

SANTUMAS SHAREHOLDINGS PLC

Annual Report and Financial Statements

30 April 2026

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DIRECTORS' AND COMPANY INFORMATION

REGISTRATION

Santumass Shareholdings plc was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 12 December 1997 with company registration number C35. The Company held a Collective Investment Scheme license from the Malta Financial Services Authority in terms of the Investment Services Act, 1994 until 9 October 2014. As at this date, the Company surrendered its license as a Collective Investment Scheme (CIS) and de-listed its shares on the Malta Stock exchange as a CIS. On the same date Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

DIRECTORS

Mr. Anthony P. Demajo (Chairman)
41, G'Mangia Hill, Pieta, Malta

Mr. Peter Paul Testaferrata Moroni Viani
Casa Testaferrata, 9, J. Howard Street, San Pawl tat-Targa, Naxxar, Malta

Mr. Christopher Testaferrata Moroni Viani
Villa Ammermann, Mdina Road, Balzan, Malta

Dr. Norbert Tabone
32, "Ave Maria", Triq L-Istwiell, Attard, Malta

Mr. Mario P. Galea
35, Triq tal-Mielah, High Ridge, St. Andrews, Swieqi, Malta

Mr. Roberto Buontempo
"Moonlight Ville", Triq il-Qasba, Swieqi, Malta

SECRETARY

Mr. Michael Formosa Gauci, B.A. (Acc.) Bus. Manag.
T10, B54,
Tigne Point
Sliema, Malta

REGISTERED OFFICE

Britannia House/1
9 Old Bakery Street
Valletta
Malta

AUDITORS

Forvis Mazars
The Watercourse, Level 2,
Mdina Road, Zone 2,
Central Business District,
Birkirkara CBD 2010
Malta

LEGAL ADVISORS

R. Frendo Randon & Associates
Level 1, Britannia House, 9
Malta

BCGL Advocates
56 Melita Street
Valletta
Malta

BANKERS

HSBC Bank Malta plc
166, Archbishop Street
Valletta
Malta

Bank of Valletta plc
45, Republic Street
Valletta
Malta

AUDIT COMMITTEE

Mr. Mario P. Galea (Chairman)
35, Triq tal-Mielah, High Ridge, St. Andrews, Swieqi, Malta

Dr. Norbert Tabone
32, "Ave Maria", Triq L-Istwieł, Attard, Malta

Mr. Roberto Buontempo
"Moonlight Ville", Triq il-Qasba, Swieqi, Malta

BACKGROUND

The Company was formed as the Malta New Issues Investment Co. Limited on 29 April 1963. The Company's name was changed on 18 May 1965 to Malta Shareholdings Limited when the Company was converted to a public company with the objects of carrying on the business of a finance trust in all branches. The name was changed again on 29 September 1978 to Santumas Shareholdings Limited. The Company's objects also provided for property development, with the main property development being the Santumas Estate at Marsascala.

Calpabrin Properties (Investments) Limited merged into Santumas Shareholdings Limited on 2 April 1987 and Marsascala Development Limited and Santumas Contractors Limited merged into Santumas Shareholdings Limited on 15 December 1989.

On 9 May 1996, the Company was licensed as a Collective Investment Scheme under the Investment Services Act, Cap. 370 of the Laws of Malta by the Malta Financial Services Centre. The Company was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 12 December 1997, thereby changing its name to Santumas Shareholdings plc.

On 12 December 2003, the Company's shares were accepted for listing on the Malta Stock Exchange.

On 9 October 2014, the Company surrendered its license as a Collective Investment Scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements of Santumas Shareholdings plc (the "Company") for the year ended 30 April 2026.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year continued to be the carrying out of investment activities in the form of a listed Property Company. Being a listed Company involves obligations to comply with the Code of Principles of Good Governance ("the Code") as contained in Appendix 5.1 to Chapter 5 of the Capital Market Rules (previously Listing Rules). Although the Code does not prescribe mandatory rules, it recommends principles of good practice. Compliance with the Code is considered to be in the best interests of the Company and all shareholders and the Company's activities therefore have been conducted within the outlined principles of good practice.

FINANCIAL RESULTS AND REVIEW OF THE BUSINESS

For the year ended 30 April 2026, the company's investment in financial assets portfolio registered an unrealised gain of EUR 516,601 (2025: EUR 776,386), this representing an increase of 5.6% . Therefore, the company's financial assets portfolio recovered well in the last six months of the financial year, reversing a mid-year loss position of EUR 122,267 to the year-end unrealised gain of EUR 516,601. The Malta Stock Exchange Equity Price Index has seen an increase of 3.6% during the corresponding twelve month period ending 30 April 2026. Some of the larger shareholdings of the company have seen a higher increase in share price, leading to a higher net unrealised gain for the company.

The Statement of Comprehensive Income shows a profit before tax for the year which amounted to EUR 1,663,049 (2025: EUR 1,589,617). There was a tax charge of EUR 340,192 (2025: EUR 212,226). The net profit for the year ended 30th April 2026 was therefore EUR 1,322,857 (2025: EUR 1,377,391).

Dividend income over the twelve months has increased from EUR 454,726 in 2025 to EUR 910,542 in 2026 as a result of higher dividend distributions from the company's underlying financial investments.

Administrative expenses are marginally higher than those of previous years. Total expenses for the period increased by EUR 21,078 (2025: EUR 6,002), which increase is mainly driven by the increase in professional fees.

The Net Assets of the Company increased by around EUR 1,339,146 (2025: increase of EUR 1,404,652) which increase is mainly attributable to the total comprehensive profit recognised during the current financial year.

INVESTMENT PROPERTY

There have been no purchases or sales of property during the year under review. The Company's investment property holdings, excluding capitalisation of ground rents, were professionally valued on 30 April 2026 at EUR 4,504,000 (2025: EUR 4,370,000) yielding a corresponding unrealised gain of EUR 134,000, (2025: EUR 229,500) as at 30 April 2026.

FUTURE PROSPECTS

As the Company remains heavily invested in the local economy, growth and profitability is inevitably determined by the strength or otherwise of the prevailing economic situation. The rate of annual growth in GDP experienced by the local economy over the past few years has been maintained in the current period and this has been reflected in the positive results reported by several of the major locally listed companies particularly those in the financial sector. These results have yielded good dividend returns which have in turn contributed significantly to the Company's

reported profit for the year. Indications are that economic growth will be maintained in the coming year, all be it at a slower rate, giving reason for cautious optimism. The Company remains well capitalised with strong reserves, healthy cash holdings and no material debt and as such is well positioned to meet any possible headwinds should they arise.

MALTA STOCK EXCHANGE

Trading in company shares on the local market remained thin with a total of 31 (2025: 56) trades throughout the year. As at 30 April 2026 the Company's share price stood at EUR 1.10 (2025: EUR 1.20).

NET ASSET VALUE

As at 30 April 2026, the net asset value of the Company per share stood at EUR 2.121 as compared to EUR 1.938 at 30th April 2025. The net asset value has been calculated using the same methodology used to calculate the earnings per share.

PRINCIPAL RISKS

The Company's principal risks are further disclosed in Note 19 dealing with management of risks as supplemented by Note 3 relating to significant accounting estimates and judgements in applying accounting policies.

DIVIDENDS

The Directors do not propose any dividend for the year.

DIRECTORS' INTERESTS

As at 30 April 2026, the Directors' interests, direct and indirect, in the ordinary share capital of the Company were:

Directors	Number of Shares	Nominal value of shareholding	Percentage shareholding
	EUR		%
Mr. P. P. Testaferrata Moroni Viani			
Mr. C. Testaferrata Moroni Viani	3,624,037*	996,610	49.55
Mr. A. P. Demajo	500,000	137,500	6.84
Mr. C. Testaferrata Moroni Viani	92,400	25,410	1.26
Totals	4,216,437	1,159,520	57.65

As at 30th April 2025, the Directors' interests, direct and indirect, in the ordinary share capital of the Company were:

Directors	Number of Shares	Nominal value of shareholding	Percentage shareholding
	EUR		%
Mr. P. P. Testaferrata Moroni Viani			
Mr. C. Testaferrata Moroni Viani	3,624,037*	996,610	49.55
Mr. A. P. Demajo	500,000	137,500	6.84
Mr. C. Testaferrata Moroni Viani	92,400	25,410	1.26
Totals	4,216,437	1,159,520	57.65

* The indirect interests of Mr. Peter Paul Testaferrata Moroni Viani and Mr. Christopher Testaferrata Moroni Viani shown above against their joint name arise due to shareholdings in the same companies that directly or indirectly have an interest in the number of shares shown.

Dr. Norbert Tabone has a non-beneficial interest of 3,579,114 (2025: 3,579,114) ordinary shares in Santumas Shareholdings plc through the shareholding held by Mercury plc and Amalgamated Investments SICAV plc as disclosed in Note 20 to the financial statements.

Mr. Roberto Buontempo has a non-beneficial interest of 482,539 (2025: 482,539) ordinary shares in Santumas Shareholdings plc through the shareholding held by the Archdiocese of Malta as disclosed in Note 20 to the financial statements.

No Director has a contract of service with the Company. The Company has not entered into any commitments on behalf of, or made any loans to, the Directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act (Cap. 386 of the Laws of Malta) to prepare financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"), which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss of the Company for the year then ended. In preparing the financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern;
- account for income and charges relating to the accounting year on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting year.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the Directors to ensure that the financial statements comply with the Companies Act (Cap. 386 of the Laws of Malta). This responsibility includes designing, implementing and maintaining such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 30th April 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

GOING CONCERN

The Directors, as required by Capital Market Rule 5.62 have considered the Company's operational performance, the Statement of Financial Position as at year end as well as the business plans for the coming year, and that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis in preparing the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material reportable event which occurred after the reporting date and up to the date of this report which require adjustments to or disclosure in the accompanying financial statements.

INFORMATION PURSUANT TO CAPITAL MARKET RULE 5.64

Share capital information is disclosed in note 14. The issued share capital consists of one class of ordinary shares with equal voting rights attached and freely transferable. The list of shareholders holding 5% or more of the equity share capital is disclosed in Note 20 of the Financial Statements.

Pursuant to the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders (in line also with general and commonly accepted practice in Malta). The appointment/removal of Directors requires the majority of the members present at the annual general meeting.

The Company cannot issue shares that would dilute substantial interest without the prior consent of the shareholders. The Directors are empowered to wholly allot for cash shares that do not exceed the authorised share capital of the Company.

It is hereby declared that as at 30 April 2026, information required under Capital Market Rules 5.64.2, 5.64.4, 5.64.5, 5.64.6, 5.64.7, 5.64.10 and 5.64.11 are not applicable to the Company.

AUDITORS

The auditors, Forvis Mazars have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the annual general meeting.

Signed on behalf of the Company's Board of Directors on 25th August 2026 by Anthony P.Demajo and Mario P.Galea as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report for the year ended 30th April 2026.

CORPORATE GOVERNANCE STATEMENT

Given that the Company's securities are traded on the Malta Stock Exchange, the Company is subject to The Code of Principles of Good Governance ("the Code") applicable to listed companies. The adoption of the Code is not mandatory but listed companies are required under the Capital Market Rules issued by the Malta Financial Services Authority to include a Statement of Compliance with the Code in their Annual Report, accompanied by a report of the independent auditor.

The Board has considered the principles embodied in the Code and noted the Code's recommended practices. During the year under review the Company has been in compliance with the Code to the extent that is considered adequate bearing in mind the size and nature of the Company's operations. Instances of divergence from the code are disclosed and explained below.

PRINCIPLE 1-5: BOARD OF DIRECTORS

The Company's Board is composed of three non-executive Directors and three independent non-executive Directors. The Board is under the Chairmanship of Mr. Anthony P. Demajo. The Board is entrusted with the overall direction and management of the Company, including the establishment of strategies for future development and the approval of any proposed property acquisitions and developments. The Company is a Property Company which does not require a complex management structure; accordingly, the role of the Chairman and the Chief Executive Officer are combined. The Board has indicated Mr. Mario P. Galea, Dr. Norbert Tabone and Mr. Roberto Buontempo as the independent non-executive members.

Its responsibilities also involve the overseeing of the Company's internal control procedures and financial performance, and review of business risks facing the Company, ensuring that these are adequately identified, evaluated, managed and minimised. All Directors have access to independent financial advice at the expense of the Company should they require.

During the year under review the Board met five times to discuss the operations and strategy of the Company. The attendance of Directors to the Board meetings is listed below.

Mr. Anthony P. Demajo	5
Mr. Peter Paul Testaferrata Moroni Viani	5
Mr. Christopher Testaferrata Moroni Viani	5
Dr. Norbert Tabone	5
Mr. Mario P. Galea	5
Mr. Roberto Buontempo	4

The Board obtains regular updates on the directorships and other professional commitments of its non-executive directors and Audit Committee members, having regard to the time and attention required to discharge their duties to the Company effectively. On the basis of this review and the level of attendance and participation of each Director at Board and Committee meetings during the year as set out above, the Board is satisfied with the participation and engagement of all members and confirms that their respective external mandates do not impair their availability or effectiveness in the discharge of their duties to the Company.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Company's management ensures that it provides Directors with relevant information to enable them to effectively contribute to Board decisions. All Directors have access to independent financial advice at the expense of the Company should they require.

PRINCIPLE 8: BOARD COMMITTEES

Investment committee

The Investment committee is responsible for overseeing the maintenance, investment and reinvestment of the Company's assets covering both the Company's property holdings and its equity and bond portfolio. Whilst actively managing the securities portfolio, any property investment decisions are referred back to the Board who always take the final decision on any property related matters. The Committee is chaired by Mr. Anthony P. Demajo and has Mr. Christopher Testaferatta Moroni Viani and Mr. Michael Formosa Gauci as members.

Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities in dealing with issues of risk, control and governance and to oversee and review the financial reporting process, financial policies and internal control structure. The Committee also oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the auditors. In addition, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company and a related party to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee, which is composed of three independent non-executive Directors, meets regularly in terms of the Code. During the year under review Mr. Mario P. Galea served as Chairman and Dr Norbert Tabone together with Mr. Roberto Buontempo served as members. Mr. Michael Formosa Gauci acted as secretary to the Audit Committee. The Committee has met on seven occasions during the financial year end under review.

The Board, in terms of Capital Market Rule 5.118, has indicated Mr. Mario P. Galea and Dr. Norbert Tabone as independent non-executive members of the Audit Committee who are considered to be competent in accounting and auditing in view of their considerable experience at a senior level in the audit and advisory field. Furthermore, in terms of Capital Market Rule 5.118, the Board has considered the independence criteria set out in Capital Market Rule 5.117 and concluded that all members of the Audit Committee are independent in terms of the said Capital Markets Rule, as explained further hereunder.

As previously disclosed Dr Norbert Tabone, through the shareholding of Mercury plc and Amalgamated Investments SICAV plc, and Mr Roberto Buontempo, through the shareholding of Archdiocese of Malta, have a non-beneficial interest in Santumas Shareholdings plc by virtue of them being officers in the above-mentioned entities. To ensure that any such non-beneficial interests in no way impinge on the independence of the Audit Committee members, the Board of Directors conducted a detailed analysis and assessment of both members situation to ensure that they can be deemed as truly independent as required by the Capital Market Rules.

Having examined all the surrounding circumstances the Board of Directors concluded that:

Neither of the members concerned has any business, family, or other relationship with the Company, except that of Director and member of the Audit Committee.

Whilst the Audit Committee members are officers of shareholders in the Company, none of the shareholders are controlling shareholders as required under Capital Market Rule 5.119.

None of Mercury plc, Amalgamated Investments SICAV plc and the Archdiocese of Malta have a business relationship with the Company as defined in Capital Market Rule 5.120.

In line with the requirement of Capital Market Rules 5.119.4, 5.119.5 and 5.119.6, save for what is stated hereunder, none of the directors that are members of the Audit Committee:

- Have close family ties with any of the Company's senior employees;
- Have served on the Board of Directors for more than twelve consecutive years; and
- Are or have been within the last three years an engagement partner or a member of the audit team of the external auditor.

Dr Norbert Tabone has served on the Board for a period of more than twelve consecutive years, having been appointed director in July 2014. The Board, however, is of the view that Dr Norbert Tabone has sufficient experience and integrity to remain independent of character, objective and impartial in his judgment at all times notwithstanding the lapse of the said twelve years.

In the context of the above considerations the Board believe that none of the Audit Committee members fall within the ambits of the link mentioned in Capital Market Rule 5.119 that could be considered as having an impact on a member's independence of judgement.

In addition to the above, the Board, in evaluating whether there could be any issue of influence that could taint a member's independence of mind looked at other factors amongst which the possible impact that any decision which can possibly be made by the Audit Committee could have on Mercury plc, Amalgamated Investments SICAV plc

and the Archdiocese of Malta and their respective financial performance or position as a whole. When taking into account the value of each of those entities' investments in the Company as a proportion of their total portfolios, it is clear that the performance of the Company, driven or otherwise by a decision of its Audit Committee, could hardly have any material impact on the overall performance of each entity.

The Board also performs an assessment of the competence of the Audit Committee members by reference to each member's professional qualifications, their standing within the accountancy and audit profession, and their sector-relevant experience in accounting, auditing, financial services and property-related matters relevant to the Company's operations. In carrying out this assessment, the Board has regard to each member's career history, their current and past senior-level involvement in audit and advisory work, and their continuing professional development, as well as their demonstrated ability to exercise independent and objective judgement in the discharge of their responsibilities. The Board considers that this combination of qualifications and experience equips the Audit Committee to exercise informed oversight of the Company's financial reporting, internal control and risk management processes. The Board's rationale underlying this assessment is documented and is reviewed on an annual basis to confirm that it remains current, and is reflected in the Audit Committee's Terms of Reference.

The position of the Audit Committee members is reviewed after every Annual General Meeting of the Company to ensure that there have been no changes to their situation from the previous year. If there have been any changes these are looked at in detail to ensure that they do not in any way hinder them from acting in a totally independent manner.

PRINCIPLE 9 AND 10: RELATIONS WITH SHAREHOLDERS

The Directors consider that the Board properly serves the legitimate interests of all stakeholders in the Company through representation of the shareholders on the Board. Shareholders are also given the opportunity to ask questions at the AGM or submit written questions in advance. The Chairman makes arrangements for the chairman of the Audit Committee to be available to answer questions, if necessary.

The Board ensures that there is sufficient communication with all stakeholders through regular statements on the MSE website and information on areas such as corporate governance and financial statements to be found on the Company website at www.santumasmalta.com

PRINCIPLE 11: CONFLICTS OF INTEREST

The Directors, members of the Board sub-committee of the Company are or may be involved as Directors or shareholders of or consultants to other companies which deal in similar investments as the Company. Should an actual or potential conflict arise during the tenure of the directorship, the Director will disclose and record the conflict in full and in time to the Board of Directors. Such Director will not participate in discussions concerning matters in which he has a conflict of interest unless the Board finds no objection to the presence of such Director. In any event, the Director will refrain from voting on the matter.

The Audit Committee of the Company has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled in the best interest of the Company and according to law. The independent non-executive Directors on the Audit Committee provide an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The Company seeks to adhere to sound principles of corporate social responsibility by conducting its operations in an ethical manner. The Board is mindful of the environment and its responsibility within the community in which it operates.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

This information is being provided in terms of Capital Market Rule 5.97.4.

The Company is a Property Company which does not require an elaborate management structure. The Board of Directors is responsible for the general management of the Company whilst the day-to-day management has been delegated to the Company Secretary and certain functions to the Board sub-committees. The Directors believe that the current organisational structures are adequate for the current activities of the Company. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business. Accordingly, the Company has formalised a risk management policy, proportionate to the scale, complexity and nature of its operations, covering the identification, assessment and reporting of risk, with roles and responsibilities clearly allocated within the Company.

In addition, having regard to the limited scale, scope and complexity of the Company's operations, the Board has concluded that the establishment of a dedicated internal audit function is not considered necessary at this stage. The Company's activities are straightforward in nature and are subject to oversight through existing governance and control mechanisms which the Board presently considers adequate and proportionate to the risks arising from its operations.

GENERAL MEETINGS

This information is being provided in terms of Capital Market Rule 5.97.6.

The manner in which the general meeting is conducted is outlined in Articles of the company's Articles of Association, subject to the provisions of the Companies Act, Cap.386 of the Laws of Malta.

All shareholders registered in the Shareholders' Register on the Record Date as defined in the Capital Market Rules, have the right to attend, participate and vote in the general meeting. A shareholder or shareholders holding not less than 5% in nominal value of all the shares entitled to vote at the general meeting may request the Company to include items on the agenda of a general meeting and/or table draft resolutions for items included in the agenda of a general meeting. Such requests are to be received by the Company at least forty-six (46) days before the date set for the relative general meeting.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Company. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the Directors or such persons as the Directors may delegate for that purpose.

NON-COMPLIANCE WITH THE CODE

PRINCIPLE 1-5: BOARD OF DIRECTORS

As detailed above under the heading "Internal Control and Risk Management System", the size of the Company and its level of activity do not justify an elaborate management structure. The Board of Directors are actively involved in the general management of the Company and therefore fully cognisant of all its activities.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

Full adherence by the Company with the provisions of Principle 6 of the Code is not deemed necessary taking into account the size, nature and operations of the Company. The Company does not feel the need to establish and/or implement a succession plan for senior management in light of its existing organisational structures though such structure will be kept under continuous review so as to meet the changing demands of the business.

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role as the Board's performance is always under the scrutiny of the shareholders.

PRINCIPLE 8: COMMITTEES

The Company does not have a Remuneration Committee as recommended by Principle 8. The Company does not have any employees other than the Company Secretary and a full-time employee engaged to carry out general secretarial duties. In such circumstances it is felt that any remuneration related matters are best dealt with by the Board.

The Company does not have a Nomination Committee as recommended by Principle 8. Appointments to the Board of Directors of the Company are determined by shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

Signed on behalf of the Company's Board of Directors on 25th August 2026 by Anthony P.Demajo and Mario P.Galea as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report for the year ended 30th April 2026.

REMUNERATION REPORT

1. TERMS OF REFERENCE

The Company does not have a Remuneration Committee as recommended by Principle 8. The Company does not have any employees other than the Company Secretary/Senior Executive and a full-time employee engaged to carry out general secretarial duties. In such circumstances, it has been determined that any remuneration related matters are dealt with by the Board.

The company pays remuneration in accordance with its remuneration policy which was approved at the 58th Annual General Meeting on the 29th of October 2021.

2. REMUNERATION STRATEGY

Consideration of the required skills and competencies necessary for Directors to execute the Company's business strategy and serve its long-term interests, including its operational sustainability, is considered to be crucial in establishing the appropriate level of fees to be paid. Moreover, consideration is also given to ensure that the compensation offered matches current market expectations. Regular review of the remuneration paid is undertaken to ensure that the Company can continue to attract and retain suitable Directors who can provide the collective skills and experience for the proper functioning of the Board.

3. REMUNERATION OF THE DIRECTORS

During the financial year ended 30 April 2026, the Board of directors of Santumas Shareholding plc was wholly composed of six non-Executive Directors which directors are members of the board who do not have a role in the day-to-day executive management of the company.

The maximum annual aggregate remuneration payable to non-executive directors is approved by shareholders at the Annual General Meeting in terms of Article 64 of the Company Articles of Association. The maximum aggregate emoluments of all Directors was fixed at EUR25,000 at the Annual General Meeting held on 14th October 2016.

The aggregate remuneration payable to the non-executive directors has two components:

- A fixed directors' fee which is established by reference to the levels prevailing in the market for entities of a similar size and complexity. Currently a base annual fee of EUR3,000 is paid to each non-executive director and EUR4,200 is paid to the Chairman of the Board;
- A Board Committee fee for membership of the various established Board Committees. These Board Committee fees vary between Committees depending upon the relative workload and time commitment involved, and the skill sets, experience and professional knowledge required for the particular Committee concerned. The committee fees depend on whether the Non-Executive Director is Chairman or only a member of such Board Committee. During the year to April 30, 2026, Non-Executive directors who were appointed as Chairman of a Board Committee were granted an annual fee of EUR900 while Non-Executive Directors who were appointed members of a Board Committee were granted an annual fee of EUR600.

There were no changes in the remuneration structure when compared to the financial year ended 30th April 2025. Non-Executive Directors are not entitled to any variable remuneration, profit sharing arrangements, share options, contractual pension, termination or retirement benefits or any other non-cash benefits.

The following table provides a summary of the remuneration paid for the year ended 30 April 2026 for each individual Director. The same remuneration was paid for the year ended 30 April 2025.

Director's Name	Designation	Fixed Board Fees	Fixed Committee Fees	Total
Anthony Demajo	Chairman of the Board of directors	4,200	900	5,100
Peter Paul Testaferrata Moroni Viani	Non-Executive director	3,000	-	3,000
Christopher Testaferrata Moroni Viani	Non-Executive director	3,000	600	3,600
Norbert Tabone	Non-Executive director	3,000	600	3,600
Mario Galea	Non-Executive director	3,000	900	3,900
Roberto Buontempo	Non-Executive director	3,000	600	3,600

4. SHAREHOLDERS INVOLVEMENT

As disclosed in Section 3, the maximum annual aggregate remuneration payable to non-executive directors is approved by the shareholders at the Annual General Meeting in terms of Article 64 of the Company Articles of Association. The maximum aggregate emoluments of all Directors was fixed at EUR25,000 at the Annual General Meeting held on 14th October 2016.

In accordance with Capital Market Rule 12.26L, the remuneration report will be submitted for discussion in the annual general meeting as a separate item of the agenda, given that the company meets the criteria of a small and medium sized companies as defined by article 3(2) and (3) of Directive 2013/34/EU. Moreover, in line with Capital Market Rule 12.26M, this remuneration report shall be made available on the company's website for a period of 10 years following its publication.

5. SENIOR EXECUTIVE REMUNERATION

For the purposes of this remuneration report, a senior executive shall mean "any person reporting directly to the Board of Directors" as per definition provided in the Capital Market Rules, Appendix 5.1, article 8A. The terms and conditions of employment of the senior executive are set and approved by the board of directors. The senior executive within the company is not entitled for termination payments and/or other payments linked to early termination.

The senior executive is not eligible for a profit-sharing arrangements, share options or pension benefit arrangements. During the year under review, the total emoluments relating to the senior executive member were of EUR 43,400 (2025: EUR 42,390), which emoluments relate to a fixed pay.

6. CONTENTS OF THE REMUNERATION REPORT

The contents of the Remuneration Report have been reviewed by the external Auditors to ensure that it conforms with the requirements of Appendix 12.1 to Chapter 12 of the Capital Market Rules.

Signed on behalf of the Company's Board of Directors on 25th August 2026 by Anthony P.Demajo and Mario P. Galea as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report for the year ended 30th April 2026.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 April 2026

	Notes	2026 EUR	2025 EUR
REVENUE			
Investment income	4	1,206,337	748,955
Increase in fair values of financial assets	11	516,601	776,386
Increase in fair value of investment properties	9	134,000	229,500
Total revenue		1,856,938	1,754,841
EXPENSES			
Administrative expenses	5	(184,523)	(163,445)
Loss on sale of financial assets		(9,366)	-
Written off interest		-	(1,779)
Total expenses		(193,889)	(165,224)
Profit before tax		1,663,049	1,589,617
Income tax expense	7	(340,192)	(212,226)
Profit for the year		1,322,857	1,377,391

Other comprehensive income not to be reclassified to profit or loss in subsequent periods

Revaluation of property, plant and equipment net of tax	16,289	27,261
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Total comprehensive income for the year	1,339,146	1,404,652
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Profit per share	8	0.181	0.188
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The accounting policies and explanatory notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
as at 30 April 2026**

	Notes	2026 EUR	2025 EUR
ASSETS			
Non-current assets			
Investment properties	9	6,214,455	5,930,297
Property, plant and equipment	10	248,000	240,000
Financial assets at fair value through profit or loss	11	9,705,516	8,174,261
		16,167,971	14,344,558
Current assets			
Receivables	12	76,061	112,897
Cash and cash equivalents	13	256,069	670,907
		332,130	783,804
TOTAL ASSETS		16,500,101	15,128,362
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	2,011,384	2,011,384
Share premium	15	262,746	262,746
Revaluation reserve	15	214,868	207,668
Other reserves	15	6,616,838	5,898,577
Retained earnings	15	6,408,830	5,795,145
		15,514,666	14,175,520
Non-current liabilities			
Deferred tax liability	16	652,357	621,457
Total non-current liabilities		652,357	621,457
Current liabilities			
Payables	17	278,040	276,347
Deferred income		26,000	26,000
Income tax payable		29,038	29,038
Total current liabilities		333,078	331,385
Total liabilities		985,435	952,842
Total equity and liabilities		16,500,101	15,128,362

The accounting policies and explanatory notes form an integral part of these financial statements.

The financial statements have been authorised for issue by the Board of Directors on 25th August 2026 and were signed on its behalf by Anthony P. Demajo and Mario P. Galea as per Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report for the year ended 30th April 2026.

STATEMENT OF CHANGES IN EQUITY for the year ended 30 April 2026

	Share capital EUR	Share premium EUR	Revaluation reserve EUR	Other reserves EUR	Retained earnings EUR	Total EUR
FINANCIAL YEAR ENDED 30 April 2026						
At 1 May 2025	2,011,384	262,746	207,668	5,898,577	5,795,145	14,175,520
Profit for the year	-	-	-	-	1,322,857	1,322,857
Other comprehensive income	-	-	16,289	-	-	16,289
Total comprehensive income	-	-	16,289	-	1,322,857	1,339,146
Depreciation transfer for land and building, net of tax	-	-	(9,089)	-	9,089	-
Movement of cumulative unrealised fair value gains on financial assets	-	-	-	597,661	(597,661)	-
Increase in fair value of investment property net of deferred tax	-	-	-	120,600	(120,600)	-
At 30 April 2026	2,011,384	262,746	214,868	6,616,838	6,408,830	15,514,666

FINANCIAL YEAR ENDED 30 April 2025

At 1 May 2024	2,011,384	262,746	188,701	5,238,810	5,069,227	12,770,868
Profit for the year	-	-	-	-	1,377,391	1,377,391
Other comprehensive income	-	-	27,261	-	-	27,261
Total comprehensive income	-	-	27,261	-	1,377,391	1,404,652
Depreciation transfer for land and building, net of tax	-	-	(8,294)	-	8,294	-
Movement of cumulative unrealised fair value gains on financial assets	-	-	-	451,827	(451,827)	-
Increase in fair value of investment property net of deferred tax	-	-	-	207,940	(207,940)	-
At 30 April 2025	2,011,384	262,746	207,668	5,898,577	5,795,145	14,175,520

The accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS for the year ended 30 April 2026

	Notes	2026 EUR	2025 EUR
Operating activities			
Profit before tax		1,663,049	1,589,617
Adjustments to reconcile profit before tax to net cash flows			
<i>Non-cash:</i>			
Depreciation of property, plant and equipment	10	10,099	9,261
Increase in fair value of financial assets	11	(516,601)	(776,386)
Increase in fair value of investment properties	9	(134,000)	(229,500)
Interest income	4	(44,873)	(38,866)
Dividend income	4	(910,542)	(454,726)
Profit on ground rent capitalisation	4	(150,158)	-
Unrealized exchange loss		(2,389)	-
<i>Working capital adjustments:</i>			
Decrease/(Increase) in receivables		36,836	(30,231)
Increase in payables		1,693	14,688
Interest income received		41,088	31,745
Dividend income received		618,425	300,569
Income tax paid		(12,811)	(30,844)
Net cash flows generated from operating activities		599,816	385,327
Investing activities			
Purchase of financial assets	11	(1,143,654)	(195,966)
Proceeds from disposal of financial assets	11	129,000	100,000
Net cash flows used in investing activities		(1,014,654)	(95,966)
Net (decrease)/increase in cash and cash equivalents		(414,838)	289,361
Cash and cash equivalents at 1 May		670,907	381,546
Cash and cash equivalents at 30 April	13	256,069	670,907

The accounting policies and explanatory notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Santumas Shareholdings PLC (the "Company") is a public limited company incorporated and domiciled in Malta whose shares are publicly traded. The registered office is located at Britannia House /1, 9 Old Bakery Street, Valletta VLT 1450, Malta.

The principal activity of the Company was to carry out investment activities as a Collective Investment Scheme as licensed by the Malta Financial Services Authority. On 9 October 2014, the Company has surrendered its license as a collective investment scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act, 1995 (Cap 386 of the Laws of Malta).

Basis of measurement

The financial statements are prepared under the historical cost convention, except for leasehold property under property, plant and equipment, investment properties and financial assets at fair value through profit and loss that have been measured at fair value. The financial statements are presented in euro (EUR).

Going concern

These financial statements have been prepared on a going concern basis since the company remains well capitalised with no external debt and is therefore well positioned to continue operating for the foreseeable future.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards, interpretations, and amendments to published standards as adopted by the European Union effective during the year ended 30 April 2026

- IAS 21 (Amendments) - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Effective for financial years on or after 1 January 2025)

The adoption of the revisions to the requirements of the above IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies.

Standards, interpretations, and amendments to published standards as adopted by the European Union that are not yet effective

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- Annual improvement volume 11 (Effective for financial years on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7 (Effective for financial years on or after 1 January 2026)
- Amendments to the Classification and Measurement of Financial Instruments (Effective for financial years on or after 1 January 2026)
- IFRS 18 - Presentation and Disclosure in Financial Statements (Issued on 9 April 2024)

The changes resulting from these standards are not expected to have a material effect on the financial statements of the Company.

Standards, interpretations, and amendments issued by the International Accounting Standards Board (IASB) but not yet endorsed by the EU

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024)
- Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)
- Amendments to IFRS 19, Subsidiaries Without Public Accountability: Disclosures (issued on 21 August 2025)

The adoption of the above-mentioned standards, interpretations and amendments are not expected to have an impact on the financial statements or performance of the company.

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are set out below:

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is reliably measured. The following specific revenue criteria must also be met before revenue is recognised:

Interest income

Interest income is included in the Statement of Comprehensive Income on an accruals basis using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Investment income

Ground rents and other rents are included in the Statement of Comprehensive Income on an accrual basis.

Dividend income is included in the Statement of Comprehensive Income when the right to receive the payment is established.

Upon disposal of investment properties consisting of land, property and ground rents capitalised, the difference between the proceeds from disposal and the carrying amount is recognised as a gain or loss through the statement of comprehensive income.

Sale of rights income

The company earns income from sale of rights when it waives, revokes, cancels or removes some or all of its existing conditions and residual rights on certain properties that the company would still have such rights on.

Income from sale of rights is recognised in the Statement of Comprehensive Income when a public deed is executed between the company and the purchaser.

Such rights are not recognised as an asset due to the significant uncertainty of the quantum and timing of the expected future economic benefits. Thus, given the high uncertainty around measurement, the company concluded that any estimate would not provide relevant and faithful representation of such rights.

The company is not recognising a contingent asset as it has concluded that it does not have any indication whatsoever of which rights may be extinguished in the future, thus rendering such events as not probable.

Taxes

Current income tax

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

Deferred income tax

Deferred taxation is provided using the liability method, on temporary differences, at the reporting date, arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Under this method the Company is required to make provision for deferred income taxes on the revaluation of certain non-current assets. Such deferred tax is charged or credited directly to the Statement of Comprehensive Income and is charged or credited directly to equity if the tax relates to items that are credited or charged in the same or a different period, directly to equity.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

Foreign currency translation

The financial statements are presented in Euro, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the year-end date. All differences are taken to the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Fair value measurement

The Company measures investment properties, leasehold properties under property, plant and equipment and financial assets at fair value through profit or loss at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

For assets that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of investment properties and leasehold properties at least every two years or earlier whenever their fair values differ materially from their carrying amounts.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying

amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investment properties consisting of land, buildings, and leasehold property

Investment properties, consisting of properties not occupied by the Company and held to earn rentals and for capital appreciation, are regarded as long-term investments. All investments are measured initially at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the year-end date. This is based on market valuations performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the year-end date.

Gains or losses on changes in the fair values of investment properties are taken to the Statement of Comprehensive Income in accordance with IAS 40 "Investment Property". Unrealised gains are subsequently transferred to other reserves in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Comprehensive Income in the year of retirement or disposal.

Investment properties consisting of ground rents capitalised

On 30 April 1990, the Directors capitalised the ground rents. The value of this asset was included with non-current assets with a resultant increase in the capitalisation reserve included within other reserves.

Subsequent to initial recognition, ground rents are measured at fair value using the capitalisation approach. The capitalisation rate for non-revisable ground rents is determined by reference to local legislation whilst the capitalisation rate for revisable ground rents is based on inputs that reflect the current market conditions.

Gains or losses on changes in the fair values of ground rents are taken to the Statement of Comprehensive Income in accordance with IAS 40 "Investment Property". Unrealised gains are subsequently transferred to other reserves in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Leasehold property is subsequently measured at revalued amount, being its fair value at the date of revaluation less depreciation and impairment. All other property, plant and equipment, are subsequently stated at cost amounts less accumulated depreciation and accumulated impairment in value, if any.

Leasehold premises consist of property that is occupied by the Company as its offices. It is Company policy to carry out a professional market valuation of leasehold every two years or earlier which is frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. To the extent that a revaluation results in an increase in the carrying amount of the asset, the increase is credited to the revaluation reserve within equity. To the extent that a revaluation results in a decrease in the carrying amount of the asset, the decrease is charged against the revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset; any excess of the decrease is taken to the Statement of Comprehensive Income. The accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation of property, plant and equipment

Depreciation is provided on property, plant and equipment, other than leasehold property, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over the expected useful life.

The annual rates used for this purpose are:

%

Improvements to premises	10
Fixtures and fittings	15
Equipment	33.3

Depreciation is provided on leasehold property to write off the valuation on a straight-line basis over the remaining period of the lease. Each year, the difference between the depreciation based on the revalued carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income) and depreciation based on the asset's original cost, is transferred from the revaluation reserve to retained earnings.

Impairment of non-financial assets

The Company assesses at each reporting date whether there are indications of impairment for all non-financial assets. If any such amount exists, or when impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

(a) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cashflows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Financial assets at amortised cost;
- ii. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- iv. Financial assets at fair value through profit or loss

The company holds no financial assets through categories i), ii), and iii), except for receivables and cash and cash equivalents, measured at amortised cost. All other financial assets of the company have been designated at fair value through profit or loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost are the receivables as per note 12 and cash and cash equivalents as per note 13.

Fair value through profit and loss

This category is the most relevant to the Company, as all financial assets except for receivables and cash and cash equivalents are measured at fair value through profit and loss. The company does not hold any equity instruments for trading. In view of this, the company has elected to measure equity instruments at fair value through profit and loss, and therefore, it does not elect to irrevocably measure them at fair value through other comprehensive income.

For debt instruments, if the business model does not fall within the category of 'hold to collect' or 'hold to collect and sell' then such debt instrument is recognised and classified at fair value through profit or loss ('FVTPL'). Furthermore, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Cumulative unrealised gains on financial assets at fair value through profit or loss are transferred to 'Other reserves' within equity. Once such gains become realised, they are reclassified back to the retained earnings as distributable profits.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities are made up of payables.

Subsequent measurement

After initial recognition, payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

(c) Offsetting of financial instruments

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

Cash and cash equivalents

Cash and cash equivalents are composed of cash at bank and short-term deposits. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts.

Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date," that is, the date the Company commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. Contingent liabilities and contingent assets are not recognised. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Employee benefits

The Company contributes towards the State pension in accordance with local legislation. Short-term employee benefit obligations are measured on undiscounted basis and recognised as an expense in the Statement of Comprehensive Income in the period they are incurred.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the Directors are required to make judgments, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known. The significant judgements and estimates are as follows:

Fair value of investment properties and revaluation of property, plant and equipment

The Company carries its investment properties at fair value, with changes in fair value being recognised in the Profit and Loss Account. In addition, it measures land and buildings classified under property, plant and equipment, at revalued amounts with changes in fair value being recognised in Other Comprehensive Income.

Market valuations, with respect to investment property (excluding ground rents) and property, plant and equipment are performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed by management to reflect market conditions at the year-end date. For the valuation of ground rents, on an annual basis, management reviews the major inputs used in the calculation of the fair value in line with local legislation and market conditions.

The last valuation was performed in April 2026 as further disclosed in notes 9 and 10.

In the opinion of the management, except for the above, the accounting estimates, assumptions and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) - 'Presentation of Financial Statements'.

4. INVESTMENT INCOME

	2026 EUR	2025 EUR
Dividends income	910,542	454,726
Interest income	44,873	38,866
Ground rents and other rental income	58,241	53,341
Other income (note i)	3,097	202,022
Profit on redemption	39,426	-
Profit on ground rent capitalisation	150,158	-
	<u>1,206,337</u>	<u>748,955</u>

i. Other income includes income from concession of contractual rights on certain properties.

5. ADMINISTRATIVE EXPENSES

	2026 EUR	2025 EUR
Staff costs (note 6a)	71,981	69,781
Auditor's remuneration	18,032	15,602
Depreciation of property, plant and equipment (note 10)	10,099	9,261
Registration fees	7,865	7,960
Directors' remuneration	22,800	22,800
Professional and legal fees	33,370	14,581
Other administrative expenses	20,376	23,460
Total administrative expenses	<u>184,523</u>	<u>163,445</u>

Fees charged by the Company's auditors are as follows:

	2026 EUR	2025 EUR
Statutory audit	<u>18,032</u>	<u>15,602</u>

6. EMPLOYEE INFORMATION

(a) Staff costs

The total employment costs were as follows:

	2026 EUR	2025 EUR
Salaries	69,590	67,438
Social security costs	2,391	2,343
	<u>71,981</u>	<u>69,781</u>

(b) Staff numbers

The average number of persons employed by the Company during the year was as follows:

	2026 Number	2025 Number
Administration	<u>2</u>	<u>2</u>

7. INCOME TAX EXPENSE

The components of income tax expense for the year ended 30 April are:

	2026 EUR	2025 EUR
Income tax expense		
Current income tax charge	311,102	190,408
Deferred tax charge (note 16)	29,090	21,818
Income tax expense	<u>340,192</u>	<u>212,226</u>

The income tax on profit differs from the theoretical income tax expense that would apply on the Company's profit before tax using the applicable tax rate in Malta of 35% (2025: 35%) as follows:

Theoretical tax expense at 35%	<u>582,067</u>	<u>556,366</u>
<i>Tax effect of:</i>		
- income subject to lower tax rate	(96,191)	(125,035)
- income not subject to tax	(29,824)	(5,705)
- expenses not deductible for tax purposes	64,583	57,828
- investment gains not subject to tax	(180,810)	(271,735)
- adjustment to prior year tax	-	-
- others	367	507
Income tax expense	<u>340,192</u>	<u>212,226</u>

8. PROFIT PER SHARE

The profit per share of EUR 0.181 (2025: profit per share of EUR 0.188) is calculated on the profit for the year attributable to the ordinary shareholders, divided by the average number of ordinary shares in issue and ranking for dividend during the year.

	2026 EUR	2025 EUR
Profit for the year	<u>1,322,857</u>	<u>1,377,391</u>

	2026 Number	2025 Number
Ordinary shares in issue	<u>7,314,122</u>	<u>7,314,122</u>

	2026 EUR	2025 EUR
Profit per share	0.181	0.188

9. INVESTMENT PROPERTIES

	Land and buildings EUR	Ground rents capitalisation EUR	Total EUR
At 30 April 2024	4,140,500	1,560,297	5,700,797
Increase in fair value	229,500	-	229,500
At 30 April 2025	4,370,000	1,560,297	5,930,297
Capitalisation	-	150,158	150,158
Increase in fair value	134,000	-	134,000
At 30 April 2026	4,504,000	1,710,455	6,214,455

Land and buildings include leasehold properties with a carrying amount of EUR 322,000 (2025: EUR 310,000). Leasehold property is classified as investment properties when the property is held for capital appreciation and for which a market exists.

Reference is made to the collapse of a block of apartments bearing the name Tania Flats, situated in Paceville Avenue, St. Julians, (hereinafter the "Event") which took place on the 11th June, 2025. This block included two units, namely the properties at ground-floor and first-floor level, which are owned by the Company and therefore form part of its wider asset portfolio.

In light of the developments surrounding the Event, and the fact that the official reports and conclusions from the relevant authorities are still awaited, the directors consider it prudent, at this stage, to retain the current carrying value of EUR 945,000 (2025: EUR 945,000).

The directors believe that maintaining the existing valuation is a cautious and reasonable response in the context of the information currently available, particularly until greater clarity is obtained regarding the circumstances of the incident. This position will be reassessed once further information becomes available and a more reliable basis for measurement can be established.

a. Land and buildings

Valuation process

Market valuations, with respect to investment property excluding ground rents, are performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed by management to reflect market conditions at the year-end date.

An independent valuation of the Company's investment property, land and buildings, was performed by a qualified, independent valuer to determine the fair value as at 30 April 2026. The fair value movements were credited to profit and loss and subsequently transferred to other reserves under equity. As at 30 April 2025, management also assessed whether there are any significant changes to the significant inputs of the valuation.

Valuation techniques and inputs

The Company's investment property land and buildings consists mainly of plots of land with a carrying amount of EUR 3,237,000 (2025: EUR 3,115,000) together with other commercial buildings with a carrying amount of EUR 1,267,000 (2025: EUR 1,255,000). The investment property that has been valued using the comparable method has been categorised to fall within level 2 of the fair valuation hierarchy whilst investment property valued using the capitalisation method is classified within level 3 of the aforementioned hierarchy. The different levels in the fair value hierarchy have been defined in Note 9c.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. In previous years, one of the properties that falls under commercial buildings with a fair value of EUR 322,000 as at 30 April 2026 (2025: EUR 310,000) was

transferred from Level 2 to Level 3. This was brought about as the directors applied the capitalisation method as at year end compared to the comparable method applied as at previous year end. The capitalisation method was considered to give a more realistic value to this particular investment property. During the current year, the company recognised an unrealised gain of EUR 15,000 (2025: loss of EUR 25,000) on such investment property.

For all properties, their current use equates to the highest and best use.

For level 2 fair value of the investment property land and buildings, the valuation was determined by the comparable method.

For level 3 fair value of the investment property commercial buildings, the valuation was determined by the capitalisation method. Management reviews the major inputs used in the calculation of the fair value in line with market conditions. The main inputs for the capitalisation method are as follows:

Capitalisation method:

Future rental cash inflows	based on the actual location, type and quality of the properties and external evidence such as current market rents for similar properties;
Capitalisation rates	based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value EUR	Range of significant unobservable Capitalisation rate
30 April 2026	322,000	5% - 6%
30 April 2025	310,000	5% - 6%

The below is a summary of the investment property land and buildings split by the valuation methodologies explained above:

As at 30 April 2026	Comparable Method EUR	Capitalisation Method	Total EUR
Plots of land	3,237,000	-	3,237,000
Commercial buildings	945,000	322,000	1,267,000
	<u>4,182,000</u>	<u>322,000</u>	<u>4,504,000</u>

As at 30 April 2025

Plots of land	3,115,000	-	3,115,000
Commercial buildings	945,000	310,000	1,255,000
	<u>4,060,000</u>	<u>310,000</u>	<u>4,370,000</u>

b. Ground rents

Valuation process

For the valuation of ground rents, on an annual basis, management reviews the major inputs used in the calculation of the fair value in line with local legislation and market conditions. Ground rents on property are received annually. Ground rent income is used as a basis for the capitalisation of the ground rents.

These ground rents are redeemable, and the ground rent capitalisation represents the redemption amount or the present value of the expected cash flows. The valuation of ground rents is determined by the capitalisation method. The capitalisation rate for non-revisable ground rents is determined by reference to local legislation whilst the capitalisation rate for revisable ground rents is based on inputs that reflect the current market conditions.

Capitalisation method:

Future rental cash inflows	based on the actual location, type and quality of the properties and external evidence such as current market rents for similar properties;
Capitalisation rates	based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Valuation techniques and inputs

Information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value EUR	Range of significant unobservable Capitalisation rate
30 April 2026	1,710,455	3%-5%
30 April 2025	1,560,297	3%-5%

c. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of investment property by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Fair value as at 30 April 2026	6,214,455	-	4,182,000	2,032,455
Fair value as at 30 April 2025	5,930,297	-	4,060,000	1,870,297

For each valuation of investment property classified under as Level 3, annual rent or ground rent and capitalisation rate have been determined to be the significant unobservable inputs. The higher the annual rent or ground rent, the higher the fair value will be and conversely the lower the annual rent or ground rent, the lower the fair value. The lower the capitalisation rate, the higher the fair value will be and conversely the higher the capitalisation rate, the lower the fair value. Transfers between Level 2 and Level 3 fair value hierarchies are disclosed in Note 9a.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and improvements EUR	Fixtures fittings and Equipment EUR	Total EUR
Cost or valuation			
At 30 April 2024	245,494	35,479	280,973
Revaluation	29,261	-	29,261
Transfer*	(9,261)	-	(9,261)
At 30 April 2025	265,494	35,479	300,973
Revaluation	18,099	-	18,099
Transfer*	(10,099)	-	(10,099)
At 30 April 2026	273,494	35,479	308,973
Depreciation			
At 30 April 2024	25,494	35,479	60,973
Charge for the year (note 5)	9,261	-	9,261
Transfer*	(9,261)	-	(9,261)
At 30 April 2025	25,494	35,479	60,973
Charge for the year (note 5)	10,099	-	10,099
Transfer*	(10,099)	-	(10,099)
At 30 April 2026	25,494	35,479	60,973

Net book value			
At 30 April 2026	248,000	-	248,000
At 30 April 2025	240,000	-	240,000

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Leasehold buildings were acquired in the financial year ended 30th April 1993 at a cost of EUR34,097. The remaining life of the lease is 27 years. The Company uses the revaluation model for leasehold buildings.

These leasehold buildings were last revalued in April 2026 at EUR 248,000 (2025: EUR 240,000). An independent valuation of the leasehold buildings was performed by same valuers for investment property land and building. The valuation for this commercial building was determined by the comparable method. It has been categorised to fall within Level 2 of the fair valuation hierarchy. There were no transfers between levels during the year. The different levels in the fair value hierarchy have been defined in Note 9c.

Had leasehold buildings not been included in the financial statements at revaluation less accumulated depreciation, the carrying amount at 30 April 2026, based on cost less accumulated depreciation charged on cost, would have been EUR 14,782 (2025: EUR 15,350).

Fully depreciated fixtures, fittings and equipment are still in use.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026	2025
	EUR	EUR
Non-current	9,705,516	8,174,261
Current	-	-
	9,705,516	8,174,261

The table below analyses the nature of the financial assets:

	2026	2025
	EUR	EUR
Equity securities	6,846,895	5,604,739
Bonds	955,260	823,672
Managed funds	1,903,361	1,745,850
	9,705,516	8,174,261

(a) Fair values:

	2026	2025
	EUR	EUR
Quoted	9,673,734	8,142,479
Unquoted	31,782	31,782
	9,705,516	8,174,261

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Total	Level 1	Level 2	Level 3
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	EUR	EUR	EUR	EUR
Fair value as at 30 April 2026	9,705,516	7,770,373	1,903,361	31,782
Fair value as at 30 April 2025	8,174,261	6,396,629	1,745,850	31,782

Included with the financial assets classified as Level 2, is a Professional Investor Fund, the price of which started being quoted annually as from October 2014 and on ad hoc basis when there is an entry or exit of units in that fund. Observable inputs that may otherwise be a Level 1 input will be rendered Level 2 if the information relates to a market that is not active. Accordingly, this investment was transferred from Level 1 in the fair value hierarchy to Level 2 during the financial year end 2015.

The fair value of financial assets classified as Level 3 was determined by reference to the net asset value of Companies. During the year the Company did not recognise fair value loss or gain (2025: no loss or gain) with respect to financial assets classified as Level 3 in the fair value hierarchy. No dividend income was received during 2026 and 2025 from these investments. There were no movements in the holding of these investments during 2026 and 2025.

(b) Acquisition cost:

	2026 EUR	2025 EUR
Quoted	8,360,744	7,352,091
Unquoted	16,894	16,894
	<u>8,377,638</u>	<u>7,368,985</u>

(c) Movement in fair value as recorded in the statement of comprehensive income:

	2026 EUR	2025 EUR
Quoted	516,601	776,386
Unquoted	-	-
	<u>516,601</u>	<u>776,386</u>

(d) Reconciliation of fair value of financial assets at fair value through profit or loss:

	2026 EUR	2025 EUR
At 1 May	8,174,261	7,301,909
Additions	1,143,654	195,966
Disposal	(129,000)	(100,000)
Increase in fair value of financial assets	516,601	776,386
At 30 April	<u>9,705,516</u>	<u>8,174,261</u>

12. RECEIVABLES

	2026 EUR	2025 EUR
Ground rent receivables (note i)	40,795	33,348
Accrued income	21,093	17,308
Other receivables	14,173	62,241
	<u>76,061</u>	<u>112,897</u>

(i) Ground rents are received annually and are non-interest bearing. The ageing analysis is as follows:

P ast due but not impaired				
Total EUR	<1 year EUR	1-2 years EUR	2-5 years EUR	>5 years EUR

2026	40,795	20,635	3,651	8,777	7,732
2025	33,348	12,400	4,277	8,863	7,808

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2026 EUR	2025 EUR
Cash at bank	256,069	670,907

14. SHARE CAPITAL

	2026 EUR	2025 EUR
Authorised		
8,500,000 (April 2025: 8,500,000) ordinary shares of EUR0.275 (April 2025: EUR0.275) each	2,337,500	2,337,500
Issued, called up and fully paid		
7,314,122 (April 2025: 7,314,122) ordinary shares of EUR0.275 (April 2025: EUR0.275) each	2,011,384	2,011,384
	2026	2025
No. of shares		
At beginning of the year	7,314,122	7,314,122
At end of year	7,314,122	7,314,122

15. RESERVES

Share premium

The share premium account represents the excess over the nominal value of proceeds from the issue of shares in the Company's capital at a value above nominal value. This reserve is not available for distribution.

Revaluation reserve

This reserve arises from the revaluation of leasehold property. This reserve is not available for distribution.

Other reserves

Other reserves represent unrealised fair value gains on investment properties and financial assets. This reserve is not available for distribution.

Retained earnings

This represents the accumulated realised gains net of unrealised and realised losses of the company.

16. DEFERRED TAX LIABILITY

The liability for deferred taxation for the year is analysed as follows:

	2026 EUR	2025 EUR
At beginning of the year	621,457	597,639
Charged to profit and loss (note 7)	29,090	21,818

Charged to other comprehensive income	1,810	2,000
At end of year	652,357	621,457

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% (2025: 35%), property tax of 10% or 8% (2025: 10% or 8%) and withholding tax of 15% (2025: 15%). Deferred income tax as at 30 April relates to the following:

	2026 EUR	2025 EUR
Revalued amount of leasehold property within property, plant and equipment	25,810	24,000
Fair value of investment properties	608,261	594,861
Other temporary differences	18,286	2,596
	652,357	621,457

17. PAYABLES

	2026 EUR	2025 EUR
Ground rent payables (note i)	201,372	190,655
Accruals	18,715	27,739
Other payables (note ii)	57,953	57,953
	278,040	276,347

(i) Ground rents are paid on demand once they are due and are non-interest bearing. Ground rents are settled upon receipt of claim.

(ii) Other payables are repayable on demand.

18. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value by the number of ordinary shares in issue. As at 30 April 2026, the net asset value per share stood at EUR 2.121 (2025: EUR 1.938).

Net asset value per share is computed by dividing the net assets by the average number of shares in issue. Any increase in shares by way of bonus issue is treated as having been in issue for the whole year and included in the NAV calculation of all earlier periods presented.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has various financial assets such as financial assets at fair value through profit and loss, receivables and cash at bank, which arise directly from its operations. The Company's principal financial liabilities are composed of payables.

The Company did not enter into derivative transactions. It is, and has been throughout the year, the Company's policy that no trading in derivatives shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (which is composed of foreign exchange currency risk, interest rate risk and equity price risk). The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from investments classified as fair value through profit or loss, receivables and deposits with banks.

The Company trades only with recognised and creditworthy third parties. Credit risk relating to financial assets is addressed through careful selection of the issuers of securities bought by the Company. The Company obtains expert technical advice from its stockbrokers and monitors the markets for changes in the credit status of companies in which securities are held.

The maximum exposure to credit risk at the reporting date is the carrying value of bonds as disclosed in notes 11 and each class of financial assets as disclosed in notes 12 and 13. The Directors are of the opinion that these amounts are recoverable in full. Cash at bank are placed with quality financial institutions. Other than ground rents receivable, mentioned in the following paragraph, none of the financial assets are neither past due nor impaired. Therefore, the Company has no significant concentration of credit risk.

No provisions have been made against ground rent receivables since the Company is entitled to enforce these amounts on the basis of contracts on which the property giving rise to the ground rents is available as a security.

The Company's exposure to concentration of risk as at 30 April 2026, arising from financial instruments exceeding 10% of the Net Asset Value of the Company with the same counterparty, amounted to EUR 1,903,361 (12.27% of NAV) and EUR 3,510,500 (22.63% of NAV). As at 30 April 2025, these exposures amounted to EUR 1,745,850 (12.32% of NAV) and EUR 2,995,300 (21.13% of NAV).

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial liabilities and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of potential borrowing facilities and payables.

Market risk

Market risk is the risk that the fair value of financial assets will fluctuate due to changes in the market variables such as exchange rates, interest rates and equity prices.

Foreign exchange currency risk

The Company has sterling pounds denominated cash at bank equivalent to EUR 1,837 (2025: EUR 1,806) and transactional currency exposures arising from its US dollar denominated financial assets at fair value through profit or loss with a carrying amount equivalent EUR 35,763 (2025: EUR 40,614). The Company monitors movements in the currencies in which these assets are held although they do not significantly affect the Company's Statement of Financial Position.

Interest rate risk

The Company's favourable bank balances earn interest at rates determined by the banks. In view of the Company's marginal net cash and cash equivalents, the amount of interest rates risk is not considered to be significant.

The Company's financial assets should not be significantly influenced by changes in interest rates since most holdings are equity and managed funds. A reasonably possible change in interest rates is not expected to have a significant effect on the fair value of fixed interest rate bonds.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks.

The effect on the Statement of Comprehensive Income (as a result of a change in the fair value of equity instruments held at fair value through profit or loss at year end) due to a reasonably possible change in the Malta Stock Exchange index, with all other variables held constant is as follows:

	Effect on profit	Change in equity price before tax
	%	EUR '000
2026	4/-4	388/-388
2025	4/-4	333/-333

Fair value measurement

At 30 April 2026 and 30 April 2025, the carrying amounts of receivables, cash at bank, and payables approximated their fair values. Refer to Notes 9, 10 and 11 for fair value techniques and the following fair value measurement hierarchy of investment property, property plant and equipment, and financial assets at fair value through profit or loss.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process during the year ended 30 April 2026 and 30 April 2025.

20. SHAREHOLDINGS

As at 30 April 2026

A. Substantial direct interest.

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury plc	3,111,553	855,677	42.5
Mr. Anthony P. Demajo	500,000	137,500	6.8
Archdiocese of Malta	482,539	132,698	6.6
Amalgamated Investments Sicav Plc	467,561	128,579	6.4
	4,561,653	1,254,454	62.3

B. Composition of shareholding.

Size of Shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 – 500	33	14.35	9,174	0.13
501 - 1,000	23	10	17,571	0.24
1,001 - 5,000	81	35.22	201,488	2.75
5,001 and over	93	40.43	7,085,889	96.88
	230	100	7,314,122	100

As at 30 April 2025

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury plc	3,111,553	855,677	42.5
Mr. Anthony P. Demajo	500,000	137,500	6.8
Archdiocese of Malta	482,539	132,698	6.6
Amalgamated Investments Sicav Plc	467,561	128,579	6.4
	4,561,653	1,254,454	62.3

B. Composition of shareholding.

Size of Shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 – 500	33	14.35	9,174	0.13
501 - 1,000	23	10	17,571	0.24
1,001 - 5,000	81	35.22	201,488	2.75
5,001 and over	93	40.43	7,085,889	96.88
	230	100	7,314,122	100

21. RELATED PARTY TRANSACTIONS

The Directors are considered by the Company to be Key Management Personnel. The Directors' remuneration is disclosed in Note 5 of these financial statements.

22. CONTINGENT LIABILITY

The Company has received a notice from the Commissioner of Inland Revenue pursuant to the exemption order of 4 September 2010, in which notice it is allegedly indicated that a tax balance of EUR 155,156 (2025: EUR155,156) is due. According to the Company's records, the amount claimed is under dispute in its entirety.

23. DIVIDENDS

The Directors do not propose any dividends or bonus issue for the financial year ended 30 April 2026.

24. OPERATING SEGMENTS

The company has not identified operating segments as its activities are managed on an aggregate basis as one business unit.

25. EVENTS AFTER THE REPORTING PERIOD

There were no events to report after the reporting period.

SUPPLEMENTARY STATEMENTS

Supplementary Statements	Statement Number
<u>Operating Account</u>	I
<u>Investments</u>	II
<u>Analysis of Company Portfolio</u>	III
<u>Five Year Statements</u>	IV
<u>Five Year Key Figures and Ratios</u>	V

STATEMENT I

OPERATING ACCOUNT

	2026	2025
	EUR	EUR
INVESTMENT INCOME		
Dividends income	910,542	454,726
Interest income	44,873	38,866
Ground rents	58,241	53,341
Other income	3,097	202,022
Profit on redemption	39,426	-
Profit on ground rent capitalisation	150,158	-
	<u>1,206,337</u>	<u>748,955</u>

ADMINISTRATIVE EXPENSES

Salaries and NI contribution	(71,981)	(69,781)
Directors' remuneration	(22,800)	(22,800)
Malta Stock Exchange fees	(6,665)	(6,760)
Advertising and promotional expenses	(291)	(291)
Telecommunications	(1,413)	(1,614)
Water and electricity	(1,197)	(1,467)
Stationery and postages	(2,025)	(1,476)

Insurances	(384)	(384)
Professional and legal fees	(33,370)	(14,581)
Auditor's remuneration	(18,032)	(15,602)
Travelling expenses	(7,638)	(7,637)
Computer operating and leasing expenses	(3,757)	(3,342)
Annual registration fee	(1,200)	(1,200)
Sundry expenses	(5,114)	(7,129)
Depreciation of property, plant and equipment	(10,099)	(9,261)
Differences on exchange	2,389	826
Bank charges	(946)	(946)
	<u>(184,523)</u>	<u>(163,445)</u>
 OPERATING PROFIT	 <u>1,021,814</u>	 <u>585,510</u>

STATEMENT II

INVESTMENTS

LOCAL QUOTED

Banks

Bank of Valletta Plc
HSBC Bank Malta Plc
MeDirect Bank Malta Plc
Fimbank Plc
APS Bank Plc

Investment funds

Amalgamated Investments Sicav Plc

Telecommunications

Loqus Holdings Plc
GO Plc

Technology

BMIT Technologies Plc

Breweries and beverages

Simonds Farsons Cisk Plc

Insurance

Mapfre Middlesea Plc

Marina services

Grand Harbour Marina Plc

Airlines and airports

Malta Int. Airport Plc

Postal services

MaltaPost Plc

Property company

Malta Properties Company Plc
Trident Estates plc
Hili Properties Plc
Stivala Group Finance Plc
Plaza Centres Plc
Malita Investments p.l.c.

Oil and gas

Medserv Plc

Retail
PG Plc
M&Z Plc

LOCAL UNQUOTED

Investment funds
The Malta Development Fund Limited

Insurance
Citadel Insurance Plc

STATEMENT III

ANALYSIS OF COMPANY PORTFOLIO

	2026	2026	2025	2025	2024	2024
	Market	of	Market	of	Market	of
	Value	total	value	total	value	total
	EUR	NCA	EUR	NCA	EUR	NCA
		%		%		%
FINANCIAL ASSETS						
<i>Included under Financial assets at fair value fair value through profit and loss</i>						
Banks	5,342,807	33.05	3,642,182	25.39	2,862,146	21.65
Investment Funds	1,019,701	6.31	1,762,191	12.28	1,569,398	11.87
Telecommunication Services	425,790	2.63	431,354	3.01	477,854	3.61
Breweries and Beverages	272,900	1.69	276,000	1.92	293,822	2.22
Insurance	282,241	1.75	261,941	1.83	251,741	1.9
Marine Services	15,150	0.09	12,000	0.08	13,200	0.1
Airlines and Airports	738,000	4.56	595,000	4.15	513,000	3.88
Postal Services	44,000	0.27	45,800	0.32	45,000	0.34
Property Company	948,900	5.87	571,790	3.99	677,700	5.13
Retail	544,902	3.37	435,428	3.04	438,548	3.32
Oil and Gas	8,125	0.05	5,375	0.04	7,500	0.06
Technology	108,000	0.67	135,200	0.94	152,000	1.15
Total financial assets	9,705,516	60.31	8,174,261	56.99	7,301,909	55.23

Financial Assets at fair value through profit and loss are classified into current and non-current assets, based on maturity date. However, during the current and prior financial year, there were no financial assets at fair value through profit and loss classified as current.

PROPERTY

Included under Investment Properties and Property, plant and equipment

Development land & buildings	3,428,000	21.2	3,335,000	23.25	3,145,500	23.79
Land	754,000	4.66	725,000	5.05	700,000	5.29
Leasehold properties	322,000	1.99	310,000	2.16	295,000	2.23
Ground rents	1,710,455	10.58	1,560,297	10.88	1,560,297	11.8
Office	248,000	1.53	240,000	1.67	220,000	1.66
Total property	6,462,455	39.97	6,170,297	43.01	5,920,797	44.77
TOTAL PORTFOLIO	16,167,971	100	14,344,558	100	13,222,706	100

2026

2025

2024

	% of total financial assets	% of total financial assets	% of total financial assets
GEOGRAPHICAL DISTRIBUTION OF FINANCIAL ASSETS			
Malta	100	100	100

STATEMENT IV

FIVE YEAR STATEMENTS FOR THE YEARS ENDED 30 APRIL 2022 TO 30 April 2026

INCOME STATEMENTS

	2026 EUR	2025 EUR	2024 EUR	2023 EUR	2022 EUR
Investments and similar income	1,206,337	748,955	421,166	473,551	340,685
Profit before taxation	1,663,049	1,589,617	1,293,893	834,161	(293,813)
Taxation	(340,192)	(212,226)	(174,996)	(98,278)	(90,529)
Profit for the year	1,322,857	1,377,391	1,118,897	735,883	(384,342)

STATEMENTS OF FINANCIAL POSITION

	2026 EUR	2025 EUR	2024 EUR	2023 EUR	2022 EUR
Non-current assets					
Investment properties	6,214,455	5,930,297	5,700,797	5,394,297	5,112,027
Property, plant and equipment	248,000	240,000	220,000	180,000	177,000
Financial assets at fair value through profit and loss	9,705,516	8,174,261	7,301,909	6,401,785	5,921,938
	16,167,971	14,344,558	13,222,706	11,976,082	11,210,965
Current assets					
Other current assets	332,130	783,804	462,498	468,435	445,576
	332,130	783,804	462,498	468,435	445,576
Current liabilities	(333,078)	(331,385)	(316,697)	(295,151)	(282,445)
Net current assets	(948)	452,419	145,801	173,284	163,131
Non-current liabilities	(652,357)	(621,457)	(597,639)	(541,513)	(512,858)
Total equity	15,514,666	14,175,520	12,770,868	11,607,853	10,861,238

STATEMENT V

FIVE YEAR KEY FIGURES AND RATIOS FOR THE YEARS ENDED 30 APRIL 2022 TO 30 April 2026

KEY FIGURES AND RATIOS

	2026	2025	2024	2023	2022
Number of shares in issue ¹	7,314,122	7,314,122	7,314,122	7,314,122	7,314,122
Earnings/(loss) per share (cents) ²	0.181	0.188	0.153	0.101	(0.053)
Return on capital employed (%) ³	8.526	9.717	8.761	6.340	3.539
Dividend cover (times) ⁴	-	-	-	-	-
Net asset value per share (EUR) ⁵	2.121	1.938	1.746	1.587	1.485

Notes

1. Actual number of shares in issue.
2. Earnings per share is computed by dividing the profit/(loss) for the year by the average shares in issue. Any increase in shares by way of bonus issue is treated as having been in issue for the whole year and included in the EPS calculation of all earlier periods presented.
3. Return on capital employed is calculated by dividing the profit/(loss) for the year by the shareholders' funds at the end of the year.
4. Dividend cover is calculated by dividing the profit/(loss) for the year by the gross dividends for the year.
5. Net asset value per share is computed by dividing the net assets by the average number of shares in issue. Any increase in shares by way of bonus issue is treated as having been in issue for the whole year and included in the NAV calculation of all earlier periods presented.