

Camilleri Holdings Limited

Report & Consolidated Financial
Statements

31 December 2025

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Directors' report

The directors present their report together with the audited financial statements of Camilleri Holdings Limited ('the company') and the consolidated financial statements of the group for the year ended 31 December 2025.

Principal activities

The group is principally engaged in the importation and sale of clothing apparel and related household items. It is also involved in food, catering and rental of venues.

The company's principal activity is that of providing management services to its subsidiaries.

Results and review of business

During the year, the group grew revenue by 1.4% to € 18.47 million (2024: € 18.21 million). This growth was achieved despite the closure during the year of two stores in Hamrun and another two stores in Sliema. These closures formed part of the Group's five-year restructuring plan, announced last year, intended to refocus the group's lines of business, support longer-term growth and mitigate related risks.

The loss before tax improved marginally to € 1.56 million (2024: € 1.75 million). This improvement reflects the group's focus on cost discipline and the achievement of operating leverage through a reduction in administrative expenses, largely attributable to the rationalisation of the retail footprint. Following revaluation of part of the group's property, total comprehensive loss went down to €453k, which is less than half that of last year.

The group's financial position remains robust, with total assets of € 47.97 million (2024: € 49.71 million), total liabilities of € 31.91 million (2024: € 33.21 million), supported by total equity of € 16.05 million (2024: € 16.50 million). Consequently, total gearing (total liabilities to equity) reduced to below 200% at year-end.

Looking ahead, the group will continue to review and refine its strategic business plan with the aim of further improving profitability and operational efficiencies. The leasing out of owned properties—where the expected contribution to group profitability is lower than prevailing market rental levels—commenced late in 2025 and is expected to support profitability over the medium to long term. The group also continues to invest in technology, including enhancements to its online offering, to respond to evolving consumer behaviour and the competitive pressures from international online sales channels.

Directors

The following have served as directors of the company during the year under review:

Joseph Camilleri
Andre' Camilleri
Anthony Camilleri
Christian Camilleri
Pierre Griscti
Ann Micallef
Alexia Spiteri
Christos Barmperis (resigned on 13 June 2025)

In accordance with the company's Articles of Association, the present directors remain in office.

Disclosure of information to the auditor

At the date of making this report the directors confirm the following:

- as far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

The Companies Act, Cap. 386 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the profit or loss of the group and the company for that year. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap. 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the group and the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to appoint Grant Thornton as auditor of the group and the company will be proposed at the forthcoming Annual General Meeting.



Joseph Camilleri
Director



Anthony Camilleri
Director

Registered office:
63, St. Dominic Street
Valletta VLT 1602
Malta

27 April 2026

Statements of comprehensive income

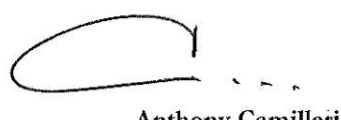
	Notes	Group		Company	
		2025	2024	2025	2024
		€	€	€	€
Revenue		18,467,262	18,208,745	-	-
Cost of goods sold		(10,717,665)	(9,955,572)	-	-
Gross profit		7,749,597	8,253,173	-	-
Other income	5	436,500	261,278	3,527,918	2,352,307
Increase in fair value of investment property		-	-	734,586	-
Administrative expenses		(8,281,684)	(8,886,672)	(2,066,090)	(2,533,609)
Net finance costs	7	(1,469,722)	(1,373,079)	(1,352,723)	(478,185)
(Loss) Profit before tax	8	(1,565,309)	(1,745,300)	843,691	(659,487)
Tax income (expense)	9	443,852	651,380	(23,778)	224,897
(Loss) Profit for the year		(1,121,457)	(1,093,920)	819,913	(434,590)
Other comprehensive income					
<i>Items that will be reclassified to profit and loss</i>					
Revaluation of property plant and equipment		734,586	-	-	-
Tax effect on revaluation		(66,847)	-	-	-
Other comprehensive income for the year		667,739	-	-	-
Total comprehensive (loss) income for the year		(453,718)	(1,093,920)	819,913	(434,590)

Statements of financial position

	Notes	Group 2025	2024	Company 2025	2024
		€	€	€	€
Assets					
Non-current					
Goodwill	10	3,610,315	3,610,315	-	-
Intangible assets	11	373,430	398,755	24,641	33,618
Property, plant and equipment	12	26,440,507	25,765,261	452,954	475,931
Right-of-use assets	13	4,237,936	5,229,885	312,445	416,593
Investment property	14	16,492	16,492	25,163,513	24,428,927
Investment in subsidiaries	15	-	-	5,326,552	5,326,552
Investment in associates	16	28,232	28,232	28,232	28,232
Deferred tax assets	17	4,185,734	3,919,037	939,189	897,875
		38,892,646	38,967,977	32,247,526	31,607,728
Current					
Inventories	18	4,926,712	5,190,840	-	-
Trade and other receivables	19	2,692,093	1,958,748	8,879,997	8,270,194
Cash and cash equivalents	20	1,453,595	3,593,764	17,859	31,537
		9,072,400	10,743,352	8,897,856	8,301,731
Total assets		47,965,046	49,711,329	41,145,382	39,909,459
Equity					
Share capital	21	75,456	75,456	75,456	75,456
Revaluation reserve		14,823,763	14,156,024	14,823,763	14,156,024
Retained earnings		1,151,982	2,273,439	(178,311)	(330,485)
Total equity		16,051,201	16,504,919	14,720,908	13,900,995
Liabilities					
Non-current					
Bonds payable	22	14,683,311	14,654,533	-	-
Long-term financial liabilities	24	-	-	14,907,380	14,919,500
Trade and other payables	26	882,268	999,353	268,598	324,049
Lease liabilities	25	4,089,005	5,054,670	278,279	408,497
Deferred tax liabilities	17	1,132,895	1,000,956	1,065,307	1,000,215
		20,787,479	21,709,512	16,519,564	16,652,261
Current					
Borrowings	23	1,579,518	2,734,435	1,378,281	2,446,978
Current tax liability		14,973	267,801	2,990	6,397
Trade and other payables	26	8,576,034	7,509,615	8,393,421	6,791,136
Lease liabilities	25	955,841	985,047	130,218	111,692
		11,126,366	11,496,898	9,904,910	9,356,203
Total liabilities		31,913,845	33,206,410	26,424,474	26,008,464
Total equity and liabilities		47,965,046	49,711,329	41,145,382	39,909,459

The financial statements on pages 4 to 42 were approved by the board of directors, authorised for issue on 27 April 2026 and signed on its behalf by:


Joseph Camilleri
 Director


Anthony Camilleri
 Director

Statements of changes in equity

Group

	Share capital €	Revaluation reserve €	Retained earnings €	Total equity €
Balance at 1 January 2025	75,456	14,156,024	2,273,439	16,504,919
Loss for the year	-	-	(1,121,457)	(1,121,457)
Other comprehensive income for the year	-	667,739	-	667,739
Balance at 31 December 2025	75,456	14,823,763	1,151,982	16,051,201
Balance at 1 January 2024	75,456	14,156,024	3,367,359	17,598,839
Loss for the year	-	-	(1,093,920)	(1,093,920)
Balance at 31 December 2024	75,456	14,156,024	2,273,439	16,504,919

Company

	Share capital €	Revaluation reserve €	Retained earnings €	Total equity €
Balance at 1 January 2025	75,456	14,156,024	(330,485)	13,900,995
Loss for the year	-	-	819,913	819,913
Revaluation of property transferred to revaluation reserve	-	667,739	(667,739)	-
Balance at 31 December 2025	75,456	14,823,763	(178,311)	14,720,908
Balance at 1 January 2024	75,456	14,156,024	104,105	14,335,585
Loss for the year	-	-	(434,590)	(434,590)
Balance at 31 December 2024	75,456	14,156,024	(330,485)	13,900,995

Retained earnings include all current and prior period results as disclosed in the statement of total comprehensive income less dividends.

Statements of cash flow

	Notes	Group		Company	
		2025	2024	2025	2024
		€	€	€	€
Operating activities					
(Loss) profit before tax		(1,565,309)	(1,745,300)	843,691	(659,487)
Adjustments	27	3,131,001	2,724,670	760,156	659,026
Net changes in working capital	27	104,112	(1,722,361)	1,026,532	(9,379,735)
Tax paid		(34,242)	-	(3,407)	(23,857)
Interest paid		(244,980)	(236,357)	(112,909)	(434,297)
Net cash (used in) generated from operating activities		1,390,582	(979,348)	2,514,063	(9,838,350)
Investing activities					
Payments to acquire intangible assets		(3,395)	(28,013)	(3,395)	(28,013)
Payments to acquire property, plant and equipment		(158,753)	(211,210)	(2,522)	(32,544)
Movement of long-term financial assets		-	68,218	-	-
Net cash used in investing activities		(162,148)	(171,005)	(5,917)	(60,557)
Financing activities					
Payments on bank borrowings		-	(4,396,960)	-	(3,675,449)
Interest paid from bonds payable		(937,500)	(845,018)	-	-
Proceeds from bonds payable		-	14,612,218	-	-
Movement of long-term financial liabilities		-	-	(12,120)	14,919,500
Interest paid on long-term financial liabilities		-	-	(1,305,907)	-
Payment of lease liability		(994,871)	(935,957)	(111,692)	(196,764)
Redemption of bonds		(10,000)	(4,150,000)	-	-
Interest paid on lease		(271,315)	(294,579)	(23,408)	(43,888)
Net cash (used in) generated from financing activities		(2,213,686)	3,989,704	(1,453,127)	11,003,399
Net change used in cash and cash equivalents		(985,252)	2,839,351	1,055,019	1,104,492
Cash and cash equivalents, beginning of year		859,329	(1,980,022)	(2,415,441)	(3,519,933)
Cash and cash equivalents, end of year	20	(125,923)	859,329	(1,360,422)	(2,415,441)

Notes to the consolidated financial statements

1 Nature of operations

The group is principally engaged in the importation and sale of clothing apparel and related household items. It is also involved in food, catering and rental of venues.

The company's principal activity is that of providing management services to its subsidiaries and to act as a holding company.

2 General information and statement of compliance with International Financial Reporting Standards (IFRS)

Camilleri Holdings Limited is a private limited liability company and is incorporated and domiciled in Malta. The address of the company's registered office is 63, St. Dominic Street, Valletta VLT 1602.

The financial statements of the group and the company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, and in accordance with the Companies Act, Cap. 386.

The financial statements are presented in euro (€), which is also the functional currency of the holding company and its subsidiaries.

2.1 Going concern

At 31 December 2025, the group had a working capital deficiency of € 2,053,966 (2024: € 753,546).

The Group's financial position remains robust, with total assets of € 47.97 million (2024: € 49.71 million), total liabilities of € 31.91 million (2024: € 33.21 million), supported by total equity of € 16.05 million (2024: € 16.50 million). Consequently, total gearing (total liabilities to equity) reduced to below 200% at year-end.

Looking ahead, the Group will continue to review and refine its strategic business plan with the aim of further improving profitability and operational efficiencies. The leasing out of owned properties—where the expected contribution to Group profitability is lower than prevailing market rental levels—commenced late in 2025 and is expected to support profitability over the medium to long term. The Group also continues to invest in technology, including enhancements to its online offering, to respond to evolving consumer behaviour and the competitive pressures from international online sales channels.

Based on the foregoing, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Consequently, these financial statements do not include any adjustments that may be necessary should the directors' expectation not materialise. In addition, the directors have also obtained assurance from the shareholders that they will support the group financially to continue as a going concern.

3 New or revised Standards or Interpretations

3.1 New standards adopted as at 1 January 2024

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

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

- Lack of Exchangeability (Amendments to IAS 21).

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

3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the group and the company

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

Standards and amendments that are not yet effective and have not been adopted early by the Group and the Company include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

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

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. The adoption of IFRS 18 'Presentation and Disclosure in financial statements', effective for periods commencing on or after 1 January 2027, is expected to have a material impact on the presentation of the financial Statements, and therefore relevant disclosures are included below.

Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- the classification of all income and expenses within the statement of profit or loss in one of five categories
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

IFRS 18 will be applied retrospectively with specific transitional provisions

The Group and the Company are currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

4 Material accounting policies

4.1 Overall considerations

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the entity's material accounting policies below are appropriate.

4.2 Presentation of financial statements

The financial statements are presented in accordance with IAS 1 '*Presentation of Financial Statements*' (Revised 2007). The group and the company have elected to present the 'statement of comprehensive income' in one statement.

4.3 Basis of consolidation

The financial statements consolidate those of the parent company and all of its subsidiaries drawn up to 31 December 2025. Subsidiaries are all entities over which the group has power to control the financial and operating policies. Camilleri Holdings Limited and its subsidiaries obtain and exercise control through voting rights. All subsidiaries have a reporting date of 31 December.

Intra-group balances, transactions and unrealised gains and losses on transactions between the group companies are eliminated on consolidation. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements have been prepared from the financial statements of the companies as set out in note 15.

4.4 Revenue

Revenue is generated from the sale of branded clothing apparel, imported food and delicacies, manufactured and catering food and rent of venues.

Revenue arises mainly from the sale of goods.

To determine whether to recognise revenue, the group and the company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the group or the company satisfies performance obligations by transferring the promised goods to its customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the group or the company satisfies a performance obligation before it receives the consideration, the group or the company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue from the sale of goods is recognised when or as the group or the company transfers control of the assets to the customer. Control is transferred at a point in time and occurs when the customer takes undisputed delivery of the goods.

Dividend income, other than those from investments in associates, is recognised at the time the right to receive payment is established.

4.5 Operating expenses

Operating expenses are recognised upon utilisation of the service or as incurred.

4.6 Borrowing costs

Borrowing costs primarily comprise interest on the group and company's borrowings. Borrowing costs incurred on specific fixed asset projects prior to their commissioning are capitalised as part of the cost of the asset. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is based on the average rate of interest on bank borrowings. All other borrowing costs are amortised on an effective interest basis over the life of the loan facility agreement.

4.7 Employee benefits

Contributions toward the state pension in accordance with local legislation are recognised in profit or loss when they are due.

4.8 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.9 Business combinations

Business combinations of entities not under common control are accounted for by applying the acquisition method in accordance with IFRS 3 '*Business Combinations*'. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities of the acquiree at the acquisition date, including contingent liabilities regardless of whether or not they were recorded in the financial statements of the acquiree prior to acquisition. On initial recognition, the assets and liabilities of the acquiree are included in the statement of financial position of the company at their fair values, which are also used as the basis for subsequent measurement in accordance with the company's accounting policies. Goodwill is stated after separating out the identifiable intangible assets.

Goodwill represents the future economic benefits arising from an acquisition of business that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to note 4.13 for a description of impairment testing procedures.

4.10 Intangible assets

Intangible assets are subject to impairment testing as described in note 4.13.

Intangible assets that are acquired by the group and the company, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the intangible asset from the date they are available for use as follows:

	%
- Computer software	20 - 25
- Franchise rights	10

Amortisation has been included within 'administrative expenses' in the statement of comprehensive income.

Acquired software are capitalised on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software are expensed as incurred.

4.11 Property, plant and equipment

Items of property, plant and equipment are initially recognised at acquisition cost. Subsequently, they are carried at acquisition cost less accumulated depreciation and impairment losses.

Depreciation is calculated, using the straight-line method, to write off the cost or valuation of assets over their estimated useful lives on the following bases:

	%
- Air conditioning	16.66
- Computer and office equipment	25
- Furniture and fittings	10
- Plant and machinery	16.67
- Electrical installations	6.66
- Catering equipment	16.66
- Motor vehicles	20

Material residual value estimates and estimates of useful lives are updated as required, but at least annually, whether or not the asset is revalued. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'administrative expenses'.

4.12 Leased assets

The group and the company as a lessee

The group and the company consider whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (underlying asset) for a period of time in exchange for a consideration'. To apply this definition, the group and the company assess whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the group and the company
- the group and the company have the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the group and the company have the right to direct the use of the identified asset throughout the period of use. The group and the company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of lease

At lease commencement date, the group and the company recognise a right of use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group and the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

The group and the company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The group and the company also assess the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the group and the company measure the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The group and the company have elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets (see note 13) and lease liabilities (see note 25) have been disclosed separately.

4.13 Impairment of goodwill, intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash generating units to which goodwill has been allocated (determined by the group and the company's management as equivalent to its operating segments) are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. To determine the value in use, the group and the company's management estimate expected future cash flows from each cash-generating unit and determine a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses are recognised in the profit or loss. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets, with the exception of goodwill, are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.14 Investment property

Investment property is property held to earn rentals and/or for capital appreciation, and is accounted for using the fair value model.

Investment property is revalued annually and is included in the statement of financial position at its fair value. This is determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within 'gain (loss) on fair value of investment property'.

Rental income and operating expenses from investment property are reported within 'revenue' and 'operating expenses', and are recognised as described in notes 4.4 and 4.5, respectively.

4.15 Investments in subsidiaries

Investments in subsidiaries are included in the company's statement of financial position at cost less any impairment loss that may have arisen. Income from investments is recognised only to the extent of distributions received by the company.

At the end of each reporting period, the company reviews the carrying amount of its investments in subsidiaries to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investment is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in profit or loss.

4.16 Investments in associates

Associates are those entities over which the company is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the company's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

The carrying amount of the investments in associates is increased or decreased to recognise the company's share of the profit or loss and other comprehensive income of the associate. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustment of assets and liabilities.

Unrealised gains and losses on transactions between the company and its associates are eliminated to the extent of the company's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Amounts reported in the financial statements of associates have been adjusted where necessary to ensure consistency with the accounting policies of the company.

4.17 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the group or the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The group and the company does not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the income statement are presented within 'finance costs', 'finance income' or 'other financial items'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group and the company's cash and cash equivalents, loans and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The group and the company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The group's financial liabilities include bonds payable, borrowings, lease liabilities and trade and other payables.

The company's financial liabilities include borrowings, lease liabilities and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the income statement are included within 'finance costs' or 'finance income'.

4.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

4.19 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised directly in other comprehensive income or equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in the separate and consolidated statement of other comprehensive income or equity (such as the revaluation of land) in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

4.20 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank net of bank overdraft. In the consolidated statement of financial position and the company's statement of financial position, the bank overdraft is included within bank borrowings under current liabilities.

4.21 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

The revaluation reserve within equity comprises unrealised gains on the revaluation of investment property, initially recognised in profit and loss and transferred to revaluation reserve until realised.

Retained earnings include all current and prior period results less dividend distributions.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

4.22 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the group and company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Where the time value of money is material, provisions are discounted to their present values.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Possible inflows of economic benefits to the group and the company that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.23 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, 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 (revised).

Significant management judgement

The following are significant management judgements in applying the accounting policies of the group and the company that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the group and company's future taxable income against which the deductible temporary differences can be utilised.

Determining whether an arrangement contains a lease

The group and the company use their judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement and makes assessment of whether it is dependent on the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risks and rewards incidental to ownership to/from the group and the company.

Control assessment

IFRS 10 requires the parent company to assess its involvement in its investee companies. Refer to notes 15 and 16 for further details.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (note 4.13).

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the group and the company. The carrying amounts are analysed in notes 11 and 12. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Investment property

At each reporting date investment property is revalued by independent valuers based on managements' estimates of expected future cash flows. The value of the property is determined by applying a suitable discount rate to calculate the present value of these future cash flows.

Cash flows may vary due to a variety of factors affecting the group. In addition, the discount rate used may also be influenced by outside forces.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by expiry, obsolescence or other market-driven changes that may reduce future selling prices.

5 Other income

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Rechargeables	-	-	2,221,998	2,202,946
Rent	79,442	26,105	1,264,412	26,105
Income on ancillary services	16,628	(3,080)	-	-
Gain on derecognition of lease	-	-	-	52,366
Interest income on deferred consideration	-	-	-	20,928
Interest income from short term deposits	25,263	-	25,263	-
Exchange difference	31,257	-	-	-
Other income	283,910	238,253	16,245	49,962
	436,500	261,278	3,527,918	2,352,307

6 Staff costs

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Wages and salaries	3,391,887	3,911,272	1,194,236	1,194,771
Social security contributions	287,436	285,768	64,083	62,368
Outsourced wages	644,343	745,381	33,541	33,541
	4,323,666	4,942,421	1,291,860	1,290,680

The average number of employees was:

	Group		Company	
	2025 No.	2024 No.	2025 No.	2024 No.
Management and operations	182	244	30	31

7 Net finance costs

The following amounts may be analysed as follows for the reporting periods presented:

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Interest on bank loans and overdraft	158,232	177,389	112,909	434,297
Interest from a related party loan	-	-	1,193,556	-
Interest on bonds payable	937,500	845,018	-	-
Amortisation of bond issue costs	38,778	33,682	-	-
Interest for lease liability	271,315	294,579	23,408	43,888
Other interest charges	63,897	22,411	22,850	-
Net finance costs	1,469,722	1,373,079	1,352,723	478,185

8 (Loss) Profit before tax

The (loss) profit before tax is stated after charging:

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Auditors' remuneration	49,300	45,700	4,500	4,400
Directors' remuneration	72,000	72,000	-	-
Depreciation on property, plant and equipment	218,093	260,585	25,499	36,985
Amortisation of intangible assets	28,720	27,145	12,372	9,689
Amortisation of property management rights	-	606,000	-	-
Amortisation of right-of-use asset	991,949	989,976	104,148	186,533

9 Tax income (expense)

The relationship between the expected income (expense) based on the effective tax rate of the group and the company at 35% (2024: 35%) and the actual tax income (expense) recognised in the statement of comprehensive income can be reconciled as follows:

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
(Loss) Profit before tax	(1,565,309)	(1,745,300)	843,691	(659,487)
Tax rate	35%	35%	35%	35%
Expected tax income (expense)	547,858	610,855	(295,292)	230,820
Adjustments for:				
Depreciation on ineligible assets	(2,923)	(2,615)	-	-
Maintenance allowance on rental income	88,509	102,911	88,509	1,827
Movement in revaluation on investment property	190,258	-	190,258	-
Derecognition of deferred tax	(8,276)	-	-	-
Disallowable expenses	(370,846)	(67,360)	(5,324)	(5,425)
Other permanent differences	(728)	7,589	(1,929)	(2,325)
Actual tax income (expense), net	443,852	651,380	(23,778)	224,897

Comprising:

Current tax income (expense)	375,941	(283,557)	-	-
Revaluation of immovable property	(66,847)	-	(66,847)	-
Deferred tax income resulting from origination and reversal of temporary differences	134,758	934,937	43,069	224,897
Tax income (expense)	443,852	651,380	(23,778)	224,897

Refer to note 17 for information on the group and company's deferred tax asset (liability).

10 Goodwill

The movement in the net carrying amount of goodwill is as follows:

	2025 €	2024 €
Balance as at 1 January/31 December	<u>3,610,315</u>	<u>3,610,315</u>

10.1 Acquisition of Cyka Limited

On 9 June 2017, the company acquired 100% of the equity instruments of Cyka Limited. Cyka Limited is in the business of importation and distribution of various brands of fashion wear such as Promod, Lipsy London, Morgan and Jules. Goodwill recognised amounted to € 2,897,152.

10.2 Acquisition of Firm J.P Caruana

On 9 January 2017, C. Camilleri & Sons Limited acquired the operational business of Firm J.P Caruana. The operational business includes the importation and distribution of sweets, gums, jellies, chocolates and biscuits. The group's acquisition of the business was made to achieve the critical mass required to enter into profitability grounds. Goodwill recognised amounted to € 713,163.

11 Intangible assets

Details of the group's intangible assets and their carrying amounts are as follows:

Group

	Computer software €	Franchise rights €	Total €
Gross carrying amount			
Balance at 1 January 2025	374,773	869,887	1,244,660
Additions	3,395	-	3,395
Balance at 31 December 2025	<u>378,168</u>	<u>869,887</u>	<u>1,248,055</u>
Amortisation			
Balance at 1 January 2025	343,180	502,725	845,905
Amortisation for the year	12,588	16,132	28,720
Balance at 31 December 2025	<u>355,768</u>	<u>518,857</u>	<u>874,625</u>
Carrying amount at 31 December 2025	<u>22,400</u>	<u>351,030</u>	<u>373,430</u>

	Computer software €	Franchise rights €	Total €
Gross carrying amount			
Balance at 1 January 2024	346,760	869,887	1,216,647
Additions	28,013	-	28,013
Balance at 31 December 2024	374,773	869,887	1,244,660
Amortisation			
Balance at 1 January 2024	332,168	486,592	818,760
Amortisation for the year	11,012	16,133	27,145
Balance at 31 December 2024	343,180	502,725	845,905
Carrying amount at 31 December 2024	31,593	367,162	398,755

Company

Details of the company's intangible asset and its carrying amount is as follows:

	Computer software €
Gross carrying amount	
Balance at 1 January 2025	323,456
Additions	3,395
Balance at 31 December 2025	326,851
Amortisation	
Balance at 1 January 2025	289,838
Amortisation for the year	12,372
Balance at 31 December 2025	302,210
Carrying amount at 31 December 2025	24,641
Gross carrying amount	
Balance at 1 January 2024	295,443
Additions	28,013
Balance at 31 December 2024	323,456
Amortisation	
Balance at 1 January 2024	280,149
Amortisation for the year	9,689
Balance at 31 December 2024	289,838
Carrying amount at 31 December 2024	33,618

12 Property, plant and equipment

Details of the group's property, plant and equipment and their carrying amounts can be analysed as follows:

Group	Properties	Leasehold improvements and improvements to premises		Air conditioning	Furniture and fittings	Office equipment	Plant and machinery	Motor vehicles	Catering equipment	Computer equipment	Electrical installations	Total
		€	€									
Gross carrying amount												
Balance at 1 January 2025	24,795,208	768,332	97,857	4,880,578	355,484	1,854,049	314,988	415,788	224,308	1,002,987	34,709,579	
Additions	-	33,710	9,822	85,832	26,469	-	-	-	2,920	-	158,753	
Revaluation	734,586	-	-	-	-	-	-	-	-	-	734,586	
Balance at 31 December 2025	25,529,794	802,042	107,679	4,966,410	381,953	1,854,049	314,988	415,788	227,228	1,002,987	35,602,918	
Depreciation												
Balance at 1 January 2025	25,808	482,072	67,468	4,571,624	329,208	1,708,467	294,987	365,420	195,268	903,996	8,944,318	
Depreciation for the year	-	10,384	11,100	105,944	24,366	26,327	4,680	7,869	3,425	23,998	218,093	
Balance at 31 December 2025	25,808	492,456	78,568	4,677,568	353,574	1,734,794	299,667	373,289	198,693	927,994	9,162,411	
Carrying amount at 31 December 2025	25,503,986	309,586	29,111	288,842	28,379	119,255	15,321	42,499	28,535	74,993	26,440,507	
Gross carrying amount												
Balance at 1 January 2024	24,795,208	756,488	97,857	4,779,596	344,394	1,799,551	291,588	408,197	222,503	1,002,987	34,498,369	
Additions	-	11,844	-	100,982	11,090	54,498	23,400	7,591	1,805	-	211,210	
Balance at 31 December 2024	24,795,208	768,332	97,857	4,880,578	355,484	1,854,049	314,988	415,788	224,308	1,002,987	34,709,579	
Depreciation												
Balance at 1 January 2024	25,593	472,849	57,741	4,433,332	314,302	1,675,549	291,588	357,197	184,796	870,786	8,683,733	
Depreciation for the year	215	9,223	9,727	138,292	14,906	32,918	3,399	8,223	10,472	33,210	260,585	
Balance at 31 December 2024	25,808	482,072	67,468	4,571,624	329,208	1,708,467	294,987	365,420	195,268	903,996	8,944,318	
Carrying amount at 31 December 2024	24,769,400	286,260	30,389	308,954	26,276	145,582	20,001	50,368	29,040	98,991	25,765,261	

12 Property, plant and equipment (continued)

Details of the company's property, plant and equipment and their carrying amounts can be analysed as follows:

Company	Properties €	Improvements to premises €	Furniture and fittings €	Office equipment €	Plant and machinery €	Motor vehicles €	Electrical installation €	Total €
Gross carrying amount								
Balance at 1 January 2025	213,681	181,241	349,815	135,514	677,670	285,188	110,913	1,954,022
Additions	-	-	-	2,522	-	-	-	2,522
Balance at 31 December 2025	213,681	181,241	349,815	138,036	677,670	285,188	110,913	1,956,544
Accumulated Depreciation								
Balance at 1 January 2025	-	-	344,183	111,179	670,103	263,860	88,766	1,478,091
Depreciation for the year	-	-	2,472	11,303	1,596	4,680	5,448	25,499
Balance at 31 December 2025	-	-	346,655	122,482	671,699	268,540	94,214	1,503,590
Carrying amount at 31 December 2025	213,681	181,241	3,160	15,554	5,971	16,648	16,699	452,954
Gross carrying amount								
Balance at 1 January 2024	213,681	181,241	349,815	131,870	672,170	261,788	110,913	1,921,478
Additions	-	-	-	3,644	5,500	23,400	-	32,544
Balance at 31 December 2024	213,681	181,241	349,815	135,514	677,670	285,188	110,913	1,954,022
Depreciation								
Balance at 1 January 2024	-	-	327,643	99,166	669,191	261,788	83,318	1,441,106
Depreciation for the year	-	-	16,540	12,013	912	2,072	5,448	36,985
Balance at 31 December 2024	-	-	344,183	111,179	670,103	263,860	88,766	1,478,091
Carrying amount at 31 December 2024	213,681	181,241	5,632	24,335	7,567	21,328	22,147	475,931

13 Right-of-use assets

The group's right-of-use assets are as follows:

	Leased property €
Cost	
At 1 January 2025 /31 December 2025	<u>10,103,902</u>
Accumulated amortisation	
At 1 January 2025	4,874,017
Charge for the year	<u>991,949</u>
At 31 December 2025	<u>5,865,966</u>
Carrying amount as at 31 December 2025	<u>4,237,936</u>
Cost	
At 1 January 2024	9,560,060
Modification of lease	1,893,179
Derecognition	<u>(1,349,337)</u>
At 31 December 2024	<u>10,103,902</u>
Accumulated amortisation	
At 1 January 2024	5,233,378
Derecognition	<u>(1,349,337)</u>
Charge for the year	<u>989,976</u>
At 31 December 2024	<u>4,874,017</u>
Carrying amount as at 31 December 2024	<u>5,229,885</u>

The company's right-of-use assets are as follows:

	Leased property €
Cost	
At 1 January 2025/ 31 December 2025	<u>1,041,482</u>
Accumulated depreciation	
At 1 January 2025	624,889
Charge for the year	<u>104,148</u>
At 31 December 2025	<u>729,037</u>
Carrying amount as at 31 December 2025	<u>312,445</u>
Cost	
At 1 January 2024	1,741,747
Derecognition	<u>(700,265)</u>
As 31 December 2024	<u>1,041,482</u>
Accumulated depreciation	
At 1 January 2024	932,661
Derecognition	<u>(494,305)</u>
Charge for the year	<u>186,533</u>
At 31 December 2024	<u>624,889</u>
Carrying amount as at 31 December 2024	<u>416,593</u>

14 Investment property

Investment property is all owned by the parent company. It includes properties which are held to earn rental income and for capital appreciation.

Rental income for the year amounts to € 1,264,412 (2024: € 26,105) and is included within 'other income'.

The fair values of immovable properties have been arrived at by independent valuers not related to the group having appropriate qualifications and experience in the valuation of properties in Malta. The fair value of the investment property is based on the estimated market value of the property as per architect's valuation. Changes in the carrying amounts presented in the statement of financial position can be summarised as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
At 1 January	16,492	16,492	24,428,927	9,278,927
Revaluation	-	-	734,586	-
Additions	-	-	-	10,605,000
Reclassification	-	-	-	4,545,000
At 31 December	16,492	16,492	25,163,513	24,428,927

The company owns various immovable properties held to earn rentals from related parties and are therefore classified as Investment Property. On 5 May 2017, the company entered into a property management rights agreement with Orion Retail Investments Limited ('property manager'), a subsidiary company, by virtue of which the company appointed the latter as its agent in order to manage and administer the properties, for a period of 25 years, commencing from the date of the agreement. The property management rights were valued at € 15,150,000.

On 31 December 2024, Orion Retail Investments Limited and the company agreed to terminate the agreement made on 5 May 2017. All provisions contained therein will cease to exist. After the termination, the unamortised value of the property management rights of €10,605,000 were transferred back to the company. Both parties also agreed that the unamortised value of the property management rights of shall become due by Camilleri Holdings Limited to Orion Retail Investments Limited, the sum has no fixed term for repayment and shall not carry interest.

Due to the difference in accounting policy, the company reclassified its investment in subsidiary in Orion Retail Investments Limited amounting to €4,545,000 to investment property to bring it back to its original fair value. This also represents the amortisation of the property management rights still lodged in the retained earnings of Orion Retain Investments Limited.

During the year, the fair value of investment property increased, resulting in a fair value gain of € 734,586 which has been recognised within 'fair value gain on investment property' in the statement of profit or loss.

At group level, the immovable properties and the value of the property management rights are reclassified from 'Investment property' and 'Intangible assets' respectively to 'Property, plant and equipment' with the exception of one immovable property, carried at € 16,492 which is not used by the group and is therefore retained as 'Investment property'.

The parent company has pledged its property to secure overdraft facilities granted to subsidiaries.

15 Investment in subsidiaries

	2025 €	2024 €
At 1 January	5,326,552	9,871,552
Reclassification	-	(4,545,000)
At 31 December	<u>5,326,552</u>	<u>5,326,552</u>

The company has unquoted investments in the following subsidiaries:

Name of company	Description of shares held	% Holding	2025 €	2024 €	Nature of business
C. Camilleri and Sons Limited	10,000 ordinary shares of € 2.329373 each	99.99	23,291	23,291	Importation, distribution and retailing of chocolate, confectionary biscuits and ancillary products
C. Camilleri & Sons (Catering) Ltd	262,580 (2019: 5,000) ordinary shares of € 2.329373 each	99.98	611,645	611,645	Manufacture of food and hiring of exclusive wedding venue rentals
Camilleri Establishment Limited	10,000 ordinary shares of € 2.329373 each	99.99	23,291	23,291	Department Storeselling Matalan products
Camilleri Trading Limited	5,000 ordinary shares of € 2.329373 each	99.98	11,645	11,645	Sales of mother and baby products
Camilleri Investment Limited	10,000 ordinary shares of € 1 each	100	10,000	10,000	Sales of wearing Apparel
Camilleri Import & Export Limited	5,000 ordinary shares of € 1 each	100	5,000	5,000	Non-trading
Camilleri Trends Ltd	10,000 ordinary shares of € 1 each	100	10,000	10,000	Non-trading
Orion Retail Investments Limited	3,014,764 ordinary shares of € 2 each	100	1,484,528	1,484,528	Leasing
Cyka Limited	250,000 ordinary shares of € 1 each	100	3,147,152	3,147,152	Importation of fashion wear
			<u>5,326,552</u>	<u>5,326,552</u>	

The company has an indirect investment in the below mentioned company through its investment in Orion Retail Investments Limited as follows:

Name of company	Description of shares held	% Holding	2025 €	2024 €	Nature of business
Camilleri Finance p.l.c.	49,999 ordinary 'A' shares of €1 each and 1 ordinary 'B' share of €1 each	100	49,999	49,999	Financing company

The registered office of C. Camilleri & Sons Limited, C. Camilleri & Sons (Catering) Ltd and Camilleri Trading Limited is situated at 63 St. Dominic Street, Valletta, VLT 1602.

The registered office of Camilleri Investments Limited, Camilleri Import & Export Limited and Camilleri Trends Ltd is situated at 13-20, Manuel Borg Gauci Street, Qormi QRM 4000.

The registered office of Camilleri Establishments Limited is situated at 196, Merchants Street, Valletta.

The registered office of Orion Retail Investments and Camilleri Finance p.l.c. is situated at 14, Manuel Borg Gauci Street, Qormi QRM 4000. In 2024, the carrying amount of investment amounting to € 4,545,000 were reclassified to investment property as discussed in note 14.

The registered office of Cyka Limited is situated at 218, Merchants' Street, Valletta VLT 1170.

16 Investment in associates

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
At 1 January/ 31 December	28,232	28,232	28,232	28,232

The group and company have the following interest in associates:

Name of company	Description of shares held	% Holding	2025 €	2024 €	Nature of business
Re-Store Limited	6,000 ordinary shares of € 2.329373 each	50	13,976	13,976	Sub-leasing of properties
Treat & Taste Limited	6,120 ordinary shares of € 2.329373 each	51	14,256	14,256	Non-trading
			28,232	28,232	

The registered office of Re-Store Limited is Demajo House, 103 Archbishop Street, Valletta.

The registered office of Treat & Taste Limited is 13-20, Manuel Borg Gauci Street, Qormi QRM 4000.

The group and company's interests in associates are unquoted investments and hence their fair value cannot be determined.

Significant judgements and assumptions

The company holds 50% and 51% of the ordinary shares of Re-Store Limited and Treat & Taste Limited, respectively. The remaining shareholdings are held by other investors.

Management has reassessed its involvement in both companies in accordance with IFRS 10's revised control definition and guidance. It has concluded that it has significant influence but not outright control. In making its judgement, management considered its voting rights and its involvement in the management and administration of the company.

Financial information on the associates could not be obtained. Investments in associates are not considered to be material to the group.

17 Deferred tax assets (liabilities)

Deferred taxes arising from temporary differences and unused tax losses and capital allowances can be summarised as follows:

Group	1 January 2025 €	Recognised in profit or loss €	31 December 2025 €
Non-current assets			
Property, plant and equipment	(866,124)	(124,632)	(990,756)
Right-of-use assets	405,770	(102,304)	303,466
Noncurrent liabilities			
Unrealised exchange differences	(17,158)	1,960	(15,198)
Current assets			
Trade receivables	641,233	789	642,022
Unused capital allowances	1,245,706	71,392	1,317,098
Unused tax losses	1,508,654	287,553	1,796,207
Total	2,918,081	134,758	3,052,839
Recognised as:			
- Deferred tax assets	3,919,037		4,185,734
- Deferred tax liabilities	(1,000,956)		(1,132,895)
-			

Deferred taxes for comparative period can be summarised as follows:

Group	1 January 2024 €	Recognised in profit or loss €	31 December 2024 €
Non-current assets			
Property, plant and equipment	(880,245)	14,121	(866,124)
Right-of-use assets	439,923	(34,153)	405,770
Noncurrent liabilities			
Unrealised exchange differences	(17,158)	-	(17,158)
Current assets			
Trade receivables	641,223	10	641,233
Unused capital allowances	1,161,747	83,959	1,245,706
Unused tax losses	637,654	871,000	1,508,654
Total	1,983,144	934,937	2,918,081
Recognised as:			
- Deferred tax assets	3,007,873		3,919,037
- Deferred tax liabilities	(1,024,729)		(1,000,956)

Company

	1 January 2025 €	Recognised in profit or loss €	31 December 2025 €
Non-current assets			
Investment property	(992,407)	(66,847)	(1,059,254)
Property, plant and equipment	(7,808)	1,755	(6,053)
Right-of-use assets	36,259	-	36,259
Unused capital allowances	482,157	11,499	493,656
Unused tax losses	379,459	29,815	409,274
Total	(102,340)	(23,778)	(126,118)
Recognised as:			
- Deferred tax asset	897,875		939,189
- Deferred tax liabilities	(1,000,215)		(1,065,307)

Deferred taxes for comparative period can be summarised as follows:

	1 January 2024 €	Recognised in profit or loss €	31 December 2024 €
Non-current assets			
Investment property	(992,407)	-	(992,407)
Property, plant and equipment	(9,482)	1,674	(7,808)
Right-of-use assets	58,168	(21,909)	36,259
Unused capital allowances	467,495	14,662	482,157
Unused tax losses	148,989	230,470	379,459
Total	(327,237)	224,897	(102,340)
Recognised as:			
- Deferred tax asset	674,652		897,875
- Deferred tax liabilities	(1,001,889)		(1,000,215)

See note 9 for information on the group and company's tax income (expense).

18 Inventories

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Goods held for resale	4,926,712	5,190,840	-	-

In 2025, a total of €10,717,665 (2024: € 9,955,572) of inventories was included in the consolidated profit and loss as cost of goods sold.

19 Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Trade receivables, gross	3,050,373	2,608,040	374,557	354
Provision for impairment	(1,837,836)	(1,832,061)	-	-
Trade receivables, net	1,212,537	775,979	374,557	354
Amounts owed by related companies	664,180	608,606	8,070,110	7,895,490
Amounts owed by shareholders	49,454	49,454	49,454	49,454
Amount owed by a third party	-	41,066	40,000	40,000
Other receivables	158,081	249,156	151,893	144,733
Financial assets	2,084,252	1,724,261	8,686,014	8,130,031
Other receivables	111,240	71,220	17,110	29,104
Prepayments	496,601	163,267	176,873	111,059
Trade and other receivables	2,692,093	1,958,748	8,879,997	8,270,194

The amounts owed by related companies and the amounts owed by shareholders are unsecured, interest free and repayable on demand.

The amount owed by a third party is unsecured, interest free and repayable on demand.

The carrying value of loans and receivables is considered a reasonable approximation of fair value.

In determining the recoverability of trade receivables, the group and the company considers any change in the credit quality of each trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

20 Cash and cash equivalents

Cash and cash equivalents include the following components:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Cash and bank balances	1,453,595	3,593,764	17,859	31,537
Cash and cash equivalents in the statement of financial position	1,453,595	3,593,764	17,859	31,537
Bank overdrafts	(1,579,518)	(2,734,435)	(1,378,281)	(2,446,978)
Cash and cash equivalents in the statement of cash flows	(125,923)	859,329	(1,360,422)	(2,415,441)

The company did not have restrictions on cash on hand and at bank at year-end.

21 Share capital

The share capital of Camilleri Holdings Limited consists of fully paid ordinary 'A' shares, 'B' shares and 'C' shares with a par value of € 2 each. Ordinary 'A' shares are entitled to receive dividends before all other shareholders. Ordinary 'B' shares have one vote for each share held during general meetings at the Company. Ordinary 'C' shares are then entitled to dividends, if any, is still available after distributing to ordinary 'A' shares.

	2025	2024
	€	€
Shares issued and fully paid at 31 December		
12,576 ordinary 'A' shares of € 2 each	25,152	25,152
12,576 ordinary 'B' shares of € 2 each	25,152	25,152
12,576 ordinary 'C' shares of € 2 each	25,152	25,152
	75,456	75,456
Shares authorised at 31 December		
12,576 ordinary 'A' shares of € 2 each	25,152	25,152
12,576 ordinary 'B' shares of € 2 each	25,152	25,152
12,576 ordinary 'C' shares of € 2 each	25,152	25,152
	75,456	75,456

22 Bonds payable

	2025	2024
	€	€
The group		
Non-current		
15,000,000 6.25% Unsecured bonds 2034	14,683,311	14,654,533
The amortised cost and closing carrying amount is analysed as follows:		
Bonds outstanding (face value) - 5,000,000 4.75% Unsecured bonds 2027	-	4,150,000
Bonds outstanding (face value) - 15,000,000 6.25% Unsecured bonds 2034	15,000,000	15,000,000
Gross amount of bond issue costs - 5,000,000 4.75% Unsecured bonds 2027	-	(81,991)
Gross amount of bond issue costs - 15,000,000 6.25% Unsecured bonds 2034	(367,783)	(387,783)
Amortisation of gross amount of bond issue costs:		
Amortised bond issue costs brought forward	22,315	53,295
Amortisation charge for the year - 5,000,000 4.75% Unsecured bonds 2027	-	1,367
Amortisation charge for the year - 15,000,000 6.25% Unsecured bonds 2034	38,779	32,315
Loss on redemption on bonds - 5,000,000 4.75% Unsecured bonds 2027	-	37,330
	(306,689)	(345,467)
Redemption of bonds	(10,000)	(4,150,000)
Amortised cost and closing carrying amount	14,683,311	14,654,533

The bonds were issued by Orion Finance P.L.C. (issuer) and constitute the general direct, unconditional and unsecured obligation of the issuer guaranteed by the Orion Retail Investments Limited (guarantor), and shall at all times rank pari passu, without any priority or preference among themselves and with other outstanding and unsecured debt of the issuer and the guarantor, present and future. In addition, the bonds will rank after any further debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Sinking fund

The Company Admission Document provides that as from financial year end 31 December 2019, the Group is to set up a sinking fund to be administered independently to cover 100% of the value of the issued bonds until redemption date. The contributions to the sinking fund as at 31 December 2024 amounted to €850,000. As at 31 December 2024, €850,000 of the sinking fund were utilised to buy back the Company's bonds in accordance with the Company's Treasury Management Policy. In 2023, the Company did not transfer funds to the sinking fund given that in December 2025, MFSA approved the issuance of €15,000,000 6.25% Unsecured Bonds 2034 and in line with the Company's Prospectus dated 19 December 2023, part of the proceeds are to be used to redeem the remaining bonds. Given that the subscription of the new bonds took place in the first quarter of the year 2023, and was subject to bondholder approval, whereby a bondholders meeting was held on 12 January 2024, as at 31 December 2023, the Company still maintained a minimum cash reserve of €500,000 (as per Company's Treasury Management Policy for the year 2024) subject to bondholder approval and receipt of funds.

Issuance of 15,000,000 6.25% Unsecured bonds 2034

On 16 February 2024, Camilleri Finance p.l.c., issued € 15,000,000 6.25% unsecured bonds to the Official List of the Malta Stock Exchange, which are guaranteed by the parent company. The bonds shall be due for redemption in 2034 and shall bear interest annually at a fixed interest rate of 6.25% per annum, payable annually. The proceeds from the bond issue, which net of bond issue costs are expected to amount to € 14,612,217, will be used by Camilleri Finance p.l.c. for the purposes, in the amounts and order of priority, set below:

- The amount of approximately € 4,200,000 will be used to repurchase all outstanding 2017 Orion Prospects Bonds and pay any interest thereon;
- The amount of approximately € 3,200,000 will be used to make the group facilities repayment;
- The amount of approximately € 2,150,000 will be used for the refurbishment expenses; and
- The amount of approximately € 4,950,000 will be used for general corporate funding.

23 Borrowings

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Comprising:				
Current				
Bank overdrafts	1,579,518	2,734,435	1,378,281	2,446,978
Financial liabilities	1,579,518	2,734,435	1,378,281	2,446,978

The group's banking facilities comprise of overdraft facilities of € 3,347,700 (2024: € 3,347,700).

The carrying amounts of borrowings are considered a reasonable approximation of fair value.

24 Long term financial liabilities

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Loan due to subsidiary company	-	-	14,907,380	14,919,500
Financial liabilities	-	-	14,907,380	14,919,500

The loan due to subsidiary shall be repayable in full by 16 February 2034. Interest rate is set at 8% based on the outstanding balance payable yearly on 15 February.

The carrying amount of long-term financial liabilities is considered a reasonable approximation of fair value.

25 Lease liabilities

Lease Liabilities are included in the statement of financial position as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current	955,841	985,047	130,218	111,692
Non-current	4,089,005	5,054,670	278,279	408,497
	5,044,846	6,039,717	408,497	520,189

The group and the company have leases for its leased property. Each lease is included as a right-of-use asset in plant and equipment in the statement of financial position, with the exception of short-term leases (leases with an effected term of 12 months or less) and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of group sales) are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the group and company to sublet the asset to another party, the right-of-use asset can only be used by the group and the company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The group and the company are prohibited from lending or transferring the underlying leased assets. Upon termination, the right-of-use assets shall be returned to the lender in as good a condition as when received by the group and the company, except for reasonable wear and tear. The group and the company shall ensure that these assets are at all times kept in a good state of repair and return the properties in their original condition at the end of the lease. Further, the group and the company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contract.

In 2024, a lease of the Company with its subsidiary, Orion Retail Investments Limited, were extinguished due to the termination of the property management rights agreement.

Group

Right-of-use assets	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with termination options
Leased property	30	1 - 17 years	8 years	4	16

Company

Right-of-use assets	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with termination options
Leased property	2	4 - 5 years	4.5 years	2	2

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2025 for the group and company were as follows:

Group

	Minimum lease payments			Total €
	Not later than one year €	Later than one year but not later than five years €	Later than five years €	
31 December 2025				
Lease payments	1,182,450	3,296,605	1,529,226	6,008,281
Finance charges	(226,609)	(496,935)	(239,891)	(963,435)
Net present values	955,841	2,799,670	1,289,335	5,044,846
31 December 2024				
Lease payments	1,256,852	4,136,316	1,879,474	7,272,642
Finance charges	(271,805)	(655,179)	(305,941)	(1,232,925)
Net present values	985,047	3,481,137	1,573,533	6,039,717

Company

	Minimum lease payments			Total €
	Not later than one year €	Later than one year but not later than five years €	Later than five years €	
31 December 2025				
Lease payments	148,600	297,200	-	445,800
Finance charges	(18,382)	(18,921)	-	(37,303)
Net present values	130,218	278,279	-	408,497
31 December 2024				
Lease payments	135,100	445,800	-	580,900
Finance charges	(23,408)	(37,303)	-	(60,711)
Net present values	111,692	408,497	-	520,189

Lease payments not recognised as a liability

The group and the company have elected not to recognise a lease liability for short term leases (leases with and expected lease term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense related to payments for short term leases not included in the measurement of lease liability amounted to € 339,282 and € 28,428 (2024: € 519,329 and € 24,544) for the group and the company, respectively. These are included in the ‘administrative expenses’ in the statement of comprehensive income.

Total cash outflow for leases for the year ended 31 December 2025 was € 1,266,186 (2024: € 1,230,536) and € 135,100 (2024: € 240,652) for the group and company, respectively.

26 Trade and other payables

Trade and other payables recognised in the statements of financial position can be analysed as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Trade payables	3,689,950	4,198,845	216,758	196,729
Capital creditors	20,000	20,000	20,000	20,000
Amounts due to related companies	-	-	6,800,314	6,071,088
Accrued expenses	1,471,849	1,194,738	21,394	12,632
Financial liabilities	5,181,799	5,413,583	7,058,466	6,300,449
Deferred income	250,938	-	250,938	-
Amounts due to CIR	1,493,028	1,337,689	648,059	541,135
VAT payable	2,232,839	1,587,388	704,556	273,601
Advance deposit	197,070	135,397	-	-
Unredeemed gift vouchers	102,628	34,911	-	-
Total trade and other payables	9,458,302	8,508,968	8,662,019	7,115,185
Comprising:				
Current	8,576,034	7,509,615	8,393,421	6,791,136
Non-current	882,268	999,353	268,598	324,049
	9,458,302	8,508,968	8,662,019	7,115,185

Short term financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

27 Cash flow adjustments and changes in working capital

The following cash flow adjustments and changes in working capital have been made to profit (loss) before tax to arrive at operating cash flow:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Adjustments:				
Depreciation and amortisation	246,813	287,731	37,871	46,674
Amortisation of bond issue cost	38,778	33,682	-	-
Interest payable	244,980	236,354	1,329,315	434,297
Loss on redemption of bonds	-	37,330	-	-
Interest on bonds	937,500	845,018	-	-
Amortisation of right-of-use asset	991,949	989,976	104,148	186,533
Interest on lease liability	271,315	294,579	23,408	43,888
Write-off of inventories	399,666	-	-	-
Fair value gain on investment property	-	-	(734,586)	-
Gain on derecognition of lease	-	-	-	(52,366)
	3,131,001	2,724,670	760,156	659,026
Net changes in working capital:				
Change in inventories	(135,538)	(578,381)	-	-
Change in trade and other receivables	(733,344)	(94,305)	(520,302)	(530,394)
Change in trade and other payables	972,994	(1,049,675)	1,546,834	(8,849,341)
	104,112	(1,722,361)	1,026,532	(9,379,735)

28 Related party transactions

The company forms part of the Camilleri Group of Companies. All companies forming part of the group are considered by the directors to be related parties since these companies are ultimately commonly owned.

The group's related parties include subsidiaries, associates, companies under common control, shareholders, directors and key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related parties are generally effected on a cost plus basis. Outstanding balances are usually settled in cash.

The following transactions were carried out with related parties.

	Company	
	2025	2024
	€	€
Expenditure recharged by subsidiaries	104,977	306,843
Expenditure recharged to subsidiaries	2,221,998	2,202,946
Rent charged by fellow subsidiary company	1,184,970	105,587
Interest expense from loan due to related company	1,193,556	-

Balances due from/to related parties are disclosed in notes 19, 24 and 26 to these consolidated financial statements.

Key management personnel compensation consisting of directors' remuneration has been disclosed in note 8.

29 Ultimate controlling party

Camilleri Holdings Limited is controlled by Andre' Camilleri, Anthony Camilleri, Joseph Camilleri and the heirs of Carmel Camilleri, who collectively hold all of the ordinary shares of the company. As noted in note 21 to the financial statements, holders of ordinary shares have the right to attend and vote at the company's general meetings.

30 Financial instrument risk

Risk management objectives and policies

The group and company are exposed to their credit risk, liquidity risk and market risk through their use of financial instruments, which result from both operating and investing activities. The group's and the company's risk management is coordinated by the directors and focuses on actively securing the group and the company's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the group and the company are exposed are described below. See also note 30.4 for a summary of the group and the company's financial assets and liabilities by category.

30.1 Credit risk

The group and company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

		Group		Company	
	Notes	2025	2024	2025	2024
		€	€	€	€
Classes of financial assets - carrying amounts					
Current assets					
Trade and other receivables	19	2,084,252	1,724,261	8,686,014	8,130,031
Cash and cash equivalents	20	1,453,595	3,593,764	17,859	31,537
		3,537,847	5,318,025	8,703,873	8,161,568

The group and the company continuously monitor defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The group and the company's policy is to deal only with creditworthy counterparties.

None of the group and the company's financial assets are secured by collateral or other credit enhancements.

Trade receivables

The company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 36 months before 31 December and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

The company does not have significant credit risk exposure with respect to trade receivables since the amount of receivables at year end is negligible.

On the above basis the expected credit loss for trade receivables for the group as at 31 December 2025 and 1 January 2025 was determined as follows:

31 December 2025	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate (%)	6.56	3.61	5.69	97.30	
Gross carrying amount (€)	231,580	570,836	169,929	2,078,028	3,050,373
Lifetime expected credit loss	15,201	20,599	9,665	2,021,857	2,067,322
31 December 2024	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate (%)	3.28	1.71	2.96	94.26	
Gross carrying amount (€)	231,999	292,535	137,075	1,946,431	2,608,040
Lifetime expected credit loss	7,610	5,002	4,057	1,834,706	1,851,375

Other financial assets at amortised cost

Other financial assets at amortised cost include related party receivables and cash and cash equivalents.

With respect to balances with related parties (as disclosed in note 19), the group and the company assess the credit quality of these related parties by taking into account financial position, performance and other factors. In measuring the expected credit losses in these balances, management determined the impairment provision independently from third party receivables and as at 31 December 2025, there was no impairment in relation to third party balances. Management take cognisance of the related party relationship with these entities and settlement arrangements in place and does not expect any losses from non-performance or default.

The group and the company bank with local institutions. At 31 December 2024, the group and the company held cash and cash equivalents amounting to € 1,453,595 and € 17,859 (2024: € 3,593,764 and € 31,537) respectively with local counterparties with credit ratings of A-1, A-2 and BBB- (2024: A-1, A-2 and BBB-) and are callable on demand. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the group and company.

30.2 Liquidity risk

The group and the company's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise, bonds payable, bank borrowings, other long-term financial liabilities, lease liabilities and trade and other payables (see notes 22, 23, 24, 25 and 26). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

The directors ensure that target inflows are received as required to enable the group and the company to meet its financial liabilities as they fall due. The group's and the company's liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, as well as the group's and the company's committed borrowing facilities that it can access to meet liquidity needs.

At 31 December 2025, the group and the company's financial liabilities have contractual maturities which are summarised below:

31 December 2025 – group	Current within 1 year €	Non-current 2 to 5 years €	Non-current later than 5 years €
Bank overdraft	1,579,518	-	-
Bonds payable	937,500	3,750,000	18,750,000
Lease liabilities	1,182,450	3,296,605	1,529,226
Trade and other payables	5,181,799	-	-
	8,881,267	7,046,605	20,279,226

31 December 2025 – company	Current within 1 year €	Non-current 2 to 5 years €	Non-current later than 5 years €
Bank overdraft	1,378,281	-	-
Lease liabilities	148,600	297,200	-
Trade and other payables	7,058,466	-	-
Other long-term financial liability	-	-	14,907,380
	8,585,347	297,200	14,907,380

This compares to the maturity of the group and the company's financial liabilities in the previous reporting period as follows:

31 December 2024 – group	Current within 1 year €	Non-current 2 to 5 years €	Non-current later than 5 years €
Bank overdraft	2,734,435	-	-
Bonds payable	937,500	3,750,000	19,687,500
Lease liabilities	1,256,852	4,136,316	1,879,474
Trade and other payables	5,413,583	-	-
	10,342,370	7,886,316	21,566,974

31 December 2024 – company	Current within 1 year	Non-current 2 to 5 years	Non-current later than 5 years
Bank overdraft	2,446,978	-	-
Lease liabilities	135,100	445,800	-
Trade and other payables	6,300,449	-	-
Other long-term financial liability	-	-	14,919,500
	8,882,527	445,800	14,919,500

The above amounts reflect the contractual undiscounted cash flows which may differ from the carrying amounts of liabilities at the reporting date.

30.3 Market risk

Foreign currency risk

The group and the company are not exposed to foreign currency risk. Exposure to currency exchange rates mainly arises from the group's and company's purchases from foreign suppliers.

Due to the fact that most foreign currency transactions are denominated in euro, the group's and company's exposure to currency fluctuations are minimal.

Interest rate risk

The group and the company's exposure to interest rate risk is limited to the variable interest rate of bank borrowings. Based on observation of current market conditions, management considers a change of +/- 50 basis points to be reasonably possible. The calculations are based on the company's financial instruments held at the end of each reporting period. All other variables are held constant. Consequently, the potential impact of such a shift in interest rates with effect from the beginning of the year on the net results for the reporting periods presented is considered immaterial.

30.4 Summary of financial assets and liabilities by category

The carrying amounts of the group and the company's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows. See note 4.17 for explanations about how the category of financial instruments affects their subsequent measurement.

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current assets				
Trade and other receivables	2,084,252	1,724,261	8,686,014	8,130,031
Cash and cash equivalents	1,453,595	3,593,764	17,859	31,537
	3,537,847	5,318,025	8,703,873	8,161,568
Non-current liabilities				
Financial liabilities measured at amortised cost				
- Bonds payable	14,683,311	14,654,533	-	-
- Lease liabilities	4,089,005	5,054,670	278,279	408,497
- Long-term financial liabilities	-	-	14,907,380	14,919,500
	18,772,316	19,709,203	15,185,659	15,327,997
Current liabilities				
Financial liabilities measured at amortised cost				
- Bank and other borrowings	1,579,518	2,734,435	1,378,281	2,446,978
- Lease liabilities	955,841	985,047	130,218	111,692
- Trade and other payables	5,181,799	5,413,583	7,058,466	6,300,449
	7,717,158	9,133,065	8,566,965	8,859,119

30.5 Financial instruments measured at fair value

The following table presents non-financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups non-financial assets into three levels based on the significance of inputs used in measuring the fair value of the non-financial assets. The fair value hierarchy has the following levels:

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

The level within which the non-financial asset is classified is determined based on the lowest level of significant input to the fair value measurement.

2025	Level 1	Level 2	Level 3	Total
	€	€	€	€
Investment property	-	25,163,513	-	25,163,513
2024	Level 1	Level 2	Level 3	Total
	€	€	€	€
Investment property	-	24,428,927	-	24,428,927

The appraisal for investment property was carried using a market approach that reflects observed prices for recent market transactions for similar properties in the same location.

31 Capital management policies and procedures

The group and the company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders and benefits to other stakeholders by pricing products and services commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group and the company may issue new shares, limit the amount of dividends paid, or sell assets to reduce debt.

The group and the company monitors the level of debt, which includes bank borrowings and trade and other payables less cash and bank balances against total capital on an ongoing basis. The directors consider the group and the company's gearing level at year end to be appropriate for its business.

32 Post-reporting date events

There were no adjusting or significant non adjusting events between the end of the reporting period and the date of authorisation.

Independent auditor's report

To the shareholders of Camilleri Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Camilleri Holdings Limited set out on pages 4 to 42 which comprise the consolidated and the company statement of financial position as at 31 December 2025, and the consolidated and the company statement of comprehensive income, consolidated and company statement of changes in equity and consolidated and company statement of cash flows for the year then ended, and notes to the consolidated financial statements, including the material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 ('the Act').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 2 to 3 which we obtained prior to the date of this auditor's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

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

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 consolidated financial statements.

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

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

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

Report on other legal and regulatory requirements

We also have responsibilities under the Companies Act, Cap. 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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

The Principal on the audit resulting in this independent auditor's report is Sharon Causon.



Sharon Causon (Principal) for and on behalf of

GRANT THORNTON
Certified Public Accountants

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27 April 2026