

BORTEX GROUP HOLDINGS COMPANY LIMITED

Annual Report and Consolidated and Separate
Financial Statements
31 October 2025

CONTENT

	Pages
Directors, officers and other information	1
Directors' report	2 - 7
Independent auditor's report	8 - 10
Statements of financial position	11 - 12
Statements of profit or loss	13
Statements of comprehensive income	14
Statements of changes in equity	15 - 16
Statements of cash flows	17 - 18
Notes to the financial statements	19 - 88

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

Ms Karen Borg
Mr Peter Paul Borg
Ms Alexandra Borg
Mr Samuel Borg
Ms Christine Demicoli
Mr David Debono (resigned on 27 December 2024)

Company Secretary Ms Christine Demicoli

Registered Office

St. Therese
Hughes Hallet Street
Sliema SLM 3142
Malta

Country of Incorporation Malta

Auditors

Ernst & Young Malta Limited
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
Malta

Principal bankers

Bank of Valletta p.l.c.
Corporate Finance
BOV Centre
Triq il-Kanun
Santa Venera SVR 9030
Malta

HSBC Bank Malta p.l.c.
116, Archbishop Street
Valletta VLT 1444
Malta

BNF Bank p.l.c.
Level 2, 203
Rue D'Argens
Gzira
Malta

APS Bank p.l.c.
APS Centre, Tower Street
Birkirkara BKR 4012
Malta

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of Bortex Group Holdings Company Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31 October 2025.

Principal Activities

The Group's principal activities, which remain unchanged from the previous year, primarily comprise the manufacture, sale and retail of quality menswear and ladieswear, hotel operations under the 1926 Collection brand, and real estate development and management. During the year ended 31 October 2025, the retail segment of the Group expanded its operations with the opening of larger premises in Valletta for the Bortex multi-brand fascia and a new Polo Ralph Lauren store. The hospitality segment of the Group also expanded its operations with the addition of two new hotels to the 1926 collection, which now operates 1926 Le Soleil, 1926 Le Parisot, 1926 La Galerie and 1926 Les Bains. The Company's principal activity, which is unchanged since last year, is to act as a holding entity.

Results and Dividends

The statements of profit or loss and the statements of comprehensive income are set out on pages 13 and 14 respectively. During the financial year ended 31 October 2025, the Group and the Company declared a dividend amounting to €490,850 (2024: €518,000).

Performance Review of the Group

The Group reported a turnover of €27.9 million (2024: €23.9 million), with an adjusted EBITDA of €5.4 million (2024: €5.2 million) and a consolidated profit before tax of €3.1 million (2024: €2.1 million), as detailed in the table below:

	2025 €	2024 €
Total Revenue	27,935,651	23,865,961
Adjusted EBITDA	5,374,400	5,239,459
Profit before tax	3,061,595	2,134,128

Manufacturing, Retail and Property Management Segment – Performance Review

Financial year ended 31 October 2025

During the financial year ended 31 October 2025, the Group's manufacturing, retail and property management segment delivered a strong performance. This was primarily driven by increased retail sales from existing stores, which recorded positive like-for-like growth, as well as the relocation of the Bortex store in Valletta to larger premises and the opening of a new Polo Ralph Lauren outlet in the same city.

Sales on Corporate and School uniforms also registered strong growth, reflecting the Group's continued success in securing new contracts within these sub segments.

Returns from the Group's property portfolio also improved during the year. Rental income from the Mosta development increased as the project entered its second year of operation, while the launch of the Valletta Old Theatre Street project, '1926 La Galerie', in June also contributed positively to results.

DIRECTORS' REPORT – continued

Manufacturing, Retail and Property Management Segment – Performance Review - continued

Financial year ended 31 October 2025 - continued

Total revenues for the year reached €19.9 million, representing an increase of €0.8 million over the previous year. As a matter of prudence the Group decided to take an impairment against its investment in Serbia and also to write off part of the inventory used for hire operations. After these adjustments amounting to €0.5 million, this segment recorded a positive adjusted EBITDA of €1.9 million, compared to €2.3 million in the prior year.

Calculation of Adjusted EBITDA for Manufacturing, Retail and Property Management segment	Reference	31 October 2025	31 October 2024
		€	€
Operating profit	Note 27	1,725,505	1,556,495
Depreciation of property, plant and equipment, intangible asset and right-of-use asset	Note 27	1,062,023	1,029,513
Gain from fair value of investment property	Note 10	(1,483,628)	-
Provision/(Reversal) for impairment on inventory	Note 28	626,226	(265,992)
Adjusted EBITDA		1,930,126	2,320,016

Subsidiaries and Associates

During the financial year ended 31 October 2025, the Group also recorded improved performance from its subsidiaries and associated companies operating retail stores both in Malta and overseas. Revenues increased to €5.3 million from €4.2 million in the previous year, while adjusted EBITDA rose from €257,000 to €360,000.

Performance from Existing Operations

Throughout the year, the Group maintained its strategic focus on optimising retail operations both locally and internationally. Continued efforts were directed towards strengthening the Gagliardi own-label proposition, alongside growth initiatives within the private label, corporate and school uniform divisions.

While sales increased across most divisions, particularly retail, corporate wear and school wear, private label sales experienced a slight decline. Nevertheless, overall performance continued to demonstrate the resilience and balance of the Group's diversified business model.

Despite variations in performance across individual segments, overall results remained broadly in line with budgeted expectations and represent an improvement over the previous year. This reflects the Group's ability to respond effectively to changing market conditions while maintaining operational efficiency and profitability.

Performance of New Stores and Developments

During the financial year, the Group successfully relocated its Bortex store in Valletta to larger premises on the same street. The newly acquired freehold premises provide a significantly wider retail offering, featuring an expanded range of Gagliardi own-brand products alongside various premium and mid-priced brands.

The former Bortex premises in Valletta were subsequently converted into the Group's second Polo Ralph Lauren store in Malta. Internationally, the Group expanded its Gagliardi store in Warsaw, Poland, increasing floor space to accommodate additional brands and enhance the overall customer experience.

DIRECTORS' REPORT – continued

Manufacturing, Retail and Property Management Segment – Performance Review - continued

Financial year ended 31 October 2025 - continued

Works were also completed on its investment property, 1926 La Galerie, a boutique hotel located in the heart of Valletta, which is now being operated by the Group's hospitality segment.

All four new locations contributed positively to overall sales and profitability during the financial year.

Hospitality Segment – Performance Review

Financial year ended 31 October 2025

During the financial year ended 31 October 2025, the Group recorded a strong performance within its hospitality segment, driven by continued growth at its established properties and the successful launch of two new hotels within its Collection.

Revenues from 1926 Le Soleil and 1926 Le Parisot increased year-on-year, reflecting sustained demand and operational efficiency across both properties. In parallel, the Group successfully completed the development and launch of two new boutique and luxury hospitality offerings: 1926 La Galerie in Valletta, which commenced operations in May 2025, and 1926 Les Bains in Sliema, which commenced operations in August 2025.

Performance of Existing Hotels

1926 Le Soleil generated total rooms revenue (net of commissions) of €6.7 million, representing an increase of €0.6 million over the previous year. The hotel's average occupancy improved from 79.95% to 88.11%, while the average daily rate (ADR) decreased marginally from €139.26 to €138.81.

1926 Le Parisot continued to deliver steady growth, with total rooms revenue (net of commission) increasing to €434,810 compared to €411,305 in the prior year. Occupancy rose from 83.80% to 88.77%, while ADR decreased from €216.96 to €213.07.

Performance of New Hotels

1926 La Galerie, a boutique hotel comprising five suites and offering a distinctive artistic hospitality experience, generated revenue (net of commissions) of €147,153 during its first six months of operation. The property achieved an average occupancy of 84.86% and an ADR of €221.81.

1926 Les Bains, a luxury thirty-two spa suite hotel located in Sliema, commenced operations in August 2025 and therefore operated for only three months during the financial year. Despite the limited operating period, the property generated revenue (net of commission) of €397,181, achieved an occupancy rate of 71.07%, and recorded an ADR of €221.11. The hotel offers a unique concept within the local market, featuring in-room spa facilities and an elevated luxury bathing experience.

	31-Oct-25					31-Oct-24		
	1926 Le Soleil	1926 Le Parisot	1926 Les Bains (Aug - Oct)	1926 La Galerie (May - Oct)	31-Oct-25 €	1926 Le Soleil	1926 Le Parisot	31-Oct-24 €
Available rooms (A)	62,415	2,555	2,883	865		62,220	2,562	
Occupied rooms (B)	54,991	2,268	2,049	734		49,743	2,147	
Occupancy % (B)/(A)	88.11%	88.77%	71.07%	84.86%		79.95%	83.80%	
	€	€	€	€	€	€	€	€
Rooms Revenue (C)	7,633,112	483,240	453,059	162,812	8,732,223	6,927,389	465,823	7,393,212
Commissions	(893,534)	(48,430)	(55,878)	(15,659)	(1,013,501)	(857,560)	(54,518)	(912,078)
Net Rooms revenue	6,739,578	434,810	397,181	147,153	7,718,722	6,069,829	411,305	6,481,134
ADR (C)/(B)	138.81	213.07	221.11	221.81		139.26	216.96	

DIRECTORS' REPORT – continued

Hospitality Segment – Performance Review – continued

Overall Segment Performance

The hospitality segment recorded an overall revenue increase of €2.2 million compared to the previous year. This growth comprised €0.7 million from the continued performance of existing hotels, €0.6 million from the newly launched properties and €0.9 million from 1926 Gourmet.

The segment delivered adjusted EBITDA of €3.5 million, compared to €2.9 million in the previous financial year.

When including the performance of 1926 Gourmet, the Company that operates the Michelin-starred restaurant located at 1926 Le Soleil, total segment adjusted EBITDA amounted to €3.5 million. Gourmet's sales during this financial year amounted to €944,130 (2024: €96,425) and recorded a negative EBITDA of €170,854 (2024: €123,568).

Calculation of Adjusted EBITDA for Hospitality segment	Reference	31 October 2025 €	31 October 2024 €
Operating profit	Note 27	2,327,651	1,922,248
Gain from fair value of investment property	Note 10	(156,126)	-
Depreciation	Note 27	1,290,962	1,000,151
Adjusted EBITDA		3,462,487	2,922,399

Outlook for financial year ending 2026

Manufacturing, Retail and Property Management

Looking ahead, the Group will continue to prioritise sales growth, margin enhancement and operational efficiency across its retail division, both locally and overseas, with the objective of further strengthening overall profitability. In parallel, the manufacturing segment will pursue selective and sustainable expansion, ensuring that new opportunities remain aligned with market demand and the Group's operational capabilities.

A significant development in the coming financial year will be the opening of six additional mono-brand stores within the new St George's Mall which is expected to launch in April of 2026. In addition, the Group plans to expand further in Poland with the launch of two new stores in Poznań: a second Gagliardi store and the Group's first Polo Ralph Lauren mono-brand store in the country.

Management remains focused on reinforcing brand positioning, refining product assortments and driving long-term value across all business divisions. By leveraging its established market presence, operational expertise and diversified business model, the Group is well positioned to continue to achieve growth in this segment.

Hospitality

In the forthcoming financial year, the Group will focus on consolidation and optimisation of its expanded hospitality portfolio. With the development works on the two new properties now fully completed and their operations fully integrated, the Group's priority will be to maximise operational efficiency and performance across its four hotels.

DIRECTORS' REPORT – continued

Outlook for financial year ending 2026 - continued

Hospitality - continued

The Group will continue to focus on achieving optimal occupancy levels and rate growth, while maintaining each property's distinctive positioning and value proposition. Cost control and operational efficiency will remain key priorities, pursued without compromising service quality, and with a continued emphasis on enhancing guest experience.

Management's strategic objective is to strengthen EBITDA margins through disciplined financial management and tailored budgeting, improve guest satisfaction and review scores across all properties, and further strengthen the Group's presence within the local hospitality market.

Financial risk management

There are a number of financial risks that could potentially impact the activities of the Group and Company and include, but not solely, the following: credit risk, liquidity risk, and currency risk. The Group and the Company's objective in managing such risks is the creation and protection of shareholder's value. In order to manage and mitigate such risks, the Group and Company employs a number of risk management tools in its day-to-day operation. Further detail can be found under Note 5 of the financial statements.

Events after the reporting period

There were no events after year-end which would require adjustment or disclosure in the annual financial statements of the Group and or the Company.

DIRECTORS' REPORT – continued

Statement of directors' responsibilities

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 as adopted by the EU, which give a true and fair view of the state of affairs of the Group and Company at the end of each financial year and of the profit or loss of the Group and 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 Group and the Company will continue in business as a going concern;
- Account for income and charges relating to the accounting period on the accruals basis;
- Value separately the components of asset and liability items; and
- Report comparative figures corresponding to those of the preceding accounting period.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Ernst & Young Malta Limited have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on 26 February 2026 by:



MS KAREN BORG
Chairperson



MR PETER PAUL BORG
Director



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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Bortex Group Holdings Company Limited

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of Bortex Group Holdings Company Limited (the "Company" and its subsidiaries the "Group"), set on pages 11 to 88, which comprise the separate and consolidated statements of financial position as at 31 October 2025, and the separate and consolidated statements of comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the financial position of the Company and the Group as at 31 October 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board of Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Bortex Group Holdings Company Limited - continued

Responsibilities of the directors for the separate and consolidated financial statements

The directors are responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of the separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Bortex Group Holdings Company Limited - continued

Auditor's responsibilities for the audit of the separate and consolidated financial statements – continued

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

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

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Company, the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

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

- proper accounting records have not been kept;
- proper returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

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

*The partner in charge of the audit resulting in this independent auditor's report is
Christopher Portelli for and on behalf of*



Ernst & Young Malta Limited
Certified Public Accountants

26 February 2026

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**STATEMENTS OF FINANCIAL POSITION**

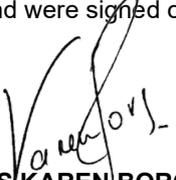
		As at 31 October			
		Group		Company	
Notes		2025	2024	2025	2024
		€	€	€	€
ASSETS					
Non-current assets					
Property, plant and equipment	7	67,721,394	49,612,606	-	-
Intangible assets	8	413,212	507,077	-	-
Right-of-use assets	9	8,762,002	6,707,212	-	-
Investment properties	10	9,024,737	6,520,338	-	-
Investment in subsidiaries	11	-	-	3,603,285	3,603,285
Investment in associate	12	-	159,582	-	-
Investment in joint ventures	13	600,812	569,534	-	-
Non-current financial assets	14	301,778	257,185	6,766	6,766
Deferred tax asset	23	5,159,658	4,770,610	-	-
Total non-current assets		91,983,593	69,104,144	3,610,051	3,610,051
Current assets					
Inventories	16	12,605,404	12,615,358	-	-
Contract assets		125,268	149,521	-	-
Trade and other receivables	15	4,342,494	4,285,106	485,372	485,372
Prepayments		433,292	383,477	-	-
Current tax assets		4,980	2,295	4,621	4,621
Cash and cash equivalents	17	1,919,904	2,506,862	4,703	6,223
Total current assets		19,431,342	19,942,619	494,696	496,216
Total assets		111,414,935	89,046,763	4,104,747	4,106,267

STATEMENTS OF FINANCIAL POSITION – continued

		As at 31 October			
Notes		Group		Company	
		2025	2024	2025	2024
		€	€	€	€
EQUITY AND LIABILITIES					
Capital and reserves					
	Share capital	18	46,587	46,587	46,587
	Revaluation reserves	19	24,053,304	17,687,051	2,902
	Other reserves	20	704,101	704,101	58,234
	Retained earnings		31,534,403	29,737,251	1,732,625
	Capital and reserves attributable to owners of the Non-controlling interests	21	56,338,395	48,174,990	1,840,348
			50,628	36,950	-
	Total equity		56,389,023	48,211,940	1,840,348
					1,867,116
					-
Non-current liabilities					
	Interest-bearing loans and borrowings	22	29,813,525	22,741,958	-
	Deferred tax liabilities	23	5,729,002	3,798,258	-
	Other non-current liabilities		80,928	78,128	-
	Lease liabilities	9	9,179,426	6,903,801	-
	Total non-current liabilities		44,802,881	33,522,145	-
Current liabilities					
	Trade and other payables	24	5,858,579	4,480,951	2,264,290
	Contract liability	25	223,712	174,079	-
	Current tax liabilities		8,736	19,547	109
	Interest-bearing loans and borrowings	22	3,955,378	2,529,741	-
	Lease liabilities	9	176,626	108,360	-
	Total current liabilities		10,223,031	7,312,678	2,264,399
	Total liabilities		55,025,912	40,834,823	2,264,399
					2,239,042
					-
					109
					-
					-
					2,239,151
					2,239,151
	Total equity and liabilities		111,414,935	89,046,763	4,104,747
					4,106,267

The notes on pages 19 to 88 are an integral part of these financial statements.

The financial statements on pages 11 to 88 were authorised for issue by the Board on 26 February 2026 and were signed on its behalf by:


MS KAREN BORG
 Chairperson


MR PETER PAUL BORG
 Director

STATEMENTS OF PROFIT OR LOSS

Year ended 31 October					
	Notes	Group		Company	
		2025	2024	2025	2024
		€	€	€	€
Revenue	26	27,935,651	23,865,961	-	-
Cost of sales	28	(17,075,716)	(12,995,954)	-	-
Gross profit		10,859,935	10,870,007	-	-
Selling expenses and other direct expenses	28	(5,736,456)	(5,212,457)	-	-
Administrative expenses	28	(2,744,591)	(2,879,002)	(26,768)	(16,894)
Other operating income	31	677,281	559,300	-	-
Gain from fair value of investment property	10	1,639,754	-	-	-
Share of results of (loss)/profit of associate and joint venture	12, 13	(128,213)	74,756	-	-
		(6,292,225)	(7,457,403)	(26,768)	(16,894)
Operating profit/(loss)		4,567,710	3,412,604	(26,768)	(16,894)
Finance income	32	58,160	31,808	490,850	518,000
Finance costs	33	(1,564,275)	(1,310,284)	-	-
Profit before income tax		3,061,595	2,134,128	464,082	501,106
Income tax (expense)/credit	34	(761,917)	4,695,399	-	-
Profit for the year		2,299,678	6,829,527	464,082	501,106
<i>Attributable to:</i>					
Equity holders of the company		2,286,501	6,816,101	464,082	501,106
Non-controlling interest		13,177	13,426	-	-
		2,299,678	6,829,527	464,082	501,106

The notes on pages 19 to 88 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 October			
Notes	Group		Company		
	2025	2024	2025	2024	
	€	€	€	€	
Profit for the year	2,299,678	6,829,527	464,082	501,106	
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gains from changes in revaluation of land and buildings	19	7,138,686	-	-	
Movements in deferred tax liability on revalued land and buildings	19	(804,286)	-	-	
Net gain on equity instruments designated at fair value through other comprehensive income	19	31,853	66,023	-	
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations		2,003	(95)	-	
Total comprehensive for the year		8,667,934	6,895,455	464,082	
<i>Attributable to:</i>					
Owners of the parent		8,654,257	6,890,920	464,082	
Non-controlling interests		13,677	4,535	-	
		8,667,934	6,895,455	464,082	

The notes on pages 19 to 88 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY**Group**

	Notes	Attributable to owners of the parent					Total €
		Share capital	Revaluation reserves	Other reserves	Retained earnings	Non-controlling Interests	
		€	€	€	€	€	
Balance at 1 November 2023		46,587	17,621,028	704,101	23,439,924	22,845	41,834,485
Comprehensive income							
Profit for the year					6,816,101	13,426	6,829,527
Other comprehensive income:							
Equity investments designated at FVOCI		-	66,023	-	-	-	66,023
Exchange differences on translation of foreign operations		-	-	-	(774)	679	(95)
Total other comprehensive income		-	66,023	-	(774)	679	65,928
Total comprehensive income for the year		46,587	17,687,051	704,101	30,255,251	36,950	48,729,940
Cash dividend	38	-	-	-	(518,000)	-	(518,000)
Balance at 31 October 2024		46,587	17,687,051	704,101	29,737,251	36,950	48,211,940
Balance at 1 November 2024		46,587	17,687,051	704,101	29,737,251	36,950	48,211,940
Comprehensive income							
Profit for the year		-	-	-	2,286,501	13,177	2,299,678
Other comprehensive income:							
Gains from changes in fair value On revalued land and buildings		-	6,334,400	-	-	-	6,334,400
Equity investments designated at FVOCI		-	31,853	-	-	-	31,853
Exchange differences on translation of foreign operations		-	-	-	1,501	501	2,002
Total other comprehensive income		-	6,366,253	-	1,501	501	6,368,255
Total comprehensive income for the year		46,587	24,053,304	704,101	32,025,253	50,628	56,879,873
Cash dividend	38	-	-	-	(490,850)	-	(490,850)
Balance at 31 October 2025		46,587	24,053,304	704,101	31,534,403	50,628	56,389,023

STATEMENTS OF CHANGES IN EQUITY - continued

Company	Note	Share capital €	Revaluation reserve €	Other Reserves €	Retained earnings €	Total €
Balance at 1 November 2023		46,587	2,902	58,234	1,776,287	1,884,010
Comprehensive income						
Profit for the year		-	-	-	501,106	501,106
Other comprehensive income						
Total comprehensive income for the year		46,587	2,902	58,234	2,277,393	2,385,116
Cash dividend	38	-	-	-	(518,000)	(518,000)
Balance at 31 October 2024		46,587	2,902	58,234	1,759,393	1,867,116
Balance at 1 November 2024		46,587	2,902	58,234	1,759,393	1,867,116
Comprehensive income						
Profit for the year		-	-	-	464,082	464,082
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		46,587	2,902	58,234	2,223,475	2,331,198
Cash dividend	38	-	-	-	(490,850)	(490,850)
Balance at 31 October 2025		46,587	2,902	58,234	1,732,625	1,840,348

The notes on pages 19 to 88 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

		Year ended 31 October			
		Group		Company	
Notes	2025	2024	2025	2024	
	€	€	€	€	
Cash flows from operating					
Profit before tax	3,061,595	2,134,128	464,082	501,106	
<i>Adjustments to reconcile profit before tax to net cash flows:</i>					
Depreciation of property, plant and equipment, intangible assets and right-of-use assets	28	2,382,684	2,029,664	-	
Movement in provisions	28	626,226	(265,992)	-	
Share of loss of associate and joint ventures	12, 13	(18,502)	(74,757)	-	
Finance income and investment income	32	(58,160)	(31,808)	-	
Dividend income	38	-	(490,850)	(518,000)	
Finance costs	33	1,564,275	1,310,284	-	
Loss on disposal of property, plant and equipment	7	-	27,673	-	
Write off of property, plant and equipment	7	254,643	-	-	
Gain on revaluation of investment properties	10	(1,639,754)	-	-	
Impairment of investment in associate	12	146,715	-	-	
Write-off of trade payables	31	(82,389)	-	-	
Loss on disposal of inventory	31	44,698	-	-	
Operating profit/(loss) before working capital changes					
	6,282,031	5,129,192	(26,768)	(16,894)	
Movement in inventories	(1,195,507)	(528,851)	-	-	
Movement in trade and other receivables	(82,951)	(142,329)	-	-	
Movement in trade and other payables	1,486,187	1,113,038	25,248	15,620	
Cash flows from operating activities					
	6,489,760	5,571,050	(1,520)	(1,274)	
Dividends received	45,420	31,808	490,850	518,000	
Taxation paid	(25,305)	(133,858)	-	-	
Net cash flows from operating activities					
	6,509,875	5,469,000	489,330	516,726	

STATEMENTS OF CASH FLOWS - continued

		Year ended 31 October			
	Notes	Group 2025 €	2024 €	Group 2025 €	2024 €
Net cash flows from operating activities		6,509,875	5,469,000	489,330	516,726
Cash flows used in investing					
Purchase of property, plant and equipment and intangible	7,8	(13,355,123)	(5,069,860)	-	-
Purchase of investment properties	10	(50,108)	(771,947)	-	-
Additional investments in subsidiary		-	-	-	(1,969)
Net cash flows used in investing activities		(13,405,231)	(5,841,807)	-	(1,969)
Cash flows from financing					
Proceeds from bank borrowings		8,256,658	3,045,820	-	-
Repayment of bank borrowings		(614,814)	(1,145,798)	-	-
Payments of lease liabilities	9	(149,340)	(133,536)	-	-
Dividends paid	38	(490,850)	(518,000)	(490,850)	(518,000)
Interest paid		(1,548,619)	(1,455,000)	-	-
Net cash flows from/(used in) financing activities		5,453,035	(206,514)	(490,850)	(518,000)
Net movement in cash and cash equivalents		(1,442,318)	(579,321)	(1,520)	(3,243)
Cash and cash equivalents at beginning of year		675,758	1,255,079	6,223	9,466
Cash and cash equivalents at end of year	17	(766,560)	675,758	4,703	6,223

The notes on pages 19 to 88 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements of Bortex Group Holdings Company Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 October 2025 were authorised for issue in accordance with a resolution of the Directors on 26 February 2026. The Company is a limited company incorporated and domiciled in Malta with its registered office is located at St. Therese, Hughes Hallet Street, Sliema in Malta.

The Group is principally engaged in the garment manufacturing, retailing and franchising industries as well as the hospitality and luxury real estate markets. Information on the Group's structure is provided in Note 2. One of the Company's subsidiary, Bortex Group Finance plc ('the Issuer') has issued public bond in December 2017, following which the proceeds were advanced to other companies within the Group to finance mainly the refurbishment and extension of Hotel 1926 Le Soleil and the beach club development project in Sliema, redevelopment of the Group's existing retail outlet in Mosta, the development of a plot of land in Mriehel into a mixed-use complex, part fund of opening Gagliardi retail outlets in a number of overseas territories and refinancing part of the Group's existing bank facilities.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ('EU') and the requirements of the Companies Act (Cap. 386 of the Laws of Malta). These financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings and equity financial assets through other comprehensive income (OCI) which are stated at fair value.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 6 - Critical accounting estimates and judgments. Certain amounts within the comparative financial statements have been reclassified to achieve better comparability and conformity with the financial statements as at 31 October 2025.

2.1 Going concern

As at 31 October 2025, the Company's current liabilities exceeded its current assets by €1,769,703 (2024: €1,742,936). In this respect, subsidiaries have undertaken not to request repayment of amounts due to them until cash is available.

Bortex Group (comprising of the Company as the Guarantor (the 'Guarantor') and the companies listed in Note 2.2) has prepared projections for the coming 16-month period ending 28 February 2027, based on forecasts which factor in the current macro-economic environment resulting from a combination of inflation and increase in importation costs, uncertainties regarding future developments and those inherent to the specific industry in which these companies operate. These forecasts project positive cash flows for the Group throughout. At the end of the current financial year, the Group has an unutilised overdraft banking facilities of around €3.2 million, and forecasts a cash reserve of around €4.1 million by 28 February 2027. The Directors of the Group have concluded that Bortex Group should be able to ensure that it does meet its commitments both financial and otherwise, and hence, the Group's obligations to bondholders and third parties should be met in full. In this respect, the Directors of the Group have assessed that the Group is expected to have the necessary funds to finance the payment of bond interest falling due in December 2025 (which has been already settled by the date these financial statements have been authorised for issue), in 2026 and going forward. On this basis, the Board continues to adopt the going concern basis in preparing the Group's and the Company's financial statements and considers that there are no material uncertainties which may cast doubt about the ability of the Group and the Company to continue operating as a going concern.

NOTES TO THE FINANCIAL STATEMENTS - continued**2. BASIS OF PREPARATION - continued****2.2 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 October 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

These consolidated financial statements comprise the Company and its subsidiaries, namely:

	Place of business	Percentage of shares held and voting rights	
		2025	2024
		%	%
Bortex Clothing Industry Company Limited	Malta	100	100
Bortex Group Finance p.l.c.	Malta	100	100
Roosendaal Hotels Limited	Malta	100	100
Roosendaal Trading Limited	Malta	100	100
1926 Gourmet Limited	Malta	100	100
Bortex Group Licensing Company Limited	Malta	100	100
Gagliardi Polska Sp. z.o.o.	Poland	75	75

During the financial year ended 31 October 2024, the Group incorporated two new entities being 1926 Gourmet Limited which manages the Le GV restaurant and Bortex Group Licensing Company Limited, which owns the Bortex Fine Tailoring, Gagliardi Satoria Dal 1964, and 1926 Collection Brands.

NOTES TO THE FINANCIAL STATEMENTS - continued**3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in the financial statements presented.

3.1 Standards, interpretations and amendments to published standards endorsed by the European Union effective in the current year

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective during the year:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023) (effective for financial year beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) (effective for financial year beginning on or after 1 January 2024)
- Amendments to IAS 1 Presentation of Financial Statements:
 - Classification of Liabilities as Current or Non-Current (issued on 23 January 2020 (effective for financial year beginning on or after 1 January 2024));
 - Classification of Liabilities as Current or Non-Current – Deferral of Effective Date (issued on 15 July 2020) (effective for financial year beginning on or after 1 January 2024); and
 - Non-Current Liabilities with Covenants (issued on 31 October 2022) (effective for financial year beginning on or after 1 January 2024)

The changes resulting from the above standards, interpretations and amendments have no material effect on the financial statements of the Group and the Company.

3.2 Standards, interpretations and amendments to published standards as adopted by the EU which are not yet effective

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Company has not early adopted but plans to adopt upon their effective date. The new and amended standards follow:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) (effective for financial year beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS9 and IFRS7 (issued on 30 May 2024) (effective for financial year beginning on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS9 and IFRS7 (issued on 18 December 2024) (effective for financial year beginning on or after 1 January 2026)
- Annual Improvements Volume 11 (issued on 19 July 2024) (effective for financial year beginning on or after 1 January 2026)

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

NOTES TO THE FINANCIAL STATEMENTS - continued**3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES – continued****3.3 Standards, interpretations and amendments that are not yet endorsed by the European Union**

These are as follows:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024) (effective for financial year beginning on or after 1 January 2027)
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024) (effective for financial year beginning on or after 1 January 2027)
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency* (issued on 13 November 2025) (effective for financial year beginning on or after 1 January 2027)
- Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 21 August 2025) (effective for financial year beginning on or after 1 January 2027)

The Group and the Company will not have a material effect following the implementation of the standards and amendments except for the introduction of IFRS 18 *Presentation and Disclosure in Financial Statements* which will change the presentation of the statement of profit or loss.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES**4.1 Foreign currency translation****(a) Functional and presentation currency**

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

(b) Transactions and balances

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

(c) Group companies

The results and financial position of all the Group entities (none of which have the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;
- (ii) income and expenses for the statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.2 Property, Plant and Equipment**

Construction in progress is stated at cost, net of accumulated impairment loss. All property, plant and equipment is initially recorded at cost. Land and buildings are subsequently measured at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and presented as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserves directly in equity; all other decreases are charged to the profit or loss.

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

	%	
Building	1	- 2
Leasehold improvements	1	- 2
Plant and equipment	7	- 20
Furniture, fixtures, fittings and soft furnishings	5	- 25
Motor vehicles	13	- 20

Freehold land is not depreciated as it is deemed to have an indefinite life. Assets in the course of construction are not depreciated.

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

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.3 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Group assess the useful lives of intangible assets as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the policies applied to the Group's intangible assets is as follows:

	Software
Useful lives	10 years
Amortisation method used	Amortised on a straight-line basis
Internally generated or acquired	Acquired

4.4 Investment properties

Investment property comprises completed property to earn rentals or for capital appreciation or both.

Investment properties, principally comprising freehold office buildings, residential units, car spaces and retail outlets, are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gain or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.5 Investments in subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group and the Company have control. The Group and the Company control an entity when the Group and the Company is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Company

Investments in subsidiaries are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the investment. These are subsequently carried at cost less accumulated impairment.

4.6 Investment in associate and joint ventures

The Group holds an interest in two joint ventures Scale Operations Limited and Notos Malta Limited and an interest in an associate, Milti Company D.O.O.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint venture over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Distributions received from an investee reduce the carrying amount of the investment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is presented on the face of the statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. The financial statements of one of the joint ventures are prepared for the same reporting period as the Group. The financial statements of the other joint venture and the associate are drawn up for the year ended 31 December 2025 in line with the statutory requirement of that joint venture. However, the effect on the Group's profit or loss is not deemed to be material. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.6 Investment in associates and joint venture- continued**

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

4.7 Impairment of non-financial assets including goodwill

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Other assets are tested for impairment whenever there is an indication that an asset may be impacted. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.8 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.

i. Financial assets*Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and Company has applied the practical expedient, the Group and 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, transaction costs. Practical expedient for short-term advances received from customers, is the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised goods or service and the payment is one year or less.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.8 Financial instruments - continued**

i. Financial assets - continued

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI (debt instruments), 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 Group's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- i. Financial assets at amortised cost (debt instruments)
- 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)
- iv. Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost (debt instruments) are the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is 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 rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from debt instruments is included under finance income in the statement of profit or loss.

The Group's and the Company's debt instruments at amortised cost include loans to related parties, trade and other receivables, cash at bank which are classified under this category.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.8 Financial instruments - continued****Financial assets at fair value through OCI (equity instruments)**

Upon initial recognition, the Group and Company can elect to classify irrevocably its investment in equity instruments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as finance income in the statement of profit or loss when the right of payment has been established, except when the Group and Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group and Company hold listed equities as disclosed in Note 14.

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 Group and Company have transferred its rights to receive cash flows from the asset or have 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 Group and Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and Company has neither transferred nor retained substantially all the risks and rewards of the asset but have transferred control of the asset.

When the Group and 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 Group and Company continues to recognise the transferred asset to the extent of its continuing involvement.

ii. Impairment

The Group and the Company recognise 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 Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

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).

NOTES TO THE FINANCIAL STATEMENTS – continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued****4.8 Financial instruments – continued**

ii. Impairment - continued

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

iii. 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 loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and Company's financial liabilities include interest-bearing loans and borrowings including bank overdraft, debt securities in issue and trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The only relevant category for the Group and the Company is financial liabilities at amortised cost.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings 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.

This category generally applies to interest-bearing loans and borrowings, debt securities in issue and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.8 Financial instruments - continued****Financial liabilities at amortised cost (loans and borrowings) - continued***Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Group's and Company's statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.9 Fair value measurement

The Group measures financial instrument such as equity financial assets and non-financial assets such as land and buildings and investment properties, at fair value at each reporting 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 by the Group.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.9 Fair value measurement - continued**

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the 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 significant assets, such as investment properties and land and building. Involvement of external valuers is determined annually by the Group's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Fair value related disclosures for financial statements and non-financial statements that are measured at fair value or where fair values are disclosed, are summarised in Notes 7 and 10.

4.10 Inventories*Goods held in relation to hotel operations and for resale*

Inventories are stated at the lower of cost and net realisable value (NRV). The cost of inventories is determined by the weighted average cost method. The cost of inventories comprises the invoiced value of finished goods bought from third parties which includes transport and handling costs. Whilst the costs of goods manufactured comprises the cost of the raw materials used and the cost invoiced by the sub-contractors for manufacturing the garments which includes labour costs and overhead. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made where necessary for obsolete, slow-moving and defective stock.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and net of outstanding bank overdrafts, as they are considered an integral part of the Group's cash management. Bank overdrafts are presented within borrowings in current liabilities.

4.12 Share capital

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

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.13 Taxes*****Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operate and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when 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 are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.13 Taxes - continued**

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.14 Revenue recognition

The Group is in the business of manufacturing and selling garments and other related items and providing services within the hospitality industry.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer. Revenue is recorded net of value-added tax and discounts to customers are recognised as a reduction in revenue.

The Group measures revenue on a basis that reflects the amount of consideration that it expects to be entitled to; this measurement of revenue is however limited to amounts to which the Group has enforceable rights, and it excludes amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation, which occurs when it transfers control of a promised good or service to a customer. Control of a promised good or service is transferred to a customer when the customer is able to direct the use of the promised good or service. A performance obligation is satisfied at a point in time unless it meets certain criteria that indicate that it is satisfied over time.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale, the Group considers the effects of variable consideration, the existence of financing components, non-cash consideration and consideration payable to the customer (if any).

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.14 Revenue recognition - continued**

The main performance obligation is to provide hospitality and leisure services as and when customers make use of the services and buy goods. The transaction price follows a fee structure which is known at the date of booking or consumption of service or at the date of the sale and thus no significant estimates are required in this respect.

Management has determined that none of the Group's contracts with customers contain a significant financing component as the period between the recognition of revenue and the payment due date is of less than one year. Consequently, the Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Revenue mainly represents income earned from accommodation, catering, and sale of goods. Revenue from accommodation is recognized over time whereas revenue from catering and retail sales is recognized at a point in time.

Sales of goods - retail

The Group sells goods on a retail basis relating to clothing and other related items from the Group's owned or leased outlets. Sales of goods are recognised when the Group has delivered products to the customer and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery does not occur until the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

The goods are a distinct performance obligation and the charged amounts to customers represented the goods' stand-alone selling prices. These obligations are fulfilled at a point in time when they are provided to the customers.

It is the Group's policy to sell its products to the retail customer with a right to return within 30 days from the date of purchase. Deferring income in relation to gift card redemptions is estimated on the basis of historical redemption rates. Revenue from gift cards is recognized when the customer redeems the gift card.

Sale of Goods – customer loyalty programme

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitles them to discount on future purchases. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on an annual basis and any adjustments to the contract liability are charged against revenue.

Sales of goods and services

Accommodation and catering revenue correspond to all the revenues received from guests by owned hotels. The services rendered (including room rentals and other ancillary services) are distinct performance obligation, for which prices of invoices to the guest are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, along the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.14 Revenue recognition – continued***Customer contract assets and liabilities*

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

By contrast, contract assets mainly refer to amounts allocated per IFRS 15, Revenue from contracts with customers, as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. Contract assets, like trade receivables, are subject to impairment for credit risk in line with the expected credit loss model. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted. Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not transferred yet.

Principal versus agent considerations

When more than one party is involved in providing goods or services to a customer, the standard requests the Group to determine whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal (and, therefore records revenue on a gross basis) if it controls a promised good or service before transferring that good or service to the customer. The Group is an agent (and, therefore records as revenue the net amount that it retains for its agency services) if its role is to arrange for another entity to provide the goods or services.

After the Group determines whether it is the principal or the agent and the amount of gross or net revenue that would be recognised, the Group recognises revenue when or as it satisfies its performance obligation. The Group satisfies its performance obligation by transferring control of the specified good or service underlying the performance obligation, either at a point in time or over time. This means that the principal would recognise revenue when (or as) it transfers the specified good or service to the customer. An agent would recognise revenue when its performance obligation to arrange for the specified good or service is complete.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.14 Revenue recognition – continued***Dividend income*

Dividend income is recognised when the right to receive payment is established. Dividend income is presented within finance income line item in the statement of profit or loss.

Other operating income

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

Interest income

Interest income is recognised for all interest-bearing instruments on a time-proportion basis using the effective interest method. Interest income is presented within finance income line item in the statement of profit or loss.

4.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Depreciation charged as follows:

Property	10 to 65 years
Motor Vehicle	5 years

Property

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.15 Leases – continued***ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

If the modification decreases the scope of the lease, such as a change that reduces the total leased space or shortens the lease term, the lessee remeasures the lease liability and reduces the right-of-use asset to reflect the partial or full termination of the lease. Any difference between those two adjustments is recognised in profit or loss at the effective date of the modification.

For all other modifications, the lessee recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset, without affecting profit or loss.

The Group's lease liabilities are included in Note 9, Leases.

iii) Short-term leases

The Group applied the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Lessors shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. The Group does not have any finance lease (Note 9). Under an operating lease, 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.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.16 Provisions**

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the financial reporting date and are discounted to present value when the effect is material. Provisions are reviewed each financial reporting date and adjusted to reflect the current best estimate.

4.17 Related parties

A related party is defined as a person or an entity that is related to the entity that is preparing its financial statements. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, and common significant influence and related parties may be individuals or corporate entities. Related party loan and other receivables are carried at cost, net of any impairment charge whereas liabilities due to related parties are initially at fair value and subsequently at amortised cost.

4.18 Employee benefits

The Group contributes towards the state pension in accordance with local legislation. The only obligation of the Group is to make the required contributions. Costs are expensed in the period in which they are incurred.

4.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS - continued**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued****4.20 Financial Guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

If not measured as a financial liability at FVTPL and if not arising from a transfer of a financial asset, financial guarantee contracts issued by the Group and the Company are subsequently measured at the higher of the following:

- a) the amount of the loss allowance determined in accordance with IFRS 9; and
- b) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies. In the case of financial guarantee contracts, the maximum exposure to credit risk is the maximum amount the entity could have to pay if the guarantee is called on.

5. FINANCIAL RISK MANAGEMENT**5.1 Financial risk factors**

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

(a) *Market risk*

(i) *Foreign exchange risk*

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group foreign dominated assets are considered not to be material.

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT - continued****5.1 Financial risk factors – continued***(a) Market risk - continued**(ii) Price risk*

The Group's and the Company's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments and business sectors of investees. The Group's and the Company's equity investments are all listed on a regulated market.

At reporting date, the exposure to equity investments at fair value was €301,779 (2024: €257,185). If market prices had been 5% higher/lower with all other variables held constant, the increase/decrease in the Group's equity for the year would have been +/- €15,089 (2024: +/- €12,859). In practise, the actual trading results may differ from the sensitivity analysis and the difference could be material.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowing with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The interest rates on the borrowings are disclosed in Note 22 to these financial statements.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, of the Group's profit before tax.

	Increase/decrease in basis points	Effect on profit before tax €
2025	+/- 100	+/- 206,979
2024	+/- 100	+/- 121,968

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT - continued****5.1 Financial risk factors - continued***(b) Credit risk*

Credit risk arises from loans receivable to related parties, cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group's exposures to credit risk are analysed as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Financial assets measured at amortised cost:				
Trade and other receivables (Note 15)	3,406,068	3,443,209	485,372	485,372
Loan receivable from joint venture (Note 15)	300,000	300,000	-	-
Contract assets	125,268	149,521	-	-
Cash and cash equivalents (Note 17)	1,919,904	2,506,862	4,703	6,223
	5,751,240	6,399,592	490,075	491,595

Undrawn commitments

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Loans to joint venture (Note 15)	200,000	200,000	-	-

The maximum exposure to credit risk at the end of reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any significant collateral except for the amounts owed by the related party which is secured by a property. The figures disclosed in the table above in respect of trade and other receivables exclude prepayments and indirect taxation.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT - continued****5.1 Financial risk factors - continued***(b) Credit risk - continued*Cash and cash equivalents with financial institutions

Credit risk with respect to the cash at bank is limited due to the fact that the Group banks only with local financial institutions with high quality standing. In fact, the majority of the cash is held with a bank having a BBB (2024: BBB-) short term credit rating.

Loans receivables to associate and joint venture

The Group's loans receivable included loans granted to associate and joint venture (Note 15). The Group monitors credit exposures with the associate and joint venture at an individual entity level on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Group assesses the credit quality of the associate and joint venture taking into account financial position, performance and other factors. The Group takes cognisance of the relationship with the associate and joint venture and management determined that ECL is not material and are in stage 1 i.e., there has not been a significant increase in credit risk since initial recognition.

The Group's credit risk arising from these receivables is considered limited as there are no other indications that the associate and joint venture are unable to meet their obligation.

Trade receivables and contract assets

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors such as forward looking, including forecasted economic conditions (such as GDP, inflation, increase in importation cost) information specific to the debtors and the economic environment. It has policies in place to ensure that sales of products and services are affected to customers with an appropriate credit history in the case of credit sales. Sales to retail customers are affected in cash.

Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered.

In view of nature of the Group's activities and the market in which it operates, a limited number of customers account for a certain percentage of the Group's trade receivables which as at year end it represented 6.0% (2024: 5.6%) of the Group's total current asset. Whilst no individual customer or group of dependent customers is considered by management as a significant concentration of credit risk with respect to trade receivables, these exposures are monitored and reported more frequently and rigorously. These customers trade frequently with the Group and are deemed by management to have positive credit standing, usually taking cognisance of the performance history without defaults.

The Group manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from customers are within contractual terms. The Group's trade and other receivables, which are not impaired financial assets, are principally debts in respect of transactions with customers for whom there is not recent history of default.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT - continued****5.1 Financial risk factors - continued***(b) Credit risk - continued**Impairment of trade receivables and contract assets*

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

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

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. Credit loss allowances also include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables.

The expected loss allowance as at 31 October 2025 and 2024 for trade receivables was determined to be around 0.30% of the credit sales generated from the wholesale revenue (Note 25) for the respective financial year.

The expected loss rates also reflect the fact that a 100% loss rate is triggered for receivables which are past due by 365 days or more.

The Group established an allowance for impairment that represented its estimate of expected credit losses in respect of trade receivables. The individually credit impaired trade receivables mainly relate to a number of independent customers which are in unexpectedly difficult economic situations and which are accordingly not meeting repayment obligations. Hence, credit loss allowances in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances. Reversals of credit loss allowances of credit impaired receivables arise in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Group does not hold any collateral as security in respect of the credit impaired assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than a year past due.

Credit losses on trade receivables and contract assets are presented as net expected credit losses and other impairment charges which are presented in the statement of profit or loss within the administration expenses. Subsequent recoveries of amounts written off are credited against the same line item.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT – continued****5.1 Financial risk factors – continued***(b) Credit risk - continued**Ageing analysis of trade receivables*

As at 31 October 2025, trade receivables of €973,079 (2024: €842,477) were past due but not credit impaired. Such past due debtors comprise mainly debts which were still due past the respective credit terms, together with those debts allocated to the over 90 days past due category where no repayment terms have been formalised with the debtors. These past due debtors mainly relate to a number of independent customers for whom there is no recent history of default. Whilst a limited number of customers account for a certain percentage of the Group's past due debts, management has not identified any major concerns with respect to concentration of credit risk.

Categorisation of receivables as past due is determined by the Group on the basis of the nature of the credit terms in place and credit arrangements actually utilised in managing exposures with customers. At 31 October 2025 and 2024, the Group's past due but not impaired receivables and the carrying amount of trade receivables that would otherwise be past due or credit impaired whose terms have been renegotiated, did not result in material amounts and the Group did not recognise any additional impairment on trade receivables during financial year 2025 and 2024.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

		Trade receivables						Total
		Days past due						
Contract assets	Current	<30 days	30–60 days	61–90 days	>91 days			
€	€	€	€	€	€	€	€	
Estimated total gross carrying amount	125,268	184,262	278,793	385,039	60,981	248,266	1,157,341	
31 October 2024		Trade receivables						
		Days past due						
Contract assets	Current	<30 days	30–60 days	61–90 days	>91 days		Total	
€	€	€	€	€	€	€	€	
Estimated total gross carrying amount	149,521	277,011	198,272	194,601	328,266	121,338	1,119,488	

The Company's receivables consist of amounts due from related parties which terms are disclosed in Note 37.

Financial Guarantee

As disclosed in Note 22, the Company has provided a corporate guarantee in favour of the bondholders for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the prospectus. As disclosed in Note 2, management has carried out an assessment on the loans receivable provided by the Issuer to other related parties which has been quantified as immaterial. Therefore, the financial guarantee in the Company is deemed not to be material.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT – continued****5.1 Financial risk factors – continued***(c) Liquidity risk*

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise borrowings (Note 22) and trade and other payables (Note 24). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Group's committed bank borrowing facilities and other related party financing that it can access to meet liquidity needs. As disclosed in Note 22, the Group had an unutilised banking facility amounting to €3.2 million (2024: €10 million).

In this respect management does not consider liquidity risk to the Group as significant taking into account the liquidity management process referred to above.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 October 2025					
Lease liabilities	536,081	547,298	1,681,474	13,221,364	15,986,217
Bank borrowings	1,696,108	2,363,656	6,973,361	9,958,416	20,991,541
Debt securities in issue	478,125	478,125	12,750,000	-	13,706,250
Borrowings from related parties	31,667	31,667	95,001	253,331	411,666
Trade and other payables	5,858,579	-	-	-	5,858,579
	8,600,560	3,420,746	21,499,836	23,433,111	56,954,253

The Company's payables consist of amounts due to related parties which terms are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT – continued****5.1 Financial risk factors – continued***(c) Liquidity risk – continued*

Group	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 October 2024					
Lease liabilities	443,638	456,995	1,408,059	11,541,596	13,850,288
Bank borrowings	992,978	1,312,549	3,923,074	6,038,008	12,266,609
Debt securities in issue	478,125	478,125	13,228,125	-	14,184,375
Borrowings from related parties	31,667	31,667	95,001	253,331	411,666
Trade and other payables	4,655,030	-	-	-	4,655,030
	6,601,438	2,279,336	18,654,259	17,832,935	45,367,968

The Group's and the Company's trade and other payables are entirely repayable within one year from the end of the reporting date.

5.2 Capital risk management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Group and the Company may adjust the number of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group also monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings (as shown in the respective consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, (as shown in the respective consolidated statement of financial position), plus net debt.

The aggregated figures in respect of the Group's equity and borrowings are reflected below:

	2025 €	2024 €
Total borrowings	33,768,902	25,271,700
Less: cash and cash equivalents	(1,919,904)	(2,506,862)
Net debt	31,848,998	22,764,838
Total equity	56,389,023	48,211,940
Total capital	88,238,021	70,976,778
Net debt/total capital	36%	32%

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT – continued****5.2 Capital risk management – continued**

The Group manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital of the Group, as reflected in the consolidated statement of financial position, is maintained by reference to its respective financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the Directors.

5.3 Fair values of financial instruments

The Group is required to disclose for financial instruments that are measured in the statement of financial position at fair value, fair value measurements by level of the following fair value measurement hierarchy:

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

The fair value of the Group's and the Company's financial assets at FVOCI as at 31 October 2025 and 2024, pertains to equity securities at fair value through OCI traded in active markets, is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer or broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. The Group's and the Company's financial instruments disclosed in the table below are categorised as Level 1 instruments since they are listed in an active market.

	Level 1 Group		Level 1 Company	
	2025	2024	2025	2024
	€	€	€	€
Equity instrument designated at FVOCI – (Note 14)	301,778	257,185	6,766	6,766

5.3.1 Financial instruments not carried at fair value

As 31 October 2025 and 2024, the carrying amounts of the Group's and the Company's cash at bank, receivables, payables, accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - continued**5. FINANCIAL RISK MANAGEMENT – continued****5.3 Fair values of financial instruments – continued****5.3.1 Financial instruments not carried at fair value – continued**

The fair value of the Group's non-current floating interest rate bank borrowings and the debt securities in issue at the end of the reporting period is not significantly different from the carrying amounts. The carrying amounts of the other financial liabilities as at 31 October 2025, are reasonable estimates of their fair value as there have not been significant changes in the Group's internal borrowing rate since the date of transition to IFRS 16. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2 within the fair value measurement hierarchy required by IFRS 13 Fair Value Measurement.

The fair values of the debt securities in issue are as disclosed below:

		Carrying amount	Fair Value
Debt securities in issue (Note 22)	2025	12,691,037	12,558,750
	2024	12,663,277	12,750,000

The fair value estimate of the debt securities in issue is deemed Level 1 as it constitutes a quoted price in an active market.

NOTES TO THE FINANCIAL STATEMENTS - continued**6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Determining the lease term of contracts with termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

In assessing lease contracts, where termination options exist for both the lessor and the lessee, the Group takes into consideration whether all contractual or economic termination penalties are insignificant. Such assessment is based on all relevant facts and circumstances that create an economic incentive for the Group to exercise or not to. In cases, where termination option is available without significant penalties, then the lease is limited to the non-cancellable part.

The Group has several lease contracts that include termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to termination.

Property lease classification – Group as lessor

The Group has entered into residential property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the residential property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the residential property, that it retains substantially all the risk and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

NOTES TO THE FINANCIAL STATEMENTS - continued**6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - continued***Principal agent considerations*

During the financial year ended 31 October 2022, the Group has entered into agreements with third parties to operate a combined retail shop where goods and services of the Group and of the third parties are sold. Under these agreements, the Group provides the third parties the right to operate within designated area of the retail outlet. Through the same agreement the Group will maintain records, track sales and collect money. All revenue generated from this outlet is accounted by the Group. On a monthly basis the other parties will invoice the Group for their revenue.

Management have concluded that the Group is acting as an agent in the arrangements and recognised revenue at the net amount considering that the Group does not bear the inventory risk before or after the transfer to customer and does not set up the prices of the goods and services sold by the other operators.

During the financial year ended 31 October 2024, the Group has entered into agreement with one of its joint ventures to sell its goods through the retail outlet leased by the joint venture. On a monthly basis, the Group invoices the joint venture the total sales amount, while the joint venture retains a percentage as commission.

Management has concluded that the Group is the principal in the arrangements and recognises revenue at gross amount considering that the Group bears the inventory risk and set up the prices of the goods sold through the joint venture retail outlet.

Classification of Milti Company D.O.O. as an associate

As disclosed in Note 12, during financial year 2020, the Group acquired 50% of the issued share capital in Milti Company D.O.O, whose primary activity is the retail of fashion wear from specialised stores in Serbia. Based on the assessment carried out by the Group, the investment is classified as investment in associate due to the fact that the other 50% is held by other three shareholders holding 24%, 19% and 7% respectively. Based on this, management concluded that it is an associate.

Classification of Notos Malta Ltd and Scale Operations Ltd. as a joint venture

As disclosed in Note 13, during financial year ended 31 October 2023, the Group acquired 50% of the issued share capital in Notos Malta Ltd. and Scale Operations Ltd, whose primary activities are the retail of fashion wear. Based on the assessment carried out by the Group, the investment is classified as investment in joint venture since both shareholders have joint control over the entities' operations, activities, and decision-making. Based on this, management concluded that it is a joint venture.

Climate-related considerations

For investment properties measured at fair value and land and buildings at revalued amount, the Group considers the effect of physical and transition climate-related risks and whether these could impact the value of the Group's properties. Management has evaluated potential climate-related risks that could impact the value of the Group's land and buildings and investment properties, and these considerations have been included within the valuation process. These include possible physical risks from climate-change such as potential damage from extreme weather events, or transitional risks such as changes in property attractiveness due to shifting climate conditions and increasing requirement for energy efficiency of buildings.

Management has concluded that, based on the information currently available as factored in the cashflow forecasts, these potential climate-related risks are not expected to have a material impact on the value of the Group's land and buildings and investment properties. The Group remains vigilant and committed to continuously monitoring these climate-related considerations and will adjust our land and buildings and investment property valuations as necessary to reflect any significant changes in these risks or in their potential impact on our business.

NOTES TO THE FINANCIAL STATEMENTS - continued**6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - continued****Estimates**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of land and building and investment property

The Group uses the services of professional valuers to revalue the land and buildings and investment property. The professional valuers take into account 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 highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).
- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).
- A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. As described in Note 7 and Note 10, the Group uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of land and building and investment property. Notes 7 and 10 provide detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimates when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable input such as the debt securities in issue and the bank borrowings (Note 22).

Net realisable value of inventories

The selling prices of inventory are estimated to determine the net realisable value (NRV) of inventory. Historical patterns and post year-end trading performance are used to determine these. A provision is made to write down slow-moving inventory to net realisable value. Following an assessment carried out by management, the total provision amounted to €1,240,000 (2024: €613,774). An increase in provision of €626,226 accounted was accounted in Cost of Sales line item (Note 28).

GROUP HOLDINGS COMPANY LIMITED

Interim and Consolidated and Separate Financial Statements for the year ended 31 October 2025

STATEMENT OF THE FINANCIAL STATEMENTS - continued

PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings €	Plant and equipment €	Furniture, fixtures, fittings and soft furnishings €	Motor vehicles €	Assets in course of construction and advance payments €	Total €
Year ended 31 October 2025						
Opening net book amount	35,117,958	3,085,358	6,138,778	18,130	5,252,382	49,612,606
Acquisitions	7,328,141	1,565,993	3,311,522	-	1,138,286	13,343,942
Revaluation of land and building	7,138,686	-	-	-	-	7,138,686
Transfer to investment property	(280,000)	-	-	-	-	(280,000)
Transfer of completed project	5,377,053	92,276	901,097	-	(6,370,426)	-
Disposal	-	(254,643)	-	-	-	(254,643)
Depreciation charge	(478,807)	(426,502)	(929,138)	(4,750)	-	(1,839,197)
Closing net book amount	54,203,031	4,062,482	9,422,259	13,380	20,242	67,721,394
31 October 2025						
Cost or valuation	55,904,014	6,459,632	17,843,134	262,751	20,242	80,489,773
Accumulated depreciation	(1,700,983)	(2,397,150)	(8,420,875)	(249,371)	-	(12,768,379)
Net book amount	54,203,031	4,062,482	9,422,259	13,380	20,242	67,721,394

GROUP HOLDINGS COMPANY LIMITED

Interim Consolidated and Separate Financial Statements for the year ended 31 October 2025

STATEMENT OF THE FINANCIAL STATEMENTS - continued

PROPERTY, PLANT AND EQUIPMENT - continued

	Land and buildings €	Plant and equipment €	Furniture, fixtures, fittings and soft furnishings €	Motor vehicles €	Assets in course of construction and advance payments €	Total €
ended 31 October 2024						
Carrying net book amount	34,109,168	2,502,566	5,523,407	1,396	3,792,934	45,929,471
Disposals	939,199	888,147	1,332,641	22,300	1,799,827	4,982,114
Transfer to investment property	(97,197)	-	(137,181)	-	-	(234,378)
Transfer from investment property	530,000	-	-	-	-	530,000
Transfer of completed project	38,081	-	302,298	-	(340,379)	-
Disposals	-	-	(30,913)	-	-	(30,913)
Depreciation charge	(401,293)	(305,355)	(851,474)	(5,566)	-	(1,563,688)
Carrying net book amount	35,117,958	3,085,358	6,138,778	18,130	5,252,382	49,612,606
ended 31 October 2024						
Carrying net book amount	36,340,132	5,055,410	13,651,916	262,751	5,252,382	60,562,591
Accumulated depreciation	(1,222,174)	(1,970,052)	(7,513,138)	(244,621)	-	(10,949,985)
Carrying net book amount	35,117,958	3,085,358	6,138,778	18,130	5,252,382	49,612,606

NOTES TO THE FINANCIAL STATEMENTS - continued**7. PROPERTY, PLANT AND EQUIPMENT - continued**

The Group is currently undertaking the following projects:

Location of property	Expected date of completion	Carrying amount €
St. Julians	April 2026	5,600
Sliema	2026	14,642
Total		20,242

During the financial year ended 31 October 2025, the Group completed two major development projects that had commenced during the financial year ended 31 October 2023. These projects relate to two separate hotel properties – Le Bains located in Sliema, and La Galerie situated in Valletta. Up to the respective completion dates, the related expenditure was classified as assets in the course of construction. Upon completion, these assets were reclassified to their appropriate property, plant and equipment categories in accordance with the Group's accounting policies.

In prior years, the Group acquired two properties with an aggregate cost of €3 million. One of these properties was acquired from the Group's ultimate beneficial owner and another related party for a total consideration of €950,000, of which €475,000 is payable over a period of 15 years (Note 22). These properties formed part of the development projects mentioned above until their completion.

During the financial year ended 31 October 2025, the Group also acquired a retail shop in Valletta, through which it commenced operating a new retail outlet.

As from May 2024, the Group took the decision to lease under an operating lease arrangement a cafeteria forming part of a newly developed property. As a result of this change in intended use, the Group transferred €234,378 from property, plant and equipment to investment property. During the same financial year, the Group transferred two previously acquired commercial units—subsequently converted into owner occupied premises from investment property to property, plant and equipment, following a change in their use to own use operations.

Capitalised Borrowing Costs

As noted above, the Group continued the development of the two hotel projects in Sliema and Valletta over the past two financial years. These projects reached completion in August 2025 and May 2025, respectively. The amount of borrowing costs capitalised during the financial year ended 31 October 2025 up to the dates of completion amounted to €112,985 (2024: €82,284).

Write off

During the financial year ended 31 October 2025, the Group wrote off €254,643 reflecting the write down of certain assets within the manufacturing, retail and property management segment as a result of obsolescence. This write off was recognised in the statement of profit or loss within cost of sales.

NOTES TO THE FINANCIAL STATEMENTS - continued**7. PROPERTY, PLANT AND EQUIPMENT - continued*****Fair valuation of property***

The principal element of the Group's land and buildings, within property, plant and equipment, comprising the hotels which were revalued by an independent professionally qualified valuer. The book value of this property was adjusted to the revaluation and the resultant surplus, net of applicable deferred income taxes, was credited to their valuation reserve in shareholders' equity (Note 19). The valuation was made on the basis of open market value taking cognisance of the specific location of the property, the size of the site together with its potential development, the availability of similar properties in the area, and whenever possible, having regard to recent market transactions for similar properties in the same location.

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the non-recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

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

Type of property	Level 3 €	Total €	Date of valuation
Commercial Property	37,300,000	37,300,000	31 October 2025
Commercial Property	2,810,000	2,810,000	31 October 2025
Offices	1,685,000	1,685,000	31 October 2025
Commercial Property	280,000	280,000	31 October 2025
Commercial Property	2,170,000	2,170,000	31 October 2025
Commercial Property	1,541,059	1,541,059	31 October 2025
Commercial Outlet	2,754,500	2,754,500	30 April 2025
Commercial Property	10,918,963	10,918,963	30 April 2025
Commercial Property	2,383,000	2,383,000	31 May 2025
Commercial Property/Offices	605,000	605,000	31 October 2025

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the current and preceding financial years.

Valuation processes

The valuation of the revalued property is performed regularly, usually every two years or when there are indications that fair value might differ from carrying value. Valuation reports are prepared by third party qualified valuers. These reports are based on both:

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

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by designated officers within the Group. When the designated officers consider that the valuation report is appropriate, the valuation report is recommended to the respective company's Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS – continued**7. PROPERTY, PLANT AND EQUIPMENT – continued*****Fair valuation of property - continued***

In the years where a valuation is not obtained, management verifies all major input to the independent valuation report, assesses any property valuation movement when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary.

The Group applied the same valuation techniques used in previous year for the rest of the properties.

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

Type of property	Fair Value €	Valuation Technique	Inputs	Sensitivity
Commercial Property	37,300,000 (2024: 30,500,000)	Weighted average of market approach, income capitalisation approach and replacement cost approach	Market approach: EBIDTA of €3.75 million applying a multiplier of 11x. Income capitalization approach: EBIDTA €3.75 million, using an average growth of 2%, land appreciation of 2% per annum and discount rate of future income of 12.59%. Replacement cost approach: This method takes into account the actual physical building fabric constituting the facility, together with an estimated land value. The valuation relies on estimated going rates of the various components of the existing building.	The higher the EBIDTA and multiplier, the higher the fair value. The higher the EBITDA and growth rate, the higher the fair value. The higher the discount rate the lower the fair value. The higher the rates for construction, finishings, services and fittings, the higher the fair value.
Commercial Property	2,810,000 (2024: 2,480,000)	Weighted average of market approach, income capitalisation approach and replacement cost approach (2024: Weighted average of market approach and income capitalisation approach)	Market approach: EBIDTA of €0.27 million applying a multiplier of 11x. Income capitalization approach: EBIDTA €0.27 million, using an average growth of 2.5%, land appreciation of 2% per annum and discount rate of future income of 12.93%. Replacement cost approach: This method takes into account the actual physical building fabric constituting the facility, together with an estimated land value. The valuation relies on estimated going rates of the various components of the existing building.	The higher the EBIDTA and multiplier, the higher the fair value. The higher the EBITDA and growth rate, the higher the fair value. The higher the discount rate the lower the fair value. The higher the rates for construction, finishings, services and fittings, the higher the fair value.

NOTES TO THE FINANCIAL STATEMENTS – continued**7. PROPERTY, PLANT AND EQUIPMENT – continued***Fair valuation of property – continued*

Type of property	Fair Value €	Valuation Technique	Inputs	Sensitivity
Offices	1,685,000 (2024: 1,128,000)	Income capitalisation approach	The main inputs used are a rental income of €250.14 per m ² per year and a capitalisation rate of 5.75%.	The higher the rental income the higher the fair value. The higher the capitalisation rate, the lower the fair value.
Commercial Property	2,170,000 (2024: 2,000,000)	Market approach	The value of the property is based on the selling price of a similar commercial property	The higher the market rate, the higher the fair value.
Commercial Property	1,541,059 (2024: 1,422,941)	Weighted average of market approach and income capitalisation approach (2024: market and replacement cost approach)	The valuation of the property was based on market rates for comparable properties taking into account the size, fit out of the subject property, location of the property and current situation of the commercial property. The main inputs used for the income capitalisation are rental income of €45 - €390 per m ² per year and a capitalisation rate of 5.75%	The higher the market rate, the higher the fair value. The higher the rental income the higher the fair value. The lower the capitalisation rate the higher the fair value.
Commercial Properties	605,000 (2024: 530,000)	Market approach	The valuation of the property was based on market rates for comparable properties taking into account the size, fit out of the subject property, location of the property and current situation of the commercial property.	The higher the market rate, the higher the fair value.

NOTES TO THE FINANCIAL STATEMENTS – continued**7. PROPERTY, PLANT AND EQUIPMENT – continued***Fair valuation of property – continued*

Type of property	Fair Value €	Valuation Technique	Inputs	Sensitivity
Commercial Outlet	2,754,500	Market approach	Market transaction	The higher the rates, the higher the fair value.
Commercial Properties	10,918,963	Market approach	The valuation of the property was based on market rates for comparable properties taking into account the size, fit out of the subject property, location of the property and current situation of the commercial property.	The higher the rates for construction, finishings, services and fittings, the higher the fair value.
Commercial Properties	2,383,000	Market approach	The valuation of the property was based on market rates for comparable properties taking into account the size, fit out of the subject property, location of the property and current situation of the commercial property.	The higher the rates for construction, finishings, services and fittings, the higher the fair value.

Changes in valuation techniques

In the current year, the fair value of commercial property was previously determined based on the income capitalisation method. The Group believes that adopting a weighted average method of the market approach, income capitalisation and replacement cost approach provides better transparency than the weighted average method of the market approach, income capitalisation method and has, therefore, decided to change the valuation method.

This change in valuation method is applied prospectively as it is a change in estimates. The Group applied the same valuation techniques used in previous year for the rest of the properties.

If the revalued portion of the land and buildings was stated on the historical cost basis, the amounts would be as follows:

	2025	2024
	€	€
Cost	30,994,589	18,571,392
Accumulated depreciation	(1,659,143)	(1,246,260)
Net book amount	29,335,446	17,325,132

As disclosed in Note 22, the Group's bank borrowings are secured by general hypothecs on the assets of the principal operating entities with the Group, supported by special hypothecs over assets and properties, held together with special privileges on the Group's property.

NOTES TO THE FINANCIAL STATEMENTS – continued**8. INTANGIBLE ASSETS****Group**

	Software €	Total €
As at 31 October 2023	521,021	521,021
Additions	90,991	90,991
Amortisation	(104,935)	(104,935)
As at 31 October 2024	<u>507,077</u>	<u>507,077</u>
Additions	11,181	11,181
Amortisation	(105,046)	(105,046)
As at 31 October 2025	<u>413,212</u>	<u>413,212</u>

The Group's intangible assets pertain to computer software which the Group acquired. Such computer software does not form part of an integral part of a related hardware, consequently it is presented as an intangible asset.

Group

	2025 €	2024 €
Cost	826,931	815,750
Accumulated amortisation	(413,719)	(308,673)
Net book amount	<u>413,212</u>	<u>507,077</u>

NOTES TO THE FINANCIAL STATEMENTS – continued**9. LEASES**

The Group has lease contracts for various outlets, offices and commercial property used in its operations which generally have lease terms between 10-65 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The term of the Group leased motor vehicles is of 5 years.

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

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Properties €	Motor Vehicles	Total €
As at 31 October 2023	7,343,270	-	7,343,270
Adjustment to the right-of-use assets	(275,017)	-	(275,017)
Depreciation expense	(361,041)	-	(361,041)
As at 31 October 2024	6,707,212	-	6,707,212
Adjustment to the right-of-use assets	158,022	-	158,022
Additions	2,210,355	124,854	2,335,209
Depreciation expense	(435,623)	(2,818)	(438,441)
As at 31 October 2025	8,639,966	122,036	8,762,002

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Group	Properties €	Motor Vehicles	Total €
As at 31 October 2023	7,420,712	-	7,420,712
Adjustment to the lease liability	(275,017)	-	(275,017)
Accretion of interest	300,833	-	300,833
Payments	(434,367)	-	(434,367)
As at 31 October 2024	7,012,161	-	7,012,161
Adjustment to the lease liability	187,627	-	187,627
Additions	2,210,359	124,853	2,335,212
Accretion of interest	381,959	15,951	397,910
Payments	(562,685)	(14,173)	(576,858)
As at 31 October 2025	9,229,421	126,631	9,356,052
Current	150,480	26,146	176,626
Non-Current	9,078,941	100,485	9,179,426

During the financial year ended 31 October 2024, the Group modified the terms of an existing lease agreement which resulted to a reduction in rental expense which led to a modification of lease. The modification resulted in an adjustment to right-of-use assets of €275,017, with an equivalent amount in the lease liabilities.

During the financial year ended 31 October 2025, the Group entered into a new lease of a commercial property for a term of 25 years and extended the term and area of an existing lease of an outlet used for the Group's options.

NOTES TO THE FINANCIAL STATEMENTS - continued**9. LEASES – continued**

The following are the amounts recognised in profit or loss:

	2025	2024
	€	€
Depreciation expense of right-of-use assets	(438,441)	(361,042)
Interest expense on lease liabilities	(397,910)	(300,833)
Variable lease payments (included in selling and direct and other expense)	(1,001,609)	(999,016)
Expenses relating to short-term leases (included in selling and direct and other expense)	(51,139)	(48,059)
Income from sub-letting of right-of-use asset (included within the other operating income)	74,575	72,403

The Group has lease contracts for properties that contains both fixed and variable payments based on the sales generated by the Group in the respective lease property. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed.

	Fixed payments	Variable payments	Total
	€	€	€
2025			
Fixed rent	577,004	-	577,004
Variable rent only	-	1,001,609	1,001,609
	577,004	1,001,609	1,578,613
2024			
Fixed rent	434,367	-	434,367
Variable rent only	-	999,016	999,016
	434,367	999,016	1,433,383

The Group has several lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these termination options are reasonably certain to be exercised. In assessing lease contracts, where termination options exist for both the lessor and the lessee, the Group takes into consideration whether all contractual or financial termination penalties are insignificant. Such assessment is based on all relevant facts and circumstances that create an economic incentive for the Group to exercise or not to. In cases, where termination option is available without significant penalties then the lease is limited to the non-cancellable part. Management has assessed that the termination options will not be exercised and thus the lease term includes the period with termination options.

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain offices and retail properties. These leases have terms from five to ten years. Rental income recognised by the Group during the financial year is €520,447 (2024: €496,600). Future minimum rental receivable under non-cancellable operating leases as at 31 October are as follows:

	2025	2024
	€	€
Within one year	415,544	478,184
After one year but not more than five years	174,704	510,929
More than five years	135,896	188,547
	726,144	1,177,660

NOTES TO THE FINANCIAL STATEMENTS – continued**10. INVESTMENT PROPERTY**

Group	Land and buildings €
Year ended 31 October 2024	
Opening balance	4,300,000
Transfer to property, plant and equipment	(530,000)
Transfer from property, plant and equipment	234,378
Transfer from property under development	2,515,960
Closing balance	<u>6,520,338</u>
Year ended 31 October 2025	
Opening balance	6,520,338
Additions	50,108
Transfer from property, plant and equipment	280,000
Transfer from inventory (Note 16)	534,537
Gain in fair value of property	1,639,754
Closing balance	<u>9,024,737</u>

During the financial year ended 31 October 2024, two properties owned by the Group for a value of €530,000 were transferred to property, plant and equipment, given that management changed their use to owner-occupied property.

As disclosed in Note 7 on May 2024, the Group decided to lease under operating lease the cafeteria, being part of the new development. Consequently, the Group transferred €234,378 from property, plant and equipment to investment property.

10.1 Investment property under development

Group	Land and buildings €
Year ended 31 October 2024	
Opening balance	1,744,014
Additions	771,946
Transfer to completed investment property	(2,515,960)
Closing balance	<u>-</u>

During the financial year ended 31 October 2024, the Group's project was completed and consequently the total cost was transferred to investment property.

NOTES TO THE FINANCIAL STATEMENTS - continued**10. INVESTMENT PROPERTY - continued**

The Group's land and buildings are classified as either property, plant and equipment or investment property depending on their intended use. The Group's investment properties consist of commercial properties and residential units. Land and buildings are revalued by professionally independent qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice.

As at 31 October 2025, the fair value of the properties is based on valuation performed by an accredited independent architect. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

	31 October 2025	31 October 2024
	€	€
Rental income derived from investment properties	455,769	440,195
Direct operating expenses (including repairs and maintenance) generating rental income	(19,885)	(21,457)
Profit arising from investment property carried at fair value	435,884	418,738

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements.

The fair value of the Group's investment property has been determined to fall within Level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 5.3.

The Group'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. There were no transfers between levels during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued

10. INVESTMENT PROPERTY - continued

Type of property	Fair Value €	Valuation Technique	Inputs	Sensitivity
Commercial Property	690,000	Market approach	The valuation of the investment property was based on market rates for comparable properties at €46,000 per m ² .	The higher the market rate, the higher the fair value.
Offices	4,310,00 (2024: 3,770,000)	Average of income capitalisation approach and market approach.	The inputs used to calculate the total value of the property are the existing rental rates at a discount rate in the range of 8.5% to 11%. Market approach: The value of the property is based on comparable rental rates for similar properties in comparable localities.	The higher the rent rates, the higher the fair value. The higher the discount rate, the lower the fair value. The higher the rates, the higher the value.
Residential	3,470,485 (2024: 2,350,659)	Weighted average of market approach and income capitalisation approach (2024: market approach)	The valuation of the property was based on market rates for comparable properties taking into account the size, fit out of the subject property, location of the property and current situation of the commercial property. The main inputs used for the income capitalisation are rental income of €200 - €266 per m ² per year and a capitalisation rate of 5.75%	The higher the market rate, the higher the fair value. The higher the rental income the higher the fair value. The higher the capitalisation rate the lower the fair value.
Commercial Property	370,000 (2024: 388,667)	Weighted average of market approach and income capitalisation approach (2024: market approach)	The valuation of the property was based on market rates for comparable properties taking into account the size, location of the property and current of the commercial property market. The main input used for the income capitalisation are rental income of €234 - €390 per m ² per year and a capitalisation rate of 5.75% - 6%.	The higher the market rate, the higher the fair value. The higher the rental income the higher the fair value. The higher the capitalisation rate the lower the fair value.
Commercial Property	280,000 (2024: 260,000)	Income capitalisation approach	The main inputs used are a rental income of €20 - €134 per m ² per year and a capitalisation rate of 6%.	The higher the capitalisation rate, the lower the fair value. The higher the rental income the higher the fair value.

NOTES TO THE FINANCIAL STATEMENTS – continued

10. INVESTMENT PROPERTY – continued

Description of valuation techniques used and key inputs to valuation of investment properties

The valuation was determined based on the assets-based approach with reference to market prices based on database of valuations and sales of properties in the relevant area, as applicable.

Changes in valuation techniques

In the current year, the Group changed the valuation technique of the fair value of the residential and commercial property which were previously determined based on market and replacement cost approach and market approach, respectively, to average of income capitalisation approach and market approach. Management believes that this approach is more appropriate since it is better aligned with the property's current use.

This change in valuation method is applied prospectively as it is a change in estimates. The Group applied the same valuation techniques used in the previous year for the rest of the properties.

NOTES TO THE FINANCIAL STATEMENTS – continued**11. INVESTMENTS IN SUBSIDIARIES****Company**

	31 October	
	2025	2024
	€	€
At 31 October		
Opening and closing cost and carrying amount	3,603,285	3,603,285

The subsidiaries at 31 October 2025, whose results and financial position affected the figures of the Group, are presented below:

(a) Held directly by Bortex Group Holdings Company Limited

	Registered office	Class of shares held	Percentage of shares held and voting rights	
			2025	2024
			%	%
Bortex Clothing Industry Company Limited	A11 Industrial Estate Marsa Malta	Ordinary "A" shares	100	100
		Ordinary "B" shares	100	100
Bortex Group Finance p.l.c.	32, Hughes Hallet Street Sliema Malta	Ordinary shares	100	100
Roosendaal Hotels Limited	"St. Therese" Hughes Hallet Street Sliema Malta	Ordinary shares	100	100
Roosendaal Trading Limited	A12 Industrial Estate Marsa, Malta	Ordinary shares	100	100
1926 Gourmet Limited	Ten Apartments Ground Floor Triq Hughes Hallet Street Sliema, Malta	Ordinary shares	100	100
Bortex Group Licensing Company Limited	Ten Apartments Ground Floor Triq Hughes Hallet Street Sliema, Malta	Ordinary shares	100	100

NOTES TO THE FINANCIAL STATEMENTS - continued

12. INVESTMENT IN ASSOCIATE

	Group		Company	
	As at 31 October 2025	2024	As at 31 October 2025	2024
	€	€	€	€
Years ended 31 October				
Opening carrying amount	159,491	162,614	-	-
Share of results	(12,776)	(3,032)	-	-
Impairment	(146,715)	-	-	-
Closing carrying amount	-	159,582	-	-

The associates as at 31 October whose results and financial position affected the figures of the group are presented below:

	Registered Office	Class of shares held	Percentage of shares held	
			2025	2024
			%	%
Milti Company D.O.O	Luke Vojvodica 29 11000 Belgrade Serbia	Ordinary shares	50	50

The Group's share of profit from associate, disclosed in the tables above and in profit or loss, is after tax.

During the financial year ended 31 October 2020, the Group acquired 50% of Milti Company D.O.O., who's primary activity is the retail of fashion wear from specialised stores in Serbia. The consideration for this acquisition amounted to €250,000. The shareholding in Milti Company D.O.O. is held through Bortex Clothing Industry Company Limited, a subsidiary of the Group.

During the financial year ended 31 October 2025, the Group assessed the carrying amount of the investment and determined that, due to the political instability affecting the operating environment in Serbia, which had significantly impacted the associate's ability to generate future cash flows an impairment was required. As a result, the Group recognised a full impairment provision of 100% against the carrying amount of the investment in the associate. The impairment loss has been recognised in profit or loss within the share of (loss)/profit from associate and joint venture.

The results of the associates and their assets and liabilities are as follows:

	Assets	Liabilities	Revenues	Loss
	€	€	€	€
2025				
Milti Company D.O.O	691,573	463,837	782,100	(25,552)
2024				
Milti Company D.O.O	683,663	430,192	680,674	(6,063)

NOTES TO THE FINANCIAL STATEMENTS - continued**13. INVESTMENT IN JOINT VENTURES**

	Group		Company	
	As at 31 October	2024	As at 31 October	2024
	2025		2025	
	€	€	€	€
Opening carrying amount	569,534	491,746	-	-
Share in results	31,278	77,788	-	-
Closing carrying amount	600,812	569,534	-	-

	Registered Office	Class of shares held	Percentage of shares held	
			2025	2024
			%	%
Scale Operations Limited	A11 Industry Estate Marsa MRS 3000 Malta	Ordinary shares	50	50
Notos Malta Ltd.	A11 Industry Estate Marsa MRS 3000 Malta	Ordinary shares	50	50

On 25 October 2022, the Group incorporated Scale Operations Limited, a company registered and domiciled in Malta whose primary activity is the retail of fashion wear. The Company owns 50% of the issued share capital. The joint venture began trading during financial year ended 31 October 2024.

On 16 January 2023, the Group entered into a shareholder agreement with Notos Cyprus Ltd. to acquire 50% of the issued share capital in Notos Malta Ltd., a company registered in Malta whose primary activity is the retail of fashion wear.

NOTES TO THE FINANCIAL STATEMENTS - continued**13. INVESTMENT IN JOINT VENTURES - continued**

The summarised financial position of Notos Malta Ltd. is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of financial position as at 31 December:

	2025	2024
	€	€
Non-current assets	706,825	106,756
Current assets, including cash and cash equivalents	444,470	296,928
Total liabilities, including tax payable	(693,687)	-
Equity	457,608	403,684
Group's share in equity 50%	228,804	201,842
Goodwill	296,775	296,775
Group's carrying amount of investment	525,579	498,617

Summarised statement of profit or loss as at 31 December:

	2025	2024
	€	€
Revenue from contracts with customers	876,879	649,166
Cost of sales	(499,092)	(392,120)
Administrative expenses, including depreciation	(323,598)	(233,305)
Profit before tax	54,189	23,741
Income tax expense	-	-
Profit for the year	54,189	23,741
Group's share of profits - 50%	27,095	11,871

The joint venture had no other contingent liabilities or commitment as at 31 December 2025 and 2024.

The summarised financial position of Scale Operation Limited is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of financial position as at 31 October:

	2025	2024
	€	€
Non-current assets	754,711	797,990
Current assets, including cash and cash equivalents	408,422	236,918
Current liabilities, including tax payable	(412,688)	(293,074)
Non-current liabilities, including deferred tax liabilities	(600,000)	(600,000)
Equity	150,455	141,834
Group's share in equity 50%	75,223	70,917
Group's carrying amount of investment	75,233	70,917

Summarised statement of profit or loss as at 31 October:

	2025	2024
	€	€
Revenue from contracts with customers	3,403,381	2,351,173
Cost of sales	(3,320,580)	(1,716,015)
Administrative expenses, including depreciation	(66,456)	(503,324)
Profit before tax	16,345	131,834
Income tax expense	(7,978)	-
Profit for the year	8,367	131,834
Group's share of profits - 50%	4,183	65,917

NOTES TO THE FINANCIAL STATEMENTS - continued**14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Year ended 31 October				
Opening carrying amount	257,185	191,162	6,766	6,766
Additions	12,740	-	-	-
Net gain from changes in fair value (Note 19)	31,853	66,023	-	-
Closing carrying amount	301,778	257,185	6,766	6,766

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Cost	98,464	85,724	3,864	3,864
Cumulative fair value gains	203,314	171,461	2,902	2,902
Closing carrying amount	301,778	257,185	6,766	6,766

The carrying amount of investments at FVOCI as at 31 October comprise the following individual investments:

Equity instruments designated at fair value through OCI

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Bank of Valletta p.l.c.	205,895	210,143	-	-
Mapfre Middlesea p.l.c.	95,883	47,042	6,766	6,766
	301,778	257,185	6,766	6,766

Equity instruments designated at fair value through OCI include investments in equity shares of listed companies. These investments were irrevocably designated at fair value through OCI.

All instruments are fair valued annually and the fair value is determined by reference to quoted market prices, being Level 1 in IFRS 13: Fair Value Measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS - continued**15. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	As 31 October 2025	2024	As 31 October 2025	2024
	€	€	€	€
Trade receivables	1,157,341	1,119,488	-	-
Indirect taxation	125,374	60,318	-	-
Amounts owed by subsidiaries	-	-	485,372	485,372
Amounts owed by other related parties	1,702,198	1,686,577	-	-
Amounts owed by associate	374,854	345,919	-	-
Amounts owed by shareholders	169,171	286,289	-	-
Amounts owed by joint venture	302,505	304,935	-	-
Other receivables	208,652	275,965	-	-
Advance payments to suppliers	302,399	205,615	-	-
Total trade and other receivables	4,342,494	4,285,106	485,372	485,372

Trade receivables as at 31 October 2025 are disclosed net of credit loss allowances amounting to €68,395 (2024: €68,395). During the current financial year, the Group did not write-off any amounts with respect to trade customers.

During the financial year ended 31 October 2024, an amount of €50,776 included in other prepayments pertains to a garnishee order in relation to an open court case where one of the subsidiaries of the Group is the plaintiff. The matter was subsequently settled, and the amount was collected during the financial year ended 31 October 2025.

As disclosed in Note 34, an amount of €165,085 (2024: €246,800) included in other receivables for the year ended 31 October 2025 and 2024 pertains to a receivable from the Malta Enterprise in relation to a cash grant following the surrender of tax credits.

The Group have provided a facility amounting to €500,000 to a joint venture, out of which €300,000 (2024: €300,000) were withdrawn. The loan is interest free and repayable on demand.

Amounts owed from subsidiaries, other related parties, associate, shareholders and joint venture are interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued**16. INVENTORIES***Property held for development with a view to sale*

	Group	
	As at 31 October	
	2025	2024
	€	€
At 1 November	534,537	534,537
Transfer to investment property (Note 10)	(534,537)	-
At 31 October	-	534,537

Goods held for resale

	Group	
	As at 31 October	
	2025	2024
	€	€
Inventories held for resale	11,506,135	11,162,303
Finished goods	145,226	3,888
Raw materials and consumables	425,134	553,517
Work in progress	2,039	37,559
Inventories held in relation to hotel operations	526,870	323,554
	12,605,404	12,080,821
Total inventories	12,605,404	12,615,358

During the financial year ended 31 October 2025, the Group changed the use of the commercial property (Note 10) owned from selling to renting and consequently fair value the property at the date of transfer and the difference is recognised in statement of profit or loss within the Other operating income/(expense) line item (2024: No car spaces were sold during the financial year).

The cost of inventories recognised as expense relating to hotel and fashion operations is also appropriately disclosed in Note 27 to the financial statements. Finished goods are presented net of provision amounting to €1,240,000 (2024: €613,774).

NOTES TO THE FINANCIAL STATEMENTS - continued**17. CASH AND CASH EQUIVALENTS**

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Cash at bank and in hand	1,919,904	2,506,862	4,703	6,223
Overdrawn bank balances (Note 22)	(2,686,464)	(1,831,104)	-	-
Total	(766,560)	675,758	4,703	6,223

18. SHARE CAPITAL

	Group and Company	
	As at 31 October	
	2025	2024
	€	€
Authorised, issued and fully paid		
20,000 Ordinary shares of €2.329373 each	46,587	46,587

19. REVALUATION RESERVES

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Surplus arising on fair valuation of: Equity instruments designated at FVOCI	203,314	171,461	2,902	2,902
Land and buildings	23,849,990	17,515,590	-	-
Total	24,053,304	17,687,051	2,902	2,902

The movements in each category are analysed as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Financial assets at FVOCI				
At beginning of year	171,461	105,438	2,902	2,902
Net gains from changes in fair value (Note 14)	31,853	66,023	-	-
At end of year	203,314	171,461	2,902	2,902

NOTES TO THE FINANCIAL STATEMENTS – continued**19. REVALUATION RESERVES – continued**

Gains and losses arising from changes in fair value of financial assets at FVOCI, are recognised directly in equity in other comprehensive income through the revaluation reserve in accordance with the Group's accounting policy. When the equity investments are disposed of, the cumulative gain or loss recognised in OCI remains in equity.

	Group	
	As at 31 October	
	2025	2024
	€	€
Revaluation reserve on land and buildings		
At beginning of year	17,515,590	17,515,590
Revaluation of land and buildings	6,334,400	-
At end of year	23,849,990	17,515,590

The tax impact included in the revaluation reserves relates to deferred taxation arising on the surplus on fair valuation of land and buildings for an amount of €3,934,942 (2024: €3,130,656). The movements in the tax impact relating to this component of other comprehensive income during the current and the preceding financial year is presented in the respective table above. The revaluation reserves are non-distributable.

20. OTHER RESERVES

The balance of other reserves at year-end is analysed as follows:

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Capital reserve	58,234	58,234	58,234	58,234
Incentives and benefits reserve	645,867	645,867	-	-
	704,101	704,101	58,234	58,234

The incentives and benefits reserve has been created in accordance with Section 36 of the Business Promotion Act (Cap. 325 of the Laws of Malta) whereby a group undertaking maintains an 'Incentives and Benefits' reserve representing the value of government training grants from which the entity has benefited. The incentives and benefits reserve are a non-distributable reserve. In accordance with the provisions of the aforementioned Act, the incentives and benefits reserve can only be distributed by means of a bonus issue.

NOTES TO THE FINANCIAL STATEMENTS - continued**21. NON-CONTROLLING INTERESTS**

	Group	
	As at 31 October	
	2025	2024
	€	€
Year ended 31 October		
At beginning of year	36,950	22,845
Profit allotted to non-controlling interest	13,177	13,426
Other comprehensive income allotted to non-controlling interest	501	679
At end of year	50,628	36,950

22. INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	As at 31 October	
	2025	2024
	€	€
Non-current		
Debt securities in issue	12,691,037	12,663,277
Bank loans	16,774,156	9,698,682
Related party loan	348,332	379,999
	29,813,525	22,741,958
Current		
Bank overdrafts (Note 17)	2,686,464	1,831,104
Bank loans	1,237,247	666,970
Related party loan	31,667	31,667
	3,955,378	2,529,741
Total borrowings	33,768,903	25,271,699

Debt securities in issue

By virtue of a prospectus dated 30 October 2017, Bortex Group Finance plc (the 'Issuer') issued €12,750,000 bonds with a face value of €100 each. The bonds have a coupon interest of 3.75% which is payable annually in arrears on 1 December of each year. The bonds are redeemable at par and are due for redemption on 1 December 2027, unless they are previously re-purchased and cancelled.

The bonds are guaranteed by the Company as Guarantor, which has bound itself jointly and severally liable with the Issuer, as issuer of the bonds, for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the prospectus.

The bonds were admitted on the Official List of the Malta Stock Exchange on 4 December 2017. The quoted market price as at 31 October 2025 for the bonds was €98.50 (2024: €100), which in the opinion of the Directors fairly represents the fair value of these financial liabilities.

At the end of the reporting period, bonds having a face value of €397,000 (2024: €314,144) were held by Group Directors.

NOTES TO THE FINANCIAL STATEMENTS - continued**22. INTEREST-BEARING LOANS AND BORROWINGS – continued****Debt securities in issue - continued**

In accordance with the provisions of the prospectus, the proceeds from the bond issue have been advanced by the Issuer to related parties (Note 1). The bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds, using the effective interest rate as follows:

	As at 31 October	
	2025	2024
	€	€
Original face value of bonds issued	12,750,000	12,750,000
Bond issue costs	253,373	253,373
Accumulated amortisation	(194,410)	(166,650)
Unamortised bond issue costs	58,963	86,723
Amortised cost and closing carrying amount of the bonds	12,691,037	12,663,277

Bank loans

The Group's banking facilities as at 31 October 2025 amounted to €18,011,402 (2024: €10,365,652). These facilities are mainly secured by:

(a) general hypothecs on the assets of the principal operating entities within the Group, supported by special hypothecs over assets and properties held, together with special privileges on property; and

(b) pledges over insurance policies covering hypothecated property.

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

	Group	
	As at 31 October	
	2025	2024
	%	%
Bank overdrafts	3.6	3.6
Bank loans	3.6	3.4

Maturity of bank borrowings:

	Group	
	As at 31 October	
	2025	2024
	€	€
Less than 1 year	1,237,247	678,140
Between 1 and 2 years	1,782,180	997,381
Between 2 and 5 years	5,655,846	3,180,042
Over 5 years	9,336,129	5,510,089
	18,011,402	10,365,652

NOTES TO THE FINANCIAL STATEMENTS - continued**22. INTEREST-BEARING LOANS AND BORROWINGS – continued**

During the financial year ended 31 October 2024, the Group withdrew a loan amounting to €2,200,000. The bank granted an 18-month moratorium on the principal repayment. During the financial year ended 31 October 2025, the Group withdrawn all existing loans to finance the ongoing projects as disclosed in Note 7.

During the financial year ended 31 October 2024, one of the banks consolidated the loans borrowed by the Group into one loan. This was treated as modification in same year.

Undrawn facility

During the year, the Group had an unutilised overdraft facility amounting to €3,213,536 (2024: €3,869,197) and unutilised loan facility in 2024 amounting to €5,707,587.

Related party loan

During the financial year ended 31 October 2022, the Group acquired a property from its ultimate beneficial owner and a related party amounting to €950,000 (Note 7). Such acquisition was partly financed through a loan granted by the same related party amounting to €475,000. This loan is unsecured, bearing interest at 2.5% with an annual repayment of €31,667 and repayable by August 2037.

23. DEFERRED TAXATION

Deferred income taxes are calculated on temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The principal tax rate used is 35% (2024: 35%), with the exception of deferred taxation on the fair valuation of property which is computed on the basis applicable to disposals of immovable property i.e. tax effect of 8% - 10% depending when the immovable property was acquired.

Reconciliation of deferred tax (liability)/ asset, net:

	As at 31 October	
	2025	2024
	€	€
At beginning of year	972,350	(3,739,888)
Tax expense/(credit) during the year recognised in statement of profit or loss (Note 33)	(737,408)	4,712,238
Tax expense during the year recognised in OCI (Note 19)	(804,286)	-
	(569,344)	972,350

Deferred tax related to items recognised in OCI during the year:

	As at 31 October	
	2025	2024
	€	€
Movement in deferred tax liability on revaluated land and buildings	(804,286)	-

NOTES TO THE FINANCIAL STATEMENTS - continued

23. DEFERRED TAXATION – continued

Deferred tax related to items recognised in statement of profit or loss during the year:

	As at 31 October	
	2025	2024
	€	€
Movement in deferred tax on fair value of investment property	(368,409)	-
Movement in deferred tax relating to temporary differences	3,653,975	(58,372)
Movement in deferred tax relating to group restructuring	(4,022,974)	4,770,610
	(737,408)	4,712,238

The balance at 31 October represents:

	As at 31 October	
	2025	2024
	€	€
Temporary differences arising on fair valuation of property	(3,934,942)	(3,130,656)

The recognised deferred tax liabilities are expected to be settled principally after more than twelve months from the end of the reporting period.

	As at 31 October	
	2025	2024
	€	€
Net deferred tax (liability)/asset	(569,344)	972,350
Reflected in the statement of financial position as follows:		
Deferred tax asset	5,159,658	4,770,610
Deferred tax liability	(5,729,002)	(3,798,258)
Deferred tax (liability)/asset, net	(569,344)	972,352

24. TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31 October		As at 31 October	
	2025	2024	2025	2024
	€	€	€	€
Current				
Trade payables	3,552,660	2,601,860	-	-
Amounts owed to subsidiary	-	-	1,738,369	1,717,123
Amounts owed to related parties	22,781	22,781	22,781	22,781
Other payables	164,485	178,541	465,561	465,561
Indirect taxation and social security	318,354	409,717	-	-
Accruals	1,800,299	1,268,052	37,579	33,577
	5,858,579	4,480,951	2,264,290	2,239,042

Amounts owed to subsidiary are unsecured, interest free and repayable on demand when cash is available. Amounts owed to related parties are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued**25. CONTRACT LIABILITY**

	Group	
	2025	2024
	€	€
Customer loyalty points and gift vouchers	223,712	174,079

26. REVENUE

The Group's revenue consists of income from retail fashion, accommodation and catering.

Revenue by geographical region:

	Group	
	2025	2024
	€	€
Malta	26,726,527	22,490,562
Sweden	123,020	233,683
UK	93,848	111,105
Poland	796,411	702,428
Serbia	184,786	193,841
Dubai	-	134,342
Others	11,059	-
	27,935,651	23,865,961

Revenue by category:

	Group	
	2025	2024
	€	€
Retail	16,432,289	14,856,094
Wholesale	1,291,487	1,016,803
Accommodation	8,755,584	7,393,213
Ancillary hotel revenue	541,118	508,683
Catering	915,173	91,168
	27,935,651	23,865,961

NOTES TO THE FINANCIAL STATEMENTS – continued**27. SEGMENT INFORMATION**

For management purpose, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Clothing

The clothing operating segment carries out the design and manufacturing of a vast range of formal tailoring, outerwear casual clothing, footwear and accessories. It also manufactures its own brand Gagliardi as well as for other private labels.

Within this operating segment the Group is involved in the sale and distribution of such clothing through the operation of a number of retail outlets located around the Maltese Islands.

Revenue from clothing operating segment is a distinct performance obligation and the charged amounts to customers represented the good's stand-alone selling prices. These obligations are fulfilled at a point in time when they are provided to the customers.

Hospitality and Catering

This hospitality segment operates a portfolio of hotel properties located in Valletta and Sliema. Revenue generated by the hospitality operating segment includes revenue from accommodation, food and beverage services, and other ancillary services. These obligations are fulfilled over time when they relate to room rentals, along the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Finance and Investments

The finance and investment segment comprises of two entities whose principal activity is that of either holding investments or acting as a financing arm for the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Year ended 31 October 2025	Clothing	Hospitality	Finance & Investments	Total segments	Adjustments and eliminations	Consolidated
	€	€	€	€	€	€
Revenue from external customers	17,723,777	10,211,874	-	27,935,651	-	27,935,651
Revenue with other operating segments	2,172,933	-	1,167,496	3,340,429	(3,340,429)	-
Cost of sales	(12,550,015)	(5,438,287)	-	(17,988,302)	2,204,219	(15,784,083)
Gross profit/(loss)	7,346,695	4,773,587	1,167,496	13,287,778	(1,136,210)	12,151,568
Selling expenses	(5,997,839)	-	-	(5,997,839)	1,188,200	(4,809,639)
Administration expense	(232,972)	(1,072,432)	(169,161)	(1,474,565)	(1,105,792)	(2,580,357)
Depreciation & amortisation	(1,062,023)	(1,290,962)	-	(2,352,985)	(29,699)	(2,382,684)
Other operating income/(expense)	438,016	(238,668)	-	199,348	477,933	677,281
Gain from fair value of investment property	1,483,628	156,126	-	1,639,754	-	1,639,754
Net share income of associate and joint venture	(250,000)	-	-	(250,000)	121,787	(128,213)
	(5,621,190)	(2,445,936)	(169,161)	(8,236,287)	652,429	(7,583,858)
Operating profit	1,725,505	2,327,651	998,335	5,051,491	(483,781)	4,567,710
Finance income	58,160	33,030	568,129	659,319	(601,159)	58,160
Finance cost	(727,470)	(896,459)	(1,068,124)	(2,692,053)	1,127,778	(1,564,275)
Dividend income	-	-	490,850	490,850	(490,850)	-
Segment profit/(loss) before tax	1,056,195	1,464,222	989,190	3,509,607	(448,012)	3,061,595
Income tax	448,743	14,618	-	463,361	(1,225,278)	(761,917)
Profit/Loss after tax	1,504,938	1,478,840	989,190	3,972,968	(1,673,290)	2,299,678
Total assets	89,162,516	65,051,463	17,604,535	171,818,514	(60,403,579)	111,414,935
Total liabilities	56,851,180	28,621,409	15,406,432	100,879,021	(45,853,109)	55,025,912

NOTES TO THE FINANCIAL STATEMENTS - continued

27. SEGMENT INFORMATION – continued

Year ended 31 October 2024	Clothing	Hospitality	Finance & Investments	Total segments	Adjustments and eliminations	Consolidate d
	€	€	€	€	€	€
Revenue from external customers	15,872,897	7,993,064	-	23,865,961	-	23,865,961
Revenue with other operating segments	3,271,884	-	-	3,271,884	(3,271,884)	-
Cost of sales	(11,347,536)	(3,864,853)	-	(15,212,389)	3,214,257	(11,998,132)
Gross profit/(loss)	7,797,245	4,128,211	-	11,925,456	(57,627)	11,867,829
Selling expenses	(5,581,847)	-	-	(5,581,847)	1,206,294	(4,375,553)
Administration expense	(205,621)	(1,245,286)	(83,268)	(1,534,175)	(1,149,889)	(2,684,064)
Depreciation & amortisation	(1,029,513)	(1,000,151)	-	(2,029,664)	-	(2,029,664)
Other operating expense	576,231	39,474	-	615,705	(56,405)	559,300
Net share income of associate and joint venture	-	-	-	-	74,756	74,756
	(6,240,750)	(2,205,963)	(83,268)	(8,529,981)	74,756	(8,455,225)
Operating profit/(loss)	1,556,495	1,922,248	(83,268)	3,395,475	17,129	3,412,604
Gain from group restructuring	9,567,450	6,000,000	-	15,567,450	(15,567,450)	-
Investment income	16,222	-	-	16,222	-	16,222
Finance income	15,310	-	587,341	602,651	(587,065)	15,586
Finance cost	(620,269)	(771,783)	(505,299)	(1,897,351)	587,067	(1,310,284)
Dividend income	-	-	518,000	518,000	(518,000)	-
Segment profit before tax	10,535,208	7,150,465	516,774	18,202,447	(16,068,319)	2,134,128
Income tax	(6,028)	(10,812)	-	(16,840)	4,712,239	4,695,399
Profit/(loss)	10,529,180	7,139,653	516,774	18,185,607	(11,356,080)	6,829,527
Total assets	85,417,507	50,605,426	17,519,734	153,542,667	(64,495,904)	89,046,763
Total liabilities	53,844,573	21,200,831	15,366,438	90,411,842	(49,577,019)	40,834,823

The revenue information presented below is based on the location of the customers.

Year ended 31 October 2025	Clothing	Hospitality	Finance & Investments	Total segments	Adjustments and eliminations	Consolidated
	€	€	€	€	€	€
Malta	18,687,586	10,211,874	1,167,496	30,066,956	(3,340,429)	26,726,527
Sweden	123,020	-	-	123,020	-	123,020
UK	93,848	-	-	93,848	-	93,848
Poland	796,411	-	-	796,411	-	796,411
Serbia	184,786	-	-	184,786	-	184,786
Other	11,059	-	-	11,059	-	11,059
	19,896,710	10,211,874	1,167,496	31,276,080	(3,340,429)	27,935,651

Year ended 31 October 2024	Clothing	Hospitality	Finance & Investments	Total segments	Adjustments and eliminations	Consolidated
	€	€	€	€	€	€
Malta	17,769,382	7,993,064	-	25,762,446	(3,271,884)	22,490,562
Spain	233,683	-	-	233,683	-	233,683
UK	111,105	-	-	111,105	-	111,105
Poland	702,428	-	-	702,428	-	702,428
Serbia	193,841	-	-	193,841	-	193,841
Dubai	134,342	-	-	134,342	-	134,342
	19,144,781	7,993,064	-	27,137,845	(3,271,884)	23,865,961

NOTES TO THE FINANCIAL STATEMENTS - continued**28. EXPENSES BY FUNCTION AND NATURE**

Group	2025	2024
	€	€
Cost of sales		
Cost of goods sold	2,959,966	3,635,806
Cost of garments sold	6,396,569	4,664,999
Depreciation	1,291,633	997,822
Employees benefits (Note 29)	1,975,310	1,247,093
Hotel operating suppliers	1,692,700	1,105,139
Commissions on hotel bookings	1,089,434	984,586
Laundering and cleaning	754,313	600,028
Provision on inventories (Note 16)	626,226	-
Write off on plant, property and equipment (Note 7)	254,643	-
Reversal of provision for stock write-off	-	(265,992)
Transport and other costs	34,922	26,473
	17,075,716	12,995,954
Selling and distribution		
Employee benefits (Note 29)	2,256,373	1,977,332
Depreciation and amortisation	926,817	836,904
Rent	1,115,402	1,051,788
Advertising	156,998	138,086
Commissions	7,368	24,858
Office expenses	83,419	80,624
Bank charges	83,021	75,524
Maintenance and other fees	1,096,998	1,006,154
Professional fees	10,060	21,187
	5,736,456	5,212,457
Administrative expenses		
Employees benefits (Note 29)	1,737,730	1,697,189
Maintenance costs	128,312	118,237
Depreciation	164,234	194,938
Audit fees	111,000	93,898
Professional fees	165,804	162,221
Directors' fees	85,200	124,248
Loss on disposal of property, plant and equipment	-	27,673
Other expenses	352,311	460,598
	2,744,591	2,879,002

Auditor's fees

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

	Group	
	2025	2024
	€	€
Annual statutory audit		
- Parent company auditors	111,000	81,898
Other assurance services	-	4,000
Tax compliance and advisory services	8,000	8,000
	119,000	93,898

The auditors' remuneration for the Company attributable to the year ended 31 October 2025 amounted to €1,000 (2024: €1,000).

NOTES TO THE FINANCIAL STATEMENTS - continued**29. EMPLOYEE BENEFIT COSTS**

	Group	
	2025	2024
	€	€
Wages and salaries	5,204,301	4,344,063
Social security costs	765,112	557,551
	5,969,413	4,921,614

Average number of persons employed during the year:

	Group	
	2025	2024
By class of business		
Clothing	127	109
Hotel operations	61	54
	188	163
By category		
Direct	56	47
Selling and distribution	94	78
Administration	38	38
	188	163

The Company does not employ any personnel (2024: nil).

30. DIRECTORS' EMOLUMENTS

	Group	
	2025	2024
	€	€
Salaries and other emoluments	375,752	476,846

31. OTHER OPERATING INCOME/(EXPENSE) - NET

	Group	
	2025	2024
	€	€
Property operating lease rental income	520,447	496,600
Foreign exchange differences	722	1,790
Write-off of trade payables	82,389	-
Loss on disposal on inventory	(44,698)	-
Other Income	118,421	60,910
	677,281	559,300

NOTES TO THE FINANCIAL STATEMENTS - continued**32. FINANCE INCOME**

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Dividend income from financial assets	1,921	16,222	-	-
Investment income	56,239	15,310	-	-
Interest income from related parties	-	276	-	-
Dividend income	-	-	490,850	518,000
	58,160	31,808	490,850	518,000

33. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Bank interest and charges	660,481	504,632	-	-
Bond interest expense	505,885	504,819	-	-
Interest charges on lease liabilities	397,909	300,833	-	-
	1,564,275	1,310,284	-	-

34. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current taxation:				
Current tax expense	24,509	16,839	-	-
Deferred taxation (Note 23)	737,408	(4,712,238)	-	-
	761,917	(4,695,399)	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued**34. INCOME TAX EXPENSE/(CREDIT) - continued**

The tax on the profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Profit before tax	3,061,595	2,134,128	464,082	501,106
Tax thereon at 35%	1,071,558	746,945	162,429	175,387
<i>Tax effect of:</i>				
Income not subject to tax and/or charged at reduced rates	(502,500)	(41,207)	(171,797)	(181,300)
Expenses not deductible for tax purposes	117,452	118,763	9,368	5,913
Movement in unrecognised temporary difference	80,615	(93,548)	-	-
Group restructuring	-	(5,448,608)	-	-
Adjustment in respect current income tax of previous year	-	10,812	-	-
Other	(5,208)	11,444	-	-
	761,917	(4,695,399)	-	-

As at the reporting date the Group had an unrecognised deferred tax asset of €322,787 (2024: €330,995) arising on temporary differences arising predominantly from unabsorbed capital allowances, impairment of inventory and unabsorbed tax losses. The net deferred tax asset has not been recognised in these financial statements due to the uncertainty of the realisation of the tax benefit through future taxable profits. Deferred tax assets are recognised only to the extent that sufficient future profits will be available such that realisation of the tax benefits is probable. Trading losses and unabsorbed capital allowances held by the Group are available indefinitely for offsetting against future taxable profits for the Companies in which the losses arose.

Under the Business Promotion Regulations 2001, a Group undertaking is entitled to investment tax credits on its "qualifying" capital expenditure, the full amount of which would be available for set-off against the undertaking's tax liability. During the financial year ended 31 October 2019, the Group has benefitted from a conversion into cash of unutilised investment tax credits that were awarded to the Group in prior years through the provisions of the Business Promotion Regulation 2001. Accordingly, in accordance with the certificate issued by Malta Enterprise, the Group is entitled to receive an amount of €370,200 in cash in 3 equal instalments. As of 31 October 2025, an amount of €165,000 (2024: €246,800) is still due and will be received over the coming months.

Furthermore, the Group has unutilised investment tax credits amounting to €554,795 (2024: €554,795) that can be deducted from the tax due in a particular year. Any credits that are not utilised in any particular year are carried forward the future years.

NOTES TO THE FINANCIAL STATEMENTS - continued**35. COMMITMENTS***Capital commitments*

Commitments for capital expenditure in relation to property development not provided for in these financial statements:

	Group	
	2025	2024
	€	€
Authorized but not contracted	285,000	1,053,023
Authorized but contracted	965,429	7,062,850
	1,250,429	8,115,873

36. CONTINGENCIES

The Group had the following contingencies as at the end of the reporting period:

- (a) At 31 October 2025, subsidiaries had paid cash guarantees amounting to €32,000 (2024: €90,234) in favour of third parties in the ordinary course of business.
- (b) At 31 October 2025, subsidiaries had paid cash guarantees in favour of various third parties in respect of building and development or properties amounting to €143,673 (2024: €127,967).
- (c) Furthermore, as at 31 October 2025 subsidiaries had committed an amount of €123,438 (2024: €580,546) in relation to a letter of credit.
- (d) At 31 October 2025, subsidiaries had filed objections with the Commissioner of Inland Revenue relating to years of assessment 1979 to 1988 concerning disputed income tax amounting to €45,278 (2024: €45,278), in respect of which no provision has been made in these accounts.
- (e) The Group is involved in the below legal cases:
 - i. As at October 2025, a vendor had an open litigation with one of the Group's subsidiary. The vendor has commenced litigation against one of the Group's subsidiaries as a counteraction to an existing court case that the subsidiary initiated against the vendor. Given that the court case is still ongoing and on its initial phase, no reliable estimate of the amount of the obligation can be made. Accordingly, no provision for any liability has been made in these financial statements. A garnishee order amounting to €334,714 was issued against one of the Group's owned properties.
 - ii. A subsidiary of the Group is involved in another legal case which is at initial phase, thus amount cannot be reliably measured and accordingly, no provision for any liability has been made by management.

NOTES TO THE FINANCIAL STATEMENTS - continued**37. RELATED PARTY TRANSACTIONS**

Bortex Group Holdings Company Limited and its subsidiaries (Note 2) constitute the Bortex Group. The entities constituting the Bortex Group are ultimately fully owned by Mr Peter Paul Borg and Ms Karen Borg. Accordingly, companies which are ultimately owned and controlled by these individuals are considered to be related parties to the Bortex Group. The Group's and the Company's related parties include the ultimate beneficial owners, the Group's subsidiaries and all other parties forming part of the Group of which the Company is the parent and key management personnel. Transactions between the Company and its subsidiaries have been eliminated on consolidation. Details of transactions between the Group and its other related parties are disclosed below. Trading transactions with these companies would typically include interest charges, management fees, service charges and other such items which are normally encountered in a group context.

Group

During the year ended 31 October 2025, the Group entered into the following transactions with non-consolidated related parties.

	2025	2024
	€	€
Transactions with associate and joint ventures		
Sales of garments	135,010	192,666
Purchase of garments	295,095	242,580

Transactions with key management personnel

During the financial year ended 31 October 2025, the Group made transactions with key management personnel as disclosed below.

	2025	2024
	€	€
Directors' fees	18,000	18,000
Directors' remuneration	375,752	476,846

During the financial year ended 31 October 2025, a contractual compensation was paid to the Directors of the Group in relation to the Group's performance amounted to €128,048 (2024: €136,000).

As at 31 October 2025, securities debt in issue having a face value of €397,000 (2024: €314,144) were held by the Group's Directors.

Company

During the year ended 31 October 2025, the Company did not enter into transactions with related parties.

Related party balances

As at 31 October 2025, the Group had outstanding balances with the shareholders and other related parties. The amounts due to these specific categories of related parties and shareholders at year end and in prior year are disclosed in Notes 15, 22 and 24 to these financial statements. The terms and conditions in respect of these balances are disclosed in respective notes.

NOTES TO THE FINANCIAL STATEMENTS - continued**38. DIVIDENDS PAID****Group and Company**

	2025	2024
	€	€
Gross dividend	490,850	518,000
Tax at source	-	-
	<hr/>	<hr/>
Net dividend – €24.5 (2024: €25.9) per share	490,850	518,000
	<hr/>	<hr/>

39. SUBSEQUENT EVENTS

There were no events after year-end which would require adjustment or disclosure in the annual financial statements of the Group or the Company.