

CONSOLIDATED HOLDINGS LIMITED

**Annual Report and
Consolidated Financial Statements
31 December 2025**

	Pages
Directors' report	1 - 3
Independent auditor's report	4 - 10
Statements of financial position	11 - 12
Income statements	13
Statements of comprehensive income	14
Statements of changes in equity	15 - 16
Statements of cash flows	17
Notes to the financial statements	18 - 64

Directors' report

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

Principal activities

The group's principal activities, which are unchanged since last year, are the operation of a hotel, activities in the lifts equipment, ducting works and the holding of investments.

The parent company's principal activities, which are unchanged since last year, are that of holding investments in various subsidiary and associate undertakings.

Review of the business

The parent company

During the current financial year the company received gross dividends amounting to €501k from its investments (2024: €301k), whilst its financial position remains adequate with net assets amounting to €27.9m (2024: €27.3m). During 2025, the parent company made loan advances to the tune of €3.06m (2024: €2.55m) to one of its associates, Mellieha Bay Hotel Ltd, in connection with the latter's redevelopment of the hotel.

The Group

The Group's results are primarily influenced by the activities of its principal subsidiary, The Waterfront Hotel Limited. During 2025, revenue for the year increased by nearly 9% over 2024 results, closing the year with a total revenue of €9,919,424. These positive results were attained following an improvement in the average room rate charged on accommodation and increase in food and beverage sales. The company achieved a gross profit of €4,224,722 for 2025 (2024: gross profit of €3,607,795). Administrative costs increased to €1,903,231 (2024: €1,702,742). Finance costs decreased primarily due to an acceleration of loan repayments. After taking into consideration financing costs and tax, the company ended the current financial year with a net profit of €1,816,730 (2024: €1,421,918). This decrease was the result of the investment tax credits utilised and exhausted in 2024.

During the year under review that company invested further in the upkeep of the property and a capital expenditure of €1,288,748 was undertaken. All capital expenditure was financed internally through cash generation from operating activities. The company also repaid bank loans amounting to €1,531,099.

The directors believe that the company's financial position remains satisfactory, in the context of the matters described in Note 1.1 of these financial statements.

Outlook for 2026

As already noted above, 2025 was once again an exceptional year, whereby the hotel achieved a record turnover through higher occupancy and higher room rates. Management foresees that this positive trend should persist in 2026. Business on the books also indicates that there is still a healthy level of appetite for people to travel which augurs well for the year.

Although it is very difficult to predict any outcome for 2026 with certainty, it is estimated that the current levels of business will generate sufficient income to cover both payroll costs and all variable and semi variable costs to once again close the year with a positive bottom line.

In order to achieve this, management is continuously monitoring costs and taking all the necessary measures to reduce both the operational and fixed costs, whilst making sure that the company benefits from all schemes issued by the government in assisting the tourism industry.

Directors' report - continued

From a cashflow point of view, the company continued to enjoy a healthy cash flow situation through 2025. It is forecasted that this shall remain as such for the rest of 2026 and that the company will not require any financial assistance from the parent company or from any financial institution.

During 2026, the parent company, together with the other shareholder, will carry on financing the ongoing redevelopment project of the hotel in Mellieha through loan advancements. This investment is being part financed through external financing as well as through shareholders' funds.

The Boards of Directors of Consolidated Holdings Limited and the companies comprising the Mizzi Organisation are satisfied with the condition and performance of each entity within the Group. Following recent refinancing activities, which have provided the Group with fixed borrowing rates, the Group remains vigilant in monitoring interest rate developments to secure the most advantageous rates and to mitigate the impact of market volatility. Over time, Mizzi Organisation has consistently upheld the highest standards of corporate governance and financial discipline, thereby reinforcing the Group's ability to meet its servicing obligations. Furthermore, Mizzi Organisation Ltd has assumed a treasury function within the Group, facilitating oversight and management of the Group's aggregate loan exposure. The directors persist in their policy of undertaking only necessary capital expenditure, thereby enhancing the Group's value and profitability. The directors are of the opinion that the Organisation and all companies within the Mizzi Organisation remain a going concern. Consequently, the going concern assumption applied in preparing these financial statements is deemed appropriate, and there are no significant uncertainties that would raise substantial doubt regarding the Organisation's and its companies' ability to continue as a going concern.

Financial risk management

In 2025, there has been no change in the Group's and parent company's financial risk management objectives and policies, details of which, together with further information on the Group's and the parent company's risk exposures can be found in Note 2 to the financial statements.

Results and dividends

The consolidated financial results are set out in the Income Statement. The directors do not recommend the payment of a dividend. The directors propose that the balance of retained earnings amounting to €38,154,316 (2024: €36,296,600) for the Group and €27,001,282 (2024: €26,472,442) for the parent company, to be carried forward to the next financial year.

Directors

The directors of the parent company who held office during the year were:

Maurice F. Mizzi
Brian R. Mizzi
Ian Mizzi
Kenneth C. Mizzi
Veronica Mizzi
Angele Calleja
Christopher Mizzi

Pursuant to a company announcement of Mizzi Organisation Finance p.l.c. dated 27 April 2026, Mr. Maurice F. Mizzi will resign from office with effect from 1 May 2026. On the same date, Mr. John Zarb, Mr. Anthony Diacono and Mr. Martin Galea will be appointed as directors.

The parent company's Articles of Association do not require any directors to retire.

Directors' report - continued

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent company as at the end of each reporting 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 as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, 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.

The financial statements of Consolidated Holdings Limited for the year ended 31 December 2025 are included in the Annual Report and Consolidated Financial Statements 2025, which is published in hard-copy printed form and made available on the Mizzi Organisation website (www.mizziorganisation.com). The directors of the entities constituting the Mizzi Organisation are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Organisation's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditors

PricewaterhouseCoopers 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



Brian R. Mizzi
Director



Kenneth C. Mizzi
Director

Registered office:
Mizzi Organisation Corporate Office
Testaferrata Street
Ta' Xbiex
Malta

30 April 2026



Independent auditor's report

To the Shareholders of Consolidated Holdings Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the “financial statements”) of Consolidated Holdings Limited give a true and fair view of the Group and the Parent Company’s financial position as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (‘IFRSs’) as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Consolidated Holdings Limited’s financial statements, set out on pages 11 to 64, comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2025;
- the Consolidated and Parent Company income statements and statements of comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.



Independent auditor's report – continued

To the Shareholders of Consolidated Holdings Limited

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to audits of financial statements in Malta and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with these Codes.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Independent auditor's report – continued

To the Shareholders of Consolidated Holdings Limited

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Independent auditor's report – continued

To the Shareholders of Consolidated Holdings Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Group's and the Parent Company'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 Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.



Independent auditor's report – continued

To the Shareholders of Consolidated Holdings Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2025* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Independent auditor's report – continued

To the Shareholders of Consolidated Holdings Limited

Area of the <i>Annual Report and Financial Statements 2025</i> and the related Directors' responsibilities	Our responsibilities	Our reporting
<p>Directors' report</p> <p>(on pages 1 to 3)</p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>
	<p>Other matters on which we are required to report by exception</p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. the financial statements are not in agreement with the accounting records and returns. we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. 	<p>We have nothing to report to you in respect of these responsibilities.</p>

Independent auditor's report – continued

To the Shareholders of Consolidated Holdings Limited

Other matter - use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

A handwritten signature in blue ink, appearing to read 'Stephen Mamo', is written over the printed name. The signature is stylized and somewhat circular.

Stephen Mamo
Principal

For and on behalf of

PricewaterhouseCoopers

78, Mill Street

Zone 5, Central Business District

Qormi

Malta

30 April 2026

Statements of financial position

		At 31 December				
		Group		Company		
Notes		2025	2024	2025	2024	
		€	€	€	€	
ASSETS						
Non-current assets						
	Property, plant and equipment	4	25,752,471	25,831,143	12,250	24,500
	Right-of-use assets	5	192,121	264,063	-	-
	Investments in subsidiaries	6	-	-	7,133,992	7,133,992
	Investments in associates	7	19,307,753	20,329,554	6,045,985	6,045,985
	Financial assets at FVOCI	8	12,259	12,259	12,259	12,259
	Loans and advances	9	6,984,573	3,920,942	6,984,573	3,920,942
	Total non-current assets		52,249,177	50,357,961	20,189,059	17,137,678
Current assets						
	Inventories	10	183,843	156,769	-	-
	Trade and other receivables	11	12,111,582	12,960,305	7,883,045	8,675,589
	Cash and cash equivalents	12	1,130,282	2,672,195	606,493	2,135,743
	Total current assets		13,425,707	15,789,269	8,489,538	10,811,332
	Total assets		65,674,884	66,147,230	28,678,597	27,949,010

Statements of financial position - continued

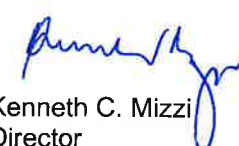
At 31 December

	Notes	Group		Company	
		2025 €	2024 €	2025 €	2024 €
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	746,797	746,797	746,797	746,797
Revaluation reserves	14	18,403,481	19,394,329	-	-
Other reserves	15	1,148,286	1,148,286	113,592	113,592
Retained earnings		38,154,316	36,296,600	27,001,282	26,472,442
Total equity		58,452,880	57,586,012	27,861,671	27,332,831
Non-current liabilities					
Borrowings	16	-	928,144	-	-
Lease liabilities	17	129,403	201,138	-	-
Deferred tax liabilities	18	2,421,369	2,436,085	-	-
Total non-current liabilities		2,550,772	3,565,367	-	-
Current liabilities					
Trade and other payables	19	3,221,795	3,245,414	194,256	193,446
Borrowings	16	650,000	992,955	550,000	390,000
Lease liabilities	17	71,387	67,075	-	-
Current tax liabilities		728,050	690,407	72,670	32,733
Total current liabilities		4,671,232	4,995,851	816,926	616,179
Total liabilities		7,222,004	8,561,218	816,926	616,179
Total equity and liabilities		65,674,884	66,147,230	28,678,597	27,949,010

The notes on pages 18 to 64 are an integral part of these consolidated financial statements.

The financial statements on pages 11 to 64 were authorised for issue by the Board on 30 April 2026 and were signed on its behalf by:


Brian R. Mizzi
Director


Kenneth C. Mizzi
Director

Income statements

		Year ended 31 December			
		Group		Company	
Notes		2025	2024	2025	2024
		€	€	€	€
Revenue	21	11,537,004	10,015,764	-	-
Cost of sales	22	(6,914,204)	(6,295,349)	-	-
Gross profit		4,622,800	3,720,415	-	-
Administrative expenses	22	(2,224,955)	(1,982,490)	(30,647)	(33,839)
Other operating income		201,120	185,122	-	-
Operating profit/(loss)		2,598,965	1,923,047	(30,647)	(33,839)
Investment and other related income	24	1,387	1,387	501,387	301,387
Finance income	25	207,631	125,746	207,631	93,521
Finance costs	26	(203,970)	(257,697)	(76,375)	(751)
Share of profit of associates	7	181,197	230,229	-	-
Profit before tax		2,785,210	2,022,712	601,996	360,318
Tax expense	27	(940,294)	(704,359)	(73,156)	(33,218)
Profit for the year		1,844,916	1,318,353	528,840	327,100

The notes on pages 18 to 64 are an integral part of these consolidated financial statements.

Statements of comprehensive income

		Year ended 31 December			
	Note	Group 2025 €	2024 €	Company 2025 €	2024 €
Profit for the year		1,844,916	1,318,353	528,840	327,100
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation surplus on land and buildings arising during the year, net of deferred tax	14	-	1,866,590	-	-
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	14	(19,483)	6,474	-	-
Share of other comprehensive income of associate:					
Share of movement in deferred tax liability on revalued land and buildings of an associate determined on the basis applicable to property disposals	14	(958,565)	-	-	-
Other comprehensive income for the year, net of tax		(978,048)	1,873,064	-	-
Total comprehensive income for the year		866,868	3,191,417	528,840	327,100

The notes on pages 18 to 64 are an integral part of these consolidated financial statements.

Statements of changes in equity

Group

	Note	Share capital €	Revaluation reserves €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2024		746,797	17,534,065	1,148,286	34,965,447	54,394,595
Comprehensive income						
Profit for the year		-	-	-	1,318,353	1,318,353
Other comprehensive income:						
Revaluation surplus on land and buildings arising during the year, net of deferred tax	14	-	1,866,590	-	-	1,866,590
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	14	-	6,474	-	-	6,474
Depreciation transfer, net of deferred tax	14	-	(12,800)	-	12,800	-
Total other comprehensive income		-	1,860,264	-	12,800	1,873,064
Total comprehensive income		-	1,860,264	-	1,331,153	3,191,417
Balance at 31 December 2024		746,797	19,394,329	1,148,286	36,296,600	57,586,012
Comprehensive income						
Profit for the year		-	-	-	1,844,916	1,844,916
Other comprehensive income:						
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	14	-	(19,483)	-	-	(19,483)
Depreciation transfer, net of deferred tax	14	-	(12,800)	-	12,800	-
Total other comprehensive income		-	(32,283)	-	12,800	(19,483)
Share of other comprehensive income of associate:						
Share of movement in deferred tax liability on revalued land and buildings of an associate determined on the basis applicable to property disposals	14	-	(958,565)	-	-	(958,565)
Total share of other comprehensive income of associate		-	(958,565)	-	-	(958,565)
Total comprehensive income		-	(990,848)	-	1,857,716	866,868
Balance at 31 December 2025		746,797	18,403,481	1,148,286	38,154,316	58,452,880

Statements of changes in equity - continued

Company

	Share capital €	Other reserve €	Retained earnings €	Total €
Balance at 1 January 2024	746,797	113,592	26,145,342	27,005,731
Comprehensive income				
Profit for the year				
- total comprehensive income	-	-	327,100	327,100
Balance at 31 December 2024	746,797	113,592	26,472,442	27,332,831
Comprehensive income				
Profit for the year				
- total comprehensive income	-	-	528,840	528,840
Balance at 31 December 2025	746,797	113,592	27,001,282	27,861,671

The notes on pages 18 to 64 are an integral part of these consolidated financial statements.

Statements of cash flows

		Year ended 31 December			
		Group		Company	
Notes	2025	2024	2025	2024	
	€	€	€	€	
Cash flows from operating activities					
Cash generated from operations	29	5,125,232	7,638,584	774,957	4,249,536
Dividends received		245,820	236,942	501,387	301,387
Interest received		207,631	125,746	207,631	93,521
Interest paid		(198,669)	(254,203)	(76,375)	(751)
Tax paid		(936,850)	(249,855)	(33,219)	(485)
Net cash generated from operating activities		4,443,164	7,497,214	1,374,381	4,643,208
Cash flows from investing activities					
Payments for property, plant and equipment		(1,577,623)	(985,161)	-	-
Payments for financial assets at FVOCI	8	-	(199)	-	(199)
Advances to associate	9	(3,063,631)	(2,550,000)	(3,063,631)	(2,550,000)
Purchase consideration related to business combination	20	-	(454,023)	-	-
Net cash used in investing activities		(4,641,254)	(3,989,383)	(3,063,631)	(2,550,199)
Cash flows from financing activities					
Repayments of bank borrowings	16	(1,531,099)	(1,800,340)	-	-
Proceeds from borrowings from associate	16	260,000	135,000	160,000	135,000
Repayments of borrowings from associate	16	-	(190,000)	-	(190,000)
Principal element of lease liabilities	17	(72,724)	(43,989)	-	-
Net cash (used in)/generated from financing activities		(1,343,823)	(1,899,329)	160,000	(55,000)
Net movements in cash and cash equivalents		(1,541,913)	1,608,502	(1,529,250)	2,038,009
Cash and cash equivalents at beginning of year		2,672,195	1,063,693	2,135,743	97,734
Cash and cash equivalents at end of year	12	1,130,282	2,672,195	606,493	2,135,743

The notes on pages 18 to 64 are an integral part of these consolidated financial statements.

Notes to the financial statements

1. Summary of material accounting policies

The material 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.

1.1 Basis of preparation

The consolidated financial statements include the financial statements of Consolidated Holdings Limited and its subsidiaries. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention, as modified by the fair valuation of the land and buildings category of property, plant and equipment, and financial assets measured at fair value through other comprehensive income.

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

Appropriateness of the going concern assumption in the preparation of the financial statements

The Boards of Directors of Consolidated Holdings Limited and of the companies constituting the Mizzi Organisation are comfortable with the financial position and performance of the companies forming part of the Group. The refinancing exercises effected in prior years have given the Group a fixed exposure when it comes to a significant portion of borrowing costs. This has created a hedge which will last for a number of years. Mizzi Organisation has over the years adopted highest levels of financial discipline which adds a layer of comfort on the Group's servicing obligations. Over the years, Mizzi Organisation Limited (a related party) has taken a treasury role within the Group which helps control and monitor the Group's overall loan exposure. The directors continue to adopt an approach of carrying out essential capital expenditure. The directors have also taken cognisance of the solid capital base and the diversity of the Group's business model of the companies within the Group. The directors consider the Group and all Mizzi Organisation companies to be a going concern. Hence the going concern assumption in the preparation of these financial statements is considered appropriate and there are no material uncertainties which may cast significant doubt about the ability of the Group and its companies to continue operating as a going concern.

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

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

In 2025, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 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 impacting the Group's financial results and position.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2025. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Directors are of the opinion that there are no requirements that will have a material impact on the Group's financial results and financial position in the period of initial application, other than what's described below.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 (issued on 9 April 2024) was endorsed for use in the European Union on 16 February 2026 and is set to replace IAS 1 'Presentation of Financial Statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impact on presentation and disclosure are expected to be pervasive, particularly those related to the statement of financial performance. IFRS 18 will also require the disclosure of management-defined performance measures within the financial statements.

The Directors are currently assessing the implications of applying IFRS 18 on the financial statements.

The new standard will be applicable from its mandatory effective date of 1 January 2027, with retrospective application, meaning that comparative information will be restated to reflect the new presentation and disclosure requirements introduced.

1.2 Consolidation

(a) Subsidiaries

Subsidiaries 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.

The Group uses the acquisition method of accounting to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

1. Summary of material accounting policies - continued

1.2 Consolidation - continued

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 this 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 profit or loss. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

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, i.e. at cost less impairment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. 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 identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. 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 have been changed where 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, i.e. at cost less impairment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of associates are reflected in the company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1. Summary of material accounting policies - continued

1.3 Functional and presentation currency

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

1.4 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land and buildings are subsequently shown at fair value, based on periodic valuations by professional valuers, 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 restated to the revalued amount of the asset. All other property, plant and equipment is subsequently stated 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. 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 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 to 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	2
Furniture, fittings and equipment	10-15
Operational equipment	10-15
Office equipment	20-33½
Motor vehicles	25

Freehold land is not depreciated as it is deemed to have an indefinite life.

No depreciation is charged on linen, crockery, cutlery, glassware, uniforms and hotel loose tools. Normal replacements are charged to profit or loss.

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

1. Summary of material accounting policies - continued

1.4 Property, plant and equipment - continued

Property, plant and equipment is 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). Property, plant and equipment that suffered an impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

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.

1.5 Financial assets

Classification

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

- those to be measured subsequently at fair value (through other comprehensive income); and
- those to be measured at amortised cost.

The classification depends on the entity'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 be recorded in other comprehensive income (OCI). For investments in equity instruments that are not held for trading, the Group is allowed to make 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 financial assets, comprising debt investments, when and only when its business model for managing those assets changes.

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.

(a) Debt instruments

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently 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 in the statement of profit or loss.

1. Summary of material accounting policies - continued

1.5 Financial assets - continued

Accordingly the Group subsequently measures its financial assets comprising debt instruments, consisting of loans and advances, trade and other receivables and cash and cash equivalents, at amortised cost.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Organisation'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.

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).

1.5.1 Trade and other receivables

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

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

Trade 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 receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.5.2 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. The bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of inventories comprises 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.

1. Summary of material accounting policies - continued

1.7 Share capital

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

1.8 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 measured at amortised cost, i.e. not at fair value through profit or loss under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

1.8.1 Trade and other payables

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

1.8.2 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised 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 end of the reporting period.

1.9 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.

1.10 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 latter case, the tax is also recognised in other comprehensive income or directly in equity respectively.

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

1. Summary of material accounting policies - continued

1.10 Current and deferred tax - continued

The principal temporary differences arise from the fair valuation of land and buildings category of property, plant and equipment, depreciation on property, plant and equipment and provisions for impairment of trade and other receivables. 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 tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

1.11 Revenue recognition

Revenues include all sales from the ordinary business activities of the Group. Ordinary activities do not only refer to the core businesses but also to other recurring sales of goods or rendering of services. Revenues are recorded net of value added tax.

(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 creates 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 an entity forming part of the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before - irrespective of when payment is due - the requirements for billing and thus the recognition of a receivable exist.

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.

1. Summary of material accounting policies - continued

1.11 Revenue recognition - continued

Sales from goods and services

The services offered by the Group primarily relate to services within the hospitality activity. Revenue from such services is recognised when the service is performed and/or when the goods (primarily food and beverages relating to restaurant and bar sales) are supplied upon performance of the service. Revenue is usually in cash, credit card or on credit.

Contracts - where revenue is recognised over time

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs are recognised when incurred.

When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue and contract costs are recognised over the period of the contract, respectively, as revenue and expenses. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group uses the 'percentage of completion method' to determine the appropriate amount of revenue and costs to recognise in a given period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed up to the end of the reporting period in relation to the estimated total costs for the contract. Costs incurred during the year that relate to future activity on a contract are excluded from contract costs in determining the stage of completion and are shown as contract work in progress within inventories.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the end of the reporting period. The Group presents as a contract asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings, within trade and other receivables. The Group presents as a contract liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses), within trade and other payables.

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.

Financing

The Group does not expect to have any 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.

1. Summary of material accounting policies - continued

1.11 Revenue recognition - continued

- (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.

1.12 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 purposes. The recoverability of contract assets is also assessed, especially to address 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 (previously recognised in deferred income).

1.13 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or a series of payments, the right to use an asset for an agreed period of time.

The Group undertaking is the lessee

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. 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 consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at 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 as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

1. Summary of material accounting policies - continued

1.13 Leases - continued

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

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;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, where there is no third party financing; and
- makes adjustments specific to the lease, e.g. term.

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

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

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

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. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all 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. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant in considering to extend (or not terminate):

- if there are significant penalties to terminate (or not extend), the group undertaking is typically reasonably certain to extend (or not terminate); and
- if any leasehold improvement are expected to have a significant remaining value, the group undertaking is typically reasonably certain to extend (or not terminate).
- Otherwise, the group undertaking considers other factors including historical lease durations and the costs and business disruption required to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

1. Summary of material accounting policies - continued

1.14 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment 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 interest-bearing borrowings.

1.15 Dividend distribution

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

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, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management, covering risk exposures for all Group undertakings, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Company's board of directors provides 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 did not make use of derivative financial instruments to hedge certain risk exposures 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 respective entity's functional currency. The Group's revenues, purchases and other expenditure, financial assets and liabilities, including financing, are mainly denominated in euro. Accordingly, the Group is not significantly exposed to foreign exchange risk and 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 end of the reporting period is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

The Group's significant instruments which are subject to fixed interest rates comprise loans to an associate (Note 9). With respect to these instruments, the Group is 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.

The Group's interest rate risk principally arises from bank borrowings (Note 16) subject to floating interest rates, which expose the Group to cash flow interest rate risk. Management monitors the impact of changes in market interest rates on amounts reported in profit or loss in respect of these instruments. Based on this analysis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial and accordingly the level of interest rate risk is contained. The Group's operating cash flows are substantially independent of changes in market interest rates.

2. **Financial risk management** - continued

(iii) *Price risk*

The Group is not significantly exposed to equity price risk in view of the fact that the financial assets at FVOCI held by the Group are not material.

(b) *Credit risk*

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

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Financial assets measured at amortised cost:				
Loans and advances (Note 9)	6,984,573	3,920,942	6,984,573	3,920,942
Trade and other receivables (Note 11)	11,643,953	12,320,719	7,878,134	8,668,200
Cash and cash equivalents (Note 12)	1,130,282	2,672,195	606,493	2,135,743
	19,758,808	18,913,856	15,469,200	14,724,885

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any significant collateral as security in this respect.

The figures disclosed in the table above in respect of trade receivables exclude advance payments to suppliers, prepayments and indirect taxation.

Cash and cash equivalents

The Group principally banks with local financial institutions with high-quality standing or rating. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss is insignificant.

Trade and other receivables (including contract assets)

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 services are effected to customers with an appropriate credit history. The Group monitors the performance of its trade and other receivables on a regular basis to identify incurred and expected collection losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable.

2. Financial risk management - continued

Trade and other receivables (including contract assets)

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 and other receivables. Whilst no individual customer or group of dependent customers is considered by management as a significant concentration of credit risk with respect to contractual debts, these exposures are monitored and reported more frequently and rigorously. These customers trade frequently with the Group and are deemed by management to have positive credit standing, usually taking cognisance of the performance history without defaults.

The Group manages credit limits and exposures actively in a practicable manner such that there are no significant past due amounts receivable from customers at the end of the reporting period. The Group's trade and other receivables, which are not credit 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 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 trade receivables for the Group as at 31 December 2025 and 2024 was determined as follows:

	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 120 past days	+121 days past due	Total
31 December 2025						
Expected loss rate	0.2%-4.8%	0.3%-5.7%	0.4%-6.3%	0.6%-7.8%	0.8%-100%	
Gross carrying amount (€)	387,083	130,706	73,127	17,344	219,462	827,722
Loss allowance (€)	15,091	2,933	1,361	430	48,489	68,304
31 December 2024						
Expected loss rate	0.2%-4.8%	0.3%-5.7%	0.4%-6.3%	0.6%-7.8%	0.8%-100%	
Gross carrying amount (€)	522,683	156,027	9,792	2,550	198,872	889,924
Loss allowance (€)	28,728	3,765	617	195	40,015	73,320

2. Financial risk management – continued

The Group engages in routine monitoring of the account activity and repayment patterns of its trade receivables. Customers are segmented based on shared credit risk characteristics predominantly by economic sector, and accordingly receivables pertaining to certain higher risk segments are subjected to more rigorous monitoring. The Group also engages in monitoring information available on macro-economic factors affecting customer repayment ability, with a view to also assess the respective actual and projected repayment ability of the customers serviced by the Group. The Group determines expected credit loss rates by taking cognisance of the projected impact on the repayment ability of the Group's customers, the repayment pattern actually experienced, and the estimated life of trade receivables. As at 31 December 2025, the Group retained the same expected credit loss rates as those applied as at 31 December 2024.

The expected loss rates disclosed in the tables above reflect the fact that the 100% loss rate is triggered for receivables which are primarily past due by 420 days or more (2024: 420 days or more).

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, credit loss allowances in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances. Reversals of credit loss allowances 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 in Note 22.

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.

Credit losses on trade receivables and contract assets are presented as net expected credit losses and other impairment charges under administrative expenses within operating profit. Subsequent recoveries of amounts written off are credited against the same line item.

2. Financial risk management - continued

Ageing analysis of trade receivables

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 December 2025 and 2024, the Group's past due but not impaired receivables and the carrying amount of trade receivables that would otherwise be past due or credit impaired whose terms have been renegotiated, were not deemed material in the context of the Group's trade receivables figures.

Loans receivable from related parties and other amounts owed by related parties

The Group's receivables include loans and advances and other amounts due from related parties, as disclosed in Notes 9 and 11, arising primarily from financing transactions that have taken place in the current and prior years. The Mizzi Organization's treasury monitors intra-Group and other related party credit exposures at an individual entity level 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 significant losses from non-performance or default.

The loans receivable from associate are with an entity with a high-quality standing and are categorised as Stage 1 for credit risk management purposes in terms of IFRS 9 requirements (i.e. deemed performing). The expected credit loss allowances on such receivables are based on the 12-month probability of default, capturing 12-month expected losses and hence, are considered insignificant.

With respect to loans receivable from and amounts owned by all related parties forming part of the Mizzi Organisation, the Organisation has pledged to manage recovery of these exposures at a central level, also taking into account the financial backing of the ultimate shareholders.

Since the other balances owed by related parties are repayable on demand, expected credit losses are based on the assumption that repayment of the balance is demanded at the reporting date. Accordingly, the expected credit loss allowance attributable to such balances is insignificant.

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise borrowings (Note 16), lease liabilities (Note 17) 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 Mizzi Organisation within certain parameters. The monitoring process considers the fact that the Group has significant amounts payable to related parties in respect of property and financing transactions that have taken place in current and prior years. 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-organisation 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.

The tables below analyse the Group's and the parent company's principal financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table 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 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Total €
At 31 December 2025				
Lease liabilities	73,227	104,762	26,755	204,744
Loans from associate	650,000	-	-	650,000
Trade and other payables	2,920,815	-	-	2,920,815
At 31 December 2024				
Lease liabilities	74,976	76,603	127,536	279,115
Bank borrowings	658,260	211,104	826,824	1,696,188
Loans from associate	390,000	-	-	390,000
Trade and other payables	3,044,199	-	-	3,044,199
Company				
At 31 December 2025				
Loans from associate			550,000	550,000
Trade and other payables			194,256	194,256
At 31 December 2024				
Loans from associate			390,000	390,000
Trade and other payables			193,446	193,446

2. Financial risk management - continued

2.2 Capital risk management

The Group's capital is managed at the level of Mizzi Organisation by reference to the aggregate level of equity and borrowings or debt as disclosed in the respective consolidated financial statements of Consolidated Holdings Limited and Mizzi Organisation Limited, together with the financial statements of The General Soft Drinks Company Limited, GSD Marketing Limited and Mizzi EV Limited. The capital of the entities forming part of the Mizzi Organisation, which have been mentioned above, is managed on an aggregate basis by the Organisation as if they were organised as one entity. The Organisation's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the parent company may issue new shares or adjust the amount of dividends paid to shareholders.

The Organisation 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 respective consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the respective statement of financial position, plus net debt. The aggregated figures in respect of the Organisation's equity and borrowings are reflected below:

	2025	2024
	€	€
Total borrowings	98,012,764	101,417,350
Less: cash and cash equivalents	(12,466,781)	(13,953,471)
Net debt	85,545,983	87,463,879
Total equity	201,979,651	196,648,228
Total capital	287,525,634	284,112,107
Net debt/total capital	30%	31%

The Organisation manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital of Consolidated 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. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the directors, taking cognisance of the Organisation's capital management programme.

2. Financial risk management - continued

2.3 Fair values of financial instruments

At 31 December 2025 and 2024 the carrying amounts of cash at bank, receivables, payables, accrued expenses and short-term borrowings 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 balances with related parties which are repayable on demand is equivalent to their carrying amount.

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 loans and advances and borrowings at the end of the reporting periods is not significantly different from the carrying amounts. The carrying amounts of the other financial liabilities as at 31 December 2025, comprising lease liabilities, are reasonable estimates of their fair value. 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 categorised as level 2 within the fair value measurement hierarchy required by IFRS 7, '*Financial Instruments: Disclosure*'.

3. Critical 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, 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 critical 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 on the basis of professional advice.

4. Property, plant and equipment

Group

	Land and buildings and improvement to premises	Furniture, fittings and equipment	Operational equipment	Motor vehicles	Total
	€	€	€	€	€
At 1 January 2024					
Cost or valuation	23,799,645	3,986,494	4,939,469	171,758	32,897,366
Accumulated depreciation	(3,629,783)	(2,662,292)	(2,923,656)	(126,062)	(9,341,793)
Net book amount	20,169,862	1,324,202	2,015,813	45,696	23,555,573
Year ended					
31 December 2024					
Opening net book amount	20,169,862	1,324,202	2,015,813	45,696	23,555,573
Revaluation surplus arising during the year (Note 14)	2,073,989	-	-	-	2,073,989
Additions	81,031	1,008,571	290,079	-	1,379,681
Business combination (Note 20)	-	-	120,000	-	120,000
Disposals	-	(591,015)	(150,249)	-	(741,264)
Depreciation charge	(248,983)	(464,232)	(546,022)	(21,196)	(1,280,433)
Depreciation released upon disposals	-	579,508	144,089	-	723,597
Closing net book amount	22,075,899	1,857,034	1,873,710	24,500	25,831,143
At 31 December 2024					
Cost or valuation	25,954,665	4,404,050	5,199,299	171,758	35,729,772
Accumulated depreciation	(3,878,766)	(2,547,016)	(3,325,589)	(147,258)	(9,898,629)
Net book amount	22,075,899	1,857,034	1,873,710	24,500	25,831,143
Year ended					
31 December 2025					
Opening net book amount	22,075,899	1,857,034	1,873,710	24,500	25,831,143
Additions	347,564	529,288	408,827	-	1,285,679
Depreciation charge	(255,929)	(513,972)	(582,200)	(12,250)	(1,364,351)
Closing net book amount	22,167,534	1,872,350	1,700,337	12,250	25,752,471
At 31 December 2025					
Cost or valuation	26,302,229	4,933,338	5,608,126	171,758	37,015,451
Accumulated depreciation	(4,134,695)	(3,060,988)	(3,907,789)	(159,508)	(11,262,980)
Net book amount	22,167,534	1,872,350	1,700,337	12,250	25,752,471

4. Property, plant and equipment - continued

Fair valuation of property

The principal elements of the Group's land and buildings, within property, plant and equipment, were last revalued on 31 December 2024 by an independent professionally qualified valuer. The book value of the property was adjusted to the revaluation and the resultant surplus, net of applicable deferred income taxes, was credited to the revaluation reserve in shareholders' equity (Note 14).

The valuation was made on the basis of open market value taking cognisance of the specific location of the property, the size of the site together with its development potential, the availability of similar properties in the area, and whenever possible, having regard to recent market transactions for similar properties in the same location.

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:

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

The Group's land and buildings consists of operational property that is owned and managed by a Group undertaking. 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 years.

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 years, is reflected in the table above.

Valuation processes

The valuation of the property is performed regularly on the basis of valuation reports prepared by third party qualified valuers and other valuation assessments prepared by management. These reports are based on both:

- information provided by the Group which is derived from the Group undertaking's financial systems and is subject to the entity's overall control environment; and
- assumptions and valuation models used by the valuers/management; with assumptions being typically market related and based on professional judgement and market observation.

4. Property, plant and equipment - continued

The information provided to the valuers utilised by management, together with the assumptions and the valuation models used by the valuers/management, are reviewed by designated officers within the Mizzi Organisation. This includes a review of fair value movements over the period. When the designated officers consider that the valuation report or assessment is appropriate, the report is recommended to the Board of directors. The Board then considers the report as part of its overall responsibilities.

At the end of every reporting period, the designated officers assess whether any significant changes or developments have been experienced since the last valuation report or assessment. This analysis is usually supported by an assessment performed by the third party property valuers or management depending on the complexity of the property being valued. The officers report to the Board on the outcome of this assessment, which might indicate the requirement of a valuation report by third party valuers.

Valuation techniques

The external valuation has been performed using a 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 valuations have been performed using unobservable inputs. The significant inputs to the approaches used are generally those described below:

The 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:

Earnings before interest, tax depreciation and amortisation (EBITDA)	based on projected income streams less operating expenditure necessary to operate the hotel, but prior to depreciation and financing charges
Growth rate	based on management's estimated average growth of the Group's EBITDA levels, mainly determined by projected growth in income streams;
Discount rates	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.

4. Property, plant and equipment - continued

Information about fair value measurements using significant unobservable inputs (Level 3) as at 31 December 2025 for the Group's entire property portfolio:

Description by class based on highest and best use	Valuation technique	Significant unobservable input	Range of unobservable inputs (weighted average)
As at 31 December 2025			
Current use as commercial premises (hotel operations)	DCF approach	EBITDA	€3,130,000 in 2026
		Growth rate	3% per annum
		Discount rate	9.1% (post tax)
		Perpetuity yield	7.1%
As at 31 December 2024			
	DCF approach	EBITDA	€3,160,000 in 2025
		Growth rate	3% per annum
		Discount rate	9.1% (post tax)
		Perpetuity yield	7.1%

In relation to the DCF approach, an increase in the projected levels of EBITDA and 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.

At 31 December 2025 and 2024, the directors considered the current use of the property to be equivalent to the highest and best use.

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

	2025 €	2024 €
Cost	14,374,186	14,026,622
Accumulated depreciation	(3,878,475)	(3,642,239)
Net book amount	10,495,711	10,384,383

Bank borrowings in the name of Group undertakings and related parties forming part of Mizzi Organisation are secured on the Group's land and buildings (see Notes 16 and 31).

4. Property, plant and equipment - continued

Company

	Motor vehicles €
At 1 January 2024	
Cost	84,785
Accumulated depreciation	(39,089)
Net book amount	45,696
Year ended 31 December 2024	
Opening net book amount	45,696
Depreciation charge	(21,196)
Closing net book amount	24,500
At 31 December 2024	
Cost	84,785
Accumulated depreciation	(60,285)
Net book amount	24,500
Year ended 31 December 2025	
Opening net book amount	24,500
Depreciation charge	(12,250)
Closing net book amount	12,250
At 31 December 2025	
Cost	84,785
Accumulated depreciation	(72,535)
Net book amount	12,250

5. Right of use assets

Group

The Group's leasing activities

The Group leases motor vehicles from a related party forming part of Mizzi Organisation. Rental contracts are typically made for fixed periods of 5 to 6 years. A group undertaking also leases property from a third party where rental contract is for a period ranging from 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

5. Right of use assets - continued

Extension and termination options are included in the majority of the Group's property and motor vehicle leases. These terms are used to maximise operational flexibility in respect of managing contracts. The majority of extension and termination options held are exercisable only by the group undertakings and not by the respective lessors. In respect of the majority of lease arrangements, the extension periods have been included in determining lease term for the respective arrangement.

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

	2025	2024
	€	€
Property	94,456	138,543
Motor vehicles	97,665	125,520
As at 31 December	192,121	264,063

The movement in the carrying amount of these assets is analysed in the following table:

	2025	2024
	€	€
As at 1 January	264,063	5,519
Additions	-	303,535
Depreciation	(71,942)	(44,991)
As at 31 December	192,121	264,063

The income statement reflects the following amounts relating to leases:

	2025	2024
	€	€
<i>Depreciation charge of right-of-use assets:</i>		
Property	44,087	25,718
Motor vehicles	27,855	19,273
<i>Interest expense (included in finance costs)</i>	5,301	3,494

6. Investments in subsidiaries

Company

	2025	2024
	€	€
Year ended 31 December		
Opening and closing cost and carrying amount	7,133,992	7,133,992

6. Investments in subsidiaries - continued

The subsidiaries at the end of the financial reporting periods, whose results and financial position affected the figures of the Group, are shown below:

	Registered office	Class of shares held	Percentage of shares held	
			2025 %	2024 %
The Waterfront Hotel Limited	Mizzi Organisation Corporate Office Testaferrata Street Ta' Xbiex Malta	Ordinary shares	100	100
		5% Non-cumulative redeemable preference shares	100	100
DAKA Ducting Manufacturing Limited	Mizzi Organisation Corporate Office Testaferrata Street Ta' Xbiex Malta	Ordinary shares	100	100

7. Investments in associates

Group

	2025 €	2024 €
Year ended 31 December		
Opening carrying amount	20,329,554	20,334,880
Share of profits	181,197	230,229
Share of other comprehensive income:		
Share of movement in deferred tax liability on revalued land and buildings of an associate determined on the basis applicable to property disposals (Note 14)	(958,565)	-
Dividends received	(244,433)	(235,555)
Closing carrying amount	19,307,753	20,329,554

	2025 €	2024 €
At 31 December		
Cost	3,712,426	3,712,426
Share of profits and reserves	15,595,327	16,617,128
Carrying amount	19,307,753	20,329,554

The Group's share of profits of the associates, disclosed in the tables above and in profit or loss, is after tax and non-controlling interests in the associates.

7. Investments in associates - continued

The associates at the end of the financial reporting periods, whose results and financial position affected the figures of the Group, are shown below:

	Registered office	Class of shares held	Percentage of shares held	
			2025 %	2024 %
Mizzi Associated Enterprises Limited	Leisure House 30 Archbishop Street Valletta Malta	Ordinary shares	51	51
Mellieha Bay Hotel Limited	Mellieha Bay Hotel Marfa Road, Ghadira Malta	Ordinary shares	51	51
AquaLuna Lido Ltd	The Waterfront Hotel Triq ix-Xatt, Sliema Malta	Ordinary 'A' shares	33⅓	33⅓
Sliema Creek Lido Limited	The Waterfront Hotel Triq ix-Xatt, Sliema Malta	Ordinary 'A' shares	33⅓	33⅓

The proportion of the voting power held in Mizzi Associated Enterprises Limited and Mellieha Bay Hotel is 50%. Whilst the 51% shareholding in Mizzi Associated Enterprises Limited and Mellieha Bay Hotel Limited is held directly by Consolidated Holdings Limited, the other 49% shareholding is held by Alf. Mizzi & Sons Limited and Dunbar Holdings Ltd respectively. Neither of the shareholders of both entities are in a position to exercise a dominant influence on Mizzi Associated Enterprises Limited and Mellieha Bay Limited, as they are only entitled under the respective company's Memorandum and Articles of Association to elect two directors each.

The shareholding in AquaLuna Lido Ltd and Sliema Creek Lido Limited is held through The Waterfront Hotel Limited.

7. Investments in associates - continued

Disclosure requirements emanating from IFRS 12 'Disclosure of interests in other entities'

Mizzi Associated Enterprises Limited's principal activity is the ownership and the development of property for trading and rental purposes. The principal activity of Mellieha Bay Hotel Limited is the ownership of the Mellieha Bay Hotel. With respect to the other associates, Sliema Creek Lido Limited has an emphyteutical grant concession of 65 years that commenced in 2018, in respect of a particular property in Gzira, which it leases out to Aqualuna Lido Ltd to manage and operate a lido operation as its principal activity. The associates' principal places of business are based in Malta.

The above investments provide strategic partnerships for the Group providing economies of scale and depth within business sectors which are targeted by the Group for diversification or consolidation purposes.

The investments in these associates, which are unlisted private companies, are measured using the equity method in accordance with the Group's accounting policy. Summarised financial information for the associates is set out below:

Summarised statement of financial position

	Mellieha Bay Hotel Limited		Mizzi Associated Enterprise Limited	
	2025	2024	Consolidated financial information	
	€	€	2025	2024
	€	€	€	€
ASSETS				
Non-current assets	62,585,022	47,122,962	1,859,317	1,848,231
Current assets				
Cash and cash equivalents	287,300	283,636	32,978	18,128
Other current assets	2,815,805	190,130	1,152,065	879,224
Total current assets	3,103,105	473,766	1,185,043	897,352
Total assets	65,688,127	47,596,728	3,044,360	2,745,583
LIABILITIES				
Non-current liabilities				
Other liabilities	28,598,159	10,399,175	-	-
Current liabilities				
Trade and other payables	2,802,249	792,965	148,739	289,083
Other liabilities	-	-	17,735	5,096
Total liabilities	31,400,408	11,192,140	166,474	294,179
Net assets	34,287,719	36,404,588	2,877,886	2,451,404

7. Investments in associates - continued

Summarised statement of financial position

	AquaLuna Lido Ltd		Sliema Creek Lido Limited	
	2025	2024	2025	2024
	€	€	€	€
ASSETS				
Non-current assets	152,821	122,550	413	458
Current assets				
Cash and cash equivalents	99,133	437,827	5,227	65,210
Other current assets	523,160	119,637	163,374	133,888
Total current assets	622,293	557,464	168,601	199,098
Total assets	775,114	680,014	169,014	199,556
LIABILITIES				
Current liabilities				
Trade and other payables	461,991	382,045	167,566	200,292
Other liabilities	310,095	296,091	-	541
Total liabilities	772,086	678,136	167,566	200,833
Net assets	3,028	1,878	1,448	(1,277)

The Group's respective share of the net assets reflected in the above tables in respect of AquaLuna Lido Ltd and Sliema Creek Lido Limited is in substance equivalent to the carrying amount of its investment in the associates. The Group's share of the net assets of Mizzi Associated Enterprises Limited and Mellieha Bay Hotel Limited, extracted from the respective financial statements, does not reflect the Group's carrying amount of the investments in the respective entities. The difference arises as a result of fair value adjustments effected at the time that Mizzi Associated Enterprises Limited acquired Mellieha Bay Hotel Limited in prior years.

There are no significant contingent liabilities relating to the Group's interest in the associates.

7. **Investments in associates** - continued

Summarised statements of comprehensive income

	Mellieha Bay Hotel Limited		Mizzi Associated Enterprise Limited Consolidated financial information	
	2025 €	2024 €	2025 €	2024 €
Revenue	172,863	152,755	329,527	142,103
Depreciation	(213,528)	(211,955)	(208)	(208)
Interest expense	(2,748)	(2,852)	(968)	(954)
(Loss)/profit before tax	(550,602)	(142,777)	477,813	162,911
Tax expense	-	-	(51,331)	(30,702)
(Loss)/profit for the year - Total comprehensive income	(550,602)	(142,777)	426,482	132,209
	AquaLuna Lido Limited		Sliema Creek Lido Limited	
	2025 €	2024 €	2025 €	2024 €
Revenue	1,852,743	1,763,623	157,000	156,500
Depreciation	(17,696)	(14,084)	(45)	(44)
Profit before tax	863,854	832,966	1,493	1,319
Tax expense	(129,406)	(126,110)	(538)	(572)
Profit for the year - Total comprehensive income	734,448	706,856	955	747
Dividends received from associate	244,433	235,555	-	-

Company

	2025 €	2024 €
Years ended 31 December		
Opening and closing cost and carrying amount	6,045,985	6,045,985

8. Financial assets at fair value through other comprehensive income

	Group and Company	
	2025	2024
	€	€
Year ended 31 December		
Opening net book amount	12,259	12,060
Additions	-	199
Closing net book amount	12,259	12,259
At 31 December		
Cost	94,011	94,011
Provisions for impairment	(81,752)	(81,752)
Net book amount	12,259	12,259

The Group's and Company's financial assets at FVOCI, consisting primarily of unquoted equity instruments, are fair valued annually. Fair value is mainly estimated by reference to the net asset backing of the investee. The fair value of the Group's financial assets at FVOCI at the end of the reporting period was deemed by the directors to approximate their carrying amount.

9. Loans and advances

	Group and Company	
	2025	2024
	€	€
Non-current		
Loans to related party forming part of Mizzi Organisation	713,352	713,352
Loans to associate	6,271,221	3,207,590
	6,984,573	3,920,942

Loans to related party forming part of Mizzi Organisation amounting to €713,352 (2024: €713,352) represented redeemable preference shares issued by a related party forming part of Mizzi Organisation (which was subsequently merged into another entity forming part of the Organisation) that were allotted to the parent company and settled through a dividend distribution. In prior years these preference shares were redeemed (upon the merger referred to above) and were replaced by loans receivable from the surviving entity for an equivalent amount. As at 31 December 2025 and 2024, these loans are unsecured, interest free and have no fixed date of repayment, but are not repayable within one year from the end of the reporting period.

Loans to associate amounting to €6,271,221 (2024: €3,207,590) at 31 December 2025 are unsecured, repayable at the discretion of the borrower and subject to a fixed interest rate of 5%.

10. Inventories

	Group	
	2025	2024
	€	€
Food and beverages	183,843	156,769

The cost of inventories recognised as expense is appropriately disclosed in Note 22 to the financial statements.

11. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current				
Trade receivables	583,255	574,547	-	-
Contract assets				
Gross amounts due from customers for contract work	176,163	242,057	-	-
Amounts owed by related parties forming part of Mizzi Organisation	10,834,336	11,496,517	7,878,134	8,668,200
Amounts owed by associate	45,486	2,885	-	-
Amounts owed by other related parties	4,713	4,713	-	-
Advance payments to suppliers	213,723	342,384	-	-
Indirect taxation	155,574	176,864	-	-
Prepayments	98,332	120,338	4,911	7,389
	12,111,582	12,960,305	7,883,045	8,675,589

Receivables above are disclosed net of credit loss allowances as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Trade receivables	58,817	72,166	-	-
Gross amounts due from customers for contract work	9,487	1,154	-	-

The aggregate amount of costs incurred and recognised profits (less recognised losses) to date for contracts in progress at the end of the reporting period amounts to €711,084 (2024: €291,153). Gross amounts due from and to customers for contract work in respect of these contracts are disclosed in the table above and in Note 19.

All movements in contract assets during the current and preceding financial years relate to business variations.

12. Cash and cash equivalents

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

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Cash at bank and in hand	1,130,282	2,672,195	606,493	2,135,743

13. Share capital

	Group and Company	
	2025	2024
	€	€
Authorised 500,000 (2024: 500,000) ordinary shares of €2.329373 each	1,164,687	1,164,687
Issued and fully paid 320,600 (2024: 320,600) ordinary shares of €2.329373 each	746,797	746,797

The Parent Company's share capital consists of only one class of shares. There are no shareholders having special control rights in the Parent Company, nor are there any restrictions on voting rights in the Parent Company.

14. Revaluation reserves

Group

	2025	2024
	€	€
Surplus arising on fair valuation of:		
Land and buildings of subsidiary	9,883,035	9,915,318
Land and buildings of associate	8,520,446	9,479,011
	18,403,481	19,394,329

14. Revaluation reserves - continued

The movements in each category are analysed as follows:

	2025 €	2024 €
Land and buildings of subsidiary		
At beginning of year	9,915,318	8,055,054
Revaluation surplus arising during the year (Note 4)	-	2,073,989
Transfer upon realisation through asset use	(19,693)	(19,693)
Deferred income taxes on revaluation surplus arising during the year (Note 18)	-	(207,399)
Movement in deferred tax liability determined on the basis applicable to property disposals (Note 18)	(19,483)	6,474
Deferred income taxes on realisation through asset use (Note 18)	6,893	6,893
	9,883,035	9,915,318
	2025 €	2024 €
Land and buildings of associate		
At beginning of year	9,479,011	9,479,011
Share of movement in deferred tax liability on revalued land and buildings of an associate determined on the basis applicable to property disposals	(958,565)	-
	8,520,446	9,479,011

The tax impact included in the revaluation reserves as at 31 December 2025, relates to deferred taxation arising on the surplus on fair valuation of land and buildings of subsidiary for an amount of €2,060,444 (2024: €2,047,854) (Note 18). The movements in the tax impact relating to this component of other comprehensive income during the current and preceding financial years are presented in the respective table above.

The revaluation reserves are non-distributable.

15. Other reserves

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Share of associate's incentives and benefits reserve	1,034,694	1,034,694	-	-
Capital reserves	113,592	113,592	113,592	113,592
	1,148,286	1,148,286	113,592	113,592

During the current and preceding financial years there were no movements in the reserves disclosed above.

15. Other reserves - continued

In accordance with Articles 24B and 36 of the Business Promotion Act, transfers were effected by an associate to an incentives and benefits reserve representing the net amount of profits subject to income tax at a reduced rate of tax. Such profits were set aside for the exclusive purpose of financing the upgrading projects within an associate as approved by Malta Enterprise Corporation in accordance with Article 6 of the Business Promotion Act. The incentives and benefits reserve was not distributable and had to be retained for a period of eight years, which expired on 31 December 2021, after which it can be distributed by means of a bonus issue.

The capital reserves are not considered by the directors to be available for distribution.

16. Borrowings

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current				
Bank loans	-	602,955	-	-
Loans from associates	650,000	390,000	550,000	390,000
	650,000	992,955	550,000	390,000
Non-current				
Bank loans	-	928,144	-	-
	650,000	1,921,099	550,000	390,000

Group

The Group's banking facilities as at 31 December 2025 amounted to €12,523,300 (2024: €14,055,404). These facilities are mainly secured by:

- (a) general hypothec on the parent company's assets for €11,000,000 (2024: €11,000,000);
- (b) special hypothecary guarantees over property of a group undertaking and of a related party forming part of Mizzi Organisation for the amount of €11,000,000 (2024: €11,000,000);
- (c) general hypothec given by a group undertaking for an amount of €1,500,000 (2024: €3,556,000) over assets, supported by a special hypothec over property of the same group undertaking for an equivalent amount;
- (d) general hypothecary guarantees by a related party forming part of Mizzi Organisation for the amount of €11,000,000 (2024: 11,000,000) over assets; and
- (e) guarantees by the parent company and a related party forming part of Mizzi Organisation for €300,000 (2024: €300,000) and €3,100,000 (2024: €3,100,000) respectively.

The Group's bank borrowings are entirely subject to variable rates of interest linked to Euribor. The weighted average effective interest rates for bank borrowings at the end of the reporting period are as follows:

	2025	2024
Bank loans	-	4.5%

16. Borrowings - continued

Maturity of the Group's non-current bank borrowings:

	2025 €	2024 €
Between 1 and 2 years	-	172,353
Between 2 and 5 years	-	755,791
	-	928,144

The Group's and the Company's current loans from associates amounting to €650,000 (2024: €390,000), and €550,000 (2024: €390,000) respectively, are unsecured, interest-free and repayable on demand.

Company

The Company's banking facilities as at 31 December 2025 amounted to €11,000,000 (2024: €11,000,000). These facilities are mainly secured by:

- (a) general hypothec on the parent company's assets for €11,000,000 (2024: €11,000,000);
- (b) special hypothecary guarantees over property of a subsidiary and of a related party forming part of Mizzi Organisation for the amount of €11,000,000 (2024: €11,000,000);
- (c) general hypothecary guarantees by a related party forming part of Mizzi Organisation for the amount of €11,000,000 (2024: €11,000,000) over assets.

17. Lease liabilities

The lease liabilities associated with the recognised right-of-use assets are analysed below:

	2025 €	2024 €
Non-current		
Properties	57,814	101,990
Motor vehicles	71,589	99,148
	129,403	201,138
Current		
Properties	43,827	40,063
Motor vehicles	27,560	27,012
	71,387	67,075
Total lease liabilities	200,790	268,213

17. Lease liabilities - continued

The movement in the carrying amount of these liabilities is analysed in the following table:

	2025 €	2024 €
As at 1 January	268,213	5,173
Additions	-	303,535
Payments	(72,724)	(43,989)
Interest charge	5,301	3,494
As at 31 December	200,790	268,213

The total cash outflows for leases in 2025 was €72,724 (2024: €43,989). The contractual undiscounted cash flows attributable to lease liabilities as at 31 December are analysed in Note 2.1(c). The weighted average incremental borrowing rate applied to the lease liabilities by the Group was 3%.

18. Deferred taxation

Group

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

The movement in the deferred tax balance is as follows:

	2025 €	2024 €
At beginning of year	2,436,085	2,223,325
Deferred income taxes on revaluation surplus on property; Plant and equipment arising during the year (Note 14)	-	207,399
Movement in deferred tax liability determined on the basis applicable to property disposals:		
- Property, plant and equipment - recognised in other comprehensive income (Note 14)	19,483	(6,474)
Realisation through asset use (Note 14 and 27)	(6,893)	(6,893)
Deferred income taxes on temporary differences arising on depreciation of property, plant and equipment and credit loss allowances (Note 27)	(27,306)	18,728
At end of year	2,421,369	2,436,085

All the amounts disclosed in the table above, which have been referenced to Note 27, are recognised in profit or loss. The other amounts referenced to Note 14, have been recognised directly in equity in other comprehensive income.

18. Deferred taxation - continued

The balance at 31 December represents:

	2025 €	2024 €
Temporary differences arising on fair valuation of property	1,780,919	1,768,329
Deferred taxation arising on transfer of property from Group undertakings	279,525	279,525
Taxable temporary differences arising on depreciation of property, plant and equipment	367,732	397,825
Deductible temporary differences arising on credit loss allowances	(6,807)	(9,594)
	2,421,369	2,436,085

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months.

At 31 December 2025 and 2024, the Group had the following unutilised tax credits and temporary differences:

	Unrecognised		Recognised	
	2025	2024	2025	2024
	€	€	€	€
Unutilised tax credits arising from:				
Unabsorbed capital allowances	200,741	226,189	-	-
Unabsorbed capital losses	10,721	10,721	-	-
Deductible temporary differences arising on:				
Depreciation of property, plant and equipment	42,427	16,504	-	-
Credit loss allowances in respect of trade and other receivables	48,855	45,910	19,449	27,410
Provisions for impairment on investments in associates and investments at FVOCI	81,752	81,752	-	-
Taxable temporary differences arising on depreciation of property, plant and equipment	-	-	(1,050,662)	(1,136,642)

The gross effects of the deferred taxes attributable to right-of-use assets and lease liabilities are not disclosed in view of the immaterial deferred tax assets that would result from the recognition of the net impacts.

The unrecognised deferred tax assets at the end of the reporting periods have not been reflected in these financial statements due to the uncertainty of the realisation of the tax benefits. Unabsorbed capital allowances are forfeited upon cessation of the trade.

Company

At 31 December 2025, the company had unutilised tax credits arising from unabsorbed capital allowances amounting to €200,741 (2024: €200,741). At the end of the reporting period, the company also had deductible temporary differences arising on impairment provisions in respect of financial assets at FVOCI amounting to €81,752 (2024: €81,752). The related deferred tax assets have not been recognised in these financial statements due to the uncertainty of the realisation of the tax benefits. Unabsorbed capital allowances are forfeited upon cessation of the trade.

19. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current				
Trade payables	903,463	735,639	-	-
Amounts payable in respect of capital expenditure	317,710	609,654	-	-
Contract liabilities				
Payments received in advance from payments	172,285	121,308	-	-
Gross amounts owed to customers for contract work	32,969	79,907	-	-
Amounts owed to related parties forming part of Mizzi Organisation	946,608	1,036,861	186,020	185,487
Amounts owed to associates	5,028	5,223	-	-
Indirect taxation	95,726	-	-	-
Accruals	748,006	656,822	8,236	7,959
	3,221,795	3,245,414	194,256	193,446

Contract liabilities recognised in revenue during 2025

Revenue recognised in profit or loss during the financial year ended 31 December 2025 that was included in the balances of contract liabilities as at the end of the preceding financial year amounted to €193,087 (2024: €120,820).

All movements in contract liabilities during the current and preceding years related to business variations.

20. Business combination

During the prior year, on 24 May 2024, a group undertaking acquired 100% of the business operation and activities of Daka Mechanical Services Ltd, comprising the provision of ducting services. This acquisition complements the Mizzi Organisation's existing contracting business, enhancing the business offering in this sector and accordingly increases the Organisation's activities and operations within the related business segment. Details of the purchase consideration and the assets acquired are disclosed below:

	2024
	€
Purchase consideration:	
Cash paid	454,023

The assets recognised at fair value as a result of the acquisition are as follows:

	€
Trade receivables	334,023
Plant and machinery	120,000
Total assets acquired	454,023

20. Business combination - continued

- Acquired receivables - The fair value of acquired trade receivables as at the date of acquisition was €334,023.
- Acquired plant and machinery - The fair value of acquired plant and machinery was €120,000 and their estimated remaining useful life is 3 years.

Revenue and profit contribution in 2024 - The acquired business contributed revenues of €397,460 and a net profit of €49,402 to the group for the period from the date of acquisition till 31 December 2024. If the acquisition had occurred on 1 January 2024, the acquired business would have contributed revenues of €681,360 and a net profit of €65,202, for the entire preceding financial year.

Acquisition related costs amounting to €74,053 were reflected within administrative expenses in the statement of profit and loss for the year ended 31 December 2024 and within operating cash flows in the statement of cash flows for the year then ended.

21. Revenue

The Group's revenue, which is entirely derived from the local market, is analysed by category of business as follows:

	2025	2024
	€	€
By category of business		
Hotel operations	9,919,424	9,066,937
Activities in the lifts equipment sector	191,605	551,367
Ducting services	1,425,975	397,460
	11,537,004	10,015,764

The Group's revenue that is recognised over time amounts to €1,617,580 (2024: €948,827) which arises from the activities in the lifts equipment sector and ducting services.

Unfulfilled performance obligations, which are the services that the Group is obliged to provide to customers during the remaining fixed term of the respective contract as at 31 December 2025, relate to the amounts disclosed under 'contract liabilities' in Note 19 to the financial statements.

22. Expenses by nature

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Cost of goods sold and materials consumed for resale	572,493	574,877	-	-
Hotel operating supplies, services and related expenses	1,446,663	1,578,071	-	-
Hotel food and beverage costs	768,436	646,286	-	-
Depreciation of property, plant and equipment (Note 4)	1,364,351	1,280,433	12,250	21,196
Depreciation of right-of-use assets (Note 5)	71,942	44,991	-	-
Employee benefit expense (Note 23)	3,591,749	2,885,741	-	-
Marketing, business promotion and related expenses	113,015	84,050	-	-
Acquisition-related costs (Note 20)	-	74,053	-	-
Management fees and similar service charges	222,261	217,698	-	-
Other expenses	988,249	891,639	18,397	12,643
Total cost of sales and administrative expenses	9,139,159	8,277,839	30,647	33,839

Operating profit/(loss) is stated after (crediting)/charging the following:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Movement in credit loss allowances in respect of trade and other receivables (included within 'Administrative expenses')	(5,016)	16,025	-	-
Loss on disposal of property, plant and equipment (included within 'Administrative expenses')	-	17,667	-	-

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 December 2025 and 2024 relate to the following:

	Group	
	2025	2024
	€	€
Annual statutory audit	31,600	16,100

During the current year fees in relation to non-assurance services amounting to €4,100 (2024: €12,964) have been charged by connected undertakings of the group's auditor in respect of tax advisory and compliance services and other non-audit services.

The auditor's remuneration for the company attributable to the year ended 31 December 2025 amounted to €3,900 (2024: €3,900).

23. Employee benefit expense

	Group 2025	2024
	€	€
Wages and salaries	2,387,559	2,018,248
Subcontracted payroll costs	892,149	738,563
Social security costs	153,052	128,930
	3,432,760	2,885,741
Recharges from related party forming part of Mizzi Organisation	158,989	-
	3,591,749	2,885,741

Average number of persons employed during the year:

	Group 2025	2024
	€	€
Direct	69	60
Administration	13	22
	82	82

The Group's personnel related expenses for the year ended 31 December 2025 included subcontracting payroll costs amounting to €892,149 (2024: €738,563) as reflected in the table above.

24. Investment and other related income

	Group 2025	2024	Company 2025	2024
	€	€	€	€
Gross dividends from investments in subsidiaries	-	-	500,000	300,000
Other gross dividends	1,387	1,387	1,387	1,387
	1,387	1,387	501,387	301,387

25. Finance income

	Group 2025	2024	Company 2025	2024
	€	€	€	€
Interest income from loan to associate	207,631	93,521	207,631	93,521
Interest income from related parties forming part of Mizzi Organisation	-	32,225	-	-
	207,631	125,746	207,631	93,521

26. Finance costs

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Bank interest and charges	198,669	254,203	76,375	751
Interest charges on lease liabilities	5,301	3,494	-	-
	203,970	257,697	76,375	751

27. Tax expense

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current taxation:				
Current tax expense	988,272	692,524	73,156	33,218
Adjustment recognised in financial period for current tax of prior period	(13,779)	-	-	-
Deferred taxation (Note 18)	(34,199)	11,835	-	-
	940,294	704,359	73,156	33,218

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

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Profit before tax	2,785,210	2,022,712	601,996	360,318
Tax on profit at 35%	974,824	707,949	210,699	126,111
Tax effect of:				
Movement in temporary differences arising on property, plant and equipment and credit loss allowances in respect of trade and other receivables	33,110	54,625	4,288	-
Expenses not deductible for tax purposes	33,169	30,996	33,169	12,107
Income exempt from tax or charged at reduced tax	-	-	(175,000)	(105,000)
Share of results of associates	(63,419)	(80,580)	-	-
Unabsorbed capital allowances claimed during the year	-	8,907	-	-
Over provision of tax in previous year	(13,779)	-	-	-
Other differences	(23,611)	(17,538)	-	-
Tax expense in the accounts	940,294	704,359	73,156	33,218

The tax impact relating to components of other comprehensive income is presented in the tables within Note 14 to the financial statements.

28. Directors' emoluments

	Group	
	2025	2024
	€	€
Salaries and other emoluments:		
Non-executive directors (included in 'Other expenses' - Note 22)	54,043	48,248
Executive directors (included in 'Employee benefit expense' - Note 23)	67,655	67,655

29. Cash generated from operations

Reconciliation of operating profit/(loss) to cash generated from operations:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Operating profit/(loss)	2,598,965	1,923,047	(30,647)	(33,839)
Adjustments for:				
Depreciation of property, plant and equipment (Note 4)	1,364,351	1,280,433	12,250	21,196
Depreciation of right-of-use assets (Note 5)	71,942	44,991	-	-
Loss on disposal of property, plant and equipment	-	17,667	-	-
Movement in credit loss allowances in respect of trade and other receivables	(5,016)	16,025	-	-
Changes in working capital:				
Inventories	(27,074)	(35,669)	-	-
Trade and other receivables	853,739	4,032,689	792,544	4,319,773
Trade and other payables	268,325	359,401	810	(57,594)
Cash generated from operations	5,125,232	7,638,584	774,957	4,249,536

Net debt reconciliation

The principal movements in the Group's and the Company's net debt relate to cash inflows and outflows presented as part of financing activities within the statements of cash flows.

30. Commitments

Capital commitments

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

	Group	
	2025	2024
	€	€
Authorised but not contracted for	1,200,000	850,000

31. Contingent liabilities

- (a) The company, together with its subsidiary and related parties forming part of Mizzi Organisation, is jointly and severally liable in respect of guarantees given to secure the banking facilities of Group undertakings and related parties forming part of Mizzi Organisation up to a limit of €88,902,000 (2024: €88,902,000), together with interest and charges thereon. These guarantees are supported by general hypothecary guarantees for the amount of €65,514,000 (2024: €62,514,000) over the company's assets.

A company's subsidiary, together with related parties forming part of Mizzi Organisation, is jointly and severally liable in respect of guarantees given to secure the banking facilities of Group undertakings and related parties forming part of Mizzi Organisation up to a limit of €47,103,000 (2024: €47,103,000), together with interest and charges thereon. These guarantees are supported by special hypothecary guarantees over the subsidiary's property for the amount of €24,000,000 (2024: €21,000,000).

- (b) The company has undertaken to provide financial support to a subsidiary so as to enable the entity to meet its liabilities as they fall due. As at 31 December 2025, the subsidiary's current liabilities exceeded its current assets by €1,255,643 (2024: €1,640,034). However, as at 31 December 2025, this subsidiary's total assets exceeded its total liabilities by €22,038,968 (2024: €20,741,721) and its profit for the year then ended amounted to €1,816,730 (2024: €1,421,918).
- (c) At 31 December 2025, a subsidiary had contingent liabilities amounting to €2,970 (2024: €2,970) in respect of guarantees issued by the bank on its behalf in favour of third parties in the ordinary course of business.
- (d) As at 31 December 2025, a subsidiary had objections filed with the Commissioner of Inland Revenue over assessments raised relating to basis years 1990 and 1993 to 1995 amounting to €2,928 (2024: €2,928) in respect of which no provision has been made in these accounts.

32. Related party transactions

Consolidated Holdings Limited and its subsidiaries form part of the Mizzi Organisation. The Mizzi Organisation is not a legal entity and does not constitute a Group of companies within the meaning of the Maltese Companies Act (Cap. 386). The Organisation is a conglomerate of companies principally comprising Consolidated Holdings Limited and Mizzi Organisation Limited, together with all their respective subsidiaries, The General Soft Drinks Company Limited, GSD Marketing Limited and Mizzi EV Limited.

The entities constituting the Mizzi Organisation are ultimately fully owned by Daragon Limited, Demoncada Holdings Limited, Demoncada Limited, Investors One Limited and Maurice Mizzi. Members of the Mizzi family in turn ultimately own and control the above mentioned companies.

Accordingly, the members of the Mizzi family, the shareholder companies mentioned above, all entities owned or controlled by the members of the Mizzi family and the shareholder companies, the associates of entities comprising the Organisation and the Organisation entities' key management personnel are the principal related parties of the entities forming part of the Mizzi Organisation.

Trading transactions with these related parties would typically include interest charges, management fees, service charges and other such items which are normally encountered in a Group context.

32. Related party transactions - continued

Group

In the ordinary course of their operations, Group undertakings sell services to companies forming part of the Organisation for trading purposes and also purchase goods and services from these companies.

In the opinion of the directors, disclosure of related party transactions, which are generally carried out on commercial terms and conditions, is only necessary when the transactions effected have a material impact on the operating results and financial position of the Group. The aggregate invoiced amounts in respect of a considerable number of transaction types carried out with related parties are not considered material and accordingly they do not have a significant effect on these financial statements.

Except for transactions disclosed or referred to previously, the following significant operating transactions, which were carried out principally with related parties forming part of Mizzi Organisation, have a material effect on the operating results and financial position of the Group:

	2025 €	2024 €
Sales of goods and services		
Sale of goods held for resale and provision of services:		
- Associates	43,603	27,748
- Related parties forming part of Mizzi Organisation	1,386,401	323,963
Management fees receivable:		
- Associates	96,250	110,876
Purchases of goods and services		
Purchases of goods held for resale and services:		
- Associates	109,989	98,675
- Related parties forming part of Mizzi Organisation	378,574	381,648
Purchases of property, plant and equipment:		
- Related parties forming part of Mizzi Organisation	11,337	41,446
Rent payable:		
- Related parties forming part of Mizzi Organisation	1,000	1,200
Management fees payable:		
- Related parties forming part of Mizzi Organisation	178,788	181,057
Wages and salaries:		
- Associates	10,633	14,148
- Related parties forming part of Mizzi Organisation	2,018,505	1,824,891

Furthermore, in 2024, a group undertaking advanced an amount of €750,000 to a related party forming part of Mizzi Organisation. Such advances were subject to interest at a rate of 5.5% generating interest income amounted to €32,225. The amount were repaid in full by the end of 2024.

Year-end balances with related parties, arising principally from the transactions referred to previously, are disclosed in Notes 9, 11, 16 and 19 to these financial statements. These balances are repayable on demand, unsecured and interest free unless otherwise disclosed in the respective notes.

The Group's expenditure reflected in profit or loss comprises amounts recharged from related parties forming part of Mizzi Organisation of €49,275 (2024: €37,385).

32. Related party transactions - continued

Key management personnel comprise the directors of the company and of the other Group undertakings. Key management personnel compensation, consisting of directors' remuneration as disclosed in Note 28, has been recharged by a related party forming part of Mizzi Organisation.

Company

The company's expenditure reflected in profit or loss comprises amounts recharged from a related party forming part of Mizzi Organisation of €15,597 (2024: €13,455).

33. Statutory information

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