revenue during FY2027, contributing to the Group's financial performance. Looking ahead, our ambitions for ORA Residences continue to evolve. We are currently evaluating opportunities to introduce an even more distinctive concept within the development, further enhancing its appeal, strengthening its long-term value proposition, and reinforcing its position as one of Malta's premier residential destinations.
This is ORA.

We consolidated and streamlined our core business
In this financial year we also made some radical internal changes. Primarily, we exited the healthcare sector to focus exclusively on what we do best - hospitality. The latter is vast, our footprint in it is already substantial and we are planning to grow even more. In these circumstances, operations are smoother, more agile and effective when they are all in synch in the same sector. Consequently, sharpening our focus on hospitality widens our vista to explore more opportunities in the sector. Equally central to our ethos, we are wary of the attraction of trophy assets.

We're moving forward locally and abroad
Malta is our home and we shall continue to look for opportunities in it. At the same time, however, we are also looking to export our expertise and business model abroad. Currently, we are focusing on hospitality opportunities in the Mediterranean basin and the Gulf. Either with all inclusive resorts like the Seabank, one of the leading all-inclusive resorts in Europe, or with mixed use five-star developments like the Hard Rock project in Malta.

Forward. On all fronts.



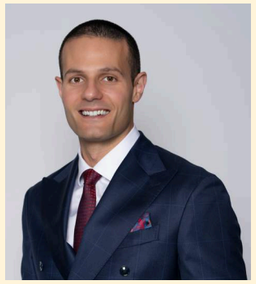
ROBERT DEBONO
CEO, db Group

db Group

Executive Team



SILVIO DEBONO
CHAIRMAN



ROBERT DEBONO
DIRECTOR & CHIEF EXECUTIVE OFFICER



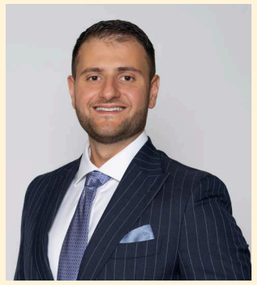
JEAN CLAUDE FENECH
CHIEF FINANCIAL OFFICER



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 FEHLBIER
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 Silvio Debono, the Group's founder. Today, as db Group chairman, he sits at the helm of the largest operation in the hospitality and leisure 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 Café International, Starbucks, GROM, EL&N, TATEL, Bagatelle and Paradiso. In the process, the Group has accumulated valuable international business acumen and operational experience, while continuing to expand its portfolio with new concepts.

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

Following four decades of sustained growth and success in Malta, in October 2022 the Group took a game changing step to internationalise and diversify its operations.

This strategic move was anchored by the establishment of 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 on this office can be found at: sdhcapital.co.uk/

During FY2026, the Group continued to broaden its international footprint through the opening of AKI London, its first hospitality venture outside Malta, and the advancement of its planned development in Ras Al Khaimah.

As the Group continues to expand internationally, its commitment to investing in its hospitality and catering operations in Malta remains unwavering, reinforcing its ambition to progress on all fronts, both locally and abroad.

Key Milestones and Our Path Ahead





Forward.
On all fronts.

Moving forward locally and abroad

Several key milestones were achieved during the financial year spanning 1 April 2025 to 31 March 2026, while a number of significant developments were completed following the end of FY2026. The Group's momentum in previous years continued to surge forward, delivering growth across its core operations while moving forward on several strategic local and foreign initiatives.

In this respect, turnover increased by 12.2%, reaching €111.3 million, the highest turnover ever achieved by the Group. In addition, EBITDA increased by 78.3%, factoring in at €66.8 million.

The last financial year saw db strengthen its core business, deliver major developments, expand locally and abroad, and pursue new opportunities through a disciplined and prudent investment approach.

FY2026 took the db Group abroad, with AKI London opening its doors and with plans in Ras Al Khaimah advancing to plan. Closer to home, 2026 was the milestone which brought Hard Rock Hotel Malta to fruition. It brought forth a new generation of hospitality and leisure concepts, the St George's Mall and the ORA Residences all at St George's Bay.

Each of these components builds long-term value across hospitality, leisure and mixed-use development, and strengthens the Group's standing as one of Malta's leading hospitality and leisure operators.



Changing the Face of Malta's Hospitality Industry: Hard Rock Hotel Malta

In 2026, db Group reached a transformational milestone with the opening of Hard Rock Hotel Malta in September 2026. The Group's new flagship hospitality development represents the first Hard Rock Hotel in Malta and forms part of the wider St George's Bay development, together with St George's Mall and the ORA Residences.

Representing the culmination of several years of planning and investment, Hard Rock Hotel Malta significantly expands the Group's hospitality portfolio and strengthens its presence in Malta's five-star hotel market. The 397-room destination combines Hard Rock's internationally recognised entertainment-led concept with Maltese hospitality. It includes 11 swimming pools, more than 10 restaurants, bars, lounges and club venues, a 466-square-metre ballroom, and an extensive spa, wellness and fitness offering spanning nearly 4,000 square metres. This includes Rock Spa®, Body Rock®, the brand's largest state-of-the-art workout facility worldwide, and the in-room Rock Om® yoga programme.

Overall, the development represents a €350 million direct investment in Malta's tourism sector. It has created hundreds of jobs across a broad range of specialised hospitality roles. Through its scale and integrated mix of accommodation, dining, wellness and entertainment, the hotel is at the forefront of enhancing Malta's tourism offering. It is positioned to turn St George's Bay into a leading quality hospitality and leisure destination.

The hotel is also home to Hard Rock Cafe St. Julian's Malta, a 1,400-square-metre venue offering indoor and outdoor seating for 222 guests. Combining dining, live entertainment and authentic music memorabilia, the venue includes a restaurant and bar, the Rock Shop®, live music and special events, creating a new entertainment and social destination for local and international visitors.

Launch of New Concepts at St George's Bay

Following the end of FY2026, db Group expanded the hospitality and leisure offering at St George's Bay through the introduction of several new concepts.

New additions included TATEL Malta, MATTO and Tanvi, broadening the range of food, beverage and entertainment experiences available in the wider development. These additions reflect the Group's continued commitment to enhancing its hospitality and leisure portfolio through a combination of internationally recognised brands and proprietary concepts.

Upcoming additions

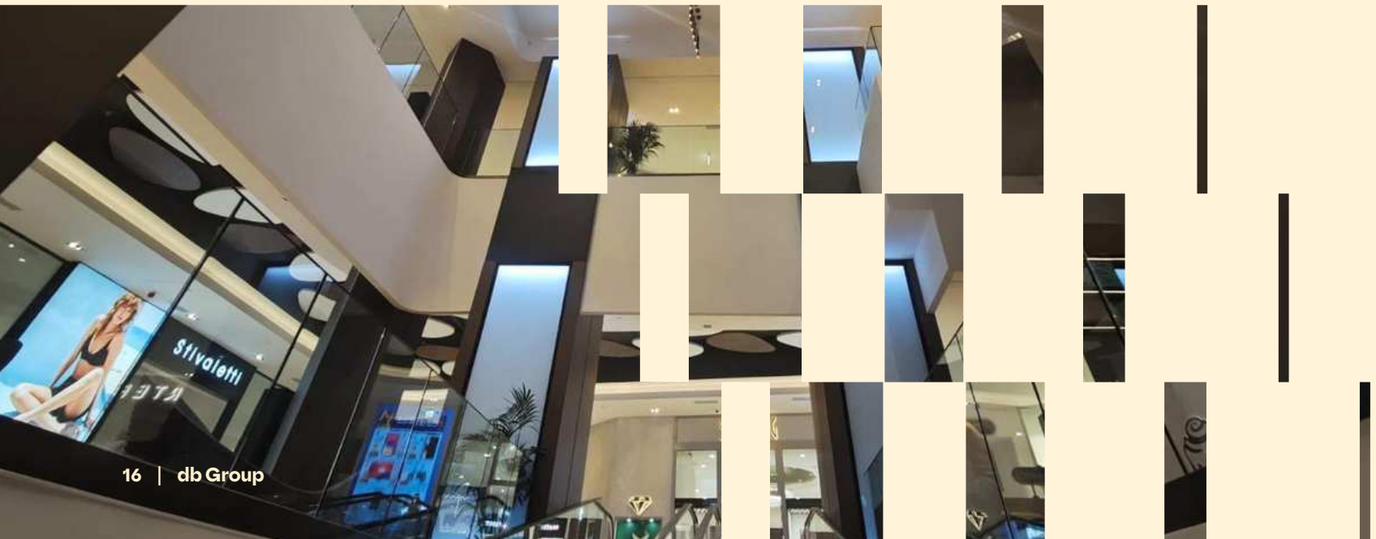
The Group continues to expand the destination's food and beverage offering, with Bagatelle, KIRU and Saint George Pub scheduled to open in 2026.

Delivering St George's Mall

Following the end of FY2026, db Group reached a major milestone with the opening of St George's Mall on 15 July 2026, representing the first operational phase of the Group's landmark St George's Bay development. This new destination spans approximately 15,000 square metres and brings together a diverse mix of retail, dining, lifestyle and entertainment offerings in the heart of St Julian's.

The mall opened with more than 60 shops, cafés and restaurants, including several international brands making their Maltese debut, together with a range of established local and international operators. The development also includes a PAVI-PAMA supermarket and over 1,200 parking spaces, creating a convenient and accessible destination for residents and visitors.

The opening represents a significant step forward in the transformation of St George's Bay into one of Malta's leading lifestyle, retail and hospitality destinations. It further strengthens the Group's long-term investment in Malta's tourism and leisure sector.



Expanding the Starbucks footprint across Malta

db Group continued to grow the Starbucks brand with the opening of a new outlet at its landmark St George's Bay development in St Julian's. This latest addition increased the Starbucks network across Malta and Gozo to 19 stores, further strengthening the brand's presence across key commercial, retail and tourism destinations.

The continued expansion of the network reflects the strong demand for the Starbucks brand among residents and visitors. The Group remains committed to growing its footprint through strategically located outlets, enhancing convenience, accessibility and the customer experience.

Successful Completion of the €60 Million Bond Programme

db Group's €60 million unsecured bond issuance programme was fully subscribed following the successful take-up of the latest tranches issued through its finance arm, SD Finance p.l.c. Tranche 2 comprised €20 million and Tranche 3 comprises €7 million in 5.20 per cent unsecured bonds redeemable in 2031. Both tranches were issued at par and placed through authorised financial intermediaries. In view of the full subscription, the offer to the general public scheduled to open on 14 May 2026 did not take place.

The latest issuances followed the full subscription of the initial €33 million tranche in October 2025, bringing the total amount raised through the programme to €60 million. All three tranches form part of the same bond programme approved by the Malta Financial Services Authority in October 2025 and will be consolidated into a single series of €60 million 5.20 per cent unsecured bonds redeemable in 2031. The bonds are guaranteed by SD Holdings Limited, the Group's parent company.



Moving Forward Abroad

The past financial year marked another important milestone in the evolution of db Group. Guided by a long-term vision and disciplined investment strategy, the Group continued to expand its international footprint while remaining committed to delivering high-quality developments and exceptional hospitality experiences.

AKI London Establishes Its Place in London's Culinary Scene

During FY2026, the Group successfully launched AKI London at 1 Cavendish Square, marking its first hospitality venture outside Malta and reflecting its long-term strategy of positioning Maltese-born brands in globally competitive markets. Building on the success of AKI Valletta, the restaurant earned a listing in the Michelin Guide during its first year of operation, further reinforcing the Group's reputation for delivering high-quality dining experiences.

Housed in a Grade II-listed former bank, the restaurant features an 80-cover dining space, cocktail bars within the original vaults, a mezzanine terrace and a private dining area.

Designed by UK-based Maltese designer Francis Sultana, the restaurant integrates the building's heritage architecture with contemporary design principles. Its menu includes sushi, robata-grilled dishes, kushiyaki skewers and Japanese small plates, complemented by a beverage programme featuring premium sake, Japanese whiskies and signature cocktails. Its successful launch and early recognition demonstrate the Group's ability to create distinctive lifestyle destinations combining exceptional cuisine, refined design and outstanding guest experiences.

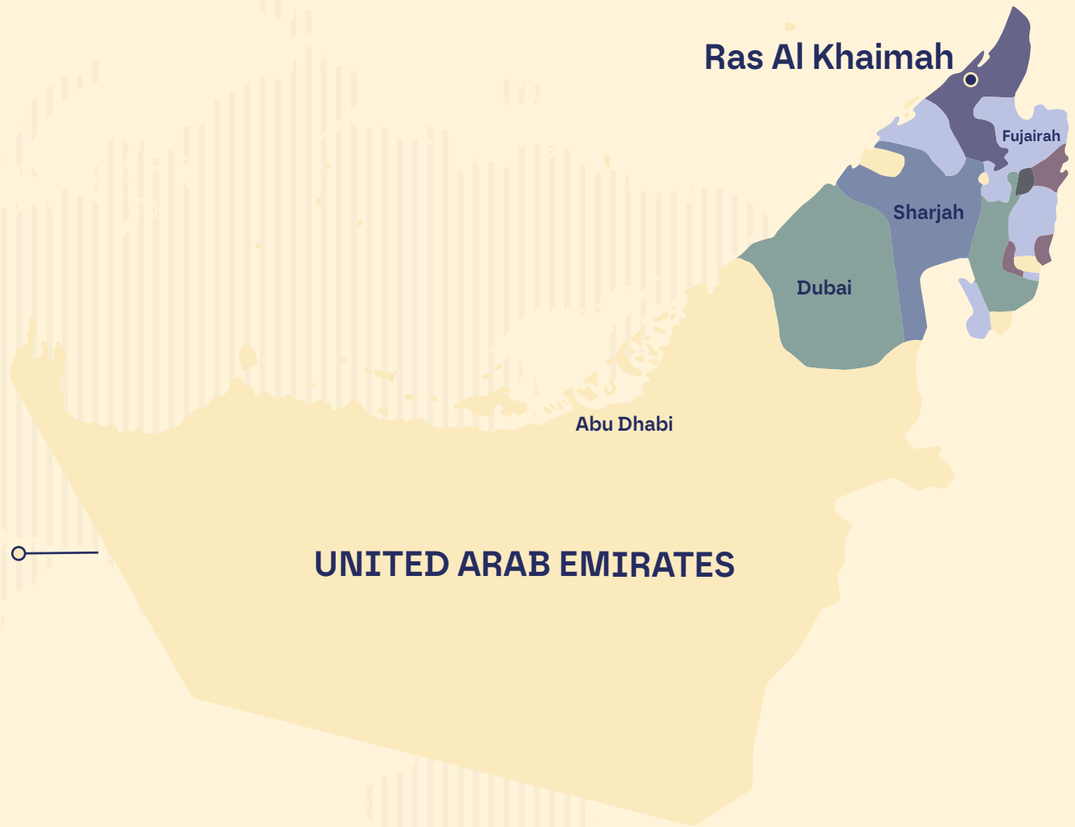


Ras Al Khaimah: Advancing the Group's International Expansion

The establishment of an office in Ras Al Khaimah is another strategic step in the Group's international expansion. Despite the recent conflict, the UAE and the Gulf region continue to offer compelling opportunities across real estate, hospitality and tourism, supported by strong economic growth, increasing international investment and ambitious national development strategies. The Group's presence in Ras Al Khaimah enhances its ability to identify and participate in emerging opportunities across the Emirates, while strengthening relationships with regional partners, investors and leading international hospitality brands.

A defining milestone for the Group's future growth has been the approval of its landmark beachfront Hard Rock Hotel & Branded Residences development on Marjan Beach, Ras Al Khaimah. Currently progressing through the concept and design phase, the project is expected to be launched in 2029. It will be the Group's most significant international joint venture development to date. Combining a five-star hotel with premium branded residences and multiple restaurants, the development reflects the Group's strategy to create integrated lifestyle destinations in high-growth tourism markets.

Alongside its investment in real estate and hospitality assets, the Group is broadening its presence across the hospitality value chain. During the coming months, it expects to launch a dedicated hospitality recruitment and training business in Ras Al Khaimah to support growing demand for highly skilled talent in the region's expanding tourism industry. This initiative reflects the Group's belief that developing people is fundamental to delivering exceptional guest experiences and sustainable industry growth.





Hospitality

Hard Rock Hotel Malta
db Seabank Resort + Spa
db San Antonio Hotel + Spa
The Melior Boutique Hotel
Xemxija Bay Hotel

Property Development

db San Ġorġ Property
Kika Construction Company Limited
Siar Property Investments
Għadira Property Investments

Leisure

Lifestyle Group

Adeera Complex:
Amami
Blu Beach
Westreme

Nine Lives Beach Club
AKI
AKI London
Loa
Amami Food Bar

Veràni
Tora
Manta
C&R Café
Tanvi

MATTO
Kiru
Saint George Pub
Pick&Go

Franchised Outlets

Hard Rock Cafe Malta
Starbucks
GROM
EL&N

TATEL
Bagatelle
Paradiso

db Seabank RESORT & SPA | MALTA
db San Antonio HOTEL & SPA | MALTA
XEMXIJA BAY HOTEL
THE MELIOR BOUTIQUE HOTEL
Hard Rock CAFE MALTA
EL & N LONDON
GROM
TATEL IBIZA
Akì
LOA
TORA
AMAMI TASTES OF ASIA
PARADISO. MALTA
MANTA
Blũ. Beach Club
NINE LIVES
KIRU STEAKHOUSE
WESTREME KITCHEN + BAR
pick&go
VERÀNI
AMAMI FOOD BAR
TANVI INDIAN CUISINE
CHARLES&RON - CAFÉ -
SAINT GEORGE PUB
MATTO DI CUCINA ITALIANA
BAGATELLE MALTA
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. As at 31 March 2026, the Group employed 1,794 full-time equivalents across its operations.

FY2026 was characterised by a strong performance across the Group's different operational segments. Revenue increased by 12.2%, reaching its highest level to date, whilst reported EBITDA increased by 78.3%. The results include the gain arising from the disposal of certain subsidiary interests during the year.

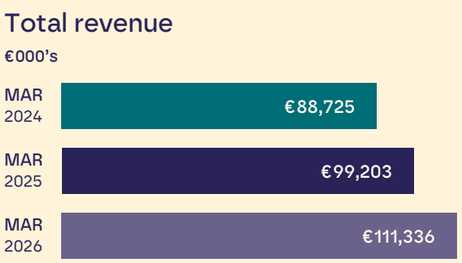
Revenue

+12.2%

CHANGE FY 2025/FY 2026

Total revenue

€000's



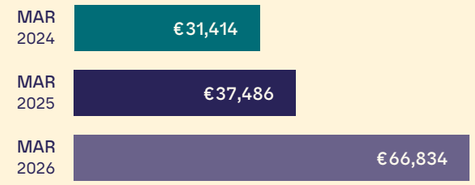
Profitability

+78.3%

CHANGE FY 2025/FY 2026

EBITDA

€000's

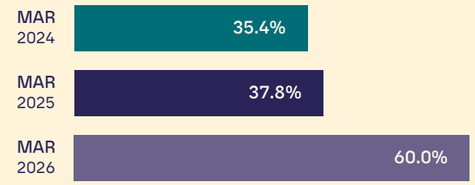


+58.7%

CHANGE FY 2025/FY 2026

EBITDA margin

%

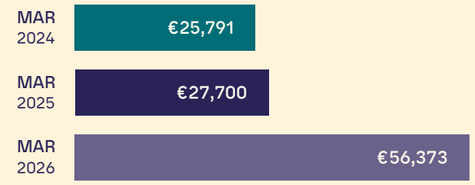


+103.5%

CHANGE FY 2025/FY 2026

Operating profit / EBIT

€000's

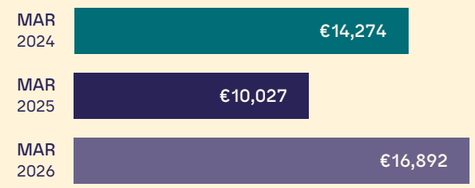


+68.5%

CHANGE FY 2025/FY 2026

Profit after TAX

€000's

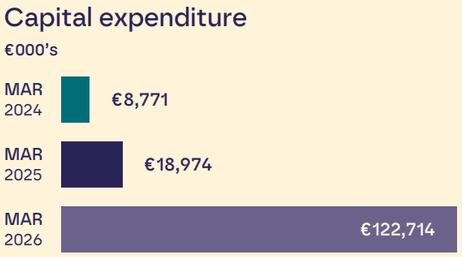


Capital Expenditure

Capital expenditure increased by 546.7% during FY2026, reflecting the Group's continued investment programme, including the development of the St George's Bay project and investments across its operations.

+546.7%

CHANGE FY 2025/FY 2026

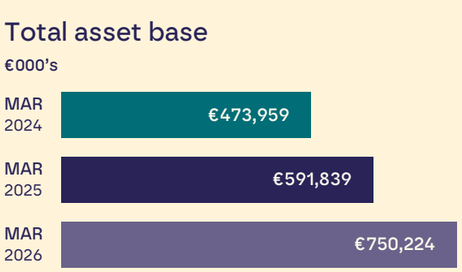


Assets & Liabilities

The Group's total asset base increased by 26.8% during FY2026, reflecting the significant investments undertaken during the year, whilst total equity increased by 5.2%.

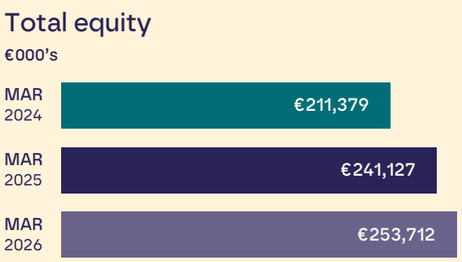
+26.8%

CHANGE FY 2025/FY 2026



+5.2%

CHANGE FY 2025/FY 2026

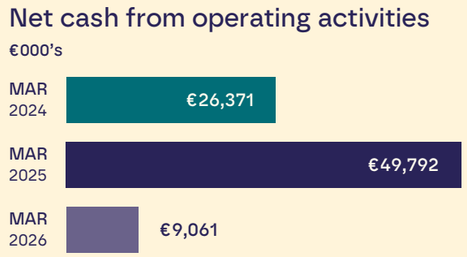


Cash Flow

Cash flows during FY2026 reflected the scale of the Group's investment programme. Net cash generated from operating activities decreased by 81.8%, whilst net cash used in investing activities increased by 87.5%. The higher level of investment was supported by a 265.3% increase in net cash generated from financing activities.

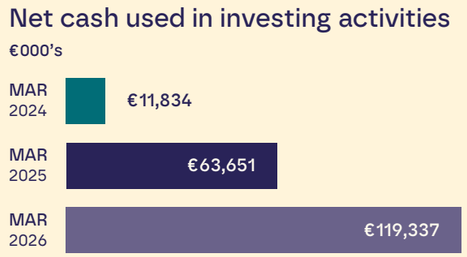
-81.8%

CHANGE FY 2025/FY 2026



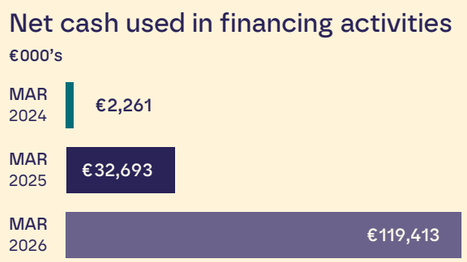
+87.5%

CHANGE FY 2025/FY 2026



+265.3%

CHANGE FY 2025/FY 2026



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

588,254
Population

1,862
Persons per square kilometre

40 YEARS
Median age of population

300 DAYS
Of sunshine per year

MEDITERRANEAN CLIMATE
Mild, rainy winters; hot, dry summers

632mm
Annual rainfall (2025)

EURO
Currency

€35,000
GDP per capita (2025)

+356
International dialling code

MALTESE & ENGLISH
Official languages

HIGH INTERNATIONAL CONNECTIVITY
110 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 European Union (EU) and globally:

Productivity
112.118 points *(as per Eurostat data 2026 Q1, expressed in Purchasing Power Standard.)*
This indicator represents the ratio of nominal GDP to the total hours worked by employees and the self-employed.

Social Progress Index (SPI)
SPI is 83.38, placing Malta 27th out of 171 ranked countries in 2026
The country is performing within the expected range. The SPI measures 57 drivers of social and environmental progress, focusing on the non-economic aspects of social performance.[1]

Gini coefficient of equivalised disposable income
Malta has a coefficient of 29.2, ranking 14th 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.[2] The higher the coefficient, the higher the inequality in the country.

Skills
5th out of 31 countries in the European Skills Index (ESI) in 2024
Malta ranks in the top-performing group, registering a comparatively weak score in skills development. At the same time, however, it has the second-highest score among EU countries in the skills matching pillar and the fourth-highest in the skills activation pillar.

Unemployment rate
2nd lowest in the EU at 3.1% in 2025
94% of recent graduates were in employment in 2025.

Innovation capability
27th out of 139 economies in the Global Innovation Index (GII) 2025
This is based on criteria which include institutions, human capital and research, infrastructure, credit, investment, linkages; it also includes 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.

Double taxation treaties
Around 80 signed conventions in force

Sovereign ratings
Moody's ratings A2 stable outlook | Standard & Poor's (S&P) ratings A- stable outlook | Fitch ratings A+ stable outlook

[1] Social Progress Imperative
[2] Eurostat



Malta:

Malta's GDP growth remains strong compared to the Euro Area, although it has declined from 6% in 2024 to 4% in 2025

Malta has been a member of the 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 €14.9 billion, making it one of the fastest growing economies in Europe during that period. The latest real GDP figures reached €20.4 billion at the end of 2025.

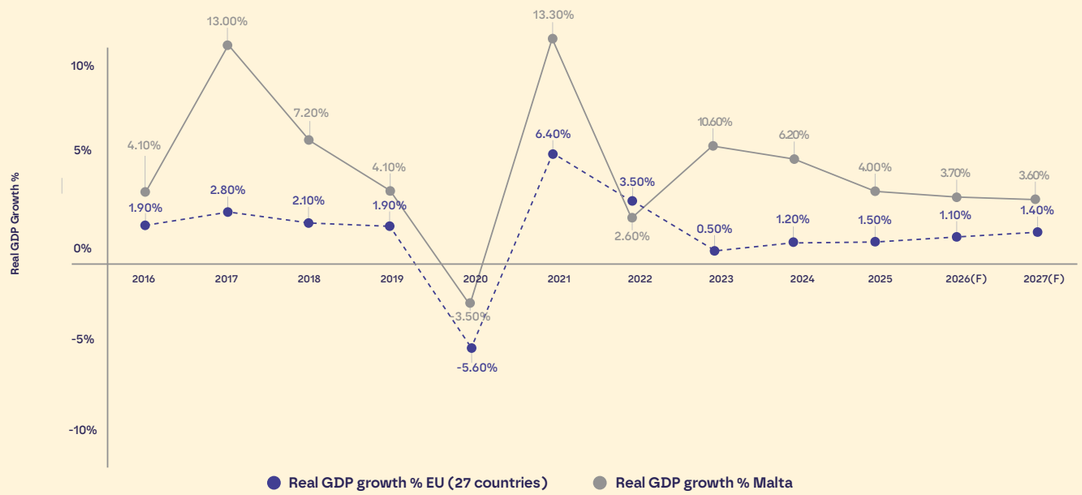
Malta's economy is strategically driven by financial services, tourism, real estate, iGaming (internet gaming) and high value-added manufacturing. Other important sectors include pharmaceuticals and information technology. Human resources are crucial for Malta - education is therefore imperative in shaping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

Malta's economy has consistently registered one of the highest GDP growth rates amongst the other EU-27 economies. Yet it appears to be converging to EU levels of growth, as the marginal slowdown in GDP growth experienced in 2024, continued in 2025.

In terms of real GDP growth, the Maltese economy has consistently outperformed the EU average since 2009, experiencing a harsher dip during 2020, the year of the pandemic, than other EU countries. Subsequently it recovered at a very fast pace. 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.

Economic performance in terms of growth continues to outperform the euro area average. It is driven by domestic demand and net exports, reflecting the strength of Malta's tourism-driven economy. Strong economic performance was registered in 2023, with real GDP growth reaching 10.6%, before slowing to 6.2% in 2024 and 4.0% in 2025, according to Eurostat historical data. According to the EC forecast, economic growth is expected to stabilise at 3.7% in 2026 and 3.6% in 2027, broadly in line with average EU growth rates, which are expected to fall slightly to 1.4% in 2027.

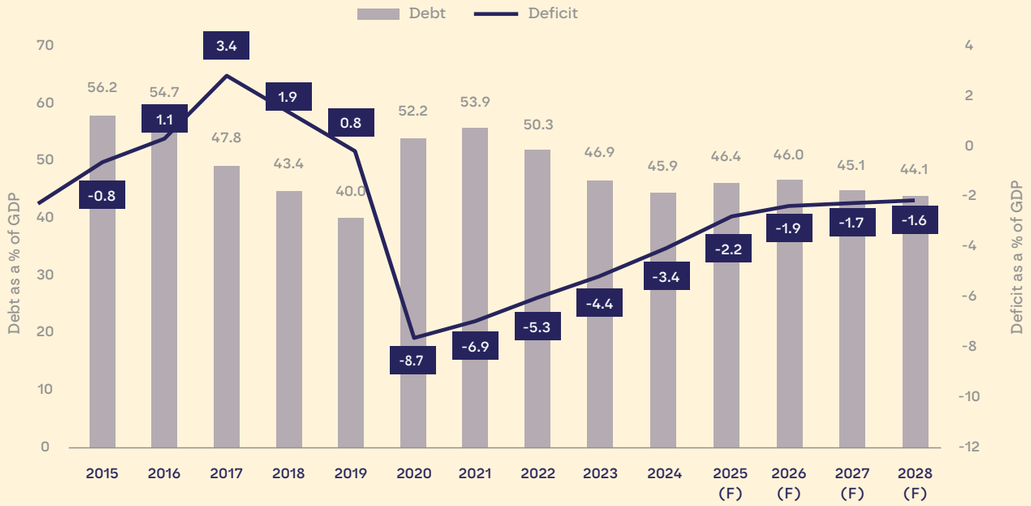
Real GDP growth Malta and EU



Source: Historical – Eurostat, Projections – European Commission Spring 2026

Following the pandemic, Malta has managed to stabilise its fiscal deficits below the 3% Maastricht criterion

Historical Eurostat data highlight the large deficits that Malta's government had been running following the Covid-19 pandemic, which exceeded the 3% Maastricht criterion and placed Malta among the higher-deficit cohorts in the EU. However, the general government deficit fell year-on-year and was reduced below the 3% threshold in 2025. This was achieved through strong government revenue growth driven by nominal GDP growth and significant tax windfalls. Forecasts from the EC show that the government deficit is set to remain stable over the next three years, falling to 1.6% in 2028. The Government's debt-to-GDP ratio stood at 46.4% in the most recent year, remaining below the 60% threshold, and is expected to fall to 44.1% by 2028.



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



Economic growth continues to attract international talent

Malta's strong economic growth has increased labour demand, resulting in record low unemployment levels. Demand for labour in Malta continues to significantly outstrip local supply, triggering a significant influx of foreign workers and driving population growth and density. According to the latest statistics published by Malta's National Statistics Office (NSO), the country's population reached 588,254 residents by the end of 2025, with expatriates being the main driver behind this growth.

The size of the expat community increased exponentially to circa 182,844 in 2025, representing an increase of more than five times the number of foreign nationals since 2011, making up nearly a third of Malta's population. As per December 2025 data, 135,417 foreign nationals were in active employment. EU nationals accounted for 30% of foreign employment, while the remaining 70% consisted of third-country nationals and nationals of the European Free Trade Association (EFTA).

Inflation

In 2025, annual inflation, based on the Harmonised Index of Consumer Prices (HICP), remained the same as in 2024, at 2.4%. However, the increased contribution of services inflation compared to the previous year was offset by a lower contribution from food inflation. According to Central Bank of Malta (CBM) forecasts the HICP is projected to marginally decrease over the coming years, going down to 2.1% by 2028. The first five months of 2026, show an average inflation rate of 2.3%, cooling off the increase that was picked up in the final months of 2025, with the HICP inflation going from 2.5% in December 2025 to 2.1% in May 2026.

Food Inflation

Food inflation, including alcohol and tobacco, contributed 0.7 percentage points to overall HICP inflation in Malta in 2025. The main food-related contributors were items in these categories: 'meat', 'milk, cheese and eggs', 'sugar, jam, honey, chocolate and confectionery' and 'mineral waters, soft drinks, fruit and vegetable juices'.

This was mainly driven by unprocessed food inflation, which, although it fell to a 3.8% average during 2025 from 5.0% in 2024, registered higher rates towards the end of 2025. Unprocessed food inflation continues to exhibit high volatility and growth rates varied significantly over 2025. By contrast, processed food inflation (including alcohol and tobacco) gradually declined during the year, standing at 3.0% during 2025, from 3.9% in 2024.

Services

Due to its large weighting, the services component was the main contributor to overall HICP during 2025. The average annual rate of change registered in 2025 was 3.2%, up from 2.8% in 2024, remaining above its historical average. While it is expected to gradually slow down in the next three years, in line with the expected moderation in wage growth, it remains rather persistent due to strong domestic demand, tourism and a surge in jet fuel prices. According to the CBM projections, services inflation is expected to average 3.3% in 2026 before easing to 2.7% by 2028.

Economic outlook

GDP growth forecasts

Forecasts indicate that economic activity is expected to remain robust in 2026, despite a slight reduction in the growth rate compared to 2025. All three institutions reviewed anticipate very similar growth rates for the next two years, with the International Monetary Fund (IMF) providing the most optimistic projections. All three institutions forecast a GDP growth rate in 2026 of 3.7%. The CBM and the European Commission (EC) project slightly weaker growth in 2027, at 3.6%. The CBM forecasts growth to pick up again to 3.8% in 2028, while the IMF projects a further increase to 4.0% by 2028.

Despite the marginal slowdowns, these figures still compare favourably to EU ones for the corresponding period: 1.1% (EC) and 1.3% (IMF) for 2026 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	2025	2026P	2027P	2028P
Central Bank of Malta	Malta	4.0%	3.7%	3.6%	3.8%
European Commission	Malta	4.0%	3.7%	3.6%	N/A
	EU-27	1.5%	1.1%	1.4%	N/A
	Euro Area	1.4%	0.9%	1.2%	N/A
IMF	Malta	4.0%	3.7%	3.8%	4.0%
	EU-27	1.6%	1.3%	1.4%	1.6%
	Euro Area	1.4%	1.1%	1.2%	1.4%

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. HICP inflation is projected to be affected by the war in the Middle East, notwithstanding the Government's commitment to maintain stable energy prices. This is expected to reflect primarily higher imported inflation, particularly in goods and food components. The EC and IMF predict that in 2026, HICP inflation in Malta will reach 2.7% and 2.5% respectively. Over the same period, forecasts indicate that the EU's headline inflation will reach 3.1% (EC) and 2.8% (IMF) in 2026. For 2027 and 2028, Malta's inflation rate is expected to remain stable around those percentages, slightly cooling down, and closely in line with EU and Euro Area forecasts.

Inflation forecast	Region	2025	2026P	2027P	2028P
Central Bank of Malta	Malta	2.4%	2.5%	2.5%	2.2%
European Commission	Malta	2.4%	2.7%	2.3%	N/A
	EU-27	2.5%	3.1%	2.4%	N/A
	Euro Area	2.1%	3.0%	2.3%	N/A
IMF	Malta	2.4%	2.5%	2.4%	2.0%
	EU-27	2.5%	2.8%	2.4%	2.4%
	Euro Area	2.1%	2.6%	2.2%	2.1%

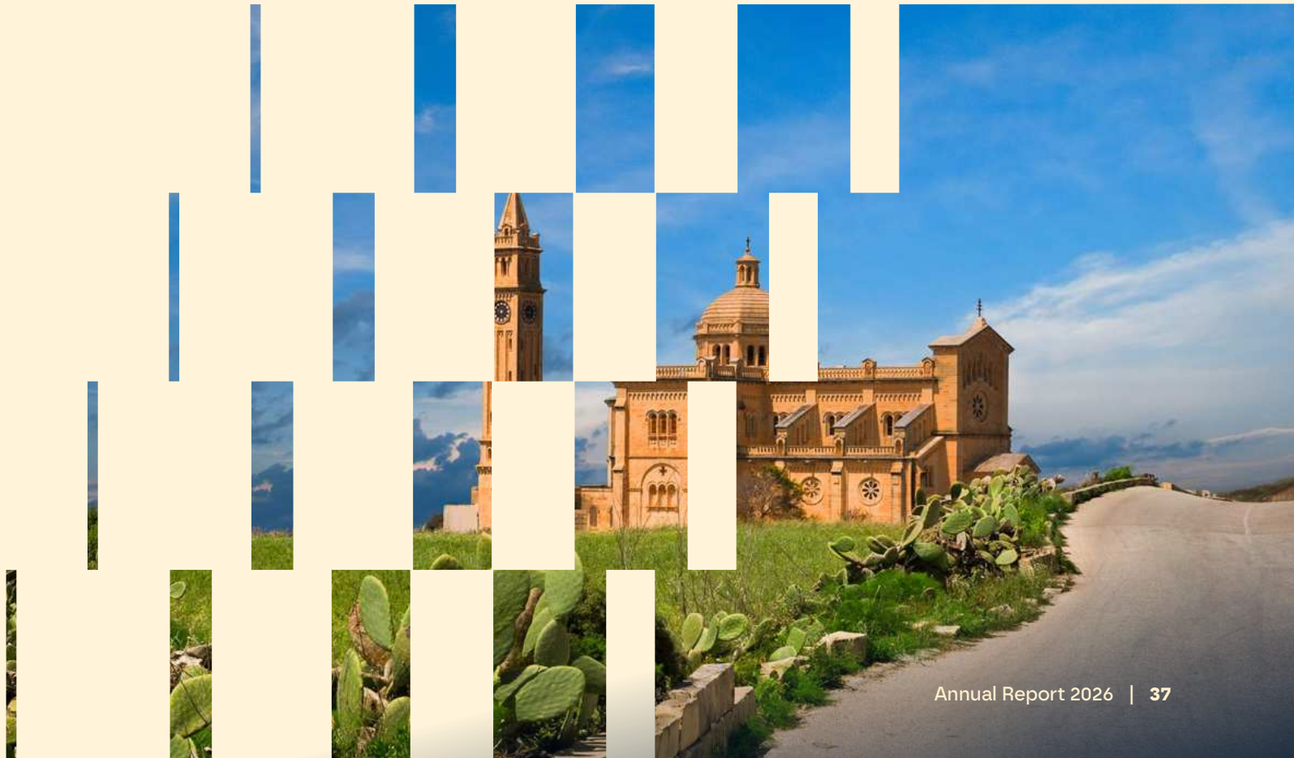
Malta's Unemployment

In line with increased economic activity, unemployment rates continue to decrease. This has led to a tighter labour market in which foreign workers are joining the local market in the face of increased demand to mitigate the shortage in the local workforce. As per the most recent data from Eurostat, the unemployment rate for April 2026 stood at 3.6%, increasing by 0.1 percentage points from the previous month, and increasing by 0.6 percentage points when compared to April 2025[3].

Forecasts suggest that unemployment in Malta is expected to remain low and stable over the short term. According to the CBM, the unemployment rate is projected to slightly decline to 2.8% in 2026, then stabilising at 2.9% in the following two years. Similarly, both the EC and the IMF project Malta's unemployment to remain steady at around 3.0% through the same period. These figures are 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 6.3% in 2025 to 6.0% by 2028.

Unemployment forecast	Region	2025	2026P	2027P	2028P
Central Bank of Malta	Malta	3.1%	2.8%	2.9%	2.9%
European Commission	Malta	3.1%	3.0%	3.1%	N/A
	EU-27	6.0%	6.0%	6.0%	N/A
	Euro Area	6.3%	6.4%	6.4%	N/A
IMF	Malta	3.0%	3.0%	3.0%	3.0%
	Euro Area	6.3%	6.2%	6.1%	6.0%

[3] NSO Unemployment rate: April 2026





Malta's Residential Property Market

The Maltese real estate market has demonstrated long-term resilience, registering capital appreciation for three consecutive decades, including throughout the global financial 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 by the pandemic year and were eventually finalised in 2021. The number of property transactions completed in 2025 amounted to circa 12,100, increasing by 4.5% over the previous year, showcasing the robustness of the local residential property market. The promise of sale agreements registered in 2025, increased by 6.2% over the previous year, showing that the market remains steady and robust.

During the fourth quarter of 2025, the Residential Property Price Index (RPPI) stood at 177.36, an annual increase of 6.1% when compared to the corresponding quarter of 2024. In the period under review, the Apartments Price Index and the Maisonettes Price Index stood at 177.46 and 167.38, registering annual increases of 6.2% and 5.3% respectively.

Sales to non-nationals tend to be concentrated in larger, new 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 come on a temporary basis in search of employment tend to rent property. The rental property market in Malta has been growing throughout 2025, with active registered contracts that stood at 74,519 at the end of December 2025[4]. This represents an increase of 11.2% compared to a year earlier.

[4] Housing Authority

A diversified and resilient economy

In recent years, Malta distinguished itself across 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 by high-profile companies to invest in and move operations to Malta is a strong indicator of the country's status as a profitable business hub. BNF Bank, French maritime line CMA CGM, Microsoft, Lufthansa Technik, Playmobil and Toly, among others, have all chosen Malta as a strategic location for investment and operations.

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 Vision 2050, which sets out Malta's long-term national vision and development framework to 2050, aims to guide the country towards an even more resilient, sustainable and quality-focused future. The vision pivots towards improving quality of life, strengthening competitiveness, and ensuring that economic, social and environmental progress are prioritised and mutually reinforcing. The focus is on four overarching pillars:

1. Sustainable economic growth - Shifting towards a quality-driven, productivity-led economy by strengthening existing industries, supporting innovation and entrepreneurship, and promoting high-value sectors such as financial services, digital industries, aviation, maritime services, advanced manufacturing, quality tourism, and the blue and green economies;

2. Accessible people-centred services - Delivering inclusive, efficient and people-centred public services through improvements in healthcare, housing, mobility, social support systems and digital government services, ensuring that citizens' needs remain at the heart of policymaking and service delivery;

3. A resilient country and modern education system - Strengthening national resilience through investments in education, skills development, energy security, environmental sustainability and critical infrastructure, while equipping future generations with the knowledge and capabilities required in a rapidly evolving economy; and

4. Smart land and sea usage - Promoting the sustainable and strategic use of Malta's limited land and marine resources through improved spatial planning, environmental stewardship, regeneration initiatives, biodiversity protection and the careful balancing of development with quality of life considerations.

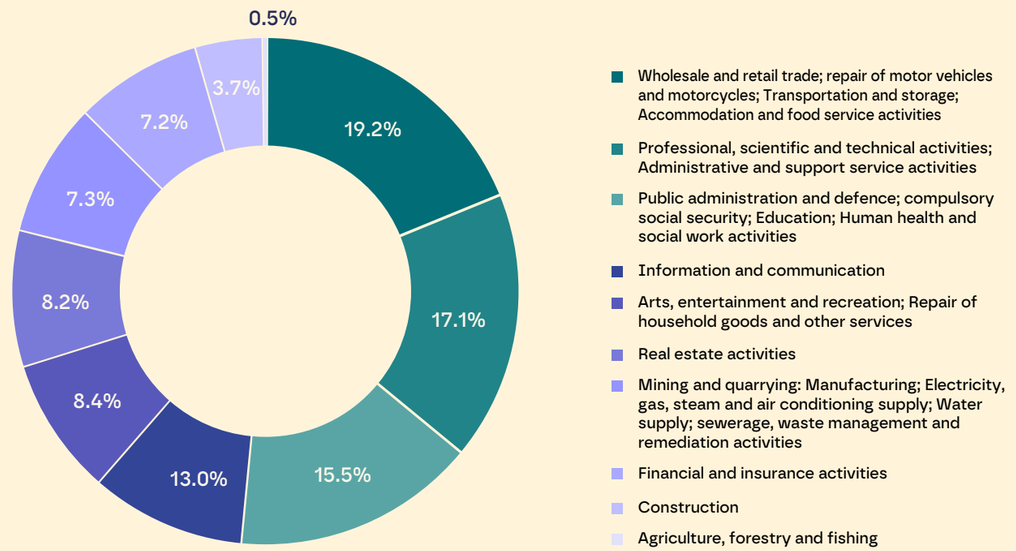


To continue on this positive trajectory, a key driver of Malta's future economic growth is to further nurture the health and sustainable growth of Malta's financial sector, whilst adhering to the highest levels of good governance.

Diversification into new niches of economic activity is at the forefront of Malta's economic vision and will be essential to creating a compelling value proposition for innovative businesses to base their operations here. Malta is well positioned to leverage its size, EU membership and strategic location to position itself as a leading global test bed for piloting new initiatives and solutions.

A primary ambition is to establish Malta as a global leader in research, development, and innovation. The government aims to double its spending on research and development, mainly through increased private sector investment in parallel with 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 wellbeing, 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 - 2025



Malta's key economic sectors

Financial Services

Malta has become a 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.

Tourism

The tourism sector is a significant contributor to the local economy, with the island now attracting over 4 million visitors annually. 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 Ħal-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 and sunny Mediterranean climate with beautiful beaches and diving spots. In 2026, 13 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 l-Ħamra in Gozo.

In 2025, Malta welcomed a record number of visitors - 4.02 million. Total tourist expenditure rose by 18.6%, from €3.3 billion in 2024 to €3.9 billion in 2025, with per capita expenditure of €971. 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, 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.

A recent study commissioned by the Malta Hotels and Restaurants Association (MHRA) highlighted that an increases in bed stock which are higher than the expected growth in demand 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.

Gaming

In 2004, Malta was the first EU Member State to regulate online gaming, gaining a significant competitive edge over its EU counterparts. As Europe's iGaming capital, Malta is home to the world's largest operators and hosts circa 350 iGaming companies. Malta was the first EU country to license online gaming, boasting almost two decades of growth in this sector. Due to the efficient and stringent licensing process, a Maltese license provides real value and is held in high esteem.

The country is also exploring an Esports (electronic sports) strategy, a promising industry and one of the fastest growing in the world. Globally, it is projected to grow beyond the €1 billion mark. More recently, this sector has become an increasingly important facet of Malta's gaming industry. Esports involves 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.

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. In order to maintain its competitive edge, Malta is moving away from labour-intensive industries and focusing on automated and high value-added activities.

Malta's long-term economic vision identifies high-end manufacturing as a priority sector, with growth centred on a shift towards quality, innovation and higher value-added activities. Malta Vision 2050 emphasises the transition towards digitally enabled and automated production models, supported by advanced technologies and the development of Industry 4.0 and eventually Industry 5.0 capabilities. In particular, Malta aims to strengthen its position in specialised manufacturing niches such as pharmaceuticals and semiconductors, while fostering closer linkages between research, skills development and industry, in line with a broader transition towards a sustainable and productivity-led economic model.

Professional services

Professional services represent a core pillar of Malta's service-based economy, with activities spanning legal, accounting, audit, advisory, corporate services, and consultancy. The sector plays a key enabling role, supporting both domestic enterprises and the large number of international firms operating in Malta, particularly in financial services, iGaming, aviation and maritime industries. As highlighted by national accounts data, professional services constitute one of the largest contributors to Gross Value Added (GVA) in Malta, reflecting the country's shift towards higher value-added, knowledge-intensive activities.

The continued expansion of Malta's professional services sector is supported by sustained investment in human capital, digital capabilities, and regulatory infrastructure. In particular, ongoing efforts to enhance skills development and attract international talent are critical to supporting knowledge-intensive activities.

Healthcare

Malta's comprehensive public healthcare is provided to residents free of charge. Often referred to as "The Hospital of the Mediterranean", the country's reputation reflects the high standards of healthcare provision across Malta.

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.[5]

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.

Education

All public education including 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 nano-technology. The Barts Medical School, based at the Gozo General Hospital, 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 doctoral programs in business, engineering and technology, and arts.

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

[5] Malta's Recovery and Resilience Plan

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, reinforcing the country's aspiration to become a disrupter. In line with this commitment, Malta has firmly established itself as a leader in emerging technologies such as Distributed Ledger Technology (DLT). In terms of ICT infrastructure, Malta ranks 17th in the world.

The country has now set out to establish itself in the field of AI, bolstering a digital, smart and resilient economy. This is outlined in the "Strategy and Vision for AI in Malta 2030" which includes plans to transform industries ranging from tourism and gaming to financial services. Malta's Recovery and Resilience Plan has allocated €55 million to accelerate digital transformation. The initiative seeks to strengthen the national policy framework through targeted reforms and investments aimed at improving digital services, security and efficiency across the public and private sectors. The Malta Digital Innovation Authority has set aside €4.1 million for a plan to launch six new AI 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.[6]

Construction

The construction industry is a stable, resilient, and growing sector of the Maltese economy. It experienced consistent growth in recent years, growing by a Compound Annual Growth Rate (CAGR) of 6.6% over the past five years.

Data for the first quarter of 2026 show that the sector grew by 5.8% over the same quarter of last year. As highlighted in the CBM's Economic Update, the construction confidence indicator rose to 15.1 in April 2026, well above the long-term average of 7.6, reflecting more optimistic expectations regarding workload and employment.

Broadly, the construction industry continues to be an important sector in the local economy, accounting for roughly 3.7% of the total GVA of the economy in 2025.



Aviation

The Maltese aviation sector continues to expand through sustained investment in infrastructure and connectivity. Malta International Airport is implementing a €345 million capital programme, supported by €100 million in recent financing to expand terminal capacity and upgrade operational facilities. Airlines are also reinforcing their presence with Ryanair committing approximately €755 million through the allocation of a ninth based aircraft, new routes, and increased frequencies thereby supporting traffic growth and employment. In parallel, the launch of direct Malta–New York services by Delta Air Lines marks a strategic step in enhancing long haul connectivity and attracting higher value tourism.

In January 2023, Malta launched its first national aviation policy - 'A Civil Aviation Policy for Malta 2023-2030.'[7] The policy identifies five key strategic pillars:

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.

Maritime

Traditionally, the marine and maritime sector played an important role in the local economy. The country now has one of the largest ship registers in the world. It is well connected and set up for sea transportation, offering various berthing and ancillary services to private vessel and superyacht owners. As a neutral state Malta offers both economic and political stability along with a cost-effective jurisdiction for ship registration. 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 operators, improve customer relations and administration for 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 that will include 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.

Looking ahead, Malta's long-term economic vision identifies the maritime sector as a priority high-value sector, with growth via a pivot towards quality, sustainability and innovation. In particular, the Malta Vision 2050 emphasises the development of the blue economy, the sustainable and efficient use of marine resources, and the creation of specialised maritime niches.

[6] Economy.gov.mt
[7] A Civil Aviation Policy for Malta 2023-2030

Reasons to invest in Malta

Malta has emerged as one of Europe's strongest-performing economies, 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 strategic location, Malta has become very attractive to foreign professionals and international companies across sectors including finance, maritime and digital industries. Malta ranks 27th among 139 economies listed in the GII. The GII ranks world economies according to their innovation capabilities. Meanwhile, Malta's global innovation output ranks 18th, highlighting strong knowledge, technology-based and creative product outputs. Human capital & research, infrastructure, business sophistication and creative outputs all rank in the top 35 amongst 139 other economies.[8]

Geography

Malta's strategic location in the middle of the Mediterranean makes it an ideal stepping stone or intermediary for any organisation to branch out and expand both in 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 2025, Malta ranked 22nd among 135 countries in terms of roping in, developing and retaining talent.

Ease of access

Malta has strengthened its air connectivity significantly in recent years, with Malta International Airport offering connections to over 100 destinations across more than 35 countries, supported by a diverse mix of low-cost, legacy, and long-haul carriers. This expansion has been driven by sustained route development, particularly towards Northern and Eastern Europe, contributing to a more diversified and resilient aviation network. The market remains supported by a strong airline mix, with low-cost carriers providing extensive coverage and frequency, while the national airline ensures stable year-round links to key European hubs and onward global connectivity.

Airport infrastructure has also been upgraded to accommodate growing demand. The Apron X (Apron 8 South) project has been delivered in phases, with initial aircraft parking stands becoming operational in 2024 and the remaining stands completed in 2025. This significantly increased aircraft parking capacity and support for higher traffic volumes. In addition, Malta has made progress in reducing seasonality, with a growing share of passenger traffic during off-peak months as airlines extend operations beyond the traditional summer period.

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 2025, Valletta Cruise Port achieved a record-breaking 962,966 passenger movements, exceeding the record high set in the previous year by 2.3%. This milestone was reached with 385 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 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 2026 Q1, the total of licensed motor vehicles reached 460,648.[9]

As a result of increasing pressure on transport infrastructure, the government has continued to invest in road upgrades and network optimisation. In 2025, over 300 infrastructure projects were completed, representing more than €50 million in investment and covering over 360,000 metres of roads. Ongoing projects, including the Msida Creek flyover and associated junction redesigns, are targeting key congestion nodes and improving connectivity across major urban corridors.

The government's "Malta in Motion" programme[10], launched in 2026, sets out a long-term national transport plan combining road efficiency improvements with expanded public transport, active mobility infrastructure, and the phased development of a rapid transit system. This is supported by continued investment in the bus network, including new routes, increased frequencies, and a transition towards electric fleets. These initiatives reflect a gradual shift away from purely road-based solutions towards a more sustainable and multimodal land transport system.

Workforce

The labour force is productive, highly educated, English-speaking and flexible, and is recognised for its strong work ethic. The country has a pool of professional, managerial and technical human resources, as well as 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 suitably skilled human resources and reduce skills mismatches.

Start-ups

The Maltese Government has recognised the key role that new entrepreneurs, innovators and disruptors play in the economy. 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 governmental initiative aimed at stimulating the Maltese start-up conditions to become the home turf for many more successful start-ups.[11]
More recently, Malta has further strengthened its start-up ecosystem through expanded funding programmes and closer integration with European innovation networks. In 2026, the Government, in collaboration with the European Institute of Innovation and Technology, launched a €30 million support programme aimed at helping early-stage ventures scale, internationalise, and access wider EU markets.

Containment

Malta's size and population allow 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 at least 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.

[8] Global Innovation Index 2025
[9] NSO: Motor Vehicles: Q1/2026
[10] Department of information Malta: Press Release – PR260714
[11] Department of information Malta: Press Release - PR230066

Foreign Direct Investment (FDI)

Foreign direct investment in Malta continues to rise with Germany being the largest investor followed by Italy and the United Kingdom. Additionally, investment from strong economies such as the United States, China and India are bolstering 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. The country already stands out as an attractive destination for start-ups, particularly in the digital, technical and manufacturing sectors. Malta Enterprise is the country's economic development agency tasked with attracting new foreign direct investment and facilitating the growth of existing operations. The island's favourable FDI environment is further enhanced by its strategic location and size, widespread use of English and the availability of incentive packages designed to support the growth and success of start-ups. Malta has seen the emergence of a growing number of successful start-ups, testament to a supportive ecosystem. These factors highlight Malta's attractiveness as an investment destination.

At the end of June 2025, foreign direct investment in Malta stood at €485.1 billion, while direct investment abroad amounted to €459.2 billion. During the first six months of 2025, foreign direct investment flows in Malta and abroad went up by 1.1% and 1.4%, respectively.



Malta's Permanent Residence Programme

An individual may obtain permanent residency rights in Malta under the Malta Permanent Residence Programme (MPRP), established under Subsidiary Legislation 217.26, 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 €60,000 and a further €7,500 for additional dependents (spouses, children under 18, and adult children with certified disabilities are exempt);
- purchase property in Malta or Gozo with a minimum value of €375,000 or lease a property with an annual rent of at least €14,000;
- pay a government contribution of €37,000;
- 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.

Malta's Citizenship by merit

The acquisition of Maltese citizenship by merit is enabled by the Maltese Citizenship Act (Subsidiary Legislation 188.6) and related laws. These legal provisions outline how citizenship can be granted to individuals who have demonstrated significant merit or made notable contributions to Malta's interests.

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 existed in Malta since 1948. Although the standard corporate taxation rate stands at 35%, certain income may be exempt. Furthermore, the 35% tax rate may be reduced through the operation of the Maltese double taxation relief mechanisms and/or the tax refund system or fiscal unity and/or as a result of claiming a Notional Interest Deduction in respect of its risk capital.

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 in certain circumstances be subject to a minimum tax of €5,000, before double tax relief.

In addition, the country offers various tax programmes to qualifying expatriates, pegging an attractive flat tax rate of 15% on foreign income received in Malta. In order 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-European Economic Area (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. In order 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 United Nations (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.

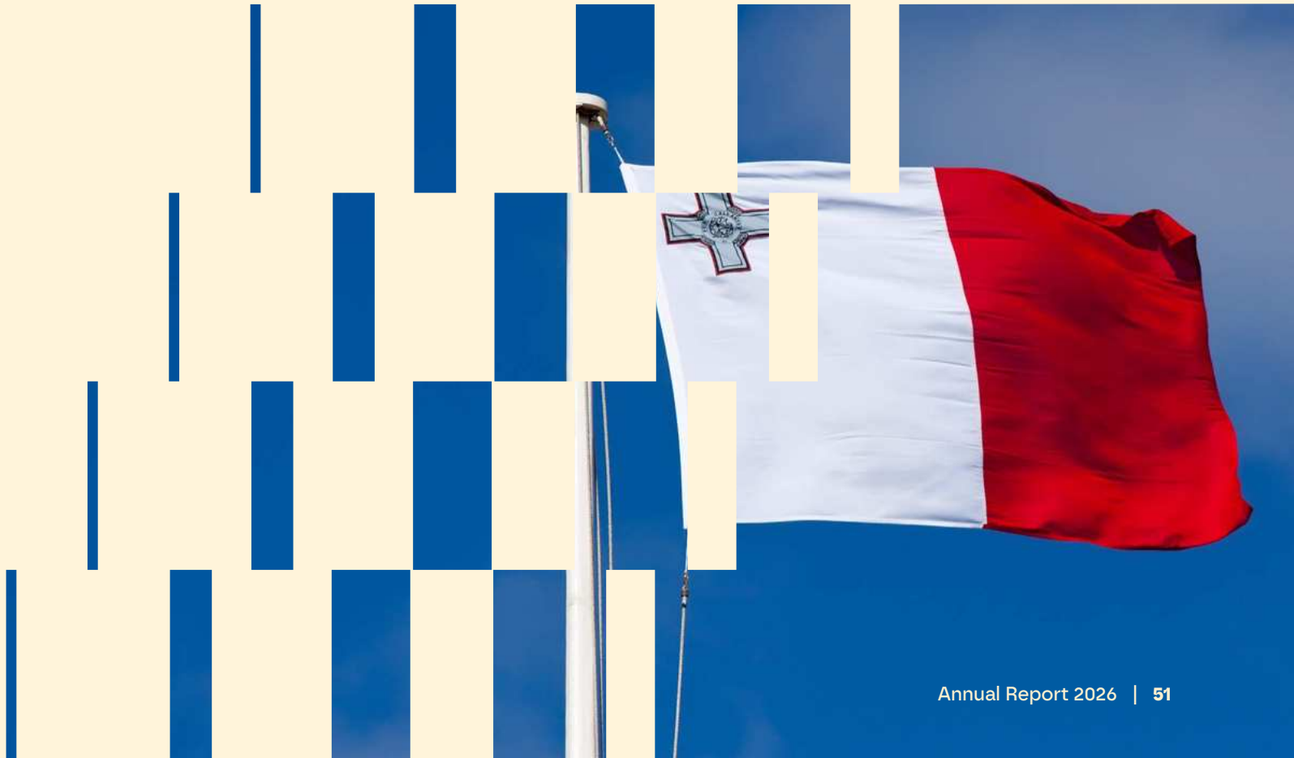
Malta also offers tax programmes to attract highly skilled foreign individuals to work in specific economic sectors. With effect from 1 January 2026, Malta introduced the Tax Treatment of Highly Skilled Individuals Rules, which replace and consolidate the Highly Qualified Persons Rules and similar Rules into one framework.

Under the said 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 or credits. The new Rules apply to specific senior and specialised roles within targeted economic sectors.

Beneficiaries of the said new Rules may benefit from the 15% tax rate for a limited period, subject to specific eligibility criteria and extensions. The new Rules will remain in force until 31 December 2040.

Beneficiaries in terms of The Highly Qualified Persons Rules, the Qualifying Employment in Maritime Activities and the Servicing Offshore Oil and Gas Industry Activities (Personal Tax) Rules and Qualifying Employment in Aviation (Personal Tax) Rules and The Qualifying Employment in Innovation and Creativity Rules may continue benefiting from these Rules until their application expires or 31 December 2030, whichever is the earlier. No new applications are being accepted in terms of the said Rules, however, subject to the satisfaction of certain conditions, beneficiaries may transit to the new Rules up to 31 December 2028.

The aforementioned 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 15.9% of the GDP.[1] In 2025, the country welcomed over 4 million tourists, a notable figure given that the local population is just over half a million.

Over the last three years, the industry continued to register healthy growth across all key indicators. Inbound tourist arrivals increased from 3 million in 2023 to 4 million in 2025. Tourist guest nights increased from 20.3 million to 25.4 million over the same period. Tourist spend also continued to rise, reaching a record €3.9 billion in 2025, an increase of 18.6% over the previous year.

Main Indicators for Inbound Tourism for Malta 2023-2025

	2023	2024	2025	% change 2024-2025
Inbound tourists, not including overnight cruise passengers (thousands)	2,976	3,564	4,022	12.9%
Tourist guest nights (thousands)	20,289	22,917	25,438	11.0%
Tourism expenditure (€ millions)	2,675	3,292	3,904	18.6%

Over the years, Malta's tourism profile has shifted from a 'sun and sea' focus to a more varied and cosmopolitan one, embracing history, culture, entertainment and business travel – meetings, incentives, conferences, and exhibitions, diving, sports, and English language learning. The largest age cohort was between 45 and 64, accounting for 36.3% of the total, followed closely by those aged between 25 and 44, at 36.2%.[2]

As at Q1 2026, the number of hotels in Malta and Gozo stood at 167, amounting to c. 47,891 beds. The majority are 4- and 3-star, housing 25,239 and 13,415 beds respectively. During the first quarter of 2026, 52% of non-resident hotel guests stayed at 4-star hotels, 29% at 3-star ones and 18% opted for 5-star.

In addition to the hotels, there were another 192 collective accommodation establishments with a total of c. 7,417 beds. This segment includes guest houses and boutique hotels and other small establishments.[3]

Malta recorded its highest number of tourist arrivals in 2025, thereby strengthening the Group's hospitality operations and delivering a strong performance during FY2026. Throughout FY2026, hotels and restaurants operated at a steady and competitive pace, as indicated by the financial results shown below.

[1] An indicative measure of tourism's contribution to the economy was calculated as the ratio of the tourism expenditure to GDP. While this measure does not capture tourism's direct value added, it provides a useful approximation of the sector's economic importance.
[2] National Statistics Office, Inbound Tourism: December 2025
[3] National Statistics Office, Collective Accommodation Establishments: Q1/2026



db Group Hospitality And Leisure Revenue Breakdown

HOSPITALITY:
(% of total)

0%

CHANGE FY2025/FY2026



FOOD AND BEVERAGE:

Franchised Outlets:
(% of total)

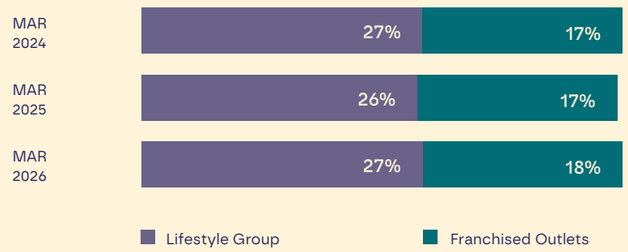
5.9%

CHANGE FY2025/FY2026

Lifestyle Group:
(% of total)

-3.7%

CHANGE FY2025/FY2026



Hospitality





Hard Rock Hotel Malta

Hard Rock Hotel Malta

Set on the seafront of St. George's Bay, St. Julian's, Hard Rock Hotel Malta blends bold design, legendary service, and beachfront leisure with a beat. The hotel features 397 rooms and suites, including 25 sea-view suites, alongside curated rooftop experiences, live entertainment, and signature Hard Rock moments designed to inspire guests to connect, celebrate, and play hard.

The hotel offers a wide range of hospitality, leisure and entertainment facilities, including 11 swimming pools, a dedicated beach club, several restaurants, bars, lounges and club venues, a 466-square-metre ballroom and a 3,800-square-metre wellness and fitness centre.

The hotel also incorporates Hard Rock Cafe St Julian's Malta, a 1,400-square-metre dining and entertainment venue offering indoor and outdoor seating, live entertainment, the iconic Rock Shop® and a collection of authentic music memorabilia.

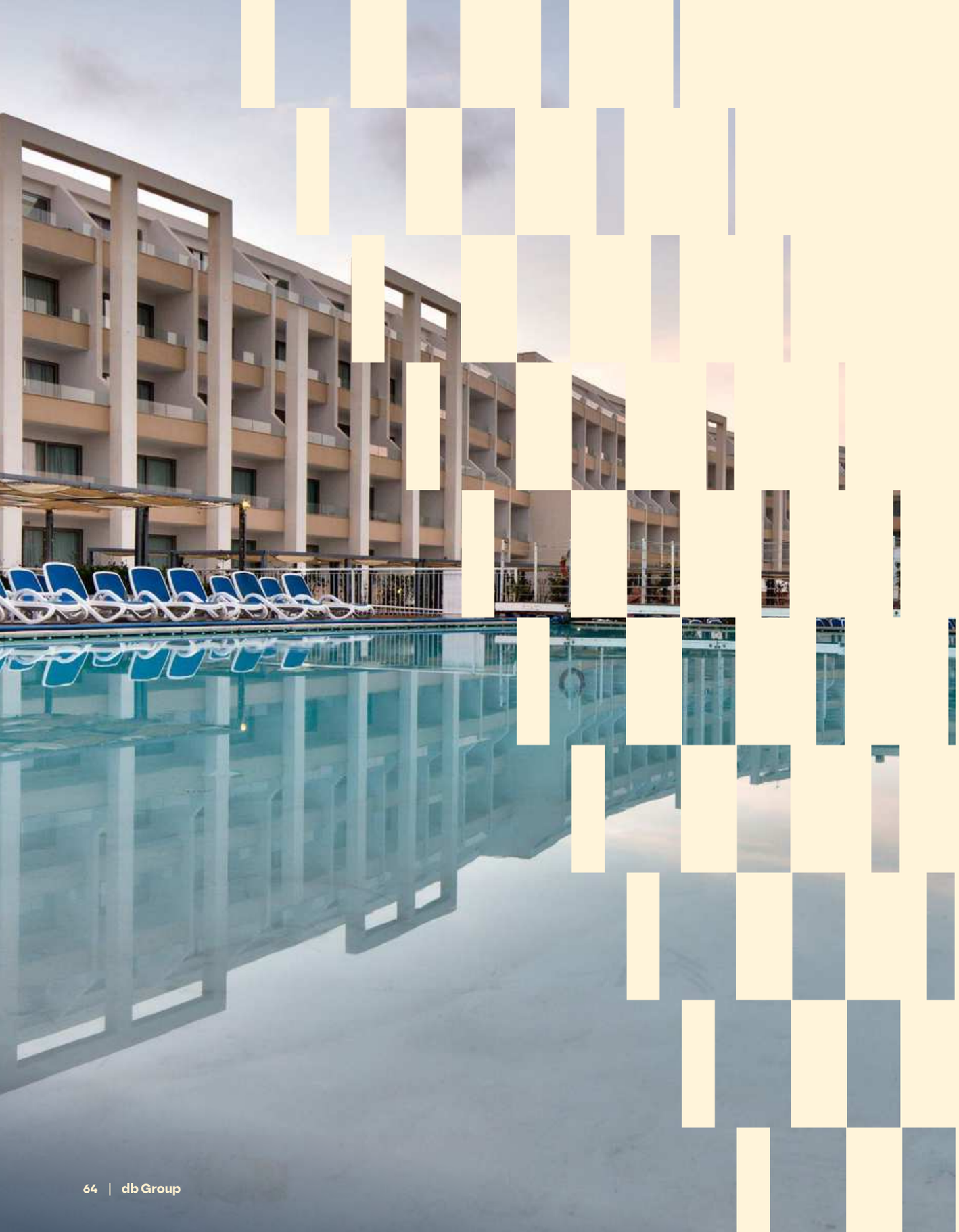
As the newest addition to the Group's hospitality portfolio, Hard Rock Hotel Malta represents a major milestone in the development of the Group's hospitality operations, expanding its presence in Malta's 5-star hotel market. Having opened in September 2026, the hotel has not yet completed a full year of operations and therefore does not have comparable financial performance data or a track record of industry awards to report.

2017 Hard Rock International officially announces plans to build a 5-star seafront resort at the edge of St George's Bay, St Julian's.

2024 db Group and Hard Rock International lay the foundation stone for Hard Rock Hotel Malta, marking the commencement of construction of the €350 million mixed-use development at St George's Bay.

2026 Hard Rock Hotel Malta opens its doors, introducing 397 guest rooms and suites together with 11 swimming pools, a range of dining and entertainment venues, Hard Rock Cafe Malta, and a 3,800-square-metre wellness and fitness facility.





db Seabank Resort & Spa

db Seabank Resort & Spa

1984

Silvio Debono and his brothers acquire a small guesthouse in Mellieħa, expanding and embellishing it in subsequent years.

1992

The guesthouse is eventually converted into an 80-room hotel and inaugurated as the Seabank Hotel.

1996

Major structural modifications are carried out and new amenities added as the number of rooms is doubled to reach 160.

2001

Seabank Resort + Spa is expanded further, and the number of rooms is increased to 251.

2005

Seabank Resort + Spa undergoes a major refurbishment overhaul.

2012

With an investment of over €40 million, the db Seabank Resort + Spa is converted into a 540-room fully all-inclusive hotel, the first of its kind in Malta.

2018

With a capital injection of €1.5 million the pool area is renovated, and the service offering is enhanced with more guest facilities. The events area is re-imagined and revamped to accommodate three new entertainment spaces, including an indoor events hall.

2021

Periods of closure due to COVID-19 are used to refurbish hotel rooms and different sections of the hotel.

2022

Upgrades are made in the hotel restaurants, with Tramun Tagħna and Pellicola receiving a full overhaul and rebranding, now known as Salia and Levant, respectively.

2023

As part of the Group's continuous upgrades for the future, in 2023 the Group invested in new digital technology leading to the Group launching a comprehensive mobile application. The brand-new hotel app revolutionised guest experiences and enhanced the hotel services.

2024

The db Hotel brand embarked on a rebranding journey, embracing a fresh new identity reflecting our vision and values.

2025

Roll out of the "All-Inclusive Plus" premium tier. The resort introduced this upgraded service offering, which involved creating a dedicated Plus Lounge (serving exclusive breakfast, snacks, and drinks) along with an upgraded international beverage package and enhanced guest amenities.

TIMELINE

db Seabank Resort & Spa

The db Seabank Resort & Spa is a 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 385 staff from 38 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 was inaugurated on its grounds.

The db Seabank Resort + Spa offers guests a total of ten varied food and beverage establishments. Over the years, the Group has kept up with consumer and global trends by frequently updating the hotel's offering through reinvestment and renovation. We 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. Constant reinvestment and refurbishments, ensured 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

2026
- Top Hotel Partner 2026 by Schauinsland Reisen

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

FY2026 RESULTS AND KPIs

db Seabank performed positively during FY2026, generating revenue of €32.3 million, an increase of 7.7% over FY2025. Occupancy levels remained broadly in line with the previous year, increasing by 0.7%, whilst the average achieved room rate grew by 7.9%. This was supported by sustained strength in the tourism sector as Malta welcomed a record number of visitors during 2025. Gross Operating Profit (GOP) increased to €14.9 million, with the GOP margin improving from 43% in FY2025 to 46% in FY2026.

8.6%
CHANGE FY2025/FY2026

Gross operating profit margin
%



7.7%
CHANGE FY2025/FY2026

Revenue
€ 000's



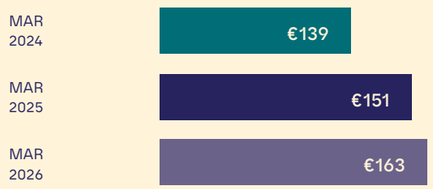
0.7%
CHANGE FY2025/FY2026

Occupancy
%



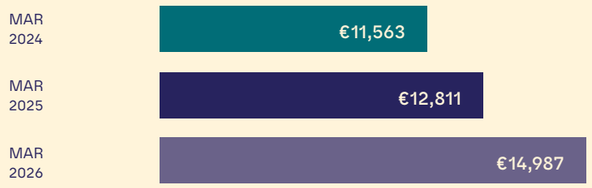
7.9%
CHANGE FY2025/FY2026

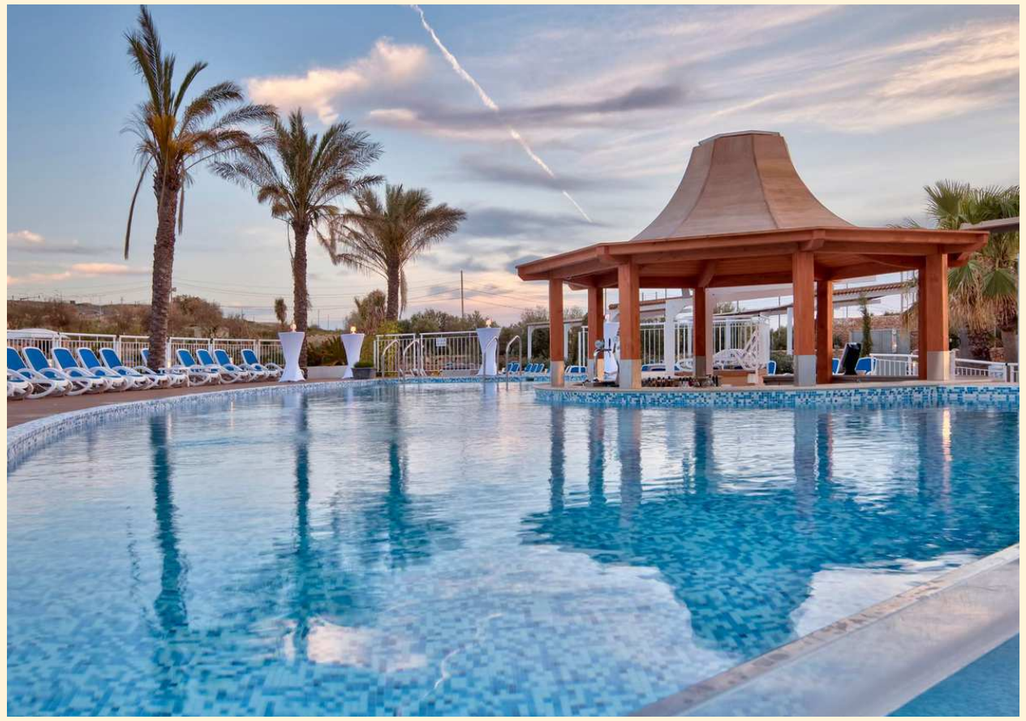
Average achieved room rate
€



17.0%
CHANGE FY2025/FY2026

Gross operating profit
€ 000's







db San Antonio Hotel & Spa

db San Antonio Hotel & Spa

2000

The Group acquires 50% of the San Antonio Hotel + Spa.

2002

Following extensive renovations and an investment of €28 million, the 300-room San Antonio Hotel + Spa is inaugurated.

2013

The Group acquires 100% ownership of the db San Antonio Hotel + Spa.

2015

With an investment of €33 million, the db San Antonio Hotel + Spa is refurbished and converted into a 500-room all-inclusive hotel as the Group launches the db brand, its chain of hotels and resorts.

2021

Periods of closure due to COVID-19 are used to refurbish hotel rooms and the spa. €360,000 are invested in the latter alone.

2022

The regular closures driven by the pandemic are used to renovate and rebrand the Saboroso - Comadia Latina restaurant at the hotel.

2023

As part of the Group's future-oriented strategy, in 2023 the Group invests in new digital technology leading to the Group launching a comprehensive mobile application. The brand-new hotel app revolutionises guest experience and enhances hotel services.

2023

The db Hotel brand is overhauled, embracing a fresh new identity reflecting our evolving vision and values.

2025

The hotel expands its capacity, increasing the total room count to 515.

TIMELINE

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 515 rooms spread across ten floors. The hotel has over 270 staff from 21 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 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 to carry out more work. 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 during 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 range 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.

NEWFORM FITNESS CLUB



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

LIST OF AWARDS

2026
- Green Key Certification - a globally recognised eco-label awarded to establishments in recognition of continuous efforts and high standards to operate responsibly and support global environmental goals.

Green Key

- Traveller Review Award 2026 by Booking.com
- Traveller's Choice Award 2026 by Tripadvisor

2025
- Green Key Certification
- Most Loved Hotel Awards 2025 by loveholidays
- Traveller Review Award 2025 by Booking.com
- Traveller's Choice Award 2025 by Tripadvisor

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

2022
- Traveller Review Award by Booking.com
- Forbes Travel Guide "Sharecare VERIFIED"

2021
- Traveller Review Award by Booking.com
- Traveller's Choice Award by Tripadvisor
- Recommended Hotel by HolidayCheck

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

FY2026 RESULTS AND KPIs

db San Antonio Resort & Spa improved its performance during FY2026 as the hospitality sector continued to reach new highs. Annual revenue increased by 14.9% to reach €30.9 million. The average achieved room rate also increased from €150 in FY2025 to €161 in FY2026. Occupancy levels reached 86%, compared to 81% in FY2025. Whilst remaining below the 91% recorded in FY2024, this was achieved following a 3% increase in room capacity introduced in FY2025. The hotel reported a GOP of €13.6 million, with the GOP margin improving from 41% in FY2025 to 44% in FY2026.

14.9%

CHANGE FY2025/FY2026

Revenue
€ 000's



7.3%

CHANGE FY2025/FY2026

Average achieved room rate
€



22.1%

CHANGE FY2025/FY2026

Gross operating profit
€ 000's



6.3%

CHANGE FY2025/FY2026

Gross operating profit margin
%



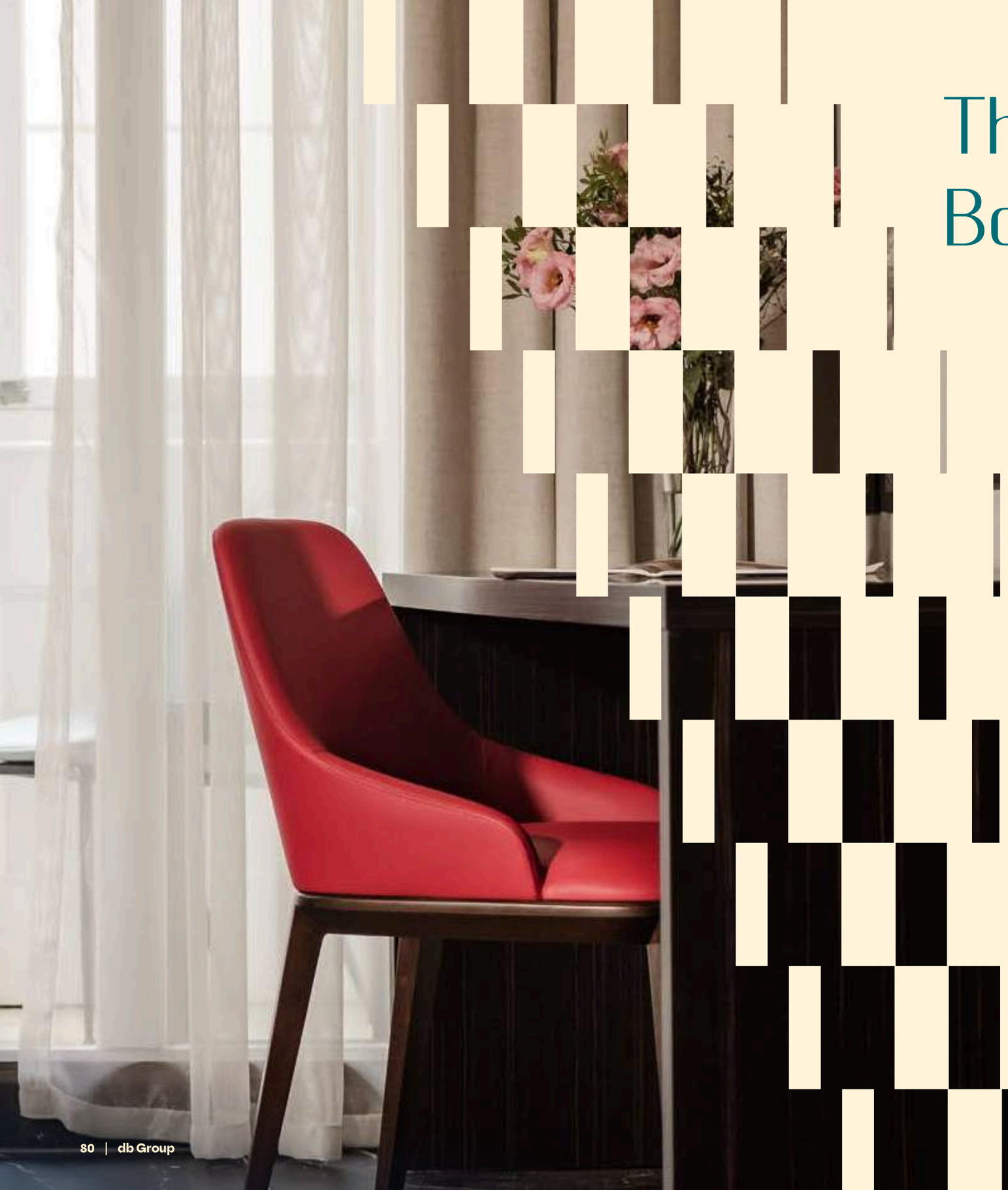
6.2%

CHANGE FY2025/FY2026

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 it. This boutique hotel houses 18 stylish rooms and suites designed thoughtfully to provide guests with the high levels 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 January 2022, during the final stages of the COVID-19 pandemic and the last nine weeks of FY2022. Opening a new hospitality venture at such a challenging time reflected db Group's confidence in the long-term prospects of Malta's tourism sector and its commitment to pursuing growth opportunities despite short-term uncertainty.

After four years in operation, the Melior Boutique Hotel has established its position in the market and was successful in attracting guests. Occupancy increased from 81% in FY2025 to 84% in FY2026, whilst the hotel continued to receive strong ratings across a number of travel and hospitality platforms, reflecting the quality of its offering and guest experience. Revenue increased by 5.2% compared to the previous year. The average room rate reached €142 during FY2026, an increase of 0.7% over FY2025.







FY26 RESULTS AND KPIs

5.2%
CHANGE FY2025/FY2026

Revenue
€ 000's



0.7%
CHANGE FY2025/FY2026

Average achieved room rate
€



4.2%
CHANGE FY2025/FY2026

Occupancy
%



Xemxija Bay Hotel



Xemxija Bay Hotel

1995 The Group acquires a third of the Porto Azzurro Complex, an 80-room aparthotel which is refurbished and re-opened.

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 on the picturesque coast of Xemxija Bay, St Paul's Bay. Recently refurbished under the db Hotels + Resorts brand, it 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 the apartments, fully equipped kitchenettes.

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.

Following the downward trend recorded in FY2025, largely due to the partial closure of Xemxija Bay for refurbishment works, the hotel's performance improved during FY2026. Revenue increased from €1.23 million in FY2025 to €2 million in FY2026. The average achieved room rate increased from €52 in FY2025 to €62 in FY2026, whilst occupancy levels improved from 60% to 66%, returning close to the levels recorded in FY2024. The hotel reported a GOP of €769,000, representing an increase of 56.9% over FY2025.



FY26 RESULTS AND KPIs

61.8%
CHANGE FY2025/FY2026

Revenue
€ 000's



19.2%
CHANGE FY2025/FY2026

Average achieved room rate
€ 000's



56.9%
CHANGE FY2025/FY2026

Gross operating profit
€ 000's



10.0%
CHANGE FY2025/FY2026

Occupancy
%





Pearl Spas

Pearl Spas

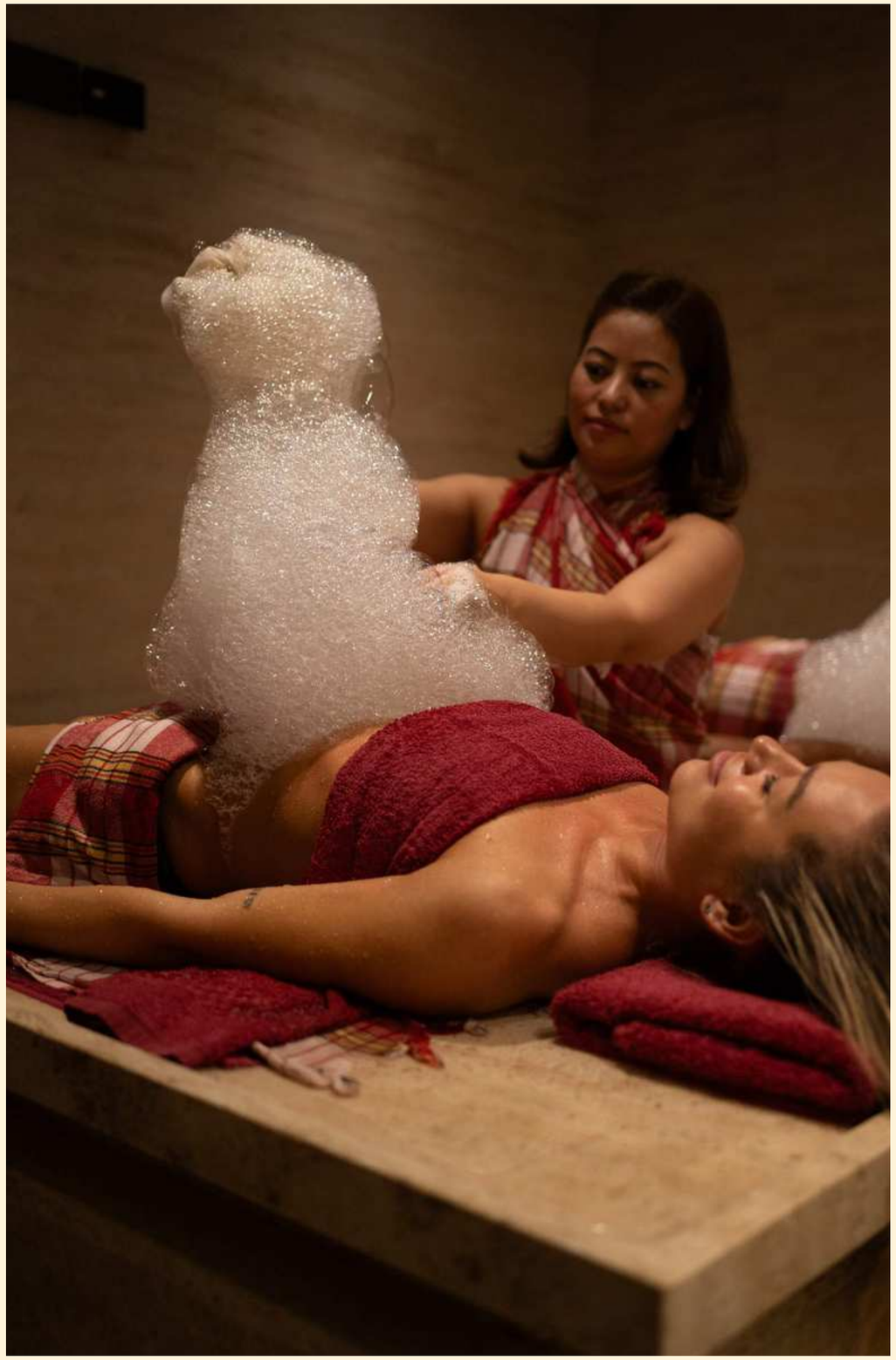
Pearl Spas is the wellness brand of db Group, operating from its flagship properties—the db Seabank Resort + Spa in Mellieħa and the db San Antonio Hotel + Spa in Qawra. These spas are designed as holistic sanctuaries, offering guests a transformative escape that nurtures the body, mind, and spirit. 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-ageing), 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 receives high guest satisfaction ratings. Their tranquil ambience 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.





Franchised Outlets



Hard Rock Cafe Malta



Hard Rock Cafe Malta

Following the opening of the flagship Hard Rock Cafe Malta St Julian's in 2026, the Group now operates three Hard Rock outlets across the island. In addition, it operates a standalone Rock Shop in Valletta City Centre.

St. Julian's (Flagship)

Opened in 2026 as part of the wider Hard Rock Hotel Malta development at St George's Bay, Hard Rock Cafe St Julian's Malta is now the flagship Hard Rock outlet on the island. Spanning approximately 1,400 square metres, the venue combines dining, entertainment and retail through the inclusion of the iconic Rock Shop, while contributing to the wider hospitality and leisure offering at St George's Bay.

The opening of the new flagship venue follows the closure of the original Hard Rock Cafe Malta at Bay Street in 2020, representing a new chapter in the brand's presence on the island.

Malta International Airport

The Hard Rock Bar is located in the departures lounge of the Malta International Airport and was the first Hard Rock Bar in the world to open in an airport. The venue serves approximately 230,000 guests annually.

In 2023, the venue, back-of-house facilities and Rock Shop underwent a substantial refurbishment programme. Following this investment, seating capacity, visibility and the overall customer experience were enhanced.

Valletta

Hard Rock Cafe Malta at Valletta Waterfront has a seating capacity of approximately 140 and includes a restaurant, cocktail bar and Rock Shop. Located along the Valletta Cruise Port promenade, the venue remains a popular destination for both residents and tourists.

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.



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





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, the 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 other outlets. The introduction of the Starbucks Reserve Bar outlet in Valletta in 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 Għadira 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 has also relocated the existing Buġibba outlet to a more prominent site in Buġibba Square, taking over the former Pizza Hut premises.

2026 The Group continues to expand its network with the opening of a new outlet at St George's Bay and Starbucks Bugibba Square, further strengthening its presence in the local market.



GROM

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

In 2026, GROM further expanded its presence in Malta with the opening of a second outlet at the Eden Complex in St Julian's, bringing its authentic Italian gelato experience to one of the island's most popular entertainment destinations.



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 striking and delicious pastries alongside an all-day dining menu featuring 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.

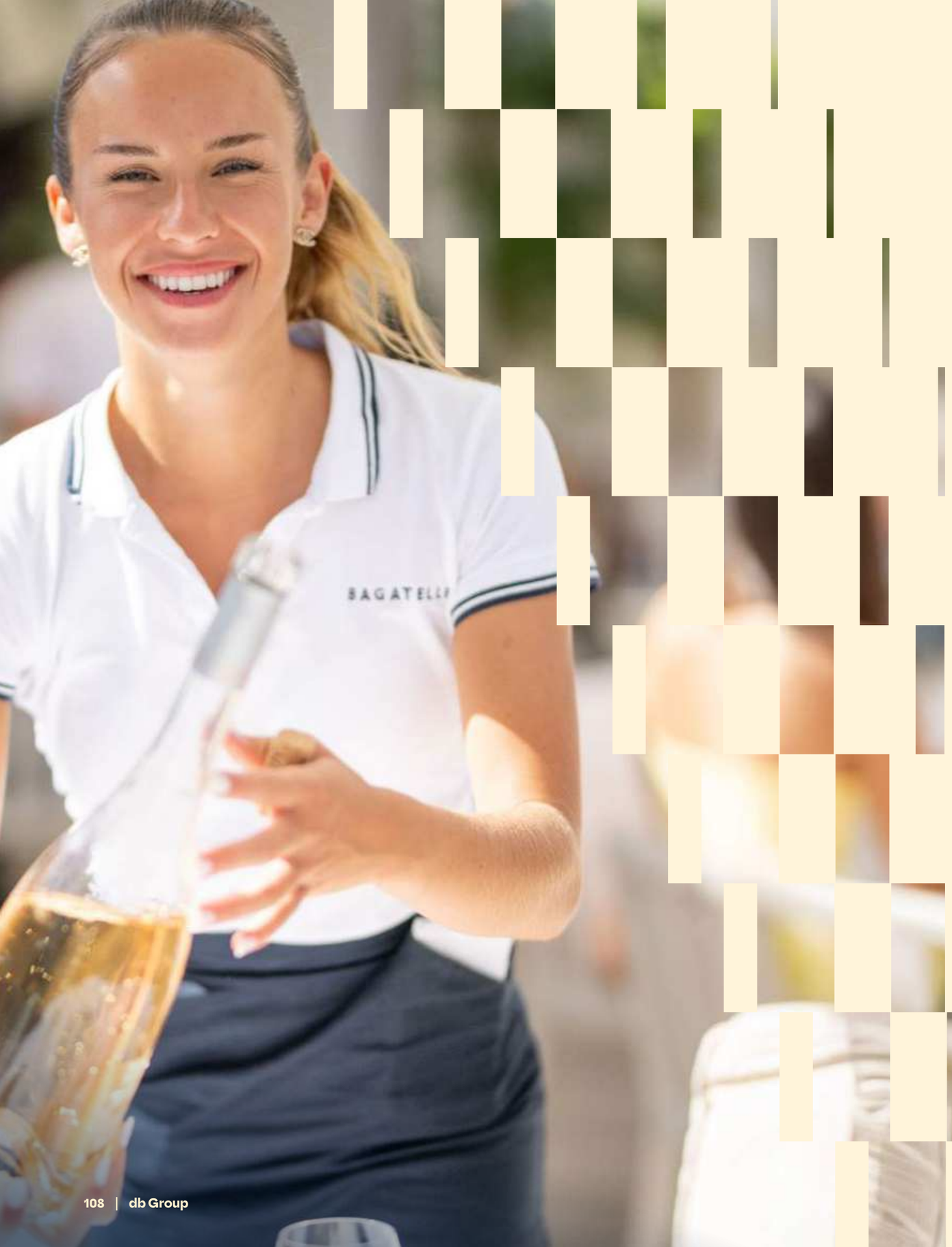
The lifestyle brand opened its first location in 2026 at St George's Mall, part of db Group's development at St George's Bay, and plans to open a number of additional outlets across the island.



TATEL

TATEL adds 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, opened its doors at St George's Mall in St Julian's in June 2026.

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



BAGATELLE

Expected to open in 2026, Bagatelle is a beach club at St George's Bay, bringing the celebrated Riviera spirit of the internationally renowned brand to Malta. Designed as a destination for beachfront leisure, Mediterranean dining and vibrant experiences, Bagatelle is known for its unmistakable energy and rhythm of celebration.

From relaxed moments by the water to lively afternoons and evenings shaped by music and exceptional hospitality, the experience evolves throughout the day. Mediterranean fine dining remains at the heart of the concept, inviting guests to embrace Bagatelle's signature joie de vivre in a distinctive waterfront setting.

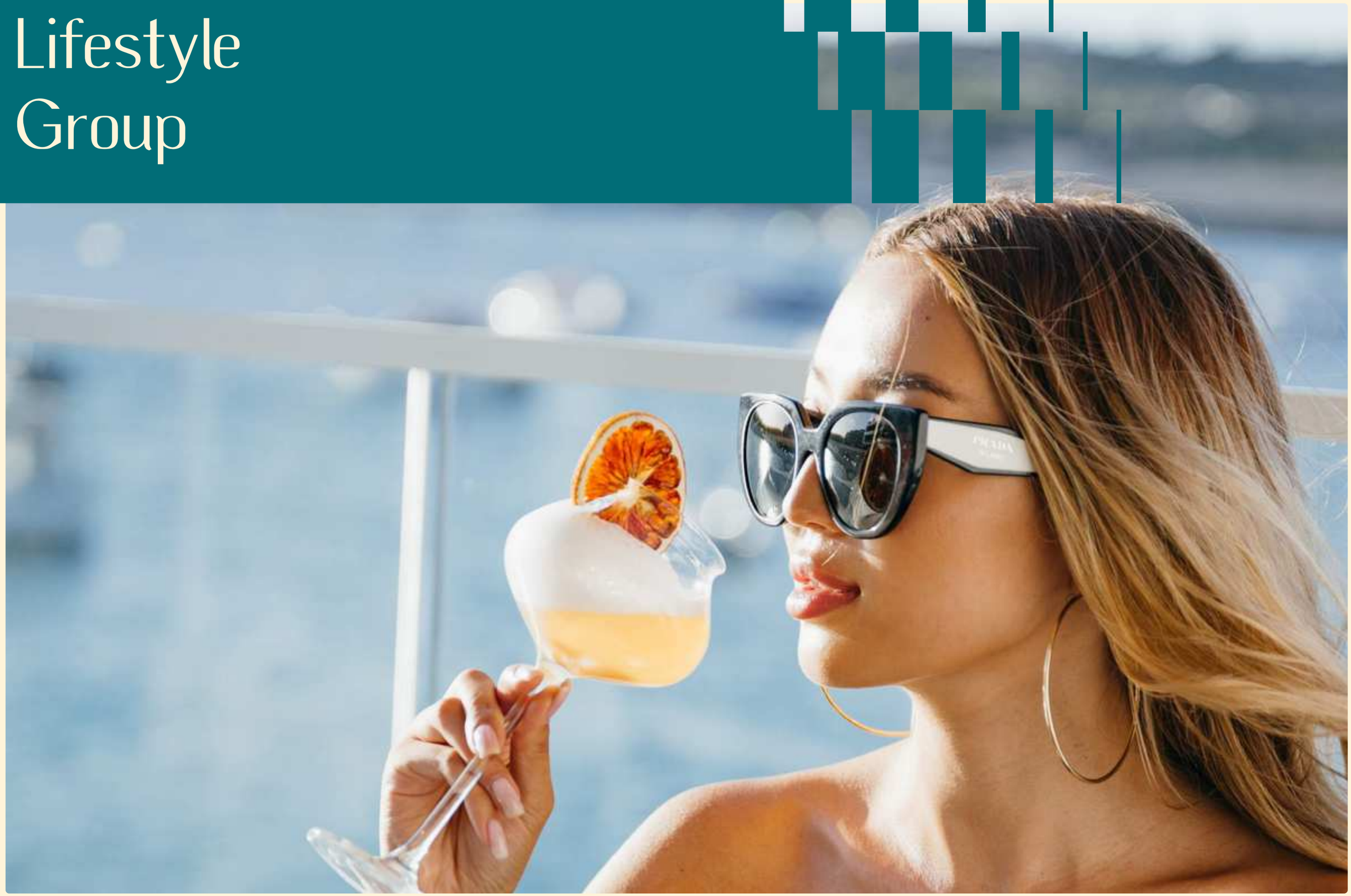


PARADISO

Expected to open in 2026, Paradiso will bring its internationally renowned cocktail experience to St George's Bay, St Julian's. Guests will be welcomed on a terrace overlooking the bay, where theatrical cocktails and a selection of tapas will set the tone for the experience.

Beyond the terrace, an immersive journey will unfold in an ocean-inspired setting where creativity, craftsmanship and storytelling take centre stage. For more intimate occasions, the exclusive Red Room will offer a secluded and memorable retreat. Combining innovative mixology with immersive hospitality, Paradiso is expected to become a distinctive addition to Malta's dining and nightlife scene.

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. The portfolio of brands provides something for everyone's lifestyle.

In recent years, Lifestyle Group established itself as a leading operator in the local food and beverage market, offering a growing portfolio of distinctive culinary and leisure concepts, most achieving high ratings and various prestigious awards.

The Lifestyle Group encompasses the following brands:

LOA · TORA · AMAMI TASTES OF ASIA · MANTA · CAFÉ CHARLES & GR ON · NINE LIVES · Blũ. Beach Club · WESTREME KITCHEN + BAR · AMAMI FOOD BAR · VERÀNI · Akì · TANVI INDIAN CUISINE · MATTO DI CUCINA ITALIANA · SAINT GEORGE PUB · KIRU STEAKHOUSE



1993 The Group acquires the Tunny Net Complex at the water's edge in Għadira, Mellieħa, 200 metres from the db Seabank 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, Buġibba: 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.

2025 September—AKI London, UK: db Group's award-winning Japanese dining concept makes its international debut in London, bringing its contemporary interpretation of Japanese cuisine to the UK market.

2026 July—MATTO, St Julian's: An authentic Italian restaurant opens its doors at St George's Mall, offering handmade pasta, artisan pizzas, sharing plates, and a lively family-friendly atmosphere.

July—Tanvi, St Julian's: A contemporary Indian restaurant opens at St George's Mall, combining authentic flavours and traditional techniques with a modern culinary approach.



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 Għadira, Malta's most picturesque bay.

Recognised for its hospitality excellence, Amami received the Tripadvisor Travellers' Choice Award in 2026.



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.

Recognised for both its hospitality, excellence and commitment to sustainability, Blu Beach Club received the Tripadvisor Travellers' Choice Award in 2020 and was awarded the Zero Waste HoReCa Recognition in 2024, further reflecting its dedication to delivering outstanding guest experiences while embracing environmentally responsible practices.



WESTREME

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

Renowned for its welcoming atmosphere and excellent dining experience, Westreme was honoured with the Tripadvisor Travellers' Choice Award in 2026, a testament to its consistently high guest satisfaction and positive reviews.



Nine Lives



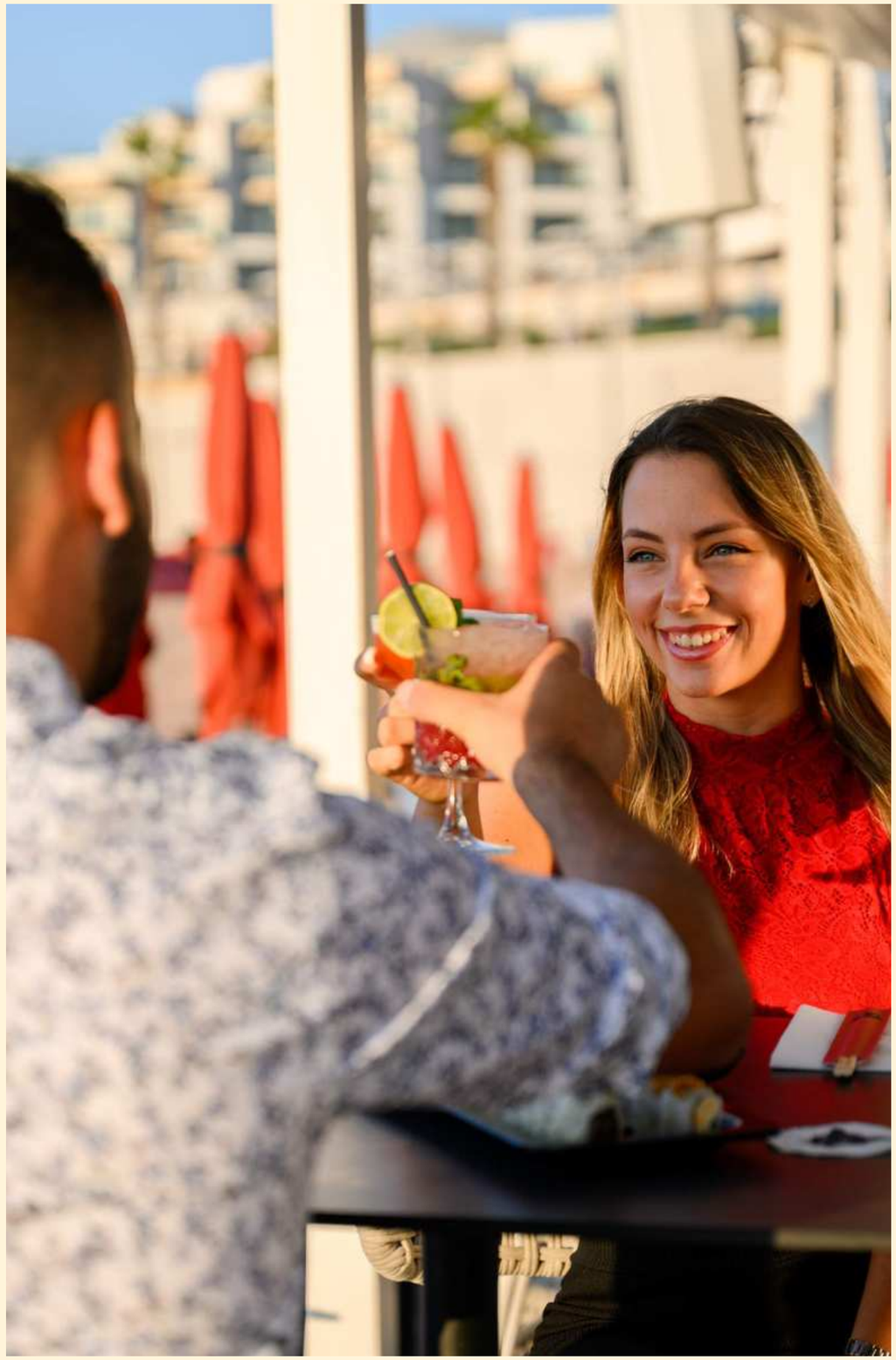
Nine Lives

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 ambience in a carefully curated space - the perched beach in St Paul's Bay.

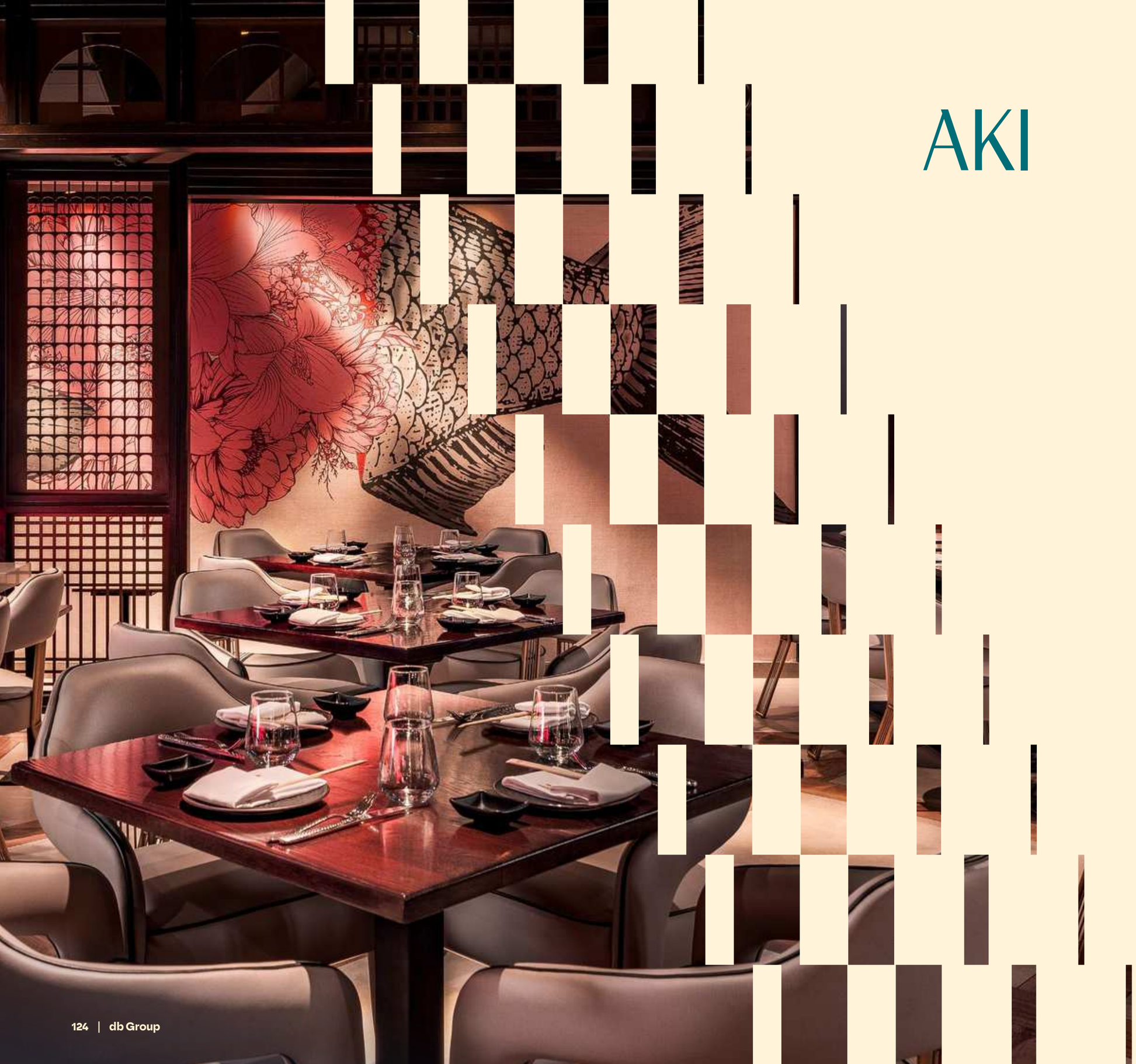
The club offers a one-of-a-kind chill out, swimming, and dining experience right at the water's edge with spectacular views of St Paul's islands. In between dips in the Mediterranean, guests can bask in the sun and enjoy gourmet food. In the evening, music becomes an integral part of the seaside, tropical 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 in the first quarter of FY2024 to ensure that guests continue to be offered the best experience. It has established itself as a destination of choice amongst locals and tourists alike, and its commitment to sustainability was recognised through the Zero Waste HoReCa Recognition in 2024.





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. Its ambiance is that of a cocoon in which 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 FY2024, the bar and interior areas were refurbished, creating the perfect setting to offer guests a unique and enhanced ambiance.

In 2022, AKI was included in the Michelin Guide for the first time, testimony to the high quality of the 360 degrees experience provided by the restaurant. This restaurant's success was repeated in 2023, 2024, 2025 and 2026. Thus AKI successfully retained its prestigious position in the Michelin Guide, reaffirming its reputation as a culinary destination of exceptional quality.

In 2024, this restaurant was also recognised by the Forbes Travel Guide, earning a Two Fork rating. Building on these achievements, AKI received the WRMC Silver Spoon Award in 2026, earned a One Fork rating in the Forbes Travel Guide in 2026 and was shortlisted for the prestigious Restaurant & Bar Design Awards under the Murals & Graffiti category, recognising the restaurant's distinctive interior design concept.







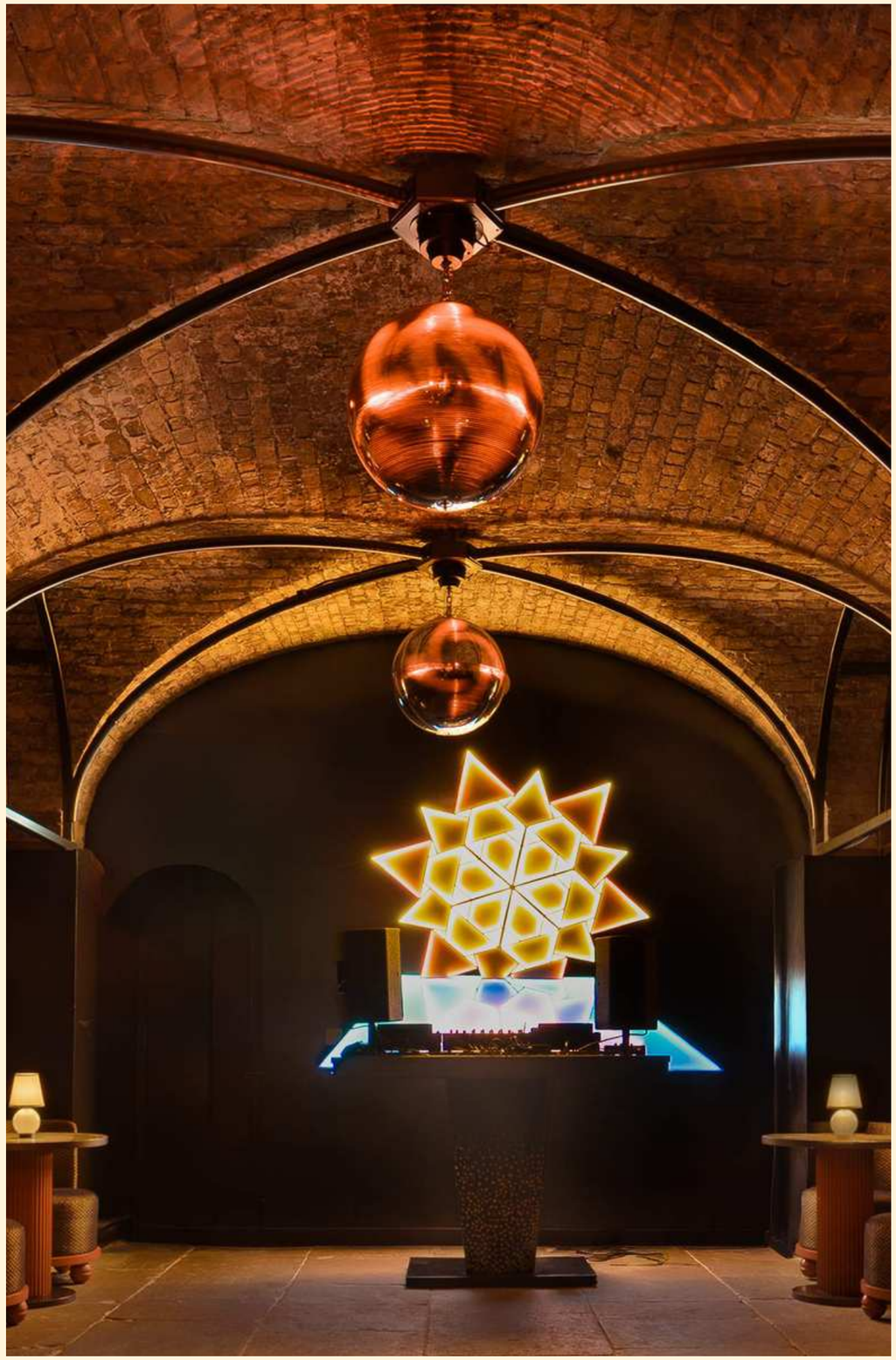
AKI London

AKI London

Opened in September 2025, AKI London marks db Group's first international restaurant venture, bringing its acclaimed contemporary Japanese dining concept to the heart of London's prestigious Cavendish Square. Housed in a beautifully restored Grade II-listed former bank, the restaurant seamlessly blends Kyoto-inspired craftsmanship with the dynamic energy of one of the world's leading culinary capitals.

Renowned for its exceptional wagyu, signature omakase experience and expertly crafted cocktails, AKI London offers a sophisticated yet vibrant setting where fine dining, music and culture converge. More than a restaurant, AKI London is an immersive social destination, where contemporary Asian flavours, live DJ performances and an energetic atmosphere come together to create memorable experiences from day to night. As a flagship addition to the Group's portfolio, AKI London represents a significant milestone, spearheading the international expansion strategy and commitment to deliver distinctive hospitality experiences in premier global destinations.

In 2026, AKI London was included in the Michelin Guide for the first time, testimony to the high quality of the all-encompassing experience provided by the restaurant.







LOA

LOA

LOA is an upmarket South American restaurant and lounge bar which blends seamlessly with 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 2023 Michelin Guide for the first time and retained this status in 2024, 2025 and 2026. In 2026, it also earned Two Forks in the Forbes Travel Guide, further cementing its reputation as one of Malta's leading dining destinations. 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 local and foreign students. The Amami Food Bar showcases the Group's vision for the local food and entertainment offer. As the sister restaurant of Amami, it was designed to integrate the student lifestyle with the tight class schedule in mind. It offers a unique experience, including a cool working space along with a fast, on-the-go service. Tripadvisor rated Amami as one of their Best Upcoming Restaurants in 2021.

Building on the success of the concept, db Group expanded the Amami brand in 2026 with the opening of a new outlet in its St George's Bay development in St Julian's.





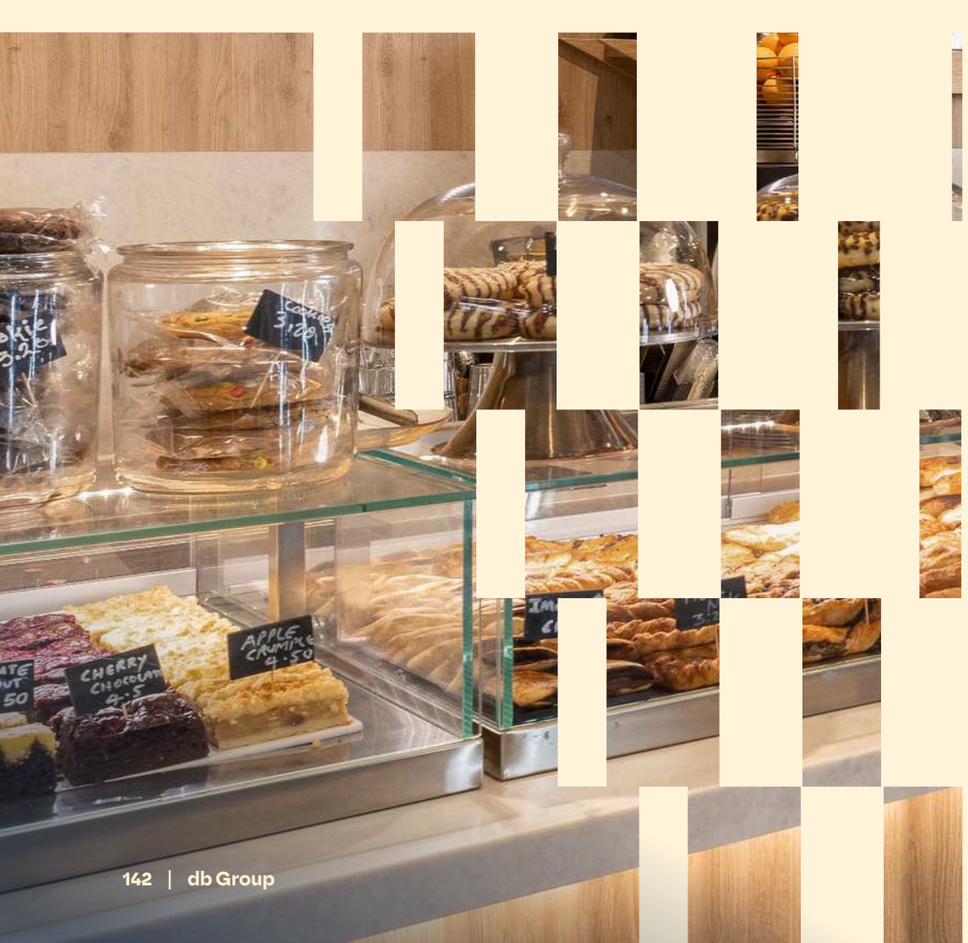
Veràni

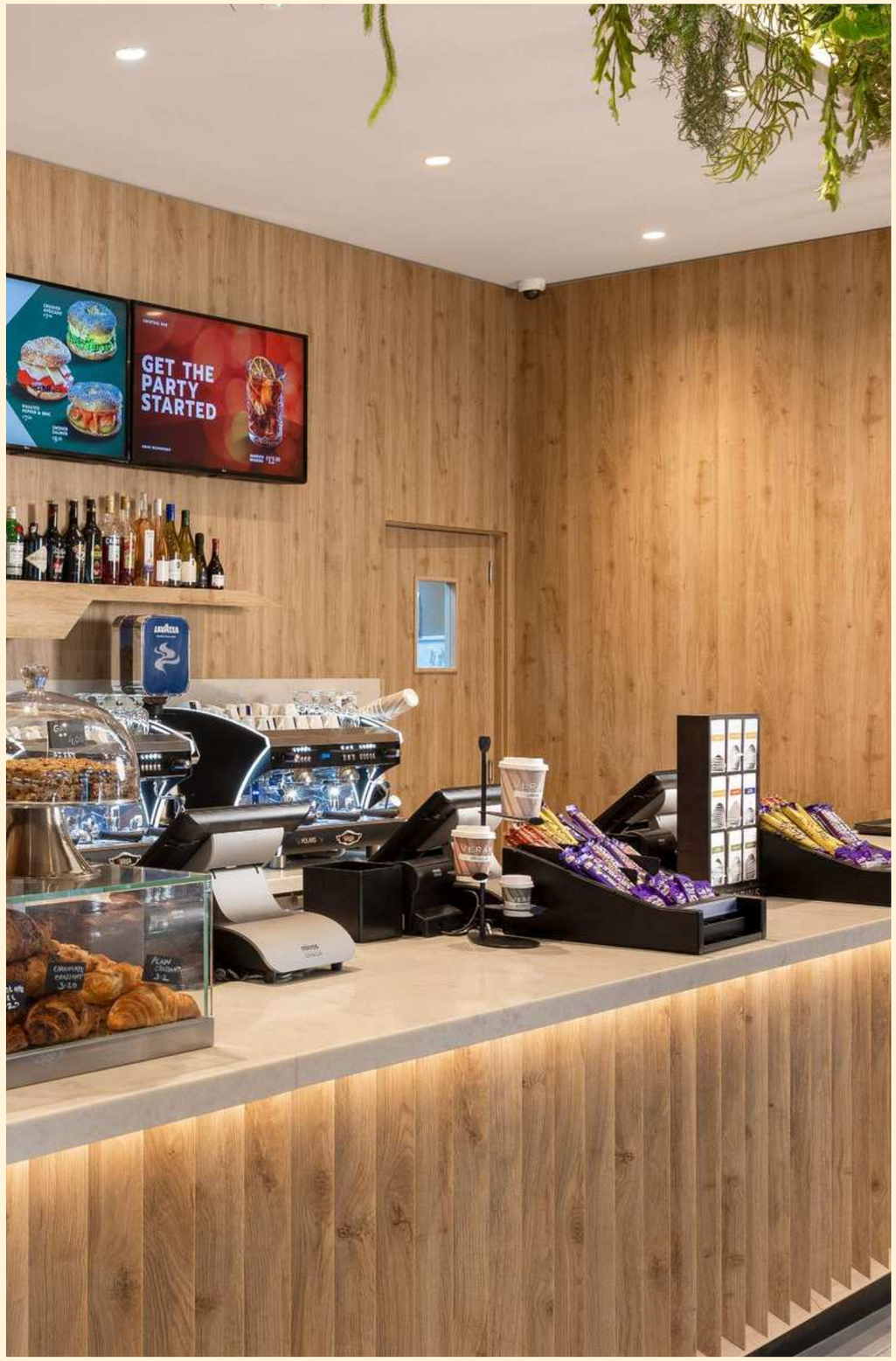
Veràni

Veràni is a fast and casual food outlet in the departures lounge of the Malta International Airport. It caters specifically for 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, Veràni 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 operations, it 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.

Recognised for its hospitality and excellence Veràni received the Tripadvisor Travellers’ Choice Award in 2026.







Tora

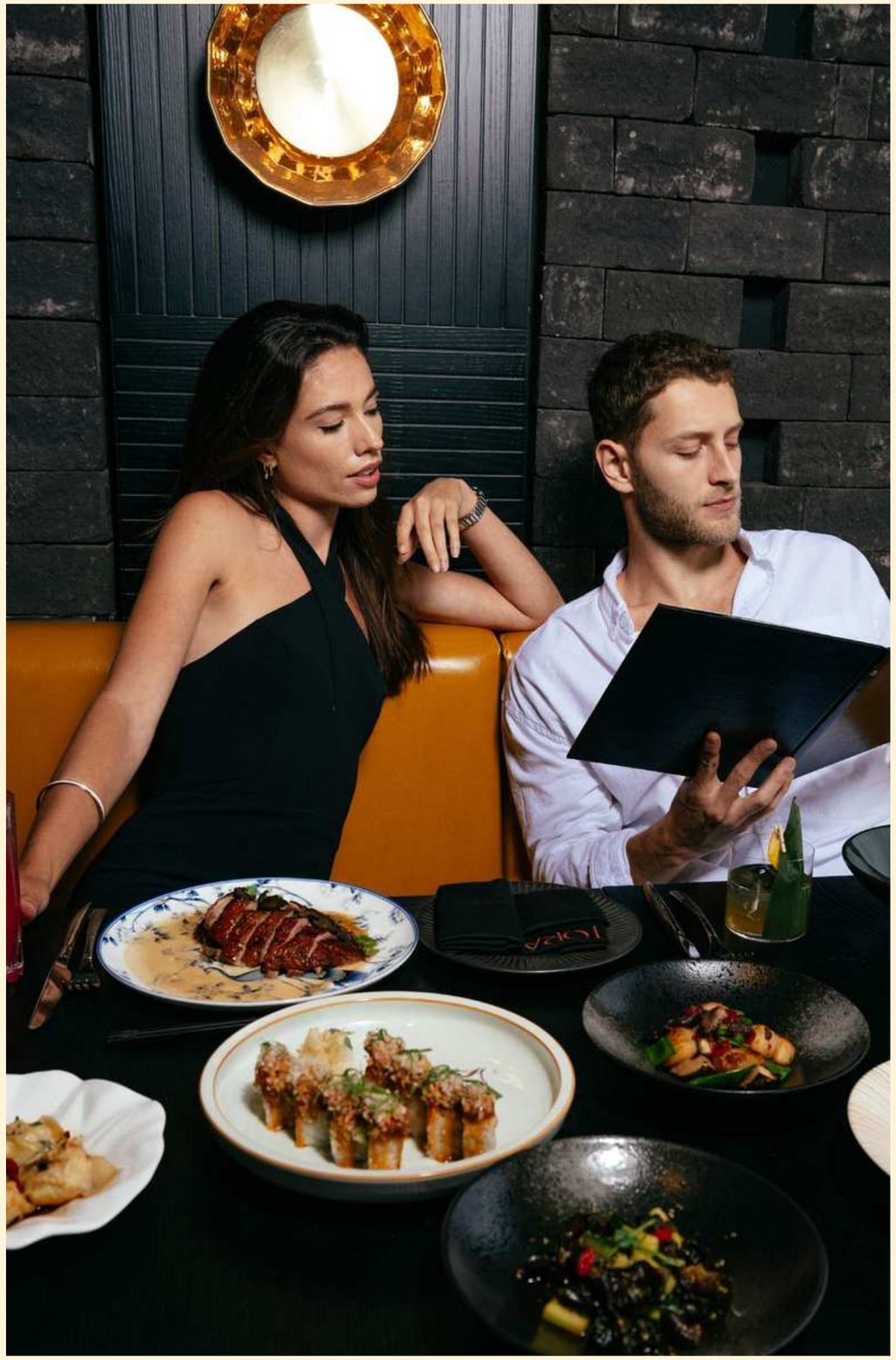
Tora

Located in the bustling destination of 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 romantic evenings, family gatherings, or a night out with friends.

Tora pays homage to the traditional Oriental cuisine by adding a contemporary twist. Tora's skilled chefs craft an enticing array of dishes - from delectable dumplings to flavourful stir-fries and the signature Peking Duck. Guests can complement their meal with one of Tora's curated cocktails, inspired by the Orient and skilfully crafted by Tora's 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. The restaurant was featured among the Top 40 award-winning restaurants in the 2026 edition of The Definitive(ly) Good Guide Restaurant Survey for Malta and Gozo.





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 culinary offer, its sparkling pool and spectacular view of Valletta, 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. Manta's commitment to sustainable operations was recognised through the Zero Waste HoReCa Recognition in 2024.





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 bold designs, warmth and flair literally to the table. 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 the 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 till 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 celebrate Maltese identity through fashion and hospitality, establishing Charles & Ron as a standout presence in Malta's café culture.

Building on this success, a third C&R Café has opened at St George's Mall in the db Group's landmark St Julian's development, further expanding the brand's footprint and bringing its distinctive blend of design, lifestyle, and hospitality to a new audience.



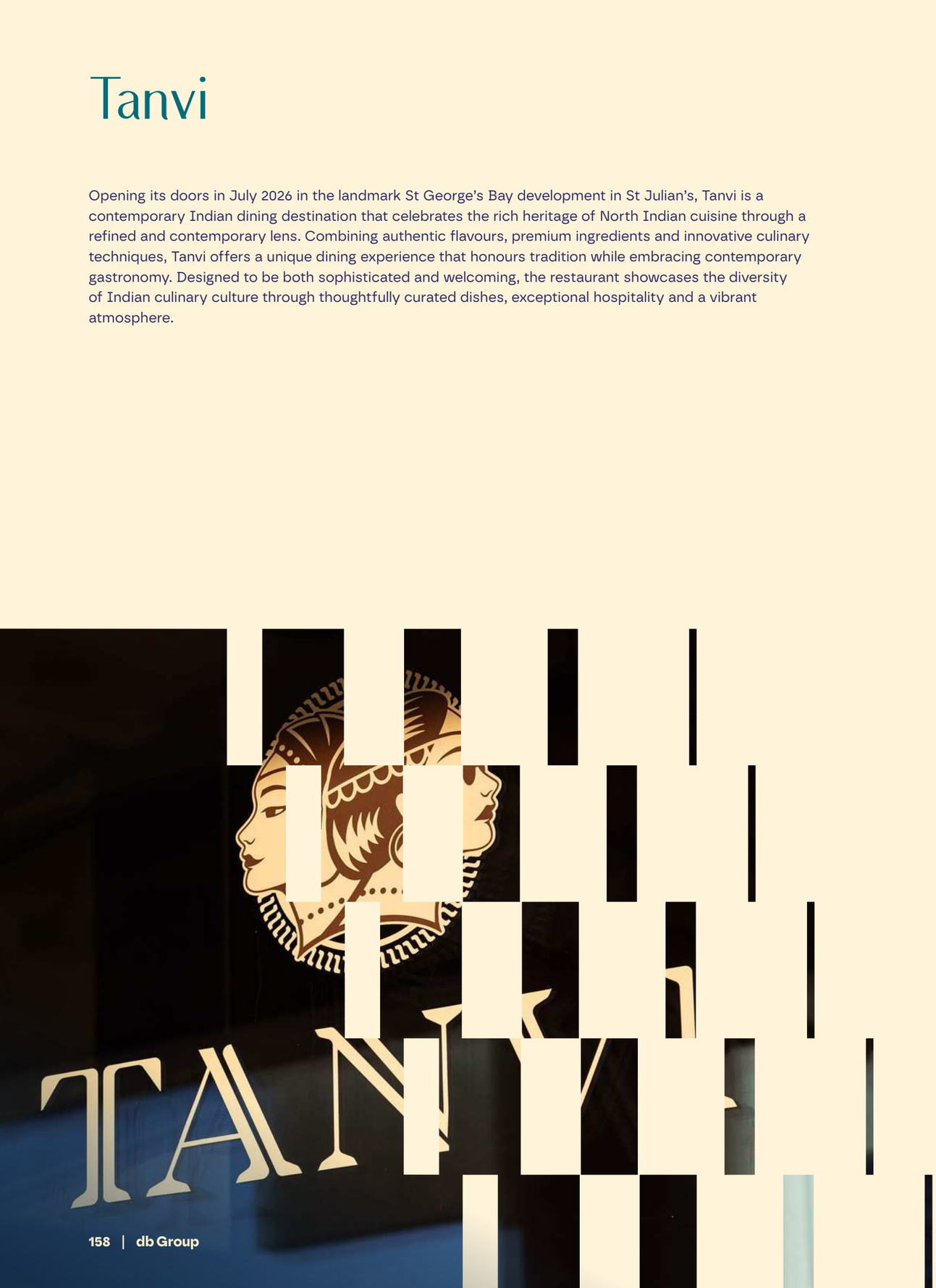


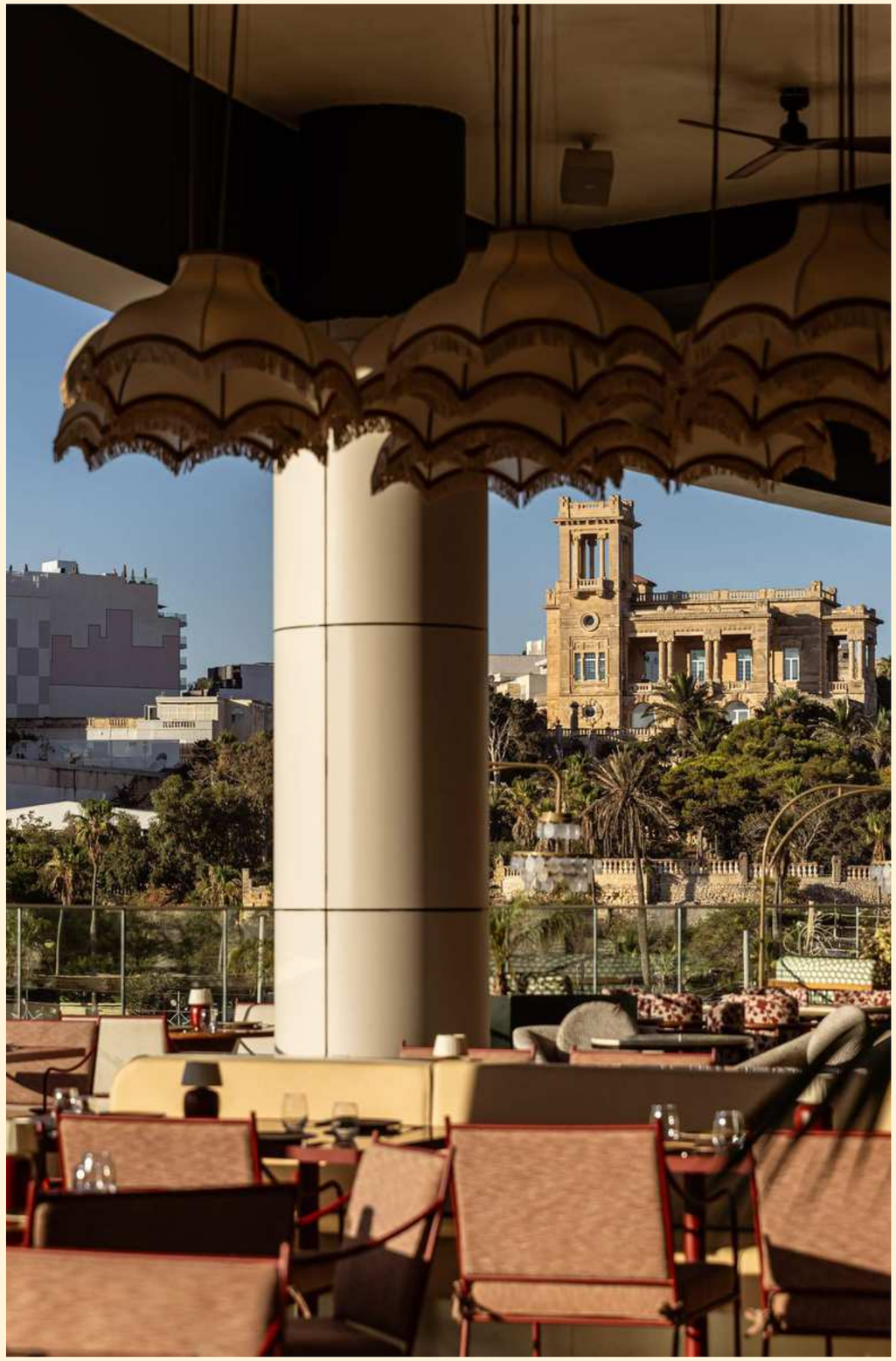
Tanvi



Tanvi

Opening its doors in July 2026 in the landmark St George's Bay development in St Julian's, Tanvi is a contemporary Indian dining destination that celebrates the rich heritage of North Indian cuisine through a refined and contemporary lens. Combining authentic flavours, premium ingredients and innovative culinary techniques, Tanvi offers a unique dining experience that honours tradition while embracing contemporary gastronomy. Designed to be both sophisticated and welcoming, the restaurant showcases the diversity of Indian culinary culture through thoughtfully curated dishes, exceptional hospitality and a vibrant atmosphere.







MATTO

MATTO

Opened in July 2026, MATTO is an authentic Italian restaurant located at St George's Mall, St Julian's. Built around an open-pizza kitchen concept, MATTO celebrates the social side of Italian dining, where great food, family, and shared experiences come together in a lively and welcoming atmosphere. The restaurant is designed for guests of all ages and includes a dedicated play area, making it an ideal destination for families and groups.

At MATTO, comfort meets a rock 'n' roll spirit, creating an experience that is both relaxed and full of character. The menu features handmade pasta, artisan pizzas, generous sharing plates, and a selection of creative cocktails inspired by Italian flavours and traditions. Combining authentic cuisine with warm hospitality and a vibrant setting, MATTO offers a contemporary take on the Italian dining experience while staying true to its roots.





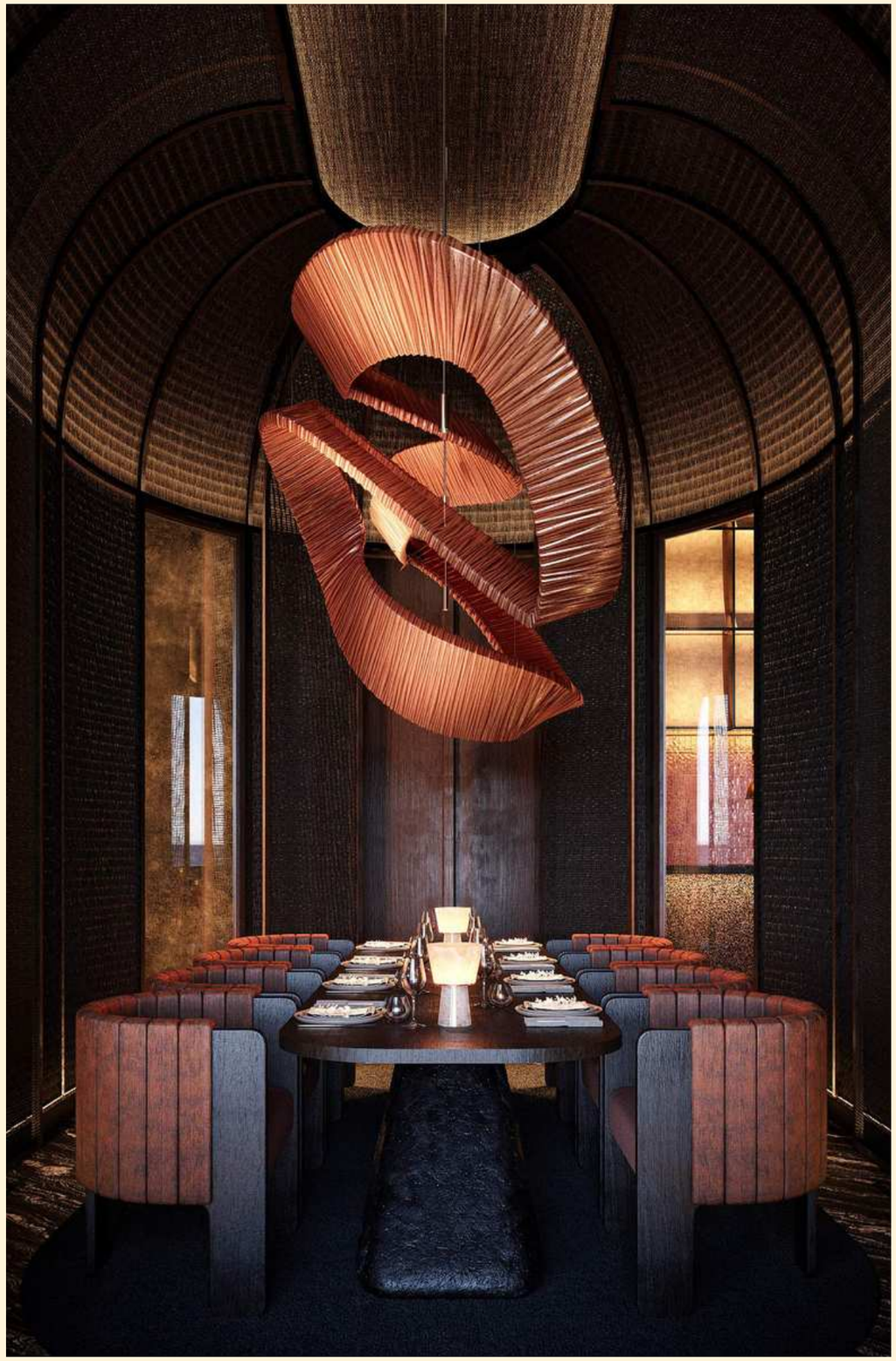


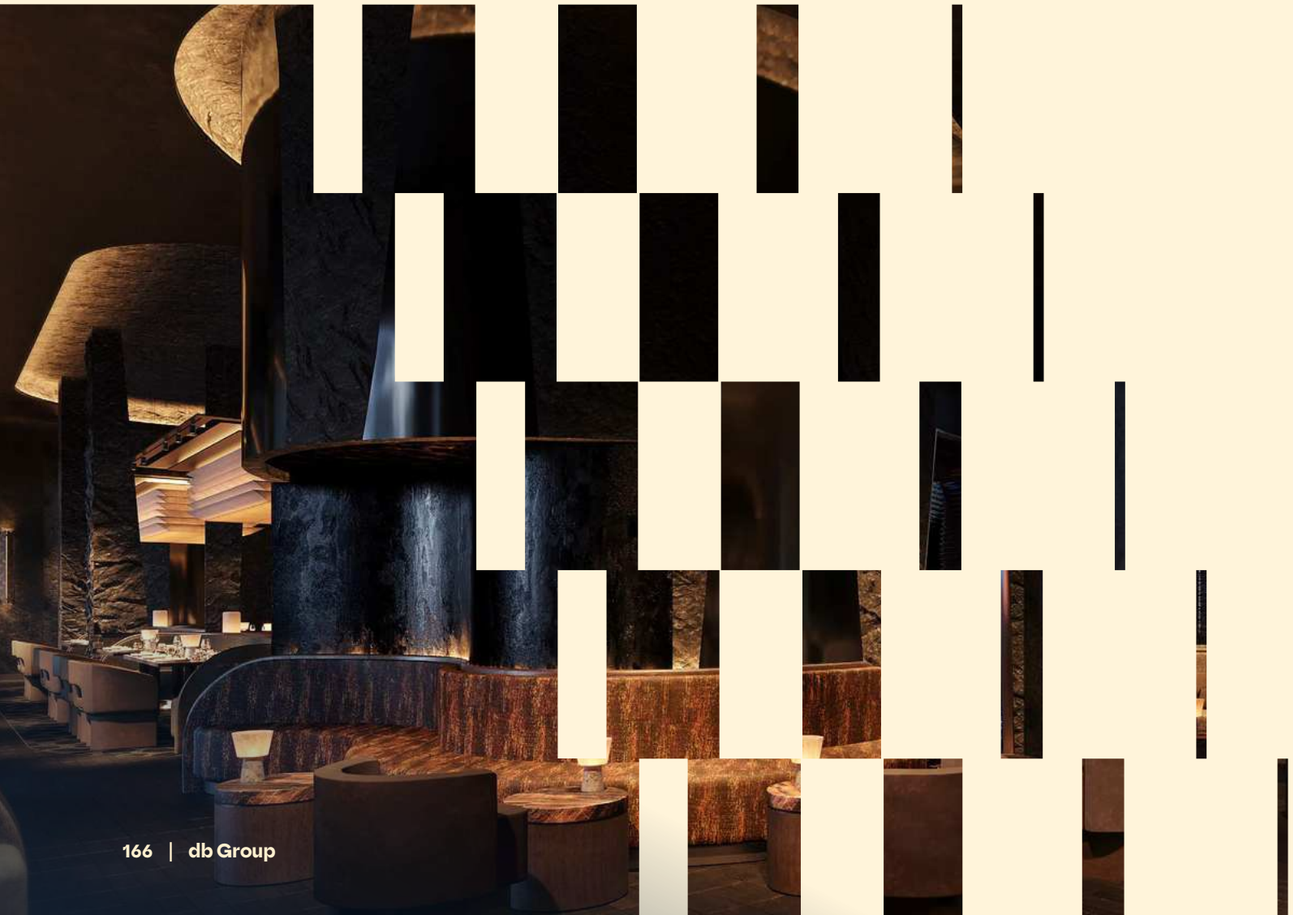
KIRU

KIRU

Scheduled to open in 2026, KIRU is a premium Korean steakhouse and barbecue concept located at St George's Mall, St Julian's. Approaching the steakhouse experience from a distinctly Korean perspective, KIRU places fire at the heart of the dining journey. It focuses on premium cuts, quality ingredients, and the enjoyment of interactive cooking.

The concept is centred on the quality of its raw materials and the experience of dining together around the grill. Complemented by a carefully considered, design-led setting, KIRU celebrates connection, shared moments, and Korean barbecue traditions in a contemporary environment.





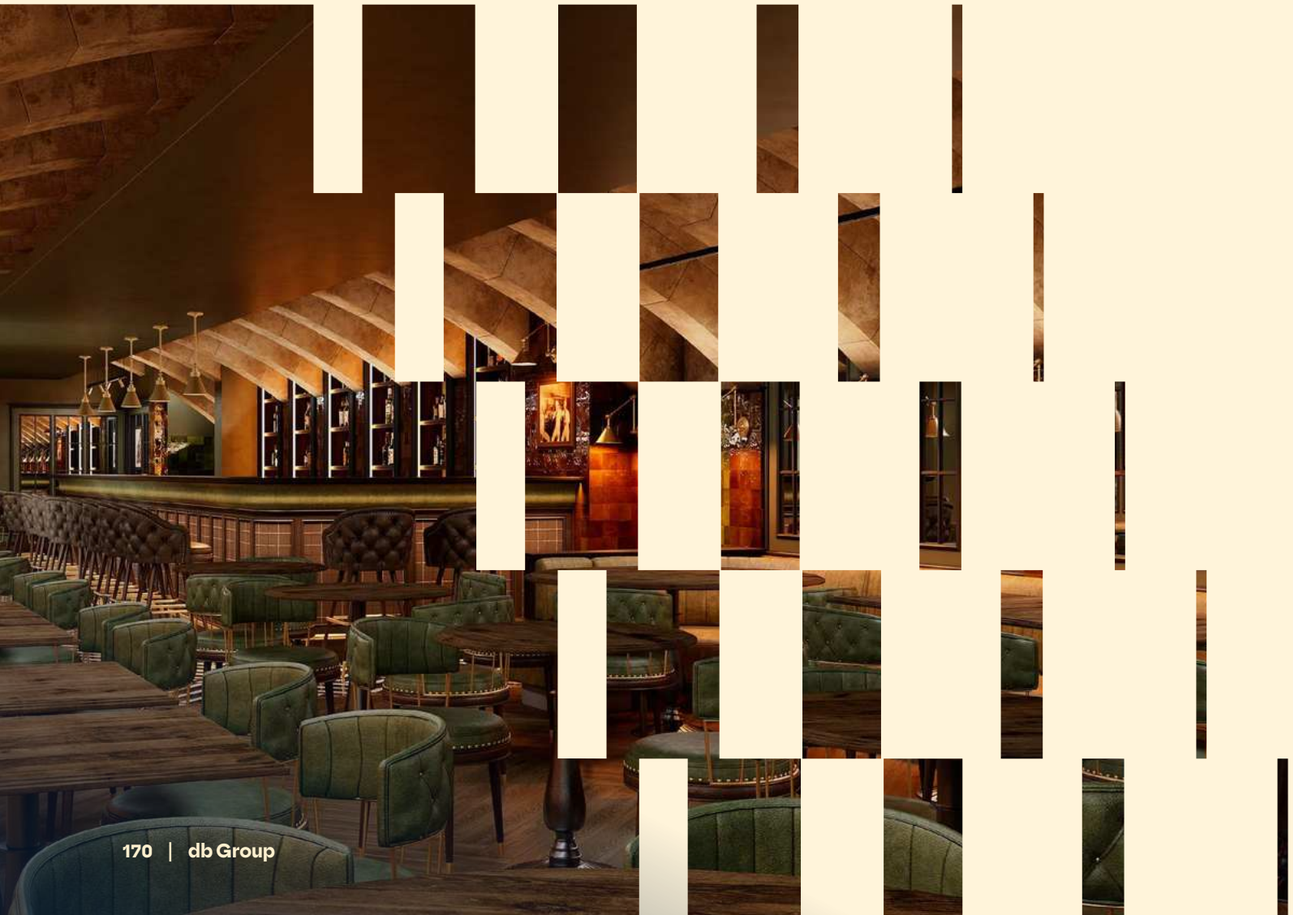
Saint George Pub



Saint George Pub

Saint George Pub is db Group's contemporary take on the classic British gastro-pub. Planned to open in 2026 along the seafront at St George's Bay, it will offer a welcoming and relaxed atmosphere where family and friends can come together for great food, quality drinks, and live sporting action.

Combining British pub traditions with modern hospitality, the venue will serve craft beers, classic gastro-pub favourites, and its signature Sunday roast, creating a comfortable gathering place designed for casual dining and social occasions by the waterfront.







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 over four million visitors in 2025.

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 growth across its different segments. This performance has been supported by demographic expansion and evolving demand for residential, hospitality, retail and mixed-use developments. The interplay between limited land availability and changing population and market dynamics continues to shape a property market that is both structurally robust and distinct within 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 db Seabank Resort + Spa within a record 8 months.

2015 A block of luxury apartments in Mellieħa Bay is completed.

2017 The Group signs a contract to build a mixed-use development project in St George's Bay, Paceville.

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 €350 million mixed-use development at St George's Bay, featuring the Hard Rock Hotel Malta, ORA Residences, and St George's Mall.

2025 Construction works on the St George's Bay development continue to advance across Hard Rock Hotel Malta, ORA Residences and St George's Mall.

2026 The St George's Bay development reaches a major milestone with the initial opening of St George's Mall in July, followed by the opening of the Hard Rock Hotel Malta in September, bringing key hospitality, retail, dining and entertainment components of the destination into operation.



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 db Seabank 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 Għadira Property Investments Limited, which focused on the development of upscale residences in Għadira 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

Building on decades of growth and a proven track record of delivering transformative developments, db Group continues to move forward through projects that are reshaping Malta's hospitality and property landscape. The delivery of Hard Rock Hotel Malta and St George's Mall marks a major step forward in this journey, reflecting the Group's ambition to elevate Malta's tourism offering thereby reinforcing its role in transforming the country's hospitality industry.

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.

During 2026, key components of the development became operational, while works on the remaining elements continued to progress.

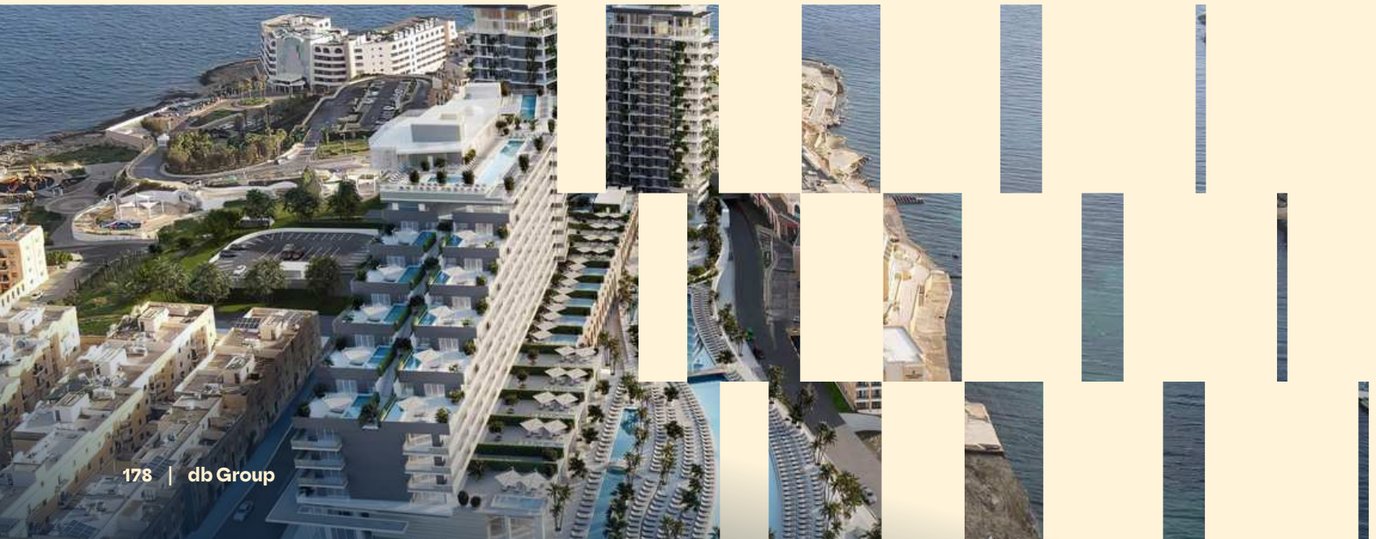
Hard Rock International is a globally recognised brand with a footprint spanning more than 300 venues across nearly 80 countries. The brand's mission is to embody and share the spirit of rock 'n' roll by delivering authentic and immersive experiences to its customers. Its global appeal is reinforced by the world's largest collection of authentic music memorabilia, comprising more than 89,000 pieces displayed across its locations worldwide.

> ***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*

In October 2024, db Group reached a key milestone with the ceremonial laying of the foundation stone for Hard Rock Hotel Malta, formally initiating structural works on site. The five-star hotel comprises 397 rooms and features 11 swimming pools, more than 10 restaurants, bar, lounge and club venues, a dedicated beach club, a 466-square-metre ballroom and a 3,800-square-metre wellness and fitness space.

The hotel also incorporates Hard Rock Cafe St Julian's Malta, a 1,400-square-metre dining and entertainment venue offering indoor and outdoor seating, live entertainment, the iconic Rock Shop® and a collection of authentic music memorabilia.

In September 2026, Hard Rock Hotel Malta officially opened its doors, marking the brand's entry into the Maltese hotel market and representing a major milestone for the wider St George's Bay development.

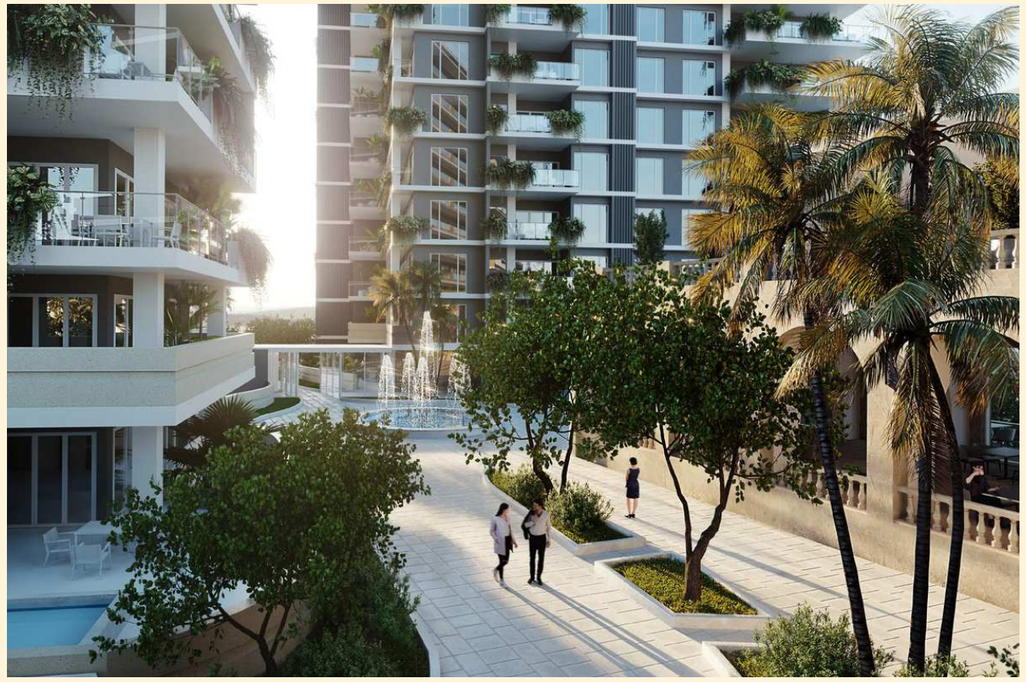


Complementing the hotel are two premium residential towers, the ORA Residences. Designed as urban-green buildings, the residences were curated by internationally acclaimed landscape designer Dr Laura Gatti, renowned for her work on Milan's Porta Nuova development. The residential units are designed to be delivered fully furnished, with a choice of finishing styles and features including intelligent lighting, wall insulation and acoustic flooring solutions. The ORA Residences are LEED certified, reflecting the integration of environmental considerations within their design.

A further significant development during 2026 was the opening of St George's Mall on 15 July, expanding the operational retail and dining offering within the wider destination.

Spanning approximately 15,000 square metres, the mall includes more than 60 retail and dining establishments across two floors, together with an underground car park with over 1,200 spaces.

The mall's offering includes established retailers, several international brands entering the Maltese market and new dining concepts such as EL&N, Tanvi and TATEL. It also incorporates a PAVI-PAMA supermarket and preserves arches and other architectural elements from the former ITS site, originally constructed by the British Army as military barracks.



The openings of St George's Mall and Hard Rock Hotel Malta marked the development's transition from a predominantly construction-led project to a partly operational mixed-use destination. While several retail, dining, entertainment and hospitality concepts launched in 2026, works on the ORA Residences and the remaining elements of the wider development will continue in the coming year.

Once completed, these remaining elements will complement the components already in operation, further integrating the destination's residential, hospitality, retail, entertainment, wellness and public-space offering.



Environmental, Social, & Governance
ESG

Environmental, Social, and Governance (ESG)

The db Group recognise that long-term business success is inseparable from responsibility to people, communities, and the planet. In 2026, we continued to strengthen our commitment to Environmental, Social, and Governance (ESG) principles by embedding sustainability across our operations, culture, and strategic decision-making.

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. Following this direction, throughout the year we continued to align our business practices with evolving sustainability priorities and stakeholder expectations.

Over the past year, the Group continued to make progress across key ESG areas. We embedded sustainability considerations even more deeply in our operations, supporting positive outcomes for our people, communities, and the environment. Our ESG strategy, underpinned by a commitment to continuous improvement, has driven progress across environmental stewardship, employee well-being and diversity, corporate social responsibility, and governance.

Key efforts focused on improving resource efficiency, waste reduction, employee well-being and support, strengthening community engagement, and maintaining strong governance practices. These initiatives reflect our long-term vision for responsible growth and a strong commitment to create sustainable value for all stakeholders.

Social Impact

Our people and communities remain central to our ESG journey. In 2026, we continued to strengthen our social impact through ongoing partnerships, community initiatives, and targeted support across health, education, inclusion, and the arts.

Through the db Foundation and our broader corporate social responsibility efforts, we remained committed to supporting vulnerable groups, fostering inclusion, and creating a positive impact in the communities in which we operate. At the same time, we continued to promote employee well-being and diversity, recognising the invaluable contribution of our workforce and reinforcing a culture of support, inclusivity, and responsible business practices across the Group.

This commitment is reflected in the initiatives and partnerships highlighted in the following sections.

Governance and Ethics

Strong governance is the backbone of our ESG strategy. We continue to uphold the highest standards of transparency, accountability, and ethical conduct, ensuring fairness in all our dealings and relationships. 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 and progress during the last financial year. 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 as we continue to advance our ESG commitments.



Environmental Stewardship

In our ongoing commitment to environmental stewardship, the Group continued to implement measures aimed at reducing 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 guests and staff. This commitment also extends to the Group's property developments, with environmental considerations integrated into the design of the LEED-certified ORA Residences.

In FY2026, San Antonio Resort & Spa was awarded Green Key Certification, a leading standard of excellence in environmental responsibility and sustainable operations. The hotel had previously also been awarded the Malta Tourism Authority's Eco Certification, a national scheme for ensuring the environmental, socioeconomic, and cultural sustainability of hotels and other tourism outlets on the Maltese Islands.

Water and Energy Consumption

Water and energy consumption remained a key focus area across the Group's hospitality operations during FY2026.

Seabank Resort & Spa

Year	Bed Nights	Water Consumption (m3)	Water Efficiency (m3/bed night)	Energy Consumption (kVAh)	Energy Consumption per Bed Night (kVAh/bed night)
2024	423,043	21,827	0.0516	5,491,700	12.98
2025	421,068	47,665	0.1132	5,871,000	13.94
2026	414,769	40,786	0.0983	5,712,900	13.77
YoY % change	-1.50%	-14.43%	-13.13%	-2.69%	-1.22%

At Seabank Resort & Spa, water consumption decreased by 14% compared to FY2025, resulting in an improvement in water efficiency of 13%. Energy consumption also declined by 3%, while energy consumption per bed night decreased by more than 1% compared to the previous year.

San Antonio Resort & Spa

Year	Bed Nights	Water Consumption (m3)	Water Efficiency (m3/bed night)	Energy Consumption (kVAh)	Energy Consumption per Bed Night (kVAh/bed night)
2024	347,903	1,645	0.0040	5,657,645	16.26
2025	322,582	335	0.0010	5,276,505	16.36
2026	368,690	2,429	0.0066	6,150,440	16.68
YoY % change	14.29%	+625.07%	534.40%	16.56%	+1.99%

At San Antonio Resort & Spa, more bed nights contributed to higher water and energy consumption compared to FY2025. Moreover, both water and energy consumption per bed night increased during the year.

These figures demonstrate our continued commitment to monitoring and improving resource efficiency across our operations. Through ongoing investment in sustainable infrastructure and operational improvements, we continue to identify opportunities to reduce our environmental impact while maintaining high standards of service and guest comfort.

The low water consumption recorded in FY2025 reflected the benefits of the reverse osmosis (RO) system, which reduced reliance on mains water. During FY2026, flooding in the area housing the system and the resulting repair works increased reliance on mains water, contributing to higher water consumption during the year.

Resource Consumption

With respect to resource consumption, a total of 2,395,190 kg of waste was generated by the Group's Hospitality and Leisure segment during FY2026, representing an increase of approximately 2% compared to FY2025.

Waste	FY25	FY26	Change FY25/26
Mixed	1,792,680	1,919,500	7%
Organic	385,240	334,230	-13%
Separated	112,530	63,920	-43%
Glass	64,960	77,540	19%
Total	2,355,410	2,395,190	2%

In FY2026, overall waste generation increased slightly compared to FY2025. While organic waste and separated waste decreased during the year, mixed and glass waste increased. We continue to closely monitor waste generation and identify opportunities to improve waste management practices across our operations.

New Measures and Monitoring

Our commitment to environmental sustainability continues to be demonstrated through continuous innovation and the implementation of best practices. By prioritising investment in sustainable solutions and responsible resource management, we aim to make a lasting contribution to environmental preservation.

Recent initiatives include the introduction of a refundable beverage token system in pool areas at Seabank Resort & Spa and San Antonio Resort & Spa to reduce single-use plastic waste and encourage responsible beverage consumption. We also continued to promote the use of reverse osmosis drinking-water stations throughout our properties, helping to reduce plastic bottle use while providing guests with safe, high-quality drinking water.

In addition, both hotels maintained advanced on-site water treatment systems, enabling production and continuous monitoring of potable water throughout their operations. These measures support both operational resilience and environmental responsibility while maintaining high-quality standards across our facilities.

Looking ahead, the Group will continue exploring opportunities to improve resource efficiency, reduce waste, and strengthen environmental awareness among guests and employees. Our environmental efforts are complemented by ongoing stakeholder engagement and a commitment to implementing practical sustainability initiatives across our operations.

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 business operations to the communities we serve and the people we employ. In 2026, 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. Highlights from the year include support for Inspire Malta, where two specialised learning spaces reopened as a result of works funded by the db Foundation, creating improved learning environments for children enrolled in the organisation's STEP programmes. We also organised Dreams of Independence, a fundraising initiative in aid of Dar tal-Providenza, supporting projects that promote greater independence and inclusion for persons with disabilities.

In addition, we continued to support organisations such as the Karl Vella Foundation and YMCA Malta, extending assistance to families facing illness or loss and to individuals experiencing homelessness.

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



db Foundation

The db Foundation is the Group's philanthropic foundation at the 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 which meets regularly to implement its mission and strategic direction.

With this vision, 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 continued to expand its network of partnerships to include collaborations with both established NGOs and grassroots organisations that struggle to secure financial support. Through these partnerships, we have been able to extend our reach and increase our impact, improving the quality of life of vulnerable individuals within our communities.

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 charitable causes.

In 2026, 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 to established NGOs while developing new partnerships and initiatives that reflect our ongoing commitment to supporting vulnerable groups in our communities.

The following are some of the initiatives undertaken during the year:

- Our partnership with Caritas Malta continued to support the mental health and well-being of db Group employees through the Employee Assistance Programme, whilst providing ongoing support to Caritas and its work in the community.

- In October 2025, two specialised learning spaces at Inspire Malta officially reopened as a result of works funded by the db Foundation. The project helped create improved learning environments for children enrolled in Inspire's STEP programmes and supported the organisation's commitment to inclusive education.

- Through Dreams of Independence, a fundraising initiative organised in aid of Dar tal-Providenza, the Foundation supported projects aimed at promoting independent living opportunities for persons with disabilities.

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 and initiatives, building on the positive impact achieved throughout the year. We are proud of the difference we have made and remain committed to creating meaningful change within our communities.

The Foundation extends its deepest gratitude to 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 2026, we continued to invest in initiatives aimed at supporting and developing our people, recognising the invaluable contribution they make to the Group's success.

Currently, the Group employs 1,794 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 continue meeting the needs of our employees, we maintain a strong focus on employee well-being, engagement, and professional development, creating opportunities for growth while fostering an inclusive and supportive working environment.

Employees by segment:

Seabank Hotel and Catering Ltd	387 employees
Hotel San Antonio Ltd	272 employees
db SG Hotel Ltd	260 employees
Debar Ltd	119 employees
db HRC Franchising Limited	71 employees
db Projects Ltd	66 employees
db Resources Ltd	47 employees
Sea Port Franchising Ltd	44 employees
db SG Franchising Limited	21 employees
db Porto Operations Ltd	19 employees
db TTL Franchising Limited	9 employees
db Pink Gourmet Limited	8 employees
db Cafe Ltd	7 employees
db Ice Cream Ltd	5 employees
db Paradiso Franchising Limited	3 employees
db SG Residences Ltd	3 employees
S.R.G.N. Co. Ltd.	453 employees

Through the Employee Assistance Programme delivered in partnership with Caritas Malta, employees across the Group have access to confidential counselling and social work assistance in a safe and supportive environment. The programme is complemented by seminars and workshops that continue to foster and entrench a culture of empowerment, resilience, 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 employees' personal and professional advancement. During the year, employees continued to receive performance and career development reviews, ensuring equal opportunities for growth and progression. Training relating to communication, health and safety, service standards, teamwork and job-specific activities was also provided across the Group.



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 2026, we continued to strengthen our governance practices. Our framework is designed to protect the interests of our stakeholders, including employees, 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 fully compliant with relevant laws and regulations.

Our Board of Directors plays a crucial role in our governance structure. The Board is 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.

The Group's dedicated sustainability team continued to play a central role in driving our sustainability agenda forward. Sustainability risks remain integrated within 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 Group continued to advance its Corporate Sustainability Policy, aligned with the ten principles of the United Nations Global Compact and reflecting our commitment to human rights, labour standards, environmental protection, and anti-corruption. The Policy also supports the achievement of sustainability objectives across the organisation.

Training continued to be provided to executives and management-level employees to strengthen understanding of their responsibilities for integrating sustainability into 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 all 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. Looking 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 in light 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 Dr Vincent Micallef, Mr. Stephen Muscat, and Mr. Kenneth Swain. The Chairman of the Audit Committee, Mr. Muscat, who is appointed by the Board and entrusted with reporting to the Board on the workings and findings of the Committee, is the independent non-executive director of the Company and 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

The Board is composed of six members made up of three executive and three non-executive directors as of 31 March 2026. The three Executive Directors, Mr. Silvio Debono, Mr. Robert Debono and Mr. Alan Debono, occupy various senior executive and directorship positions within the Group. The three Non-Executive Independent Directors are Dr Vincent Micallef, Mr. Stephen Muscat, and Mr. Kenneth Swain.

With effect from 25 April 2025, Arthur Gauci, who was also a Non-Executive Director, has stepped down from the position of Non-Executive Director of the Company. On the same date, Alan Debono was appointed as Executive Director of the Company.

Philip Micallef resigned as Director of the Company with effect from 31 December 2025. Subsequently, on 1 January 2026, Kenneth Swain was appointed as Non-Executive Director of the Company and as a member of the Company's Audit Committee.

The Non-Executive Independent Directors are considered by the Board as independent directors since they are free of any significant business relationship, family or other relationships with the Issuer, its controlling shareholder, or the management of either, that creates a conflict of interest such as to impair their judgement.



Conclusion

Looking back, we are proud of our ESG performance in FY2026. It was a year of continued progress and commitment to key ESG principles. Despite the challenges posed by an ever-evolving global landscape, the db Group remained steadfast in its dedication to sustainability, social responsibility, and strong governance.

Looking ahead to FY2027 and beyond, we are excited by the opportunities that lie ahead. We will continue to innovate and adapt, building on our strengths to address future challenges. We are confident that our ESG strategy, together with our unwavering commitment to sustainability and social responsibility, positions us well to create long-term value for our stakeholders while navigating an increasingly dynamic environment.

We would like to express our sincere gratitude to our employees, guests, partners, and stakeholders for their continued support and trust in the db Group.

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



S.D. Holdings Limited

Annual Financial Statements

31-March-2026

Company Registration Number: C 40318

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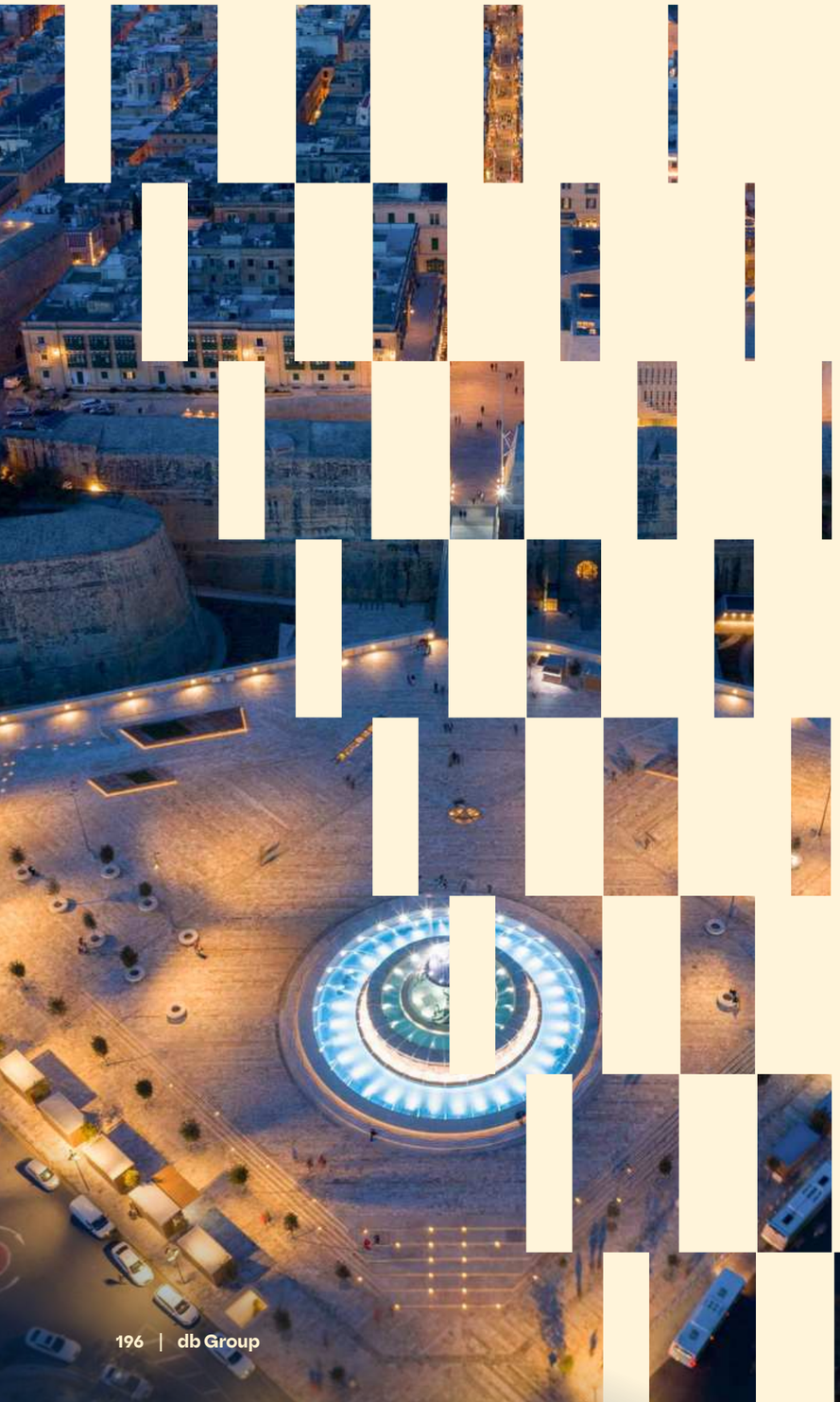
Directors' Report



The directors present their report and the audited financial statements for the year ended 31 March 2026.

Principal activities

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

The Group operates in the local market and predominantly in hospitality, leisure and catering activities. It operates and owns four hotels: the db Seabank Resort & SPA situated at Ghadira Bay Mellieha, the db San Antonio Hotel & SPA situated in Bugibba, The Melior Boutique Hotel in Valletta and the Xemxija Bay Hotel in Bugibba. It also operates a number of restaurants in Mellieha Bay, namely Westreme, Amami and Blu Beach together with PickNGo as a general store. It also operates AKI Restaurant in Valletta, Nine Lives in Bugibba and LOA in St. Paul's Bay, Amami Food Bar at University Campus, Tora and Manta in Sliema and Verani at the Malta International Airport. The Group also operates outlets under the Hard Rock Café franchise and the Starbucks franchise. In 2025, the Group started operating the C&R Café outlets and Grom outlets.

During the year, the Group continued its investment in the St. George's Bay project which includes the Hard Rock Hotel, Ora Residences and St. George's Mall. This mixed-use development, entailing a total investment of nearly €260 million, is in the final stages of completion with various outlets already in operation together with the St. George's Mall.

During the year, the Group achieved a significant milestone with the opening of AKI London, its first restaurant outside Malta. This marks an important step in the Group's international expansion strategy and demonstrates its ambition to extend its hospitality and dining expertise beyond the domestic market. The successful launch of AKI London establishes a platform for future growth and further strengthens the Group's portfolio of premium food and beverage concepts.

The Group also invested in the taking over of a commercial laundry and continued investing further to convert the laundry facility into an industrial one equipped with state-of-the-art technology tunnel washer and fully automated systems. This investment is expected to improve operational efficiencies, increase processing capacity and support the Group's expanding hospitality business whilst also providing this service to other corporate and personal clients.

SD Finance plc established an unsecured bond issuance programme of up to €60,000,000 guaranteed by SD Holdings Limited. The bonds have a coupon interest of 5.20% which is payable annually in arrears every 15 February. The bonds are redeemable at par and are due for redemption on 15 February 2031. The proceeds from the bond issue have been loaned by the Company to related parties and utilised for general corporate funding purposes.

Review of business

During the year ended 31 March 2026, the Group experienced continued growth in revenues and profitability. Total revenue for the Group during the year under review reached €111.3 million resulting in a year-on-year increase of €12.1 million (12%). The increase in revenue reflected itself in earnings before interest, tax, depreciation and amortisation (EBITDA) factoring in at €66.7 million as against €35.8 million registered for 2025 (86%).

	2026	2025
	€	€
Profit for financial period from continuing operations	**17,384,208**	11,583,203
Net interest	**12,581,052**	6,613,292
Tax expense	**26,678,379**	9,503,743
Depreciation	**7,545,731**	7,129,455
Amortization	**2,915,014**	2,656,402
EBITDA	**67,104,384**	37,486,095
Adjustment:		
Share of results of associates	**(492,580)**	(451,086)
Fair value changes of investments at fair value through profit or loss	**118,247**	(1,243,012)
Adjusted EBITDA	**66,730,051**	35,791,997

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 36%, when compared to 34% during 2025. 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.

Directors' Report - continued

Consequently, the financial year ended 2026 resulted in a profit after tax of €17.4 million when compared to €18.6 million recorded in the previous year. The overall hotel portfolio occupancy increased to 87% when compared to 84% in 2025. 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 €44.2 million (€38.7 million in 2025).

The Group's total assets amount to €750 million (2025: €592 million). The Group's equity base also increased by €101.5 million which is a direct result of the net profit registered for the year of €17.4 million.

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:

	2026	2025
	€	€
Total external borrowings	**213,367,825**	123,401,672
Less: cash at bank and in hand	**(98,507,166)**	(89,547,803)
Net debt	**114,860,659**	33,853,869
Equity – as shown in the consolidated statement of financial position	**253,711,701**	241,127,494
Total capital	**368,572,360**	274,981,363
Net debt/total capital	**31.16%**	12.31%

The interest rate cover now stands at 5 multiple (2025: 5 multiple) mainly because of higher interest of €12.6 million when compared to the previous year.

	2026	2025
	€	€
Adjusted EBITDA (A)	**66,730,051**	35,791,997
Interest (B)	**12,581,052**	6,613,292
Interest rate cover (=A/B)	**5.30x**	5.41x

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

Outlook for the financial year ending 2026

Following the much-improved results achieved during the year ended 31 March 2026 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.

The Group's most significant investment remains the development of the Hard Rock Hotel Malta at St. George's Bay. Construction progressed substantially during the year, with the project reaching its final stages of completion. The hotel is expected to commence operations shortly and represents a major milestone in the Group's long-term growth strategy. Upon opening, the development will significantly enhance the Group's hospitality offering and further strengthen its position within Malta's tourism sector.

Within this flagship project, the Group continued the rollout and development of a number of hospitality and food and beverage concepts, including TATEL, Hard Rock Cafe, Tanvi, C&R, Starbucks and Matto. Construction of the St. George's Mall also progressed during the year and is now open. This development will complement the Group's hospitality operations by introducing a high-quality retail and lifestyle destination at St. George's Bay. The project is expected to enhance the overall visitor experience and contribute to the continued regeneration of the area.

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 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 €98.5 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 2026. 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 2027 and going forward.

Governance

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

Financial risk Management

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

Results and dividends

The consolidated financial results are set out on page 9. The directors have declared a net dividend of €4,800,000 for 2026 (2025: nil).

Retained earnings carried forward at the end of the financial reporting period for the Group and the Company amounted to €105,091,286 (2025: €92,507,079) and €11,086,910 (2025: €16,353,561), 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.

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

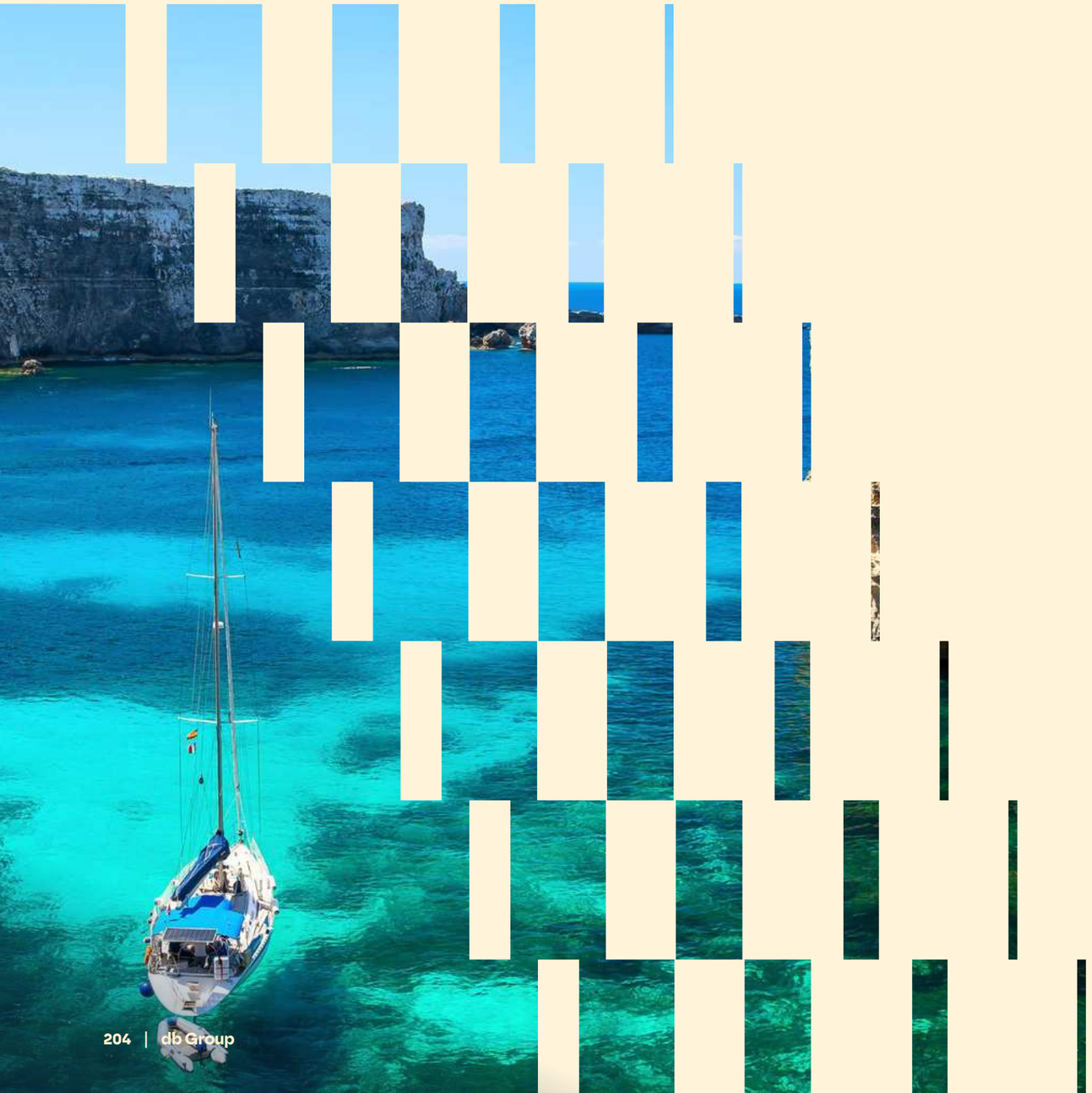


Robert Debono
Director



Alan Debono
Director

Statement of Financial Position



Statement of Financial Position

		AS AT 31 MARCH			
		GROUP		Company	
		2026	2025	**2026**	2025
	Notes	**€**	€	**€**	€
ASSETS					
Non-current assets					
Property, plant and equipment	4	**395,915,998**	279,991,418	**-**	-
Investment property under development	5	**-**	-	**-**	-
Intangible assets	6	**1,526,023**	1,220,651	**-**	-
Inventories	7	**-**	76,179,951	**-**	-
Investments in subsidiaries	8	**-**	-	**205,584,067**	90,816,231
Investments in associates	9	**6,408,208**	3,723,529	**960**	960
Right-of-use assets	10	**34,920,453**	26,358,797	**-**	-
Other noncurrent assets	4	**246,632**	37,527,821	**-**	-
Deferred tax assets	11	**-**	997,523	**-**	-
Financial assets at fair value through profit or loss (FVPL)	15	**-**	3,475,328	**-**	3,475,328
Net investment in lease	10	**20,835,945**	-	**-**	
Trade and other receivables	12	**-**	1,487,381	**-**	12,773,185
Total non-current assets		**459,853,259**	430,962,399	**205,585,027**	107,065,704
Current assets					
Inventories	7, 13	**112,089,734**	2,533,195	**-**	-
Other assets	4,14	**30,478,089**	3,002,286	**-**	-
Net investment in lease	10	**223,965**	-	**-**	-
Trade and other receivables	12	**49,071,834**	65,026,200	**94,650,810**	43,467,296
Current tax assets	28	**-**	365,836	**-**	365,836
Cash and cash equivalents	14	**98,507,164**	89,547,803	**84,040,473**	64,317,428
Total current assets		**290,370,786**	160,475,320	**178,691,283**	108,150,560
Assets held for sale	9	**-**	401,727	**-**	-
Total assets		**750,224,045**	591,839,446	**384,276,310**	215,216,264

Statement of Financial Position - continued

		AS AT 31 MARCH			
		GROUP		Company	
		2026	2025	**2026**	2025
	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**	136,035,522	**-**	-
Reorganisation reserve	16	**(4,318,532)**	(4,318,532)	**(4,318,532)**	(4,318,532)
Other reserves	18	**12,903,425**	12,903,425	**-**	-
Retained earnings		**105,091,287**	92,507,079	**11,086,910**	16,353,561
Total equity		**253,711,702**	241,127,494	**10,768,378**	16,035,029
Non-current liabilities					
Trade and other payables	19	**9,754,886**	11,450,040	**-**	-
Borrowings	20	**200,936,473**	109,646,384	**248,682,678**	2,145,994
Deferred tax liabilities	11	**30,669,813**	29,872,288	-	-
Lease liabilities	21	**79,647,962**	61,029,306	-	-
Redeemable preference shares	16	**4,925,284**	4,824,298	**4,925,284**	4,824,298
Total non-current liabilities		**325,934,418**	216,822,316	**253,607,962**	6,970,292
Current liabilities					
Trade and other payables	19	**124,180,820**	91,511,049	**110,508,286**	189,654,829
Borrowings	20	**12,431,352**	13,755,288	**9,105,067**	2,556,114
Lease liabilities	21	**3,189,444**	14,424,364	**-**	-
Current tax liabilities	28	**30,776,309**	14,198,935	**286,617**	-
Total current liabilities		**170,577,925**	133,889,636	**119,899,970**	192,210,943
Total liabilities		**496,512,343**	350,711,952	**373,507,932**	199,181,235
Total equity and liabilities		**750,224,045**	591,839,446	**384,276,310**	215,216,264

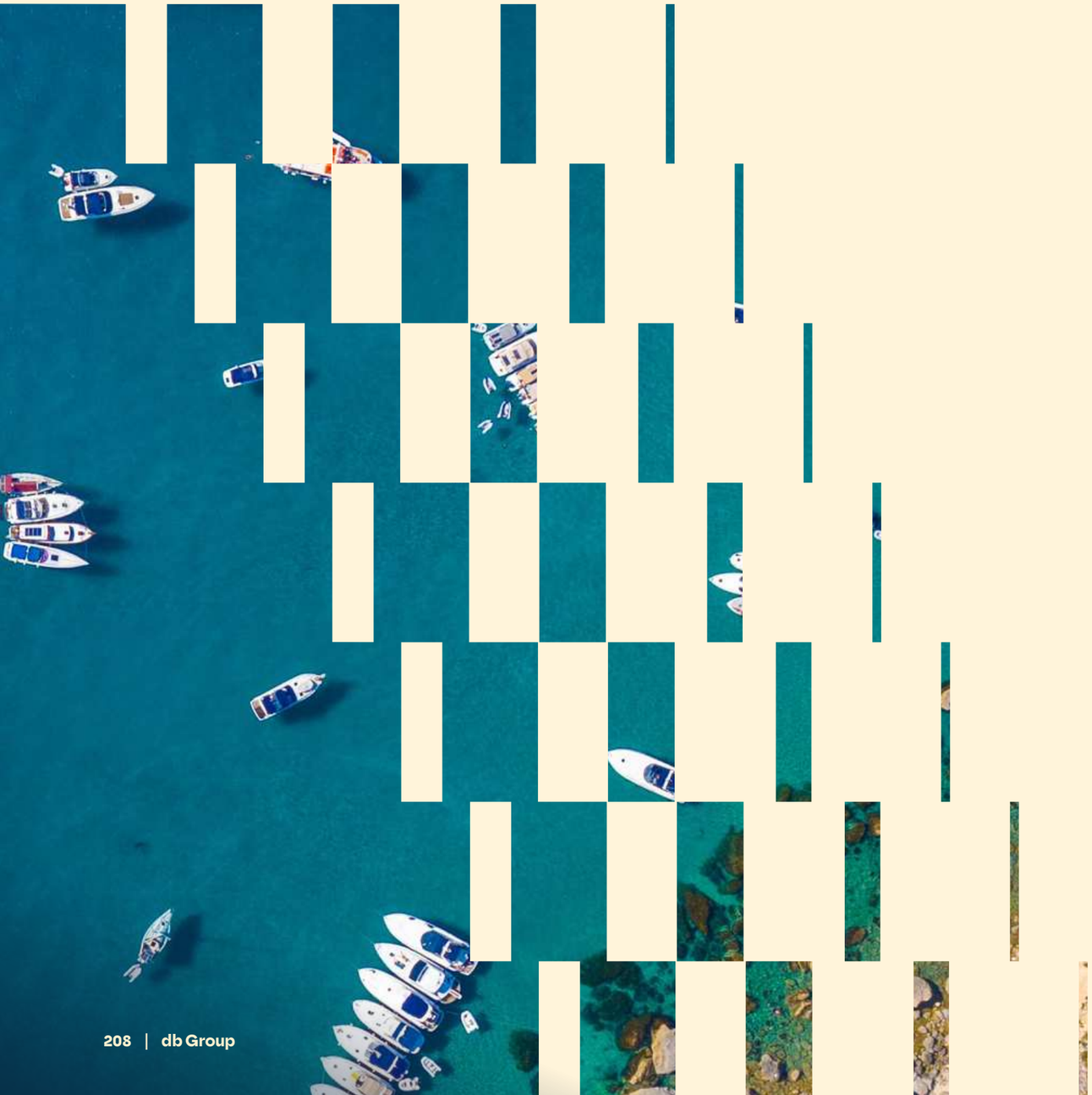
The notes on pages 13 to 80 are an integral part of these financial statements.

The financial statements on pages 7 to 80 were authorised for issue and signed by the board of directors on 27 July 2026 and were signed on its behalf by:

Robert Debono
Director

Alan Debono
Director

Statement of Comprehensive Income



Statement of Comprehensive Income

		YEAR ENDED 31 MARCH			
		GROUP		Company	
		2026	2025	**2026**	2025
	Notes	**€**	€	**€**	€
Revenue	22	**111,336,388**	99,201,680	**-**	-
Dividend income	25	**-**	-	**7,384,615**	2,307,692
Cost of sales	23	**(71,481,035)**	(65,414,162)	**-**	-
Gross profit		**39,855,353**	33,787,518	**7,384,615**	2,307,692
Selling expenses	23	**(171,616)**	(229,025)	**-**	-
Administrative expense	23	**(19,895,000)**	(12,110,911)	**(938,072)**	(386,286)
Other operating income	26	**2,959,654**	4,558,558	**-**	-
Operating profit		**22,748,391**	26,006,140	**6,446,543**	1,921,406
Finance income	27	**1,414,122**	911,091	**1,520,075**	1,182,740
Finance costs	27	**(13,995,174)**	(7,524,383)	**(5,300,221)**	(2,549,109)
Share of results of associates	9	**(118,247)**	451,086	**(118,247)**	-
Gain on Sale of associates	9	**33,624,667**	-	**-**	-
Fair value changes of investments at fair value through profit or loss	15	**492,580**	1,243,012	**492,580**	1,243,012
Loss on sale of investments at fair value through profit or loss	15	**(103,752)**	-	**(103,752)**	-
Profit before tax from continuing operations		**44,062,587**	21,086,946	**2,936,978**	1,798,049
Tax expense	28	**(26,678,379)**	(9,503,743)	**(3,403,629)**	(573,576)
Profit/(Loss) for the year from continuing operations		**17,384,208**	11,583,203	**(466,651)**	1,224,473
Discontinued operations					
Profit after tax for the year from discontinued operations	9	**-**	7,033,986	-	-
Profit/(Loss) for the year – Attributable to equity holders of the parent		**17,384,208**	18,617,189	**(466,651)**	1,224,473
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent period:					
Fair value reserve on land and buildings, net of deferred tax	17	**-**	11,130,071	-	-
Total other comprehensive income, net of deferred tax		**-**	11,130,071	-	-
Total comprehensive income/(loss) for the year – Attributable to equity holders of the parent		**17,384,208**	29,747,260	**(466,651)**	1,224,473

The notes on pages 13 to 80 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 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
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
Balance at 1 April 2025	**4,000,000**	**136,035,522**	**(4,318,532)**	**12,903,425**	**92,507,079**	**241,127,494**
Profit for the year	-	-	-	-	17,384,208	17,384,208
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	17,384,208	17,384,208
Dividends paid to shareholders	-	-	-	-	(4,800,000)	(4,800,000)
Balance at 31 March 2026	**4,000,000**	**136,035,522**	**(4,318,532)**	**12,903,425**	**105,091,287**	**253,711,702**

Statement of Changes in Equity - continued

COMPANY	Attributable to owners of the parent			
	Share Capital	Reorganisation Reserve	Retained Earnings	Total
	€	€	€	€
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
Balance at 1 April 2025	**4,000,000**	**(4,318,532)**	**16,353,561**	**16,035,029**
Loss for the year	**-**	**-**	**(466,651)**	**(466,651)**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	(466,651)	(466,651)
Dividends paid to shareholders	**-**	**-**	**(4,800,000)**	**(4,800,000)**
Balance at 31 March 2026	**4,000,000**	**(4,318,532)**	**11,086,910**	**10,768,378**

Statement of Cash Flows



Statement of Cash Flows

	Notes	YEAR ENDED 31 MARCH GROUP 2026	GROUP 2025	Company 2026	Company 2025
		€	€	€	€
Cash flows from operating activities					
Operating profit		**22,748,391**	26,006,140	**6,446,543**	1,921,406
Adjustments for:					
Depreciation of property, plant and equipment	4	**7,545,731**	7,401,508	**-**	-
Amortisation of intangible assets	6	**489,020**	146,771	**-**	-
Amortisation of right-of-use assets	10	**2,789,966**	2,509,631	**-**	-
Changes in working capital:					
- Inventories		**(59,798,822)**	263,552	**-**	-
- Trade and other receivables		**59,573,991**	(26,614,794)	**(37,092,221)**	(28,385,246)
- Trade and other payables		**(16,347,439)**	43,473,818	**(34,045,963)**	(3,991,166)
Cash generated from/(used in) operations		**17,000,838**	53,186,626	**(64,691,641)**	(30,455,006)
Tax (paid)/received		**(7,940,121)**	976,461	**(2,751,176)**	(944,753)
Net cash generated from/ (used in)/operating activities		**9,060,717**	54,163,087	**(67,442,817)**	(31,399,759)
Cash flows from investing activities					
Interest received	27	**1,414,122**	911,091	**1,520,075**	1,182,740
Payments for property, plant and equipment		**(122,714,185)**	(18,974,530)	**-**	-
Payments and advances to contractors for property development expenditure		**(27,478,632)**	(45,190,872)	**-**	-
Payments for intangible assets	6	**(794,392)**	(478,755)	**-**	-
Repayments of loans provided to subsidiaries	12	**-**	-	**2,546,047**	2,419,370
Incorporation of and capital contributions to subsidiaries	8	**-**	-	**(132,504,681)**	(8,570)
Capital contributions to associates	9	**(2,872,926)**	(125,787)	**(118,247)**	-
Proceeds from sale of investment in associate	9	**33,109,498**	3,700	**-**	-
Return of capital from subsidiaries		**-**	-	17,736,846	-
Dividend received from associates	9	**-**	400,000	**-**	-
Net cash (used in)/generated from investing activities		**(119,336,515)**	(63,455,153)	**(110,819,960)**	3,593,540
Cash flows from financing activities					
Interest paid	27	**(3,827,689)**	(4,567,574)	**(5,199,235)**	(2,147,887)
Proceeds from bond issuances		**32,347,139**	-	**-**	-
Proceeds from bank borrowings		**103,352,928**	43,847,475	**44,764,341**	-
Repayments of bank borrowings		**(9,577,829)**	(8,477,530)	**(2,553,401)**	(2,419,365)
Principal elements of lease payments		**(2,881,057)**	(2,676,452)	**-**	-
Repayment of borrowings obtained from subsidiaries		**-**	-	**(49,900,577)**	-
Proceeds from borrowings obtained from subsidiaries		**-**	-	210,874,694	48,489,171
Net cash generated from/(used in) financing activities		**119,413,492**	28,125,919	**197,985,822**	43,921,919
Net movements in cash and cash equivalents		**9,137,694**	18,833,853	**19,723,045**	16,115,700
Cash and cash equivalents at beginning of year		**89,369,470**	70,535,617	**64,317,428**	48,201,728
Cash and cash equivalents at end of year	14	**98,507,164**	89,369,470	**84,040,473**	64,317,428



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 2026 were authorised for issue in accordance with a resolution of the directors on 27 July 2026. SD Holdings Limited is a limited liability company and is incorporated in Malta. The registered office is located at db Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha, Malta.

The Company's principal activity is that of holding investments. The Group operates in the local market and predominantly in hospitality, leisure and catering activities. 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 following the accounting in line with the revaluation model and certain financial instruments measured at fair value through profit or loss.

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 2025. 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 IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 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 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)
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)

IFRS 18 was issued in April 2024 and replaces IAS 1 Presentation of Financial Statements. The standard introduces new requirements for the presentation and disclosure of information in the financial statements, particularly in the statement of profit or loss.

IFRS 18 introduces:

- new defined subtotals, including operating profit and profit before financing and income taxes;
- a requirement to classify income and expenses into operating, investing and financing categories; and
- new disclosure requirements for management-defined performance measures (MPMs).

The standard is effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

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 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
- IFRS 20 Regulatory Assets and Regulatory Liabilities (issued on 27 May 2026)
- Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures (issued on 21 August 2025)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)

Going concern

The financial statements have been prepared on a going concern basis. In making this assessment, the directors considered the Group's financial performance, liquidity position, cash flow forecasts and funding arrangements.

The directors also considered the ongoing geopolitical environment and its potential impact on the Group's operations, financial position and performance. Management's assessment identified no direct material impact. However, Management continues to monitor potential indirect effects on the Group's operations, cost base and market conditions.

The 2017 €65 million bond issued by the Group are due for repayment in April 2027. In assessing, the Group's ability to continue as a going concern, management considered amongst others the cash and cash equivalents balance at year end, the successful issue of two bond tranches in May 2026 totalling €27 million, the expected future cash flows, including those arising from operating activities, contracted disposal of property held within inventories, together with available liquidity and refinancing options.

Based on this assessment, Management is satisfied that the Group will have sufficient resources to meet its obligations as they fall due, including the repayment of the bonds and related intercompany balances Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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, 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.

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, if any. 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.

Asset acquisitions that do not constitute business combinations

When the Group acquires a collection of assets that does not meet the definition of a business under IFRS 3, the transaction is accounted for as an asset acquisition. The purchase consideration is allocated to the individual identifiable assets and liabilities acquired based on their relative fair values at the acquisition date. Transaction costs incurred as part of the acquisition are capitalised as part of the cost of the acquired assets. No goodwill is recognised in an asset acquisition.

1.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

1.5 Property, plant and equipment

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is remeasured to the revalued amount of the asset. All other property, plant and equipment is subsequently measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost (Note 1.24).

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

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

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.8).
Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in profit or loss. When revalued assets are disposed of, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.6 Investment property under development

Investment property under development comprises leasehold property acquired in 2017.

The Group adopts the cost model under IAS 40, 'Investment property', whereby investment property is measured in the statement of financial position at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

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

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

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

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

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

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

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

1.7 Intangible assets

(a) Franchise rights

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

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

1.8 Impairment of non-financial assets

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

1.9 Financial assets

Classification

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

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

(b) Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the

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

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

As at 31 March 2026 and 2025, 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.

(a) Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

(b) Equity instruments

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

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2 for further details).

1.10 Inventories

(a) Merchandise inventories

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

(b) Residential units for sale

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

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

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

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

1.11 Trade and other receivables

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

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

1.12 Cash and cash equivalents

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

1.13 Share capital

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

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

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

1.14 Financial liabilities

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

1.15 Trade and other payables

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

1.16 Borrowings

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

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

1.17 Offsetting financial instruments

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

1.18 Current and deferred tax

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

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

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

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

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

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

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity' exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

The Group and Company has assessed the applicability of the OECD Pillar Two rules and concluded that it is not within the scope of the legislation, as the consolidated revenue threshold of €750 million is not met. Accordingly, no material impact on the financial statements is expected.

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:

(a) The amount of the credit loss allowance (calculated as described in Note 1.9); and

(b) The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

1.21 Revenue recognition

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

(a) Sale of goods and services

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

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

A contract asset must be recognised if the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due. A contract liability must be recognised when the customer paid consideration or a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognised revenue.

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

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

(i) Sales from hospitality and ancillary services

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

A Group undertaking also operates a number of rooms on a timeshare basis. In the case of timeshare, customers buy the right to a slot in a given time period, for which the customer must make an up-front payment. Subsequently, the customer must also make annual contributions to the scheme to cover the share of maintenance costs. The customers get the benefits (i.e. control

over the promise) with every passing day of each year's stay at the vacation apartment/suite. The revenue stream therefore meets the conditions for revenue recognition over time (i.e. stage of completion), and revenue is accordingly recognised on a daily basis of accommodation.

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

(ii) Sales of goods – retail

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

(iii) Sales of residential units under development

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

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

Financing

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

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

(b) Interest income

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

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

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

1.22 Customer contract assets and liabilities

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

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

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

1.23 Leases

(a) Leases - where Group undertakings are the lessee

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

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'.

(c) Finance leases - where a Group undertaking is the lessor

When the Group acts as a lessor in a finance lease, the Group derecognizes the underlying asset and recognized a receivable at an amount equal to the net investment in the lease in the statement of financial position.

The net investment in the lease comprises the present value of the lease payments receivable and any guaranteed residual value.

Finance income is recognized over the lease term on a systematic basis reflecting a constant periodic rate of return on the Group's net investment in the lease.

Lease payments received are allocated between a reduction of the lease receivable and the recognition of finance income. Initial direct costs are included in the measurement of the net investment in the lease.

1.24 Borrowing costs

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

1.25 Dividend distribution

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

1.26 Non-Current Assets held for sale and discontinued operations

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

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

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

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

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

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

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

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

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

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

(ii) Fair value interest rate risk

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

(iii) Cash flow interest rate risk

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

2. FINANCIAL RISK MANAGEMENT – continued

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 2026	(3,395,513)	3,395,513
COMPANY	(+3%)	(-3%)
	€	€
At 31 March 2026	(1,400,039)	1,400,039

(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**	
	2026	2025	**2026**	2025
	€	€	**€**	€
Financial assets measured at amortised cost				
Trade and other receivables (Note 12)	**32,882,820**	64,569,555	**94,499,741**	43,467,296
Cash and cash equivalents (Note 14)	**98,507,164**	89,547,803	**84,040,473**	64,317,428
	131,389,984	154,117,358	**178,540,214**	107,784,724

The maximum exposure to credit risk at the reporting date in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements.

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

Cash and cash equivalents

The Group's cash and cash equivalents are held with local financial institutions with high quality standing or rating or nothing and are due to be settled on demand. Management considers the probability of default to be close to zero as the financial institutions have a strong capacity to meet their contractual obligations in the near term. As a result, while cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

Trade receivables

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

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

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

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

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

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

Impairment of trade receivables (including contract assets)

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

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

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

On that basis, the loss allowance for the Group as at 31 March 2026 and 2025 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-26						
Expected loss rate	**1% - 4%**	**1% - 5%**	**1.5% - 7%**	**2.5%-12%**	**30% - 40%**	
Gross carrying amount (€)	**5,450,925**	**4,171,639**	**1,960,343**	**518,359**	**2,144,340**	**14,245,606**
Loss allowance (€)	**23,838**	**26,510**	**20,244**	**9,252**	**533,822**	**613,666**
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

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 2026 and 2025, 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-2.

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 2026 and 2025.

(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 2026					
Borrowings (Note 20)	**14,256,685**	**86,327,679**	**65,998,588**	**56,042,591**	**222,625,543**
Bonds	**4,543,500**	**68,628,354**	**36,269,933**	**-**	**109,441,787**
Bank loans	**9,713,185**	**17,699,325**	**29,728,655**	**56,042,591**	**113,183,756**
Trade and other payables (Note 19)	**35,784,183**	**-**	**-**	**-**	**35,784,183**
Trade payables	**6,885,052**	**-**	**-**	**-**	**6,885,052**
Payables related to property held for sale	**25,044,168**	**-**	**-**	**-**	**25,044,168**
Amounts owed to shareholder	**547,000**	**-**	**-**	**-**	**547,000**
Other payables	**3,307,963**	**-**	**-**	**-**	**3,307,963**
					-
Lease liabilities (Note 21)	**6,777,255**	**6,515,936**	**16,503,277**	**290,158,770**	**319,955,238**
Property leases	**4,913,317**	**4,651,998**	**10,911,464**	**145,877,287**	**166,354,066**
Amounts due to Government in relation to land held under temporary emphyteusis	**1,863,938**	**1,863,938**	**5,591,813**	**144,281,483**	**153,601,172**
	56,818,123	**92,843,615**	**82,501,865**	**346,201,361**	**578,364,964**
Cash and cash equivalents (Note 14)	**98,507,164**	**-**	**-**	**-**	**98,507,164**
Trade and other receivables (Note 12)	**76,201,004**	**-**	**-**	**-**	**76,201,004**
Trade receivables	**14,245,606**	**-**	**-**	**-**	**14,245,606**
Amounts owed by director	**1,717,311**	**-**	**-**	**-**	**1,717,311**
Amounts owed by associates	**10,229,188**	**-**	**-**	**-**	**10,229,188**
Amounts owed by other related parties	**161,084**	**-**	**-**	**-**	**161,084**
Other receivables	**6,529,631**	**-**	**-**	**-**	**6,529,631**
Receivables on sale of FVPTL	**3,864,516**	**-**	**-**	**-**	**3,864,516**
Receivables from sale of associates	**8,975,580**	**-**	**-**	**-**	**8,975,580**
Other assets (Note 14)	**30,478,089**	**-**	**-**	**-**	**30,478,089**
	174,708,169	**-**	**-**	**-**	**174,708,169**

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

COMPANY	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	€	€	€	€	€
At 31 March 2026					
Borrowings (Note 20)	**9,105,068**	**248,682,678**	**-**	**-**	**257,787,746**
Bank loans	2,823,819	43,844,140	-	-	46,667,959
Loan from subsidiary	**6,281,249**	**204,838,538**	**-**	**-**	**211,119,787**
Trade and other payables (Note 19)	**108,818,394**	**-**	**-**	**-**	**108,818,394**
Amounts owed to shareholder	**547,000**	**-**	**-**	**-**	**547,000**
Amounts owed to subsidiaries	108,271,294	-	-	-	108,271,294
Amounts owed to other related parties	**100**	**-**	**-**	**-**	**100**
	117,923,462	**248,682,678**	**-**	**-**	**366,606,140**
Cash and cash equivalents (Note 14)	**84,040,473**	**-**	**-**	**-**	**84,040,473**
Trade and other receivables (Note 12)	**88,600,788**	**-**	**-**	**-**	**88,600,788**
Amounts owed by director	**1,596,423**	**-**	**-**	**-**	**1,596,423**
Amounts owed by subsidiaries	**77,065,293**	**-**	**-**	**-**	**77,065,293**
Amounts owed by associates	9,912,072	-	-	-	9,912,072
Amounts owed by other related parties	**27,000**	**-**	**-**	**-**	**27,000**
	172,641,261	**-**	**-**	**-**	**172,641,261**

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

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the parent company may issue new shares or adjust the amount of dividends paid to shareholders.

2. FINANCIAL RISK MANAGEMENT – 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:

	2026	2025
	€	€
Total external borrowings (Note 20)	**213,367,825**	123,401,672
Less: cash at bank and in hand (Note 14)	**(98,507,164)**	(89,547,803)
Net debt	**114,860,661**	33,853,869
Equity - as shown in the consolidated statement of financial position	**253,711,701**	241,127,494
Total capital	**368,572,362**	274,981,363
Net debt/total capital	**31.16%**	12.31%

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

2.3 Fair values of financial instruments

Financial instruments not carried at fair value

At 31 March 2026 and 2025, the carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and short-term borrowings including balances with related parties, reflected in the financial statements, are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the Group's non-current payables and bank borrowings at floating interest rates and the fair value of the company's non-current receivables as at the reporting date is not significantly different from the carrying amounts. The carrying amounts of the other financial liabilities as at 31 March 2026, comprising lease liabilities, are reasonable estimates of their fair value as there have not been significant changes in the Group's internal borrowing rate since the date of transition to IFRS 16. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorise d as Level 2 within the fair value measurement hierarchy required by IFRS 7, 'Financial instruments: Disclosures'. Information on the fair value of the company's bonds issued to the general public is disclosed in Note 20 to the financial statements. The fair value estimate in this respect is deemed Level 1 as it constitutes a quoted price in an active market.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Acquisition of Hotel Property

In the prior financial year ended 31 March 2025, 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

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.

Acquisition of Laundry Business

During the year, the Group, through its wholly-owned subsidiary DB Resources Limited, entered into an agreement with Gozo Laundry and Dry Cleaning Limited to acquire certain assets relating to its laundry operations in Gozo. The transaction included the acquisition of plant and machinery, motor vehicles, inventories and customer-related intangible assets comprising a customer list. No workforce, management functions, operational processes or contractual arrangements were acquired as part of the transaction.

The consideration transferred in respect of the asset acquisition was allocated to the identifiable assets acquired based on their relative fair values at the acquisition date, as follows:

Consideration allocated to	€
Plant and machinery	1,700,000
Customer-related intangible assets	250,000
Motor vehicles	30,000
Inventories	15,000
Total consideration	1,995,000

Applying the principles set out in IFRS 3, as discussed in the preceding section, management assessed the nature of the assets and activities acquired and considered the following factors:

- Nature of assets acquired: The transaction primarily comprised the acquisition of plant and machinery, inventories, and customer list.

- Management and organisational structure: The transaction did not include the transfer of key management personnel, governance structures or other organisational capabilities necessary to direct and manage the activities as an independent business.

- Substantive processes: No substantive processes, operational systems or procedures capable of contributing to the creation of outputs were acquired. The acquired assets were integrated into the Group's existing operations, with the Group using its own workforce, systems, management structure and operating processes to continue the laundry activities.

- Customer relationships: The Group acquired a customer list; however, no customer contracts, organised workforce or related processes used to service those customers were transferred. Accordingly, the customer list represented an input rather than a substantive process.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

Based on the above assessment, management concluded that the acquisition did not constitute a business combination under IFRS 3 and was therefore accounted for as an asset acquisition. Accordingly, the consideration transferred was allocated to the identifiable assets acquired based on their relative fair values and no goodwill was recognised.

Tax liability and ancillary interest and penalties

The Group exercised judgment in assessing the tax treatment of certain expenses incurred in prior years and the resulting implications for indirect taxation, penalties and interest. Judgment was also required in determining the appropriate accounting treatment of the amounts identified, including:

- whether the amounts constituted a prior period error under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors or should instead be recognized in the current reporting period; and

- whether the related interest and penalties fall within the scope of IAS 12 Income Taxes or IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

In applying this judgment, management concluded that:

- although the amounts identified represent a prior period error, they are not considered sufficiently material, individually or in aggregate, to warrant the restatement of previously issued financial statements;

- penalties arising from the matter are accounted for as part of income tax expense and therefore fall within the scope of IAS 12; and

- interest is recognized as a provision in accordance with IAS 37, as it represents compensation for the time value of money rather than a tax on income.

The financial statements impact is dislcosed in Notes 27 and 28.

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 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	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
Additions	3,286,651	113,882,701	1,625,098	485,112	3,183,226	121,159	122,583,947
Reclassified from inventories	1,122,417	-	-	-	-	-	1,122,417
Modification to the right-of-use asset (Note 21)	(366,292)						(366,292)
Commissioned assets	130,238						130,238
As at 31 March 2026	**249,150,782**	**121,496,758**	**3,845,490**	**73,909,625**	**28,573,596**	**1,133,644**	**478,109,895**
Accumulated depreciation							
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)
Depreciation charge for the year	(612,780)	-	(1,676,182)	(3,358,350)	(1,796,062)	(102,356)	(7,545,730)
As at 31 March 2026	**(2,154,596)**	**-**	**(3,512,696)**	**(57,071,782)**	**(18,556,650)**	**(898,173)**	**(82,193,897)**
Net book amount							
As at 31 March 2025	243,435,952	7,614,057	383,878	19,711,081	8,629,782	216,668	279,991,418
As at 31 March 2026	**246,996,186**	**121,496,758**	**332,794**	**16,837,843**	**10,016,946**	**235,471**	**395,915,998**

4. PROPERTY, PLANT AND EQUIPMENT - continued

Commissioned assets comprise assets under construction and advance payments made in respect of property, plant and equipment. Upon completion and commissioning, such assets are transferred to the relevant classes of property, plant and equipment. No such transfers occurred during the current year. In 2025, assets in course of construction of €53,852 were reclassified to land and buildings and furniture, fixtures & fittings, while advance payments of €33,664 were reclassified to computer equipment and plant, machinery & operational equipment. No amounts were reclassified from assets in the course of construction or advance payments during 2026.

In the current year, additions to plant, machinery & operational equipment include assets acquired as part of the acquisition of the Gozo laundry operation, as further described in Note 3. The remaining additions relate primarily to subsequent improvements to properties within the catering and hotel segment of the Group. In prior year, 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 in 2025.

Assets under construction comprise costs capitalised in relation to the St George's Bay Multi-Purpose Development project. During the year, additions primarily related to excavation works, reinforcement steel, architectural fees and other professional services incurred in connection with the development.

Other noncurrent assets of €246,632 and €37,527,821 as at 31 March 2026 and 2025, respectively, and other assets of €30,478,089 as at 31 March 2026, in the statement of financial position represent deposits and advances made to contractors and suppliers relating to the St George's Bay Multi Purpose Development project, which are in the process of being confirmed and certified.

The gross carrying amount property, plant and equipment not yet in use by the Group as at 31 March 2026 and 2025, amounted to €9,046,486 and €7,614,057, respectively.

As at 31 March 2026 and 2025, the gross carrying amount of fully depreciated property, plant and equipment still in use by the Group amounted to €41,626,334 and €34,706,074, respectively.

In 2025, the Group remeasured its lease liability to the Government due to a reduction in the leased area (Note 21). In prior 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 year, the carrying amount of property, plant and equipment relating to the leased area from the Government was adjusted following the reassessment of a lease liability due to revisions in lease payments and an extension of the lease term. Further details are disclosed in Note 21.

In FY2026, the Group, through wholly owned subsidiary db San Gorg property limited entered into a temporary emphyteusis agreement with the Government of Malta in respect of the commercial both houses located at Saint George Bay, St. Julian's, including the underlying land and surrounding areas. The agreement grants the Group the right to use the property for commercial purposes for a period of 50 years in exchange of an annual ground rent subject to periodic increases and an upfront premium. The agreement includes restrictions on transfer requires prior approval from the Government. Upon expiration of the term or earlier termination, the property together with and improvements affected thereon will be reverted to the Government of Malta without compensation.

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 €565,293 in 2026 (2025: €108,657) (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.

The Group did not obtain an updated valuation during the current financial year. Accordingly, the fair values disclosed above continue to be based on the valuation performed in the prior year.

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 2025 has been performed using the discounted cash flow approach. In view of a limited number of similar or comparable properties and property transactions, comprising sales or rentals, in the local market, the valuation has been performed using unobservable inputs. The significant inputs to the approach used are generally those described below:

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

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

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

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

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

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

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 2026 and 2025, the directors consider the current use of the properties to be equivalent to the highest and best use.

The Group did not engage an independent valuer in FY 2025 and FY 2026. As at 31 March 2026, management assessed the assumptions and market conditions underlying the most recent valuation and concluded that there had been no significant changes that would materially affect the value of the properties. Accordingly, the directors determined that the carrying amounts of the properties are not materially different from their fair values as at the reporting date.

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 FY 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 FY 2025 and FY 2026. As at 31 March 2026, management assessed the assumptions and market conditions underlying the most recent valuation and concluded that there had been no significant changes that would materially affect the value of the properties. Accordingly, the directors determined that the carrying amounts of the properties are not materially different from their fair values as at the reporting date.

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

	2026	2025
	€	€
Cost	**128,114,803**	106,847,001
Accumulated depreciation	**(9,219,146)**	(8,606,365)
Net book amount	**118,895,657**	98,240,636

5. INVESTMENT PROPERTY UNDER DEVELOPMENT

	GROUP	
	2026	2025
	€	€
Year ended 31 March		
Opening cost and carrying amount	**-**	18,198,687
Additions resulting from subsequent expenditure	**-**	2,215,311
Modification to the right-of-use asset	**-**	**(2,323,640)**
Reclassification to Inventory	**-**	(17,480,071)
Reclassification to Property, plant and equipment	**-**	(610,287)
Closing fair value and carrying amount	**-**	-

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.

During the year, following the issuance of the Development Permit and the conclusion of discussions with the Government of Malta, the parties agreed revised terms governing the concession arrangements, including the concession term, annual ground rent and other amounts payable under the agreement (Note 21). Accordingly, the Group reassessed the related lease liability and right-of-use asset based on the revised contractual terms.

Furthermore, the directors considered it appropriate to continue recognising the respective assets and liabilities arising from the concession agreement, as amended during the year, on the basis of the approved Development Permit, the executed contractual arrangements with the Government of Malta and the formal commitment from the parent undertaking to provide the necessary financial support to enable the subsidiary to meet its obligations as and when they fall due.

5. INVESTMENT PROPERTY UNDER DEVELOPMENT- continued

In prior 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 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.

In 2025, the interest rates used to determine the amount of borrowing costs eligible for capitalisation was 4.37%.

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.

In 2025, investment property under development amounting to €18,090,358 was reclassified following a change in use. €17,480,071 was transferred to inventory reflecting the Group's intention to sell part of the development to an associated company in the ordinary course of business, while €610,287 was transferred to property, plant and equipment for use as owner-occupied hotel and leisure premises. No transfers occurred during 2026.

As at 31 March 2026, the right-of-use over the land and other capitalised costs is split as follows:

		2026	2025
		€	€
Investment property		-	-
Inventories	Note 7	47,544,590	69,655,511
Property, plant and equipment	Note 4	6,030,167	4,803,760
Net investment in lease	Note 10	21,059,909	-
		74,634,666	74,459,271

Fair valuation of property

The Group did not engage an independent valuer in FY 2025 and FY 2026. As at 31 March 2026, management assessed the assumptions and market conditions underlying the most recent valuation and concluded that there had been no significant changes that would materially affect the value of the properties. Accordingly, the directors determined that the carrying amounts of the properties are not materially different from their fair values as at the reporting date.

6. INTANGIBLE ASSETS

	GROUP	
	2026	2025
	€	€
Franchise license rights		
Year ended 31 March		
Opening net book amount	1,220,651	888,667
Additions	794,392	478,755
Amortisation charge	(489,020)	(146,771)
Closing net book amount	1,526,023	1,220,651
At 31 March		
Cost	5,493,978	4,699,586
Accumulated amortisation	(3,967,955)	(3,478,935)
Net book amount	1,526,023	1,220,651

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

As at 31 March 2026 and 2025, the cost of fully depreciated intangible assets still in use by the Group amounted to €657,773 and €514,678, 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	
		2026	2025
		€	€
Non-Current			
Right-of-use assets	Note 5	**-**	69,655,511
Development costs		**-**	6,524,440
		-	76,179,951
Current			
Right-of-use assets	Note 5	**47,544,590**	-
Development costs		**61,362,260**	-
		108,906,850	-
		108,906,850	76,179,951

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. In FY 2025, the total cost of sales amounted to € 455,113 respectively, representing the value of the right-of-use asset which was transferred to the buyer.

In FY 2026, the inventories have been classified as current assets as they are held for sale in the ordinary course of business and are expected to be realised through the completion and sale of the related residential units within twelve months of the reporting date.

In 2026 and 2025, the lease liability relating to right-of-use assets allocated to inventories amounted to €4,463,872 and €7,886,131, respectively, after taking into account lease reassessments and modifications recognised during the each year.

In 2026 and 2025, the cost of right-of-use assets allocated to inventories also include capitalised borrowing cost of €715,897 and €1,008,978, respectively, representing the imputed interest component on the amounts due to the Government (refer to Note 21).

8. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2026	2025
	€	€
Year ended 31 March		
Opening net book amount	**90,816,231**	36,516,136
Additions/Capital Contribution	**132,504,682**	54,912,095
Disposals	**-**	(612,000)
Return of Capital Contribution	(17,736,846)	-
Closing net book amount	205,584,067	90,816,231
At 31 March		
Cost	**205,584,067**	90,816,231

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	
			2026	2025
DB San Gorg Property Limited	DB Seabank Hotel, Marfa Road, Ghadira, Mellieha, Malta	Ordinary shares	100%	100%
Hotel San Antonio Limited	San Antonio Hotel and Spa Triq it-Turisti St. Paul's Bay, Malta	Ordinary shares	50%	50%
		Preference A shares	50%	50%
		Preference B shares	100%	100%
SD Finance plc	Seabank Hotel Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
Seabank Hotel and Catering Limited	Seabank Hotel Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
		Preference shares	100%	100%
DB Lifestyle Group Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
SDH Capital Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
DB Porto Hotel Limited	DB Group Head Office - D Business Centre, Central Business District, Triq L- Industrija, Qormi, Malta	Ordinary shares	100%	100%
DB Group Holdings Limited	DB Group Head Office - D Business Centre, Central Business District, Triq L- Industrija, Qormi, Malta	Ordinary shares	100%	100%
SD Overseas Holdings Limited	Al Khatem Tower, Abu Dhabi Global Market Square, Abu Dhabi, Al Maryah Island, United Arab Emirates	Ordinary Shares	100%	100%

8. INVESTMENTS IN SUBSIDIARIES - continued

During FY 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.

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	
					2026	2025
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%

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held	
					2026	2025
DB Porto Operations Limited	DB Group Head Office – D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta.	N/A	db Porto Hotel Limited	Ordinary shares	100%	100%
DB Projects Ltd	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
Debar Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
DB Ice Cream Limited	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	DB Seabank Resort & Spa, Marfa Road, Mellieha, Malta	SD Holdings Limited	DB Group Holdings Limited	Ordinary shares	100%	100%
DB Resources Limited	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	DB Group Holdings Limited	Ordinary shares	100%	100%
DB SG Franchising Limited	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	db Group Holdings Limited	Ordinary shares	100%	100%
DB Paradiso Franchising Limited (Incorporated on 17 February 2025)	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	db Group Holdings Limited	Ordinary shares	100%	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%	100%
DB HRC Franchising Limited	DB Group Head Office - D Business Centre, Central Business District, Triq L- Industrija, Qormi, Malta	N/A	db Group Holdings Limited	Ordinary shares	100%	100%

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held	
					2026	2025
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 San Gorg 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%
SD Hotel Investments Holdings Limited	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	N/A	SD Overseas Holdings Limited	Ordinary shares	100%	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%	100%
db TTL Franchising Limited (Incorporated on 19 September 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%	-
SD Overseas Holding Limited	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	N/A	SD Overseas Holdings Limited	Ordinary shares	100%	-
db Hotels Operations FZ LLC	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	N/A	SD Overseas Holdings Limited	Ordinary shares	100%	-
SD Hotel Investments Holdings Limited	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	N/A	SD Overseas Holdings Limited	Ordinary shares	100%	-

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

9.a. Investments in Associates

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Year ended 31 March				
Opening carrying amount	**3,723,529**	24,138,974	**960**	5,460
Additions	**2,872,926**	125,787	-	-
Disposals	**-**	(3,700)	**-**	(4,500)
Share of results	**(188,247)**	7,485,072	-	-
Dividend received	**-**	(27,620,877)	**-**	-
Reclassified to assets held for sale	**-**	(401,727)	**-**	-
Closing carrying amount	**6,408,208**	3,723,529	**960**	960
At 31 March				
Cost	**6,503,577**	3,261,562	**960**	960
Share of results	**(95,369)**	32,584,465	**-**	-
Dividends received	**-**	(31,720,771)	-	-
Reclassified to assets held for sale	**-**	**(401,727)**	**-**	**-**
Closing carrying amount	**6,408,208**	3,723,529	**960**	960

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		
DP Road Construction Limited	Sea Bank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary A and C shares	45%	45%	(iii)
Malta Healthcare Caterers Limited	JPR Buildings Level 1, Taz-Zwejt Road, San Gwann, Malta	Ordinary shares	-	-	9.b
Porto Azzurro Limited	Ridott Street, Xemxija Hill, St.Paul's Bay, Malta	Ordinary shares	33.30%	33.30%	(i)/(ii)
Kore Inflight Services	Old Terminal Building,	Ordinary shares	-	-	9.b
Kore Air Services Limited (formerly Sky Gourmet Malta Limited)	Old Terminal Building, St. Thomas Road, Luqa, Malta	Ordinary shares	-	-	9.b
DB Gauci Shopping Mall Limited	Ta' Klara, Triq ir-Ramla, Naxxar, Malta	Ordinary shares	40%	40%	(ii)
JSSR Turnkey Projects Limited	The Food Factory BLB014A, Bulebel Industrial Estate, Zejtun, Malta	Ordinary Shares	25%	25%	(ii)
HR Hotel FZ-LLC	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	Ordinary Shares	50%	50%	9.a

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.a. 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.

Additions during the year amounting to €2.87 million primarily represent further capital contributions made to HR Hotel LLC to support its ongoing operations and development activities.

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

Summarised financial information

	Group 50% share
	Since Incorporation to **31-Mar-2026**
	€
Revenue	**-**
Cost of sales	**-**
Gross profit	**-**
Administrative expenses	**(253,897)**
Operating profit	**(253,897)**
Finance income	**21,014**
Finance costs	**-**
Profit before tax	**(232,883)**
Tax expense	**10,965**
Profit for the year	**(221,918)**
Other comprehensive income	**-**
Total comprehensive income	**(221,918)**

Group 50% share	**31-Mar-2026**
	€
Non-current assets	
Property, plant and equipment	**22,051,140**
Capital advances	**321,495**
Total non-current assets	**22,372,635**
Current assets	
Trade and other receivables	**85,139**
Deferred tax asset	**11,133**
Cash and cash equivalents	**515,628**
Total current assets	**611,900**
Total assets	**22,984,535**
Non-current liabilities	
Payable to master developer	**5,630,530**
Total non-current liabilities	**5,630,530**
Current liabilities	
Trade and other payables	**188,670**
Payables to master developer	**4,384,761**
Due to related parties	**6,372,304**
Total current liabilities	**10,945,735**
Total liabilities	**16,576,265**
Net assets	**6,408,270**
Proportion of the Group's ownership	**50%**
Carrying amount of the Group's investment	**3,204,185**

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

9.b. Assets held for sale and discontinued operations

	GROUP		Company	
	2026	2025	**2026**	2025
	€	€	**€**	€
Assets held for sale	**-**	401,727	**-**	-

As at 31 March 2025, the Group's investments in Malta Healthcare Caterers Limited ("MHCL"), Kore Air Services Limited ("KASL") and Kore Inflight Services Limited ("KISL") were classified as assets held for sale in accordance with IFRS 5. Management concluded that the investments met the criteria for classification as held for sale, as a buyer had been identified, negotiations were at an advanced stage and the sale was considered highly probable. The investments were measured at the lower of carrying amount and fair value less costs to sell.

On 17 April 2025, the Group completed the disposal of its 50% interest in MHCL and 40% interests in KASL and KISL to James B. Holdings, the other shareholder in these entities.

The Group received total consideration of €42,085,078 during the year ended 31 March 2026, comprising a gain on disposal of €33,624,667, recovery of the carrying amount of the investment of €401,727 and dividend of €8,058,684. The consideration is receivable in instalments up to 31 December 2026. As at 31 March 2026, €33.1 million had been collected, with the remaining balance due in monthly instalments, including a final payment of €975,580 due on 31 December 2026.

The consideration of €42,085,078 was agreed following arm's length negotiations between the shareholders and reflected their assessment of the disposal group's fair value. In arriving at the agreed consideration, the parties considered the disposal group's historical financial performance, current trading results and projected future cash flows. Particular weight was given to the significant growth achieved by the disposal group since the Group's original investment, including the enhancement in earnings resulting from long-term contractual arrangements with government entities. Accordingly, the agreed consideration reflected the disposal group's established profitability and future earnings potential.

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	2025	2025	2025
	€	€	€	€
Revenue	144,301,588	9,113,573	1,262,618	154,677,779
Cost of sales	(119,881,410)	(6,030,073)	(1,237,861)	(127,149,344)
Gross profit	24,420,178	3,083,500	24,757	27,528,435
Administrative expenses	(4,412,730)	(840,049)	(3,791)	(5,256,570)
Gain on disposal of fixed assets	-	30,950	-	30,950
Operating profit	20,007,448	2,274,401	20,966	22,302,815
Other income	459,268	-	-	459,268
Finance income	645,814	-	-	645,814
Finance costs	(1,739,885)	(2,955)	-	(1,742,840)
Profit before tax	19,372,645	2,271,446	20,966	21,665,057
Tax expense	(6,948,304)	(795,988)	(7,738)	(7,752,030)
Profit for the year	12,424,341	1,475,458	13,228	13,913,027
Other comprehensive income	7,624	-	-	7,624
Total comprehensive income	12,431,965	1,475,458	13,228	13,920,651
Share of results from discontinued operations	6,215,983	590,183	5,291	6,811,457
Dividend received from discontinued operations/ associate	26,371,146	1,189,948	59,782	27,620,876

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
	€	€	€	€
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	-	-	16,822,984
Deferred tax liabilities	-	2,787	-	2,787
Lease liability	2,387,023	-	-	2,387,023
Total non-current liabilities	19,210,007	2,787	-	19,212,794
Current liabilities				
Trade and other payables	82,000,474	3,146,031	157,382	85,303,887
Borrowings	3,332,892			3,332,892
Lease liability	1,003,398			1,003,398
Current tax liability	10,915,249	661,392	2,955	11,579,596
Total current liabilities	97,252,013	3,807,423	160,337	101,219,773
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**

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

The net cash flows generated/(incurred) by the disposal group for FY 2025 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

(i) Acquisition of group of assets

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

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

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

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

Impact of this transaction on the FY 2025 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) Summarised financial information

As at 31 March 2026 and 2025, the carrying value of associates that are not individually material amounted to €6,408,208 and €3,723,529. The aggregate comprehensive income of associates that are not individually material is as follows:

	2026	2025
	€	€
Share in net income	(118,247)	451,086
Share in other comprehensive income	-	-
Share in total comprehensive income	(118,247)	451,086

10. RIGHT-OF-USE ASSETS

Right-of-use assets

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

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

	Properties	Motor vehicles	Total
	€	€	€
As at 31 March 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
Additions	**12,101,473**	**-**	**12,101,473**
Impact of termination of leased assets	**(749,849)**	**-**	**(749,849)**
Amortisation charge	**(2,771,766)**	**(18,202)**	**(2,789,968)**
As at 31 March 2026	**34,907,161**	**13,292**	**34,920,453**

During FY 2026, the Group, through its subsidiaries entered into several temporary emphyteusis agreements as outlined below:

- db Resources Limited entered into a temporary emphyteusis agreement with Indis Malta Ltd for an industrial property located at Xewkija Industrial Estate, Gozo. The agreement grants the Group the right to use and develop the site for the purpose of operating a centralised industrial laundry facility. The emphyteusis is granted for an initial period of 35 years commencing in January 2026, with an option to extend for further 30 years subject to compliance with terms of the agreement. Management has assessed that the extension option is not reasonably certain to be exercised and accordingly has not been included in the lease term. At the end of the term, or upon earlier termination, the property together with any improvements effected thereon will revert to the grantor without compensation.

- J.D. Catering Limited entered into a temporary emphyteusis agreement with the Government of Malta in respect of the commercial property located at Marfa Road, Mellieha comprising a restaurant complex and associated terraces.

  As part of this agreement, the previously existing emphyteutical grants relating to the same site were terminated with effect from the date of the new agreement. The termination was effected without any consideration or compensation payable between the parties.

  Accordingly, the Group derecognised the right-of use asset and lease liabilities associated with the previous lease arrangement at the time of termination. The resulting difference of €78,721 between the carrying value of the derecognised assets and liabilities was recognised in profit or loss.

  Simultaneously, the Group recognised a new lease in accordance with IFRS 16. The agreement grants the Group the right to use the site for commercial purposes where a period of 50 years commencing in 2025 in exchange for an annual ground rent subject to periodic increases and an upfront premium. The emphyteusis is subject to restrictions on transfer and use requiring prior approval from the grantor for certain actions. Upon expiry of the term or earlier termination, the property together with the improvements thereon will revert to the Government of Malta without compensation.

10. RIGHT-OF-USE ASSETS - continued

Management assessed the temporary emphyteusis agreement as containing a lease in terms of IFRS 16, as it conveys the right to control the use of the identified property for a specified period in exchange for consideration. Accordingly, on commencement of the agreements, the Group recognised a right-of-use asset and a corresponding lease liability. As at 31 March 2026, the carrying amount of the related right-of-use asset amounted to €3.4 million, while the corresponding lease liability amounted to €3.2 million.

The other additions for both years pertain to premises rented for operations of newly opened establishments.

The income statement reflects the following amounts relating to leases:

	2026	2025
	€	€
Amortisation charge of right-of-use assets	**2,789,966**	2,509,631
Interest expense (included in finance costs) (Note 27)	**3,510,841**	1,171,331
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses) (Notes 21 and 23)	**356,612**	1,700,587

Net investment in lease

During the year, the Group acted as an intermediate lessor under a sublease arrangement classified as a finance lease. Accordingly, the Group recognised a net investment in the lease representing the present value of future lease payments receivable under the sublease. Interest income is recognised over the lease term using the interest rate implicit in the lease.

The carrying amount of the Group's net investment in lease as at 31 March 2026 amounted to €21,059,910 (2025: nil). The movement during the year was as follows:

	2026
	€
Transfers from inventories	21,059,910

The maturity analysis of lease receivables is as follows:

	2026
Gross lease receivable	€
Due within 1 year	525,954
Due between 1 and 2 years	525,954
Due between 2 and 5 years	1,577,860
Due after more than 5 years	40,712,381
	43,342,149
Unearned finance income	(22,282,239)
	21,059,910

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% (2025: 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% (2025: 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	
	2026	2025
	€	€
Year ended 31 March		
At beginning of year	**(28,874,765)**	(26,237,466)
Credited/(charged) to profit or loss (Note 28):		
Unutilised trading losses	**(284,551)**	-
Temporary differences on property, plant and equipment and provisions for credit loss allowances	**63,186**	(1,302,671)
Temporary differences on right-of-use assets	**(1,573,683)**	183,109
	(30,669,813)	(1,119,562)
Credited/(charged) to other comprehensive income:		
Unrealized gain on property appraisal (Note 4)	**-**	(1,517,737)
At end of year	**(30,669,813)**	(28,874,765)
Unutilised tax credits arising from:		
Unutilised investment tax credits	**-**	284,551
Taxable temporary differences arising from depreciation of property, plant and equipment	**(909,716)**	(381,464)
Taxable temporary differences arising from revaluation of property, plant and equipment	**(29,220,691)**	(29,464,055)
Deductible temporary differences arising from right-of-use assets	**(1,102,263)**	471,420
Deductible temporary differences on provisions for credit loss allowances	**562,857**	214,783
	(30,669,813)	(28,874,765)
Disclosed as follows:		
Deferred tax assets	**-**	997,523
Deferred tax liabilities	**(30,669,813)**	(29,872,288)
	(30,669,813)	(28,874,765)

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).

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Non-current				
Amounts owed by subsidiaries	**-**	-	**-**	12,773,185
Other receivables	**-**	286,702	**-**	-
Prepayments	**-**	1,085,813	**-**	-
Advance payments to suppliers	**-**	114,866	**-**	-
	-	1,487,381	**-**	12,773,185
Current				
Trade receivables	**14,245,606**	9,986,311	**5,807,088**	-
Less: credit loss allowances	**(613,666)**	(613,666)	**-**	-
	13,631,940	9,372,645	**5,807,088**	-
Advance payments to suppliers	**224,565**	342,823	**-**	-
Amounts owed by directors	**1,717,311**	3,428,130	**1,596,423**	1,944,063
Amounts owed by subsidiaries	**-**	-	**77,065,293**	36,114,756
Amounts owed by associates	**10,229,188**	43,215,616	**9,912,072**	4,358,287
Amounts owed by other related parties	**161,084**	139,978	**27,000**	12,840
Other receivables	**6,529,632**	6,427,005	**91,864**	1,037,351
Receivables on sale of FVPTL	**3,864,156**	-	**-**	-
Receivables from sale of associates	**8,975,580**	-	**-**	-
Indirect taxation	**1,718,023**	169,276	**151,070**	-
Prepayments and accrued income	**2,019,665**	1,930,727	**-**	-
	49,071,834	**65,026,200**	**94,650,810**	**43,467,297**

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

Amounts owed by associates comprise current account balances with various associates of the Group, principally HR Hotel LLC, arising primarily from funding and financing arrangements between Group entities and associates.

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 €9,105,067 (2025: €2,556,114) as further described below. Other amounts owed by subsidiaries, associates and other related parties pertain to expenses paid by the Company on behalf of its subsidiaries, associates and other related parties. Apart from the current portion of the loans, the amounts owed by directors, subsidiaries, associates and other related parties are unsecured, interest free and repayable on demand.

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

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

12. TRADE AND OTHER RECEIVABLES - continued

As at 31 March 2025, non-current amounts owed by subsidiaries include an amount of €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 as at 31 March 2025 amounting to €657,838 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 5.07%. The loans are repayable as follows:

	COMPANY	
	2026	2025
	€	€
Between 1 and 2 years	**-**	657,838
Between 2 and 5 years	**-**	-
	-	657,838

In 2026, the Company received principal repayments of €2,546,047 (2025: €2,419,370) 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.

As at 31 March 2025, 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 while 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 decrease in non-current advance payments was driven by advances relating to the DB City Centre project that are now expected to be realized within the current year and have therefore been reclassified from non-current to current assets.

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 as security for the related services that are due to a subsidiary. No such collateral was held as at 31 March 2026.

13. INVENTORIES

	GROUP	
	2026	2025
	€	€
Food and beverage	**1,257,795**	1,025,372
Merchandise	**816,525**	689,275
Consumables and other	**1,108,564**	818,548
	3,182,884	2,533,195

Inventories are valued at cost as at 31 March 2026 and 2025. 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 2026 and 2025.

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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Cash at bank and in hand	**98,507,164**	87,928,964	**84,040,473**	64,317,428
Funds held in escrow	**-**	1,618,839	**-**	-
Cash and cash equivalents per balance sheet	**98,507,164**	89,547,803	**84,040,473**	64,317,428
Bank overdrafts (Note 20)	**-**	(178,333)	**-**	-
Closing carrying amount	**98,507,164**	89,369,470	**84,040,473**	64,317,428

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 2026 is a fixed-term deposit with a local bank with an original maturity of six months from the acquisition date amounting to €10,000,000 (2025: €5,000,000). 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 2025: €2,800,000. 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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Principal amount	**-**	2,000,000	**-**	2,000,000
Fair value	**-**	3,475,328	**-**	3,475,328

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

The change in fair value of these investments in 2026 of €492,580 (2025: €1,243,012) are presented as 'Fair value changes of investments at fair value through profit or loss' in the statement of comprehensive income. The sale consideration of €3,864,150 was considered representative of the fair value of the investments in funds at disposal date. A loss on sale of investments at fair value through profit or loss of €103,752 was recognised 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	
	2026	2025
	€	€
Authorised	**4,998,000**	4,998,000
4,998,000 (2025: 4,998,000) Ordinary shares of €1 each	**2,000**	2,000
2,000 (2025: 2,000) Cumulative redeemable preference shares of €1 each	**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).

16. SHARE CAPITAL - continued

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

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

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

Based on the terms of the agreement, management assessed that since both the obligation to redeem the preferred shares at a fixed amount (nominal value) and the minimum guaranteed dividend are mandatory/ non-discretionary, they are classified as a financial liability. In its assessment, management took into account the provisions of IAS 32 "Financial Instruments: presentation" for compound financial instruments and as such, in conjuction also with the provisions of IFRS 9 "Financial Instruments" on initial recognition, has recognized the excess of the proceeds (€2,000) over the initial fair value of the liability (€4,320,532) as an equity component (€4,318,532). Management has classified this liability as subsequently measured at amortised cost, and in this respect an amount of €397,986 (2025: €401,222) is included within Finance Cost (Note 27), representing the interest expense of the financial liability. As of 31 March 2026, carrying amount of the cumulative redeemable preference shares is €4,925,284 (31 March 2025: €4,824,298). The whole amount of the liability is classified as non-current taking into account the mortality rates (see below) and the proximity of the occurence of the triggering event (reaching the age of 65) in the next twelve month period.

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

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

16. SHARE CAPITAL - continued

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

Valuation technique	Significant unobservable input	Significant unobservable input	Range of unobservable inputs
DCF approach	Discount rate	Discount rate	8.9% (post-tax)
	Mortality rate	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%	(194,749)	(+) 20%	(117,223)
(-) 0.5%	208,199	(-) 20%	117,223

17. REVALUATION RESERVE

	GROUP	
	2026	2025
	€	€
Year ended 31 March		
At beginning of year	136,035,522	124,905,451
Fair value reserve on land and buildings, net of deferred tax	-	11,130,071
At end of year	136,035,522	136,035,522

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	
	2026	2025
	€	€
Capital redemption reserve	**11,628,278**	11,628,278
Incentives and benefits reserve	**1,243,729**	1,243,729
Other reserves	**31,418**	31,418
	12,903,425	12,903,425

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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Non-current				
Payables with respect to capital expenditure	**-**	233,092	**-**	-
Contract liabilities - deferred income arising on long term rights of use sales	**9,754,886**	11,216,948	**-**	-
	9,754,886	11,450,040	**-**	-
Current				
Trade payables	**6,885,052**	16,005,847	**304,410**	-
Payables related to property held for disposal	**25,044,168**	-	**-**	-
Payables and accruals with respect to capital expenditure	**-**	2,830	**-**	-
Advance deposits received on promise of sale	**74,308,604**	37,448,837	**-**	-
Contract liabilities	**-**	-	**-**	-
- Advance deposits from tour operators and other third parties	**2,691,455**	2,471,882	**-**	-
- Deferred income arising on long term rights of use sales	**1,605,257**	1,657,505	**-**	-
Amounts owed to shareholder	**547,000**	250,000	**547,000**	250,000
Amounts owed to subsidiaries	**-**	-	**108,271,294**	186,417,200
Amounts owed to associates	**-**	25,720,858	**-**	-
Amounts owed to other related parties	**-**	115,514	**100**	2,802,054
Other payables	**3,307,963**	1,973,422	**-**	-
Indirect taxation and social security	**2,990,199**	2,016,107	**-**	-
Other accruals	**6,801,122**	3,848,247	**1,385,482**	185,575
	124,180,820	91,511,049	**110,508,286**	189,654,829

In prior year, payables with respect to capital expenditure include an amount of €40,975 in relation to a piece of land acquired during the preceding financial year for which payments will be made over 33 months. No such balances were outstanding as at 31 March 2026.

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.

19. TRADE AND OTHER PAYABLES - continued

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 amounts owed to fellow subsidiaries comprise balances due to other Group undertakings. The balances are unsecured. Although repayable on demand, the respective subsidiaries have undertaken not to request repayment until alternative financing is available to the Company.

Contract liabilities - recognised in revenue during 2026

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 2026 that was included in the balances of contract liabilities as at the end of the preceding financial year amounted to €2,272,028 (2025: €2,145,637).

20. BORROWINGS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Non-current				
Bank loans	**103,470,570**	44,755,865	**43,844,140**	657,893
Loan from subsidiary	**-**	-	**204,838,538**	1,488,101
650,000 4.35% Bonds 2017 – 2027	**64,992,445**	64,890,519	**-**	-
330,000 5.20% Bonds 2025-2031	**32,473,458**	-	**-**	-
	200,936,473	109,646,384	**248,682,678**	2,145,994
Current				
Bank overdrafts	**-**	178,333	**-**	-
Bank loans	**9,713,185**	11,006,500	**2,823,819**	2,556,114
650,000 4.35% Bonds 2017 – 2027 and accrued interest	**2,718,167**	2,570,455	**-**	-
330,000 5.20% Bonds 2025-2031 and accrued interest	**-**	-	**-**	-
Loan from subsidiary	**-**	-	**6,281,249**	-
	12,431,352	13,755,288	**9,105,068**	2,556,114
Total borrowings	**213,367,825**	123,401,672	**257,787,746**	4,702,108

Bonds

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:

	2026	2025
	€	€
Original face value of bonds issued	**98,000,000**	65,000,000
Bond issue costs	**(1,576,897)**	(924,036)
Accumulated amortisation	**848,300**	707,842
Closing net book amount of bond issue costs	**(728,597)**	(216,194)
Accrued interest payable on the bonds	**2,912,667**	2,677,168
Closing carrying amount of the bonds	**100,184,070**	67,460,972
Analysed as follows:	**64,596,210**	67,460,972
650,000 4.35% Bonds 2017-2027	**35,587,860**	-
330,000 5.20% Bonds 2025-2031	**100,184,070**	67,460,972

20. BORROWINGS - continued

650,000 4.35% Bonds 2017-2027

By virtue of an offering memorandum dated 27 March 2017, the Group, through SD Finance plc, 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. There are no guarantee fees charged by SD Holdings Limited to SD Finance plc. 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 2026 for the bonds was €97.37 (2025: €99.5). The fair value of these financial liabilities as at 31 March 2026 amounts to €63,290,500 (2025: €64,675,000).

In accordance with the provisions of the prospectus, the proceeds from the bond issue have been lent 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 loans 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.

330,000 5.20% Bonds 2025-2031

During the year, the Group, through SD Finance plc, established an unsecured bond issuance programme of up to €60,000,000 guaranteed by SD Holdings Limited.

On 3 October 2025, approval from the Malta Financial Services Authority was obtained for the issuance of Series 1 Tranche 1, comprising 330,000 bonds with face value of €100 each, for an aggregate nominal value of €33,000,000. The bonds have a coupon interest of 5.20% which is payable annually in arrears every 15 February. The bonds are redeemable at par and are due for redemption on 15 February 2031. The bonds were admitted to listing on the Malta Stock Exchange on 12 November 2025.

The quoted market price as at 31 March 2026 of the bonds was €101.15, resulting in a fair value of €33,379,500.

The proceeds from the bond issue have been lent by the Company to related parties (refer to Note 4) and utilised for general corporate funding purposes.

As of 31 March 2026, bonds with a face value of €40,000 were held by a Director.

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 2026 and 2025). 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 2026 is 4.99% (2025: 4.95%).

20. BORROWINGS - continued

The Group's and the Company's banking facilities limit as at 31 March 2026 amounted to € 205,318,230 (2025: €169,447,087) and €135,500,000 (2025: €94,714,006) respectively. The Group's bank facilities are mainly secured by:

(a) special hypothecs over the Group's property with net carrying value €246,542,099 (2025: €243,435,952) up to an amount of €73,220,082 (2025: €75,438,329);

(b) general hypothecs over the Group's present and future assets up to an amount of €199,262,082 (2025: €162,435,273);

(c) guarantee by companies within the Group

(d) pledge over cash balance of the Group for an amount of €25,000,000 (2025: €18,000,000) or subject to the bank's discretion and revised pricing can be replaced by a charge on a property;

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

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

(g) letters of undertaking

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

- Debt to Equity Ratio not exceeding 1.75:1
- 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
- Net external debt to EBITDA ratio (excluding lease liabilities), calculated as net external debt less cash and cash equivalents divided by EBITDA, not exceeding 3.5 times;
- Borrowings secured by hypothecated property not exceeding 60% of the value of the related secured property;

As at 31 March 2026 and 2025, the Group is compliant with the required financial ratios and other loan covenants. As at 31 March 2026, the Group does not anticipate any breaches of covenants within the next 12 months.

20. BORROWINGS - continued

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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Bank overdrafts	**-**	4.90%	**-**	-
Bank loans	**4.99%**	4.95%	**4.71%**	4.99%

Maturity of non-current bank borrowings is shown below:

	GROUP		Company	
	2026	2025	**2026**	2025
	€	€	**€**	€
Between 1 and 2 years	**17,699,325**	9,575,855	**2,261,392**	657,893
Between 2 and 5 years	**29,728,655**	35,180,010	17,959,821	-
Over 5 years	**56,042,591**	-	23,622,927	-
	103,470,571	44,755,865	**43,844,140**	657,893

Loan from subsidiary

The Company's amounts due to subsidiaries amounting to €204,838,538 (2025: €1,488,101) comprise various funding arrangements with Group undertakings. Included within these balances are loans received from SD Finance plc out of the proceeds of bonds issued by that subsidiary. The proceeds of the bond issue have been lent to SD Holdings Limited and other companies forming part of the db Group. SD Holdings Limited utilised these loans 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 0.50% (2025: 0.22%). Renewal fees recognised as part of finance cost amounted to €3,730 (2025: €3,341) (see Note 27). The loans are unsecured and repayable by not later than 10 April 2027.

In October 2025, the Company entered into a further loan agreement with SD Finance plc under which it borrowed an additional €32.4 million. The proceeds were utilised principally to settle existing intercompany balances and to provide funding to entities within the db Group. The loan bears interest at a fixed annual rate of 5.50%, payable on 15 January of each year. The loan is unsecured and repayable no later than 15 January 2031.

21. LEASE LIABILITIES

	Lease liabilities to Government	Properties	Motor vehicles	Total
	€	€	€	€
As at 1 April 2024	56,154,286	20,980,750	88,608	77,223,644
Additions	-	9,738,957	-	9,738,957
Lease modifications	(10,559,032)		-	(10,559,032)
Impact of derecognition of leased assets	(256,142)	(363,112)	-	(619,254)
Interest charges	1,384,256	1,167,644	3,687	2,555,587
Payments effected - total cash outflows	-	(2,875,238)	(55,994)	(2,931,232)
As at 31 March 2025	46,723,368	28,694,001	36,301	75,453,670
Non-current	34,642,224	26,382,991	4,091	61,029,306
Current	12,081,144	2,311,010	32,210	14,424,364
Total lease liabilities as at 31 March 2025	46,723,368	28,694,001	36,301	75,453,670
As at 1 April 2025	46,723,368	28,694,001	36,301	75,453,670
Additions		11,523,193	557,750	12,080,943
Lease reassessment	(4,830,164)	-	-	(4,830,164)
Impact of derecognition of leased assets	-	(496,826)	-	(496,826)
Interest charges	2,250,534	1,243,097	17,209	3,510,840
Payments effected - total cash outflows	-	(2,825,188)	(55,869)	(2,881,057)
As at 31 March 2026	44,143,738	38,138,277	555,391	82,837,406
Non-current	43,631,891	35,487,521	528,550	79,647,962
Current	511,847	2,650,755	26,842	3,189,444
Total lease liabilities as at 31 March 2026	44,143,738	38,138,276	555,392	82,837,406

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 2025, 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

In 2026, the approved development parameters were finalised, resulting in a reduction in the scale of the development contemplated under the original concession agreement. In accordance with the contractual terms of the concession, the lease payments payable to the Government were revised to reflect the updated development parameters. Furthermore,

extended the lease term from 99 years to 103 years. As a result, the lease liability was remeasured using the original discount rate, with the corresponding adjustment recognised against the right-of-use asset. This remeasurement did not result in any impact on profit or loss.

The resulting remeasurement of €4,830,164 was recognised as an adjustment to the related assets and allocated as follows:

		2026
		€
Inventories	Note 7	**4,463,872**
Property, plant and equipment	Note 4	**366,292**

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 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.

The maturity of this liability is as follows:

	GROUP	
	2026	2025
	€	€
Due within 1 year	**1,889,018**	12,081,144
Due between 1 and 2 years	**1,889,018**	3,159,183
Due between 2 and 5 years	**5,667,053**	4,738,774
Due after more than 5 years	**145,662,162**	153,985,742
	155,107,251	173,964,843
Less: imputed interest component	**(110,453,084)**	(127,241,475)
	44,654,167	46,723,368

21. LEASE LIABILITIES - continued

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 2026 and 2025, 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	
	2026	2025	**2026**	2025
By Category	**€**	€	**€**	€
Hospitality and ancillary services	**60,988,641**	53,531,339	**-**	-
Food and beverage	**44,247,317**	38,686,738	**-**	-
Merchandise and other retailing activities	**4,191,189**	4,149,333	**-**	-
Other revenue	**1,909,241**	2,834,270	**-**	-
	111,336,388	99,201,680	**-**	**-**

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 included revenue from the sale of airspace of €700,000 in 2025 (Note 21).

Set out below is the amount of revenue recognised from:

	2026	2025
Amounts included in contract liabilities at the beginning of the year	**10,313,580**	12,286,527
Performance obligations satisfied in previous years	**9,498,083**	9,498,083

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

	2026	2025
Within one year	**1,972,947**	1,972,947
More than one year	**6,367,686**	8,340,633

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 2026 and 2025, 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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Cost of sales	**71,481,035**	65,414,162	-	-
Selling expenses	**171,616**	229,025	-	-
Administrative expense	**19,895,000**	12,110,911	**938,072**	386,286
	91,547,651	77,754,098	**938,072**	386,286

Cost of Sales

	GROUP		Company	
	2026	2025	**2026**	2025
	€	€	**€**	€
Employee benefit expense (Note 24)	**23,036,676**	21,372,625	-	-
Amortisation of right-of-use assets (Note 10)	**2,750,381**	2,478,234	-	-
Depreciation of property, plant and equipment (Note 4)	**6,325,363**	6,755,131	-	-
Utilities and similar charges	**1,830,981**	2,025,190	-	-
Operating supplies and related expenses	**24,398,257**	19,281,846	-	-
Repairs and maintenance costs	**1,305,718**	977,842	-	-
Professional fees	**1,429,505**	414,623	-	-
Marketing, advertising costs and Commissions	**3,062,156**	2,264,417	-	-
Franchise royalties	**510,410**	959,011	-	-
Variable lease rentals (Note 10)	**156,921**	903,860	-	-
Cost of immovable property sold	**-**	455,113	-	-
Disposals	**2,074,274**	4,312,126	-	-
Other expenses	**4,600,393**	3,214,144	-	-
Total cost of sales	**71,481,035**	65,414,162	-	-

Selling Expenses

	GROUP		Company	
	2026	2025	**2026**	2025
	€	€	**€**	€
Marketing, advertising costs and Commissions	**39,390**	136,875	**-**	-
Other expenses	**132,226**	92,150	**-**	-
Total selling expenses	**171,616**	229,025	-	-

23. EXPENSES BY NATURE - continued

Administrative Expenses

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Employee benefit expense (Note 24)	**8,501,362**	4,677,253	**-**	-
Amortisation of intangible assets (Note 6)	**125,048**	146,771		
Amortisation of right-of-use assets (Note 10)	**39,585**	31,397	**-**	-
Depreciation of property, plant and equipment (Note 4)	**1,220,368**	374,324	**-**	-
Utilities and similar charges	**460,659**	509,520	**-**	-
Operating supplies and related expenses	**3,772,205**	3,063,517	**-**	-
Repairs and maintenance costs	**613,940**	488,138	**-**	-
Professional fees	**1,961,294**	755,196	**796,748**	295,725
Marketing, advertising costs and Commissions	**550,763**	300,048	**-**	-
Franchise royalties	**648,466**	27,495	**-**	-
Variable lease rentals (Note 10)	**199,690**	594,653	**-**	-
Movement in credit loss Allowances (Note 12)	**-**	128,522	**-**	-
Other expenses	**1,801,620**	1,014,077	**141,324**	90,561
Total administrative expenses	**19,895,000**	12,110,911	**938,072**	386,286

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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Annual statutory audit	**447,000**	352,760	**90,000**	75,200
Tax advisory and compliance services	**38,200**	16,600	**1,200**	900
Other non-audit services	**-**	58,000	**-**	58,000
	485,200	427,360	**91,200**	134,100

24. EMPLOYEE BENEFIT EXPENSE

	GROUP	
	2026	2025
	€	€
Wages and salaries including directors' remuneration (Note 29)	**29,986,227**	24,645,850
Social security costs	**1,551,812**	1,404,028
	31,538,039	26,049,878

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

	2026	2025
Direct	**1,828**	1,218
Administration	**93**	94
	1,921	1,312

25. DIVIDEND INCOME

	COMPANY	
	2026	2025
	€	€
Dividend income	**7,384,615**	2,307,692

26. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Immovable property transfer & related services	**2,074,274**	4,312,126	**-**	-
Operating lease income	**565,293**	108,657	**-**	-
Other income	**320,087**	137,775	**-**	-
	2,959,654	4,558,558	**-**	-

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:

	2026	2025
	€	€
Within one year	**413,226**	208,471
Between 1 and 2 years	**406,307**	209,026
Between 2 and 3 years	**353,162**	202,107
Between 3 and 4 years	**353,162**	148,962
Between 4 and 5 years	**353,162**	148,962

27. FINANCE INCOME AND FINANCE COSTS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Finance income				
Interest on amounts owed by subsidiary	**-**	-	**105,953**	271,649
Finance income arising from short-term deposits	**1,092,756**	911,091	**1,092,756**	911,091
Finance income arising from other investments	**321,366**	-	**321,366**	-
	1,414,122	911,091	**1,520,075**	1,182,740

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Finance costs				
Bond interest expense				
Nominal interest on bonds	**3,492,896**	2,827,500	**-**	-
Amortization of bond issue costs	**149,766**	97,574	**-**	-
Interest on bank borrowings and other loans	**2,912,997**	2,320,724	**105,953**	233,285
Interest on loan from subsidiary	**-**	-	**4,244,846**	1,165,446
Finance cost on lease liabilities	**5,761,375**	2,555,587	**-**	-
Imputed interest component on deferred income arising on long-term rights of use sales	**585,759**	601,036	**-**	-
Finance cost on cumulative preference shares	**397,986**	401,222	**397,986**	401,222
Interest on late payment of tax (Note 3)	**414,263**	-	**-**	-
Other finance charges	**2,530,666**	820,893	**551,436**	749,156
	16,245,708	9,624,536	**5,300,221**	2,549,109
Capitalised borrowing costs (Notes 5 and 7)	**(2,250,534)**	(2,100,153)	**-**	-
Finance cost recognised in profit/(loss)	**13,995,174**	7,524,383	**5,300,221**	2,549,109

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

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

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

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

27. FINANCE INCOME AND FINANCE COSTS - continued

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.

The increase in finance costs of the Group is principally attributable to additional borrowings utilised to finance the ITS site development and other Group projects, higher lease liability interest resulting a number of lease contracts entered into during the year, and an increase in other financing charges.

Increase in finance costs of the Company was driven by interest incurred on loans received from SD Finance plc (see Note 20), together with interest and other finance charges recharged by Seabank Hotel and Catering Limited and Hotel San Antonio Limited following the assignment of interest-bearing group receivables as part of the Group's internal restructuring undertaken in the prior year (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 nil in 2026 and €715,897 in 2025.

28. TAX EXPENSE

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Current taxation:				
Current tax expense/(credit)	**26,878,377**	8,354,719	**3,403,629**	573,576
Deferred taxation (Note 11)	**(199,998)**	1,149,024	**-**	-
Tax expense	**26,678,379**	9,503,743	**3,403,629**	573,576

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Profit/(Loss) before tax	**44,062,587**	21,086,946	**2,936,978**	1,798,049
Tax on profit at 35%	**15,421,905**	7,380,431	**1,027,942**	629,317
Tax effect of:				
Share of results of associates	**(65,886)**	(157,880)	**-**	-
Expenses not deductible for tax purposes	**12,821,741**	7,590,426	**(427,515)**	1,027,389
Income not subject to tax or charged at reduced rates	**(3,693,347)**	(5,375,133)	**2,803,202**	(1,083,130)
Utilisation of trading income	**-**	65,899	**-**	-
Impact from prior periods tax adjustments (Note 3)	**2,193,966**	-	**-**	-
Tax charge in the accounts	**26,678,379**	9,503,743	**3,403,629**	573,576
Effective tax rate	**61%**	45%	**116%**	32%

During the year, the Group identified tax matters relating to prior periods following a review of the tax treatment applied to certain transactions and expenses. The review resulted in additional income tax liabilities together with related penalties and interest (Note 27). The matters identified primarily relate to historical periods resulting in the recognition of the associated tax exposures in the current year.

As at 31 March 2026 and 2025, the Group's current tax asset amounted to nil and €365,836, respectively. This pertains to refund claims relating to the tax withheld on dividend distributions.

29. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	€	€	**€**	€
Salaries and other emoluments (Short-term employee benefits)	**1,610,137**	1,110,096	**-**	-

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	
	2026	2025	**2026**	2025
	€	€	**€**	€
Gross dividend	**7,384,615**	-	**7,384,615**	-
Tax at source	**(2,584,615)**	-	**(2,584,615)**	-
Net dividend	**4,800,000**	-	**4,800,000**	-
Dividends per share	**1.20**	-	**1.20**	-

31. COMMITMENTS

Capital commitments

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

	GROUP	
	2026	2025
	€	€
Authorised but not contracted for	**46,257,536**	211,970,887

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 2026, 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 (2025: €75,600,000). At 31 March 2026, the parent company also gave guarantees for an amount of €15,634,000 (2025: €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 €60,110 (2025: €20,201,760).

(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 (2025: €979,000) 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 (2025: €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 (2025: €49,440) 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 €1,159,106 (2025: €1,159,106) issued by Group undertakings to various third parties in the ordinary course of business.

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 (€)	Nature, Terms and Conditions
2026			
SeaBank Hotel and Catering	Subsidiary	9,106,821	Trade and other receivables
		(77,702,789)	Current trade and other payables
DB Lifestyle Operations	Subsidiary	982,705	Trade and other receivables
SD Finance	Subsidiary	(819,233)	Current trade and other payables
DB SG Hotel	Subsidiary	2,013,697	Trade and other receivables
DB SG Residences	Subsidiary	245	Trade and other receivables
		(68,799,028)	Current trade and other payables
DB San Gorg Holding	Subsidiary	15,795	Trade and other receivables
		(97,192)	Current trade and other payables
Hotel San Antonio	Subsidiary	3,627,035	Trade and other receivables
		(51,569,684)	Current trade and other payables
SRGN	Subsidiary	(15,662,416)	Current trade and other payables
DB Projects	Subsidiary	31,622,318	Trade and other receivables
		(233,538)	Current trade and other payables
SeaPort Franchising	Subsidiary	1,488,721	Trade and other receivables
		(8,083,861)	Current trade and other payables
Debar	Subsidiary	750	Trade and other receivables
		(600,000)	Current trade and other payables
DB Resources	Subsidiary	998,495	Trade and other receivables
DB San Gorg Property	Subsidiary	42,500	Trade and other receivables
		(4,134,905)	Current trade and other payables
DB Gauci Shopping Mall	Subsidiary	4,138,833	Trade and other receivables
DB Group Franchising	Subsidiary	11,216,097	Trade and other receivables
DB Lifestyle Real Estate	Subsidiary	8,849,161	Trade and other receivables
DB Ice Cream	Subsidiary	245,750	Trade and other receivables
DB Porto Hotel	Subsidiary	2,591,395	Trade and other receivables
db Pink Gourmet	Subsidiary	200,333	Trade and other receivables
DB Porto Operations	Subsidiary	528,629	Trade and other receivables
DB Café	Subsidiary	137,775	Trade and other receivables
db Group Holdings	Subsidiary	5,112,002	Trade and other receivables
DB SG Mall	Subsidiary	245	Trade and other receivables
DB SG Parking	Subsidiary	245	Trade and other receivables
DB HRC Franchising	Subsidiary	750	Trade and other receivables
DB Paradiso	Subsidiary	750	Trade and other receivables
DB SG Franchising	Subsidiary	750	Trade and other receivables

33. RELATED PARTY TRANSACTIONS - continued

Related Party	Relationship	Amount of Transaction (€)	Nature, Terms and Conditions
2025			
SeaBank Hotel and Catering	Subsidiary	(91,037,716)	Current trade and other payables
		1,677,775	Non-current trade and other receivables
San Antonio Hotel	Subsidiary	1,110,971	Trade and other receivables
		(47,173,137)	Current trade and other payables
SeaPort Franchising	Subsidiary	425,206	Trade and other receivables
		(6,963,517)	Current trade and other payables
DB Lifestyle Real Estate	Subsidiary	7,798,021	Trade and other receivables
DB Projects Ltd	Subsidiary	6,387,979	Trade and other receivables
DB SG Residences	Subsidiary	245	Trade and other receivables
		(30,148,783)	Current trade and other payables
DB SG Mall	Subsidiary	245	Non-current trade and other receivables
DB SG Hotel	Subsidiary	100,245	Trade and other receivables
DB SG Parking	Subsidiary	245	Trade and other receivables
DB San Gorg Holdings	Subsidiary	5,045	Trade and other receivables
DB Resources	Subsidiary	245	Trade and other receivables
SD Finance	Subsidiary	1,488,101	Loans receivable
SRGN	Subsidiary	(10,492,416)	Current trade and other payables
Debar	Subsidiary	(600,000)	Current trade and other payables
DB San Gorg Property	Subsidiary	(1,884,242)	Current trade and other payables

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 €1,610,137 (2025: €1,110,096).

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 27 May 2026, the Group, through SD Finance plc, issued additional bonds under its €60,000,000 unsecured bond issuance programme comprising:

- Series 1 Tranche 2: 200,000 bonds with a nominal value of €100 each, amounting to €20,000,000 and
- Series 1 Tranche 3: 70,000 bonds with a nominal value of €100 each, amounting to €7,000,000.

The bonds carry a coupon of 5.20% payable annually in arrears and are redeemable at par on 15 February 2031. These tranches are fully fungible with the existing Series 1 Tranche 1 bonds (see Note 20).

The quoted market price of the Series 1 Tranche 3 bonds on 29 May 2026, being the first quoted trading date, was €100.50, while the Series 1 Tranche 2 bonds were quoted at €100.49 on 11 June 2026.

These issuances occurred after the reporting date and have not been recognised in the financial statements.

There were no other events subsequent to year end which would require adjustment to or disclosure in the annual financial statements of the Group.

35. STATUTORY INFORMATION

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



Independent Auditor's Report

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 80, which comprise the separate and consolidated statements of financial position as at 31 March 2026, and 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 material accounting policy 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 2026, 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 the Companies Act, Cap.386 of the Laws of Malta (the "Companies Act).

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 and those charged with governance 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 the requirements of the Companies Act, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Building a better working world

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.

Building a better working world

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 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

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.

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
27 July 2026

dbgroupmalta.com



db Group

db Group, c/o db Seabank Resort & Spa,
Marfa Road, Mellieħa Bay, Mellieħa, MLH 9064, Malta

T +356 2289 1000 | **F** +356 2152 1635 | **E** info@dbgroupmalta.com

dbgroupmalta.com