

Muscat Holdings (II) Limited

Financial Statements

For the year-ended 31 December 2025

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

Contents

	Page
General Information	1
Report of the Directors	2-3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cashflows	7
Notes to the financial statements	8-21
Independent Auditor's Report	

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

General Information

Directors: -	Mr. Adrian Muscat
Company Secretary: -	Mr. Adrian Muscat
Company number: -	C-89275
Registered Office: -	Hyatt Centric Malta Triq Santu Wistin San Giljan, SWQ 3312 Malta
Banker: -	Bank of Valletta plc 58 Zachary Street Valleta VLT 1130 Malta APS Bank plc APS Centre, Tower Street Birkirkara, BKR 4012 Malta
Auditors: -	VCA Certified Public Accountants Finance House, First Floor, Princess Elizabeth Street Ta' Xbiex XBX 1102 Malta

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The director presents his report and the audited financial statements of Muscat Holdings (II) Limited for the year ended 31st December 2025.

Principal Activities

The principal activity of the Company is the holding of property for development and resale. The director does not envisage any changes to the Company's principal activities in the foreseeable future.

Review of business

Portoscala in Triq Il-Bahhara, Marsascala

Portoscala consists of twenty-eight (28) residential units spread across five floors within two blocks, complemented by thirty-four (34) garages at basement levels, five (5) stores, and one (1) commercial unit. This development was fully completed in March 2024. As at 31st December 2025, twenty-six (26) apartments and twenty nine (29) garages were contracted. Furthermore, two (2) apartments and five (5) garages were under a preliminary agreement.

Solea in Triq Il-Hut, Marsascala

This project consists of twenty-five (25) residential units and eighteen (18) lock-up garages. The property was placed on the market upon completion of the finishing works in Q3 of 2024. As at 31st December 2025, all the apartments and seventeen (17) garages were contracted. Furthermore, one (1) garage was under preliminary agreement.

Results and dividends

The results for the year are shown in the statement of profit or loss and other comprehensive income on page 4.

The Director does not recommend the payment of a final dividend.

Director

The Director of the company as at 31st December 2025 who held office throughout the year was:-

Adrian Muscat

In accordance with the company's memorandum and articles of association the Director remains in office.

Auditors

A resolution to reappoint VCA Certified Public Accountants as auditor of the company will be proposed at the forthcoming annual general meeting.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

DIRECTOR'S RESPONSABILITIES

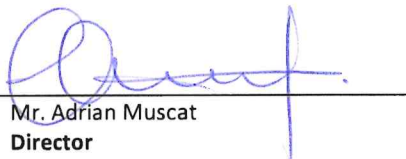
The Director is required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company at the end of each financial period and of the profit or loss for the period then ended.

In preparing the financial statements, the director should: -

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern.

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

This report was approved by the board of Directors and authorized for issue on 29 April 2026 and signed on its behalf by:



Mr. Adrian Muscat
Director

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

Statement of Profit or Loss and other Comprehensive Income

	Notes	2025 €	2024 €
Revenue	4.1	12,287,640	5,193,500
Operating expenses	4.3	(8,471,783)	(3,231,900)
Administrative expenses	4.3	(13,374)	(8,823)
Earnings before interest, tax, depreciation & amortisation		<u>3,802,483</u>	1,952,777
Finance costs	9.4	(165,931)	(43,843)
Share of profit/ (loss) of associates	6	110,020	(76,900)
Profit before tax		<u>3,746,572</u>	1,832,034
Income tax	11.1	(949,808)	(406,018)
Profit for the year – Total comprehensive income		<u>2,796,764</u>	1,426,016
Attributable to:			
Equity holders of the Company		<u>2,796,764</u>	1,426,016

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

Statement of financial position

	Notes	2025 €	2024 €
ASSETS AND LIABILITIES			
Non-current assets			
Investment in associates	6	3,656,998	42,480
Other receivables	8.6	126,072	2,578,898
		3,783,070	2,621,378
Current Assets			
Inventories	5.1	797,505	7,757,877
Trade and other receivables	8.6	388,801	32,005
Cash at bank and in hand	8.8	1,342,690	393,644
		2,528,996	8,183,526
Total Assets		6,312,066	10,804,904
Equity and Liabilities			
Equity			
Share capital	13.1	100,000	100,000
Retained earnings		6,018,981	3,222,217
		6,118,981	3,322,217
Current liabilities			
Borrowings	8.10	-	2,897,495
Trade and other payables	10.7	193,085	1,033,849
Other financial liabilities	9.6	-	3,551,343
		193,085	7,482,687
Total Liabilities		193,085	7,482,687
Total Equity and Liabilities		6,312,066	10,804,904

These financial statements on pages 3 to 16 were approved and authorised for issue by the Director on the **29 April 2026**


Mr. Adrian Muscat
Director

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

Statement of Changes in Equity

	Share Capital	Retained Earnings	Total
	€	€	€
Balance at 1 January 2024	100,000	1,796,201	1,896,201
Profit for the year	-	1,426,016	1,426,016
Balance at 31 December 2024	100,000	3,222,217	3,322,217
Profit for the year	-	2,796,764	2,796,764
Balance at 31 December 2025	100,000	6,018,981	6,118,981

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

Statement of Cashflow

	Notes	2025 €	2024 €
Cashflow from operating activities			
Profit before taxation		3,746,572	1,832,034
<u>Adjustments for:</u>			
Share of loss of associated undertaking	6	(110,020)	76,900
Finance costs	9.4	165,931	43,843
Net cash from operating activities		3,802,483	1,952,777
Movement in inventory	5.1	6,960,372	(37,823)
Movement in trade and other receivables	8.6	(356,796)	(16,525)
Movement in trade and other payables	9.5	(840,764)	442,242
Cash generated from operations		9,565,295	2,340,671
Finance costs	9.4	(165,931)	(43,844)
Income tax	11.1	(949,808)	(406,018)
Cash generated from/(used in) operating activities		8,449,556	1,890,809
Cashflow from investing activities			
Investment in associates	6	(3,504,498)	1,503,899
Net cashflows (used in)/ generated from investing activities		(3504,498)	1,503,899
Cashflow from financing activities			
Movement in director's loan	9.5	-	(343,850)
Movement in other loans	9.6	(3,551,343)	(2,583,898)
Movement in related parties	9.5	-	1,749,483
Movement in bank borrowings	8.10	(2,897,495)	(1,850,656)
Movement in other receivables	8.6	2,452,826	-
Net cashflows used in financing activities		(3,996,012)	(3,028,921)
Net movement in cash and cash equivalents		949,046	365,787
Cash and cash equivalents at beginning of year		393,644	27,857
Cash and cash equivalents at end of year	8.8	1,342,690	393,644

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

Notes to the financial statements

1. General Information

1.1. Information about the company

Muscat Holdings (II) Limited (C-89275) is a limited liability Company and is incorporated and domiciled in Malta. Its registered office is disclosed in the Report of the Directors.

1.2 Basis of preparation

Compliance with IFRS and with the Maltese Companies Act

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

Cost convention and presentation currency

These financial statements have been prepared under the historical cost convention and are presented in euro ("€"), which is the Company's functional currency and the currency in which its share capital is denominated.

Voluntary change in accounting policy

With effect from these financial statements, the Company has elected to present its notes by giving prominence to the areas of its activities that the director considers to be most relevant to an understanding of the Company's financial performance and financial position. This change in accounting policy has impacted the systematic manner in which notes are grouped within the financial statements, but has not had any impact on the amounts recognised within the financial statements.

Prior to the change in accounting policy, the notes to the financial statements were grouped following the order of the line items in the statement of financial position, income statements and statements of other comprehensive income and cash flows. Comparative information has been presented and disclosed in a manner that complies with this year's presentation.

Use of judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Information about key judgements made in applying accounting policies, together with estimates made at the reporting date, that have the most significant effects on the amounts recognised in these consolidated financial statements is disclosed in the following notes:

- a) Note 8.9, credit risk: estimates and assumptions made in measuring expected credit loss allowances on advances.
- b) Note 5 NRV of inventories – estimates and assumptions made in determining the NRV of properties held for re-sale.

1.3 Going Concern

The Company registered total revenue of €12,287,640 (2024: €5,193,500), representing proceeds from the sale of properties which have been fully developed during the current year and proceeds from rental of premises. The Company reported profit before tax of €3,746,572 (2024: €1,832,034) as shown in the Statement of profit or loss.

As at 31 December 2025, the Company's current assets exceeded its current liabilities by €2,097,388 (2024: €700,839).

The Director has prepared a cashflow forecast for the Muscat Holdings (II) Limited covering 48 months from the reporting date, considering significant events and transactions that have occurred or are expected to occur subsequent to period end. The cash flow forecasts include expected proceeds from the sale of properties. A portion of the forecast sales relates to properties for which deposits have already been secured. These deposits were received prior to the reporting date and are recognised as advance deposits within liabilities in the statement of financial position.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

1.3 Going Concern - continued

As part of their assessment, the Director has considered the impact of adverse scenarios, including delays in the timing of property sales. Even under these stressed assumptions, the Company is projected to maintain sufficient liquidity throughout the forecast period.

Based on this assessment, the Director have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. Standards, interpretations and amendments to published standards effective in 2025

In 2025, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2025. The Company has applied the following amendments for the first time for its annual reporting period commencing from 1 January 2025:

- The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability – Amendments to IAS 21

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

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are, as follows:

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

3. Standards, interpretations and amendments to published standards that are not yet effective - continued

IFRS 18 Presentation and Disclosure in Financial Statements - continued

- a) New disclosure will be added:
- management-defined performance measures;
 - specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss;
 - a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- b) Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

4. Revenue

The Company earns revenue from operations within the property industry. Revenue is recognised in accordance with the policies set out below. Wherever the Company collects the transaction price in advance of providing the related service or good, the Company does not adjust the transaction price for a significant financing component, as the period between receipt of payment and transfer of services or goods is typically less than one year.

Real estate and development

Sale of completed property constitutes a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied. Payments are received when legal title is transferred

4.1 Disaggregation of revenue from contracts with customers

	2025	2024
	€	€
Real estate		
Sale of properties	12,287,640	5,193,500

4.2 Liabilities related to contracts with customers

The Company has recognised the following liabilities relating to contracts with customers:

	2025	2024
	€	€
Advance deposits – real estate	23,400	553,830

4.3 Expenses by nature

	2025	2024
	€	€
Professional fees	12,492	4,542
Commissions	624,594	211,258
Transfer of cost of development properties upon sales	7,847,189	3,018,753
Other expenses	882	6,170
	8,485,157	3,240,723

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

5. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated price at which stocks can be sold in the course of business less anticipated costs of selling. The Group's inventories comprises properties held for resale in the ordinary course of the business.

Properties held for re-sale

These properties are measured at the lower of cost and net realisable value. The costs incurred in bringing each property to its present location and condition includes:

- i. Freehold and leasehold rights for land
- ii. Amounts paid to contractors for development and finishings
- iii. Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, borrowing costs, development overheads and other related costs

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the sales price of the property sold.

5.1 Make up of inventory items

	2025	2024
	€	€
<u>Properties held for re-sale</u>		
Property cost of land and development cost	<u>797,505</u>	<u>7,757,877</u>

Inventories recognised as an expense during the year ended 31st December 2025 amounted to €7,847,189 (2024: €3,018,753). These were included in cost of sales.

Capitalised 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 bank interest and other costs that the Company incurs in connection with the borrowing of funds. No borrowings costs were capitalised during the period

5.2 Estimates and judgements

The determination of net realisable value requires the use of management judgement and estimates. In assessing the recoverability of property inventory, management considers a number of factors including recent market transactions for comparable properties, current market conditions, expected selling prices, stage of completion of the properties and estimated costs required to complete and sell the properties. These estimates are reviewed at each reporting date and adjusted where necessary to reflect current market conditions and available information. Where the net realisable value of a property is lower than its carrying amount, a write-down is recognised in profit or loss. Due to the inherent uncertainty involved in estimating selling prices and future costs, actual outcomes may differ from these estimates.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

6. Interest in joint venture

Investments in joint venture comprise:

	2025	2024
	€	€
Joint ventures	3,494,490	42,480

The Company has 50% interest in Acmus P.L.C. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting.

Change in accounting policy

During the current financial year, the Company changed its accounting policy for its investment in a joint venture. Previously, the investment was accounted for using the equity method. Under the new policy, the investment is measured at cost less any accumulated impairment losses. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, changes in accounting policy are ordinarily applied retrospectively. However, management has assessed the effect of the change on prior periods and concluded that the impact is immaterial to the financial statements and does not affect the understanding or decision-making of users of the financial statements. Accordingly, comparative figures have not been restated, and the change has been applied prospectively from the beginning of the current financial year.

The change did not have a material impact on the Company's financial position, financial performance, or cash flows for the current or prior periods.

No dividends were distributed from joint ventures during the year.

The below table analyses the carrying amount of and the movements in the Company's investments in joint ventures, which are measured using the equity method of accounting.

	2025	2024
	€	€
Investments in joint ventures	3,494,490	42,480
	Joint venture	Joint venture
	2025	2024
	€	€
As At 1 January	42,480	1,623,278
Additions	600	1,075,000
Transfer from/(to) loans and advances – Note I	3,503,898	(2,578,898)
Effect of change in accounting policy	153,630	-
Share of profit / (loss) after tax	(43,610)	(76,900)
As at 31 December	3,656,998	42,480

Note i – Transfer from loans and advances

During the financial year, the terms of a loan previously recognised as a receivable were amended. Under the original agreement, the loan was contractually receivable. Following the amendment to the agreement, the Company has the contractual right to call for repayment with such obligation to be settled by the issuance of shares in the Joint Venture. In view of this change in contractual terms, and considering the substance of the revised arrangement, the balance has been reclassified from a receivable to investment in the financial statements with effect from the date of the amended agreement.

Group re-organisation

In July 2025, the Company, a subsidiary of the Juel Group P.L.C, undertook a group reorganisation involving the insertion of a new holding company; Acmus P.L.C, above its existing investment in Acmus property Developments Limited.

In July 2025, as part of this reorganisation, the Company, a subsidiary of the Juel Group P.L.C transferred its entire shareholding in Acmus Property Development Limited to Acmus P.L.C – a new Company formed on 19 February 2025 by way of a share-for-share exchange. The fair value of the consideration received, based on the value of shares issued by Acmus P.L.C, amounted to €3,075,926.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

6. Interest in joint venture - continued

The transaction forms part of a group restructuring under common control, as the ultimate ownership and control of the underlying entities remained unchanged before and after the reorganisation. Accordingly, the investment in Acmus P.L.C has been recognised at the carrying amount of the investment in Acmus property development Limited transferred, being €152,000. No gain or loss has been recognised in the statement of profit or loss as a result of this transaction.

The substance of the acquisition was that of a group restructuring and the accounting treatment adopted is consistent with the principles applicable to transactions under common control, whereby assets exchanged are recorded at their existing carrying amounts.

The following table illustrates the summarised financial information of the Group's investment in these entities:

	2025	2024
	€	€
Joint Venture		
Current assets	34,849,218	14,760,972
Non-current assets	48,068	42,306
Current liabilities	6,380,966	314,721
Non-current liabilities	26,257,351	14,403,609
Revenue	1,413,000	-
Loss for the year	(87,219)	(153,801)

The joint venture has no contingent liabilities or capital commitments as at 31 December 2025 and 31 December 2024

7. 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.

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

8. Financial assets other than interest in subsidiaries and other entities

8.1 Initial recognition and measurement

At initial recognition, the Company classify their financial assets as subsequently measured at amortised cost. Financial assets at amortised cost are measured using the effective interest method and are subject to impairment. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. At initial recognition, the Company measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

8.2 Subsequent measurement

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

8.3 Debt instruments

The Company's financial assets measured at amortised cost comprise other receivable balances, include amounts due from related companies in respect of bond proceeds and other funds advanced to those related parties included under current financial assets.

8.4 Derecognition

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

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

8. Financial assets other than interest in subsidiaries and other entities - continued

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

8.5 Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

8.6 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in policy 'Impairment of financial assets' and 9.5

	Note	2025	2024
		€	€
Non-Current			
Amounts due from group companies	i	-	2,578,898
Other receivables		126,072	-
		126,072	2,578,898
Current			
Amounts due from group companies	i	377,238	-
Other receivables		11,563	32,005
		388,801	32,005
Total trade and other receivables		514,873	5,189,801

Note i – Amounts owed by group companies

These amounts represent loans to related party companies within the same group. These amounts are unsecured, interest free and repayable on demand.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

8. Financial assets other than interest in subsidiaries and other entities – continued

8.7 Estimates and judgements

The Company measures expected credit losses (“ECLs”) on amounts due from group companies relating funds advanced to finance the acquisition, development and construction of property projects. These balances are subject to impairment using the general approach under IFRS 9.

Amounts due from group companies

Under the general approach, the Company measure ECLs using a probability-weighted estimate of credit losses determined by applying estimates of probability of default (PD), loss given default (LGD) and exposure at default (EAD). The ECL assessment incorporates reasonable and supportable forward-looking information, including assumptions regarding the expected performance of the underlying property development projects and broader economic conditions. The estimation of PDs reflects the likelihood that the subsidiaries will be unable to meet their repayment obligations, taking into consideration factors such as the subsidiaries’ financial position, expected cash flows from property developments, project completion timelines and prevailing market conditions. LGD estimates reflect the expected recoverability of amounts advanced, including consideration of the value of underlying assets and projects being financed.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk since initial recognition and update the assumptions used in estimating PD, LGD and EAD accordingly. The measurement of ECLs on amounts due from subsidiaries requires significant estimates. Changes in assumptions regarding project cash flows, property market conditions, development timelines and broader economic factors may result in material adjustments to the recognised ECL allowance.

8.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following

	2025 €	2024 €
Cash at bank and in hand	1,342,690	393,644
As shown in the cashflow statement	1,342,690	393,644

The balances of cash and cash equivalents are available for use by the Company in their entirety.

8.9 Credit risk exposure from financial assets

Credit risk arises from cash and cash equivalents as well as credit risk exposures to customers, including outstanding receivables and committed transactions. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2025 €	2024 €
Carrying amounts		
Amounts due from group companies	126,072	2,578,898
Other receivables	388,801	32,005
Cash at hand and in bank	1,342,690	393,644
	1,857,563	3,004,547

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

8. Financial assets other than interest in subsidiaries and other entities - *continued*

8.9 Credit risk exposure from financial assets - *continued*

The Company has no concentration of credit risk that could materially impact on the sustainability of its operations. However, in common with similar business concerns, the failure of specific large customers could have a material impact on the Company's results.

The above assets are subject to an expected credit loss ("ECL") model for the purposes of providing for credit losses. The general ECL model requires management to make complex judgments and estimates about the credit risk of counterparties and the expected future recoverability of financial assets. The model incorporates a forward-looking view of credit losses, using historical data, current conditions, and reasonable and supportable forecasts of future economic conditions.

ECLs are measured on either a 12-month or lifetime basis depending on whether there has been a significant increase in credit risk since initial recognition. The assessment involves:

- Evaluating the financial health and repayment ability of counterparties
- Considering historical loss experience
- Incorporating macroeconomic indicators such as GDP growth, interest rates, and industry outlook
- Applying probability-weighted scenarios where appropriate

Where balances are with related parties, additional qualitative factors are considered, including:

- The related party's financial position and liquidity
- Strategic or operational importance of the relationship
- Any indications of restructuring, dispute, or repayment delays

The Company apply IFRS 9's general impairment model to other financial assets at amortised cost. This model requires an assessment as to whether the counterparty has experienced a significant increase in credit risk since initial recognition. This assessment forms the basis as to whether lifetime ECL should be recognised and is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Amounts owed by related undertakings are unsecured; therefore, the failure of the related undertakings could have an impact on the Company's results.

The Company monitor intra-group credit exposures at individual entity level on a regular basis and ensure timely performance of these assets in the context of its overall liquidity management. The loss allowances for these financial assets are based on assumptions about risk of default and expected loss rates. The Company's management uses judgement in making these assumptions, based on the counterparty's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. No other counterparty making up the above balances has experienced a significant increase in credit risk since origination.

As at 31 December 2025 and 2024, the majority of loans with related parties were on terms that allowed the Company to request repayment of the balance as at reporting date (i.e. repayable on demand). In such cases, when assessing the ECL, the directors base their assessment on the assumption that the loan is demanded at the reporting date.

Where the counterparties' financial position suggests that it does not have sufficient liquid assets at balance sheet date to repay the loan if this is demanded, the probability of default is deemed to be 100%. Given that most of the related party relationships of such balances are between entities under common control, the directors assess the loss given default of the balance by analysing recovery strategies that the Company would allow, taking cognisance of such related party relationship. These recovery strategies typically include a projection of the net cash flows emanating from allowing the counterparty to operate, incorporating multiple forward-looking scenarios that take into account all reasonable and supportable information available to the Company.

After making this analysis, the directors concluded that the resulting loss-given-default rates are low, such that when applied to the exposure to calculate the IFRS 9 ECL allowance, the resulting impairment allowance to be recognised in the statement of profit and loss for the year was deemed to be immaterial.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

8. Financial assets other than interest in subsidiaries and other entities - *continued*

8.9 Credit risk exposure from financial assets - *continued*

Cash at bank and deposits

The Company's bank only with local financial institutions with high quality standing or rating.

The Company's cash, include cash and cash equivalent and is placed with reputable financial institutions, such that management does not expect any institution to fail to meet repayments of amounts held in the name of the Company. While cash and cash equivalents and deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was insignificant. No bank which the Company banks with has experienced a significant increase in credit risk since origination.

8.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method unless the effect of discounting is immaterial.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

The following borrowings were outstanding at 31st December 2025 and 2024:

	2025	2024
	€	€
Current interest-bearing borrowings		
Bank borrowings	-	2,897,495

9. Financial liabilities

The Company recognises a financial liability when it becomes a party to the contractual provision of the instrument. The Company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss. These financial liabilities are recognised initially at fair value, being the fair value of consideration received, net of transactions costs that are directly attributable to the acquisition or the issue of the financial liability. They are subsequently measured at amortised cost. The Company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expired.

9.1 Initial recognition, measurement and presentation

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables as appropriate. All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings comprising of a bank loan.

9.2 Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (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 considering 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.

9.3 Derecognition

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

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

9. Financial liabilities - continued

9.4 Finance costs

Finance costs include the costs incurred in obtaining external financing. Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Finance costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Finance costs are suspended during extended periods in which active development is interrupted. All other Finance costs are recognised as an expense in profit or loss in the period in which they are incurred.

	2025	2024
	€	€
Intercompany loan interest	163,717	43,843
Bank interest	2,214	-
	165,931	43,843

9.5 Trade and other payables

Trade payables are classified within current liabilities unless payment is not due within 12 months from the reporting period. They are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

	Note	2025	2024
		€	€
Trade and other payables - Current			
Amounts due to related parties	ii	138,717	3,551,343
Capital accruals	iv	26,155	342,729
Accruals	i	4,813	25,402
Deposits received	4.2	23,400	553,830
Capital creditors	iii	-	111,888
		193,085	4,585,192

Note i – Accruals

Accruals mainly comprise of accruals in the normal course of business.

Note ii – Amounts due to related parties

These amounts are unsecured, interest free and repayable on demand.

Note iii – Capital creditors

Capital creditors represent amounts payable to contractors and suppliers who have performed construction and improvement works on the property of the company.

Note iv - Capital accruals

Capital accruals represent costs relating to construction, development works and finishings performed on the Company's properties for which the related supplier invoices had not yet been received as at the reporting date. These costs are recognised based on work performed up to year end and are included within inventory as part of the cost.

The accruals are recognised in accordance with the Company's accounting policy and reflect management's best estimate of costs incurred but not yet invoiced at the reporting date.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

9. Financial liabilities - continued

9.6 Liquidity risk exposure from financial liabilities

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

The directors monitor liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve-month period, in order to ensure that adequate funding is in place in order for the Company to be in a position to meet its commitments as and when they will fall due.

The table below analyses the Company'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.

	On demand €	Within 1 year €	2 – 5 years €	Over 5 years €	Total €
2025					
Trade and other payables	138,714	54,371	-	-	193,085
Total contractual cashflows	138,714	54,371	-	-	193,085
2024					
Trade and other payables	3,551,340	1,033,852	-	-	4,585,192
Total contractual cashflows	3,551,340	1,033,852	-	-	4,585,192

The amount of trade and other payables classified as repayable within one year in the table above are contractually repayable on demand.

10. Financial risk management

The Company's activities potentially expose it to a variety of financial risks on its financial assets and financial liabilities. The key components of financial risks to the Company are market risk (namely, fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The exposures to credit risk and to liquidity risk, together with the management thereof, are disclosed in notes 8.9 and 9.6 respectively. This note provides information about market risk.

Market risk is the risk that changes in market prices, such as interest rates, and quoted prices, will affect the Company's income or financial position. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Financial instruments not measured at fair value

At 31st December 2025 and 31st December 2024, the carrying amounts of payables and receivables approximated their fair values due to the short-term maturities of these assets and liabilities.

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

11. Income tax and other income and expense items

11.1 Income taxes

Current tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

	2025	2024
	€	€
Current tax		
FWT on property sales	949,808	406,018

The tax expense and the tax charge using the statutory income tax rate of 35% are reconciled as follows:

	2025	2024
	€	€
Profit before tax	3,746,572	1,832,034
Tax thereon at 35%	1,311,300	641,212
Tax effect of:		
Diminution of investments	-	26,915
Expenses disallowed for tax purposes	-	51,309
Difference arising on income subject to 5% & 8% withholding tax on sales	(361,492)	(313,418)
	949,808	406,018

11.2 Fees paid to the auditors

Profit before tax for the Group is stated after charging the following fees in relation to services provided by the external auditors of the Group.

	2025	2024
	€	€
Other assurance services	1,063	-
Audit fees	2,550	2,200
	3,613	2,200

MUSCAT HOLDINGS (II) LIMITED

Financial Statements for the year ended 31 December 2025

12. Capital management

The Company's objectives when managing capital are to:

- Safeguard the Company'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 Company may issue new shares or adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (borrowings as presented in note 10.4) divided by total equity (as shown in the statement of financial position).

The Company manage their capital structure and make adjustments in light of changes in economic conditions. To maintain and adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt interest bearing loans and borrowings, trade and other payables and other financial liabilities less cash and cash equivalents.

13. Equity

13.1 Share capital

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

	2025	2024
	€	€
Authorised		
100,000 Ordinary Shares of €1 each	100,000	100,000
Issued		
100,000 Ordinary Shares of €1 each	100,000	100,000

14. Other disclosures

14.1 Related party transactions

	Related party activity 2025	Related party activity 2024
	€	€
Amounts due from related parties	512,188	2,583,848
Amounts owed to group companies	138,717	3,551,343



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MUSCAT HOLDINGS II LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Muscat Holdings II Limited set out on pages 4 to 21, which comprise the Company's statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' report. Our opinion on the financial statements does not cover this information, including the Directors' report. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- The information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
 - The Directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).
 - In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MUSCAT HOLDINGS II LIMITED

Responsibilities of the Directors

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MUSCAT HOLDINGS II LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that 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 nothing to report to you in respect of these responsibilities.

Other matters

This is the first year as auditors of the Company for the financial year ended 31 December 2025.

This copy of the audit report has been signed by:

A handwritten signature in blue ink, appearing to read 'Michael Curmi', is written over a horizontal line.

MICHAEL CURMI

for and on behalf of

VCA CERTIFIED PUBLIC ACCOUNTANTS

29 April 2026
