

Stivala Group Finance p.l.c.

Annual Report and Consolidated Financial Statements for the year ended 31 December 2025

Contents	Page
Chairman's Statement	1 - 3
Directors' Report	4 - 10
Corporate Governance - Statement of Compliance	11 - 19
Other Disclosure in Terms of Capital Market Rules	20
Independent Auditor's Report	21 - 28
Consolidated Statement of Profit or Loss and Other Comprehensive Income	29 - 30
Consolidated Statement of Financial Position	31 - 32
Consolidated Statement of Changes in Equity	33 - 35
Consolidated Statement of Cash Flows	36 - 37
Notes to the Consolidated Financial Statements	38 - 100

Stivala Group Finance p.l.c.

Chairman's Statement for the year ended 31 December 2025

Dear Shareholders and Stakeholders,

2025 was an important year of consolidation and further accomplishments for our Group. We once again demonstrated our resolve and our commitment to performing at the highest levels and to exceeding expectations.

Looking ahead to 2026 - People and Organisation

Looking ahead, our people agenda for 2026 is focused on strengthening delivery through an updated organisational structure and the standardisation of processes across all roles. Clear roles, responsibilities and reporting lines are being established to improve accountability, consistency and decision-making across the Group.

To reinforce leadership capacity and prepare for the forecasted growth in 2026, we have strengthened our Senior Management team by employing a new General Manager and a new Marketing Manager, and we look forward to the commencement of a new Revenue Manager for ST Hotels Ltd. This new role will strengthen revenue management capability and support sharper forecasting, pricing discipline and performance optimisation across the hotel portfolio.

We are further strengthening the Human Resources function across the group by launching a dedicated Learning and Development department to provide structured guidance on career pathways and to formalise procedures across all sectors. This will help ensure consistent standards, clearer progression opportunities and stronger support for employees at every level. We expect these initiatives to contribute positively to employee retention and to sustaining higher standards across our operations.

In 2025 the inbound tourism sector continued to grow to record levels, and demand for our services increased accordingly. That said, we continue to monitor trends closely, because demand alone is not a sufficient measure of success. Developments on the international scene are closely monitored by the Board of Directors.

We are also closely reviewing conditions in the office and commercial rental market. The environment has become more challenging, and we view this as an opportunity—and an incentive—to invest in higher-quality materials and finishes as clients become more discerning and have a wider range of options available to choose from.

In 2025, we completed the Group's largest hotel to date, the Novotel, comprising 293 rooms. This supports exponential growth in the Group's tourism operations. The works were carried out within budget and, although we opened slightly behind schedule (Q3 2025), we are excited to welcome the first of what we hope will be many Accor-branded hotels within the Group.

During the year, our acquisition strategy focused primarily on sites at the perimeter of our existing assets. This deliberate approach is intended to consolidate our property footprint and increase the value of these holdings when brought forward for redevelopment.

A second project with Accor Group is planned as a Mövenpick-branded hotel on the site of the existing Sliema Hotel on the strand. Works started in 2025, with completion and operations anticipated by the end of the first quarter of 2027.

In all current and future projects, the Group is applying the highest energy-efficiency and environmental sustainability standards. We have invested considerable resources to align our operations and reporting beyond minimum ESG requirements, and we are now moving from policy development to practical implementation—embedding these standards into everyday operations.

Stivala Group Finance p.l.c.

Chairman's Statement for the year ended 31 December 2025

These achievements have been made possible by the dedication and hard work of our employees at all levels and from all walks of life, together with the continued efforts of the Board of Directors. We will continue to pursue our objectives with discipline and ambition.

We thank all stakeholders who are assisting us in our success.

ESG Reporting

Environmental, Social, and Governance (ESG) Statement

As part of our ongoing commitment to sustainable and responsible business practices, Stivala Group has embarked on its ESG journey in alignment with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This marks a key step in enhancing the Group's transparency, accountability, and resilience amid evolving stakeholder expectations and regulatory developments.

Laying the Foundation: Double Materiality Assessment

In 2025, the Group continued to discuss and test in order to develop and understand our current position under Double Materiality, and we hope to finalise this work by the end of 2026.

Key Findings:

1. Strengths and Opportunities

Our strong market presence, regulatory experience, and diversified portfolio provide a solid foundation for sustainable development. Growing demand for eco-friendly hospitality and real estate solutions presents a significant opportunity to enhance our ESG performance. Investments in renewable energy, energy efficiency, and proactive stakeholder engagement drive long-term value while strengthening community trust.

2.Challenges and Evolving Risks

We acknowledge the need to enhance transparency in sustainability reporting and governance practices. Reliance on traditional energy and evolving regulations pose challenges requiring strategic adaptation. Climate change impacts, resource scarcity, and rising community expectations necessitate a proactive approach to ESG risk management.

3.Stakeholder Insights and Expectations

Our engagement with investors, partners, communities, suppliers, employees, and customers reinforced the importance of governance transparency, regulatory compliance, climate action, responsible waste management, and fair labour practices. Sustainable hospitality experiences, ethical business conduct, and proactive community engagement remain central to stakeholder expectations.

4.Financial and Impact Materiality


The assessment identified key sustainability topics with significance from both a financial and impact perspective. From a financial materiality standpoint, the most significant areas identified are those critical to the Group's operational resilience, legal obligations, and long-term value creation. From an impact materiality perspective, the assessment highlighted the importance of areas reflecting the potential influence of the Group's activities on the environment and society and our environmental and social responsibilities.

Stivala Group Finance p.l.c.

Chairman's Statement for the year ended 31 December 2025

Our Commitment to ESG Progress

Stivala Group is embedding ESG into the core of its operations and decision-making processes. The insights gained through the double materiality assessment will inform the next phase, which will focus on addressing ESG data and reporting gaps in order to achieve full ESRS compliance. By investing in sustainable practices, enhancing governance systems, and engaging openly with stakeholders, we aim to build a more resilient, transparent, and responsible organisation for the future.



Sincerely,
Mr. Martin John Stivala
Chairman, Stivala Group
Stivala Group Finance p.l.c. and its subsidiaries

Stivala Group Finance p.l.c.

Directors' Report for the year ended 31 December 2025

The Board of Directors are hereby presenting their annual report together with the audited financial statements of the Group and the Company for the year ended 31 December 2025.

Principal activities

The principal activity of the Company is to act as a finance and investment company, in particular the financing or re-financing of the funding requirements of related companies within the Stivala Group.

The principal activities of the Group relate to property letting, development and hospitality. The Group owns and leases a number of commercial, residential and office properties. These include apartments and various hotels namely Bayview Hotel, Blubay Apartments, Blubay Suites, Novotel Hotel, Azur Hotel and ST Tower, the majority of which are situated in Gżira and Sliema.

Review of business

The Company registered a profit before tax of €5,082,783 during the year ended 31 December 2025 (2024: €21,377,739).

The Group registered a consolidated profit before tax of €18,923,438 during the year ended 31 December 2025 (2024: €43,932,176).

Given the Group's and Company's financing structure and the positive net assets position of the Group and the Company at the end of the financial year, the Directors consider the Group's and Company's state of affairs as at the close of the financial year to be satisfactory.

Performance

The Company's revenue amounting to €7,545,140 (2024: €23,854,283) is derived from dividends receivable from its subsidiary. The major cost of the Company is the bond interest payable amounting to €2,347,500 (2024: €2,347,500). The Company registered a profit after taxation of €4,987,399 (2024: €21,165,743) and as at year end, its total equity amounted to net asset of €2,922,344 (2024: €2,084,695).

The Group's revenue for the year amounts to €32,989,800 (2024: €29,475,844). The main revenue streams of the group are hospitality and rental income. The rental income is slightly higher compared with prior year while a significant 15% increase was noted for the hospitality industry due to lifting of covid-19 restrictions. After deducting the main expenses being the cost of sales and distribution costs related to hospitality as well as administrative expenses, the Group registered an operating profit of €18,509,724 (2024: incurred an operating profit of €47,800,328).

Note: 2024 profit of €50.3M included a one-off €30M intangible asset recognition. Underlying performance in 2025 reflects strong operational growth.

The Bond Issue

By virtue of the prospectus dated 25 September 2017 and 18 July 2019, the Company issued 45,000,000 4% secured bonds with a face value of €100 each, redeemable at par on 18 October 2027 and 15,000,000 3.65% secured bonds with a face value of €100 each, redeemable at par on 29 July 2029, respectively. The funds received were intended for further purchase and development of its properties, in line with the Group's vision of continuous business expansion.

Principal risks and uncertainties

The Directors are aware of the various risks faced by the Group as a result of its diversified business lines, primarily hospitality and property development and letting. A number of measures are in place to ensure that such risks and uncertainties are maintained at acceptable levels and are in line with the Group's risk strategy of sustainable, long-term growth and profitability.

Stivala Group Finance p.l.c.

Directors' Report for the year ended 31 December 2025

The key risks faced by the Group include credit risk, strategic risk, operational risk, liquidity risk and legislative risks. Together with other risks and uncertainties inherent in the business, these require strong capital management as a safeguard against competent authority requirements and unfavourable events. The Group regularly reviews operational and capital targets against actual and forecast business levels to minimise such risks, where necessary, to the most considerable level possible in the interests of institutional stakeholders.

The main types of risk types are outlined hereunder:

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities including deposits with banks.

Customer credit risk is managed by the Group's management subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on each customer's credit limits. Outstanding customer receivables are regularly monitored. An impairment analysis is performed on each reporting date in accordance with the guidelines set in IFRS 9 Financial Instruments Standard. The Group exercises a prudent credit control policy, and accordingly, it is not subject to any significant exposure or concentration of credit risk. The Group banks only with local financial institutions with high quality standard or rating. The Group's operations are principally carried out in Malta and most of the Group's revenue originates from clients based in Malta.

Strategic risk

This risk relates to the value of Group's assets and local property market in general.

The Group has strict guidelines and engages competent professionals on quality and valuation of its investment properties and property, plant and equipment. The Group's properties are rented out to various tenants, except for those sites where development is in progress. The Group currently has lease agreements with in-substance fixed rental receivables in place after the non-cancellable period, which will protect the Group from unforeseen circumstances and inflation. The Group ensures to implement sound capital management policies and flexible cash flow as disclosed below under liquidity risk, to mitigate such risk.

Operational risk

Operational risk maybe defined as the risk of losses arising from defects or failures in its internal processes, people, systems or external events including risks related to fraud, technological and conduct risk.

Operational risk is inherent in all processes, systems and activities of the Group. As such, all employees are responsible for managing and controlling operational risks associated with their own activities and business processes where they are involved. The Group, in terms of operational risk management and control, continues to identify, evaluate and mitigate such risks, regardless if these actually occurred or not. The Group also assesses at each reporting date (unless immediate evaluation is necessary) areas of concern for improvement to minimise such operational risks, arising due to the volatile results of each year's operations.

During the year, the Group implemented an updated organisational structure designed to strengthen accountability and execution across the business. A key focus has been the standardisation of processes across all functions and roles, with clear role definitions, reporting lines, and responsibilities established to support consistent decision-making and performance management.

Stivala Group Finance p.l.c.

Directors' Report

for the year ended 31 December 2025

In line with this approach, the Group appointed a new General Manager and a new Marketing Manager to further reinforce operational leadership and commercial focus. Looking ahead, the Group expects a new Revenue Manager for ST Hotels to commence shortly, which will enhance revenue management capability and support improved forecasting, pricing discipline, and performance optimisation across the hotel portfolio.

The Group is also establishing a dedicated Learning and Development function. This initiative will provide structured guidance on career pathways, introduce formalised procedures and role-based standards across all sectors, and support the continued professional development of employees at all levels. Management expects these measures to contribute positively to employee engagement and retention, while sustaining high service and operational standards across the Group.

Operational risk is inherent in all processes, systems and activities of the Group. As such, all employees are responsible for managing and controlling operational risks associated with their own activities and business processes where they are involved. The Group continues to identify, evaluate and mitigate such risks, regardless of whether these have occurred. The Group also assesses, at each reporting date (unless immediate evaluation is necessary), areas of concern and opportunities for improvement to minimise operational risks arising, including those linked to volatility in annual results.

Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities. 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.

The Group is heavily dependent on the operations of the hotels it owns and the rental market. It regularly reviews the financial performance of its revenue streams in order to ensure that there is sufficient liquidity to sustain its operations. Cost cut practices have also been continuously implemented.

Legislative risks

The Group is governed by a number of laws and regulations. Failure to comply could have financial and reputational implications and could materially affect the group's ability to operate. The Group has embedded operating policies and procedures to ensure compliance with existing legislation.

The Group may also be subject to reputation and litigation risk as a result of its course of actions and operations. This may pose significant effect on the Group's and the various stakeholders' wellbeing, if ignored. The Board of Directors exercises the highest levels of ethical behaviour possible through a number of appropriate policies, procedures and controls, implemented on its day to day operations.

The hotel industry globally is marked by strong and increasing consolidation and many of the Group's current and potential competitors may thus have bigger name recognition, larger customer bases and greater financial and other resources than the companies within the Group. In response to this, the Group and the Company's hotels have undergone renovations that would cater the taste of the majority, still being offered at the most affordable cost.

Financial risk management and exposures

Note 31 Financial Risk Management to these financial statements provide details in connection with the Company's use of financial instruments, its financial risk management objectives and policies and the financial risks to which it is exposed.

Stivala Group Finance p.l.c.

Directors' Report for the year ended 31 December 2025

Events after reporting period

People and Organisation

Looking ahead, the Group could eventually result in certain holiday apartments being redirected into longer-term rental stock, slightly easing tightness. However, the Group's people agenda for 2026 is focused on strengthening delivery through an updated organisational structure and the standardisation of processes across all roles. Clear roles, responsibilities and reporting lines are being established to improve accountability, consistency and decision-making across the organisation.

To reinforce leadership capacity, the Group looks forward to the commencement of a new Revenue Manager for ST Hotels in the near term. This role is expected to strengthen revenue management capability and support improved forecasting, pricing discipline and performance optimisation across the hotel portfolio.

The Group is also establishing a dedicated Learning and Development department to provide structured guidance on career pathways and to formalise procedures across all sectors. This will help ensure consistent standards, clearer progression opportunities and stronger support for employees at every level. Management expects these initiatives to contribute positively to employee retention and to sustaining high standards across operations appointed a new General Manager and a new Marketing Manager. In addition, the Group's hotels met budget expectations for the first four months of operation, and we will continue to monitor the situation and react accordingly.

In summary: hotels and tourism may see a short-lived boost from market reallocation, but there is a medium-term risk of slower growth or yield compression; residential rentals remain underpinned by a tight market and steady foreign demand, though higher financing costs and global sentiment could moderate rent growth; and commercial real estate (offices and shopping) is supported by scarce land and strong service-sector demand.

Future developments

Despite the economic uncertainties caused by high inflation and elevated interest rates, the Group began 2025 on a strong note, with hospitality revenue surpassing budgeted expectations. This start highlights the resilience of the Group's diversified business model, which has enabled it to perform strongly even in challenging economic conditions. Meanwhile, the property letting and development sectors continued to operate steadily, providing a stable foundation for sustained growth.

The upturn in 2025 demonstrates the enduring trust and loyalty of the Group's customers and reflects the quality of service and innovative offerings associated with the Group's brand. In response, the Group has reaffirmed its commitment to investing in key sectors, including tourism, accommodation, and residential development, driven by a strategic vision to maintain and expand market presence.

Among the year's most significant projects was the Novotel Hotel, the largest hotel for the Group and the first Accor-branded hotel in the portfolio. This state-of-the-art 14-floor structure provides a meaningful uplift for the tourism sector and includes a restaurant and bar and a gym overlooking Sliema harbour. Its 293 rooms and 4-star status support diversification and demonstrate the Group's operational know-how within the tourism sector.

Looking ahead to 2026 and 2027, the Group is preparing to introduce Malta's first Mövenpick Hotel, a significant milestone for the country's hospitality industry. This five-star property is set to open in the first quarter of 2027 and will align with Mövenpick's brand reputation for comfort, modernity, and sustainability. By bringing this renowned global brand to Malta, the Group aims to diversify the country's tourism offerings and strengthen its position in the international travel market.

Stivala Group Finance p.l.c.

Directors' Report for the year ended 31 December 2025

In addition to the Mövenpick Hotel, the Group will also be looking forward to the opening and operation of another commercial premises, Charlie's Business Centre. The business centre will host large modern office spaces over eight floors, positioned strategically between Valletta and Sliema, offering views over Marsamxett Harbour, Msida and Manoel Island.

In addition to these high-profile developments, the Group is pursuing other projects, such as the Sliema Chalet project and the Fisheries project on the Valletta waterfront. The Chalet project aims to set new standards for luxury and sophistication in catering establishments, while the Fisheries project reflects a commitment to integrating sustainable practices with hospitality development. These initiatives showcase the Group's focus on balancing economic growth with environmental and social responsibility.

The Group's outlook for 2026 is underpinned by its strategic framework, which emphasises adaptability and a proactive response to market trends. By monitoring shifts in consumer behaviour and industry dynamics, the Group ensures its offerings remain relevant and competitive—an approach that has been instrumental in navigating inflationary pressures and fluctuating interest rates.

Investment in technology and innovation is another cornerstone of the Group's success. By leveraging cutting-edge solutions, the Group enhances operational efficiency and customer experiences across all its business segments. This commitment to digital transformation positions the Group as a leader in adopting advanced technologies within its industry.

Sustainability and community engagement are integral to the Group's philosophy. From energy-efficient building designs to supporting local communities through employment and outreach programmes, the Group is dedicated to making a positive impact beyond its commercial activities. These efforts reflect a broader commitment to promoting long-term social and environmental wellbeing.

In conclusion, the Group's achievements and ambitious plans for 2026 reflect its resilience, innovation, and strategic foresight. The completion of the Novotel Hotel and the ongoing development of the Mövenpick Hotel in Sliema are examples of how the Group is shaping the future of tourism, accommodation, and property development. Alongside initiatives like the Chalet and Fisheries projects, these efforts highlight the Group's commitment to excellence and its role as a key driver of economic growth.

As the year progresses, the Group remains confident in its ability to navigate challenges and capitalise on opportunities. With a strong focus on customer satisfaction, sustainability, and innovation, the Group is well-positioned to achieve remarkable milestones and make lasting contributions to the industries it serves.

Dividends and Reserves

The results for the year are set in the Consolidated Statement of Comprehensive Income on page 29 and 30.

The Board of Directors did issue a dividend this year amounting to €4,149,750. (2024: 12,000,000), net of taxation. Retained profits carried forward at the reporting date amounted to €109,294,191 (2024: €97,251,669) for the Group and retained earnings of €2,663,540 (2024: retained earnings of €1,825,891) for the Company.

Stivala Group Finance p.l.c.

Directors' Report for the year ended 31 December 2025

Directors

The Directors of the Company since the beginning of the year up to the date of this report were:

Mr. Ivan Stivala - Chairman and Executive Director

Mr. Michael Stivala - CEO and Executive Director

Mr. Martin John Stivala - Executive Director

Dr. Ann Marie Agius - Non-Executive Director

Mr. Francis Gouder - Non-Executive Director

Mr. Jean Paul Debono - Non-Executive Director

Company Secretary

Ms. Antoinette Scerri

Remuneration committee and corporate governance

During the period under review, the functions of the Remuneration Committee were carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related.

Statement of Directors' Responsibilities for the financial statements

The Directors are required by the Maltese Companies Act, 1995 (Cap.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 as at the end of each reporting period and of the profit or loss for that period.

In preparing such financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying consistently appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995 (Cap. 386). They are also responsible for safeguarding the assets of the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Stivala Group Finance p.l.c. for the year ended 31 December 2025 are included in the Annual Report 2025, which is published in hard-copy printed form and is available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Additionally, the directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the consolidated financial statements and the relevant tagging requirements therein, as required by Capital Markets Rule 5.56A, in accordance with the requirements of ESEF RTS,
- designing, implementin, and maintaining internal controls relevant to the preparation of the Annual Financial Report that is free from material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error, and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Stivala Group Finance p.l.c.

Directors' Report

for the year ended 31 December 2025

Statement of responsibility pursuant to the Capital Market Rules issued by Malta Financial Services Authority

The Directors confirm that in accordance with the Capital Market Rules, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2025, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and

- the Directors' Report includes a fair review of the performance of the business and the financial position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Group and the Company face.

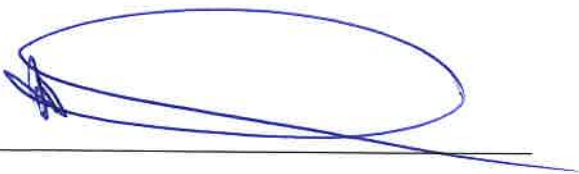
Going concern - Capital Markets Rules 5.62

Having made an appropriate assessment of going concern as discussed in Note 2.1 to these financial statements, the financial statements of the Group and the Company are prepared on a going concern basis. The Directors regard that pursuant to Capital Markets Rule 5.62, this is appropriate, after due consideration of the Group's and Company's financial support from the shareholder and ultimate beneficial owners. Specifically, the Directors have prepared financial and capital plans for the next eleven years which show that the Group and the Company is in a position to continue operating as a going concern for the foreseeable future. These plans take into account risks and uncertainties facing the Group and the Company, including but not limited to, the effect of the completion of divestment of major shareholder's interest in the Group and the Company, as announced last 27 April 2021.

- Auditors

Pursuant to the Company's statutory obligations in terms of Companies Act and Capital Market Rules, the appointment of the auditors and the authorisation of the Directors to set their remuneration will be proposed and approved at the Company's AGM. HLB CA Falzon have expressed their willingness to continue in office.

These financial statements were approved for issue by the Board and signed on its behalf on 28 April 2026 by:



Mr. Michael Stivala - CEO and Director



Mr. Ivan Stivala - Director

Registered Office

ST Group Head Office, Novotel Hotel Level 2 60
Triq Sir Frederick C. Ponsonby
Gzira
Malta

Stivala Group Finance p.l.c.

Corporate Governance Statement for the year ended 31 December 2025

Introduction

Pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority (the "Rules"), Stivala Group Finance p.l.c. ("the Company") should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Rules ("the Code") and accordingly, in terms of Rule 5.94, the Company is hereby reporting on the extent of its adoption of the Code, with respect to the financial year under review.

The Company became subject to the principles when its bonds were admitted to capital market and subsequent trading on the Malta Stock Exchange. Accordingly this report of the Company on this matter covers the whole year.

The Company acknowledges that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the Company, its shareholders and other stakeholders.

The Company has only issued debt securities which have been admitted to trading on the Malta Stock Exchange, and accordingly, in terms of Rule 5.101, is exempt from reporting on the matters prescribed in Rules 5.97.1 to 5.97.3, 5.97.6 and 5.97.7 in this corporate governance statement (the "Statement"). It is in the light of this exemption afforded to the Company by virtue of Rule 5.101, that the directors of the Company are herein reporting on the corporate governance of the Company.

General

Good corporate governance is the responsibility of the Board of Directors of the Company ("the Board") as a whole, and has been and remains a priority for the Company. In deciding on the most appropriate manner in which to implement the Code, the Board took cognisance of the Company's size, nature and operations, and formulated the view that the adoption of certain mechanisms and structures which may be suitable for companies with extensive operations may not be appropriate for the Company. The limitations of size and scope of operations inevitably impact on the structures required to implement the Code, without however diluting the effectiveness thereof.

The Board considers that, to the extent otherwise disclosed herein, the Company has generally been in compliance with the Principles throughout the year under review.

This Statement shall now set out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code for the year under review. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manner in which the Board considers that these have been adhered to.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles and the Code provisions.

Compliance with the Code

The Directors believe that for the financial year under review the Company has generally complied with the requirements for each of these principles. Further information in this respect is provided hereunder.

Stivala Group Finance p.l.c.

Corporate Governance Statement

for the year ended 31 December 2025

Principle One - The Board

The Directors report that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company with honesty, competence and integrity. The Board is composed of members who are competent and proper to direct the business of the Company with honesty, competence and integrity. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Board has throughout the period under review provided the necessary leadership in the overall direction of the Company, and has adopted prudent and effective systems which ensure an open dialogue between the Board and Senior Management.

The Company has a structure that ensures a mix of Executive and Non-Executive Directors and that enables the Board to have direct information about the Company's performance and business activities.

Principle Two - Chairman and CEO

The position of the Chairman and that of the CEO are occupied by different individuals. There is a clear division of responsibilities between the running of the Board and the CEO's responsibility in managing the Group's business. This separation of roles of the Chairman and CEO avoids concentration of authority and power in one individual and differentiates leadership of the Board from the running of the business.

The role of Chairman exercises independent judgement and is responsible to lead the Board and set its agenda, whilst also ensuring that the Directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with shareholders and encouraging active engagement by all members of the Board for discussion of complex or contentious issues. The Board believes that these functions have been conducted in compliance with the dictates of Code provision 2.2. The role of CEO is then accountable to the Board for all business operations of the Company.

Principle Three - Composition of the Board

The Board is composed of 6 members, with 3 Executive and 3 Non-Executive Directors. The Board is responsible for the overall long term strategy and general policies of the Company, of monitoring the Company's systems of control and financial reporting and that it communicates effectively with the market as and when necessary.

The CEO provides the rest of the Directors with access to the information on the Company's financial position and systems. He acts as the main point of communication between the Board and overall corporate operations as he is responsible for proper implementation of sustainable business solutions, effective framework of internal controls over risk in relation to the business and strategic goals devised by the Board.

The Board of Directors consists of the following:

Mr. Ivan Stivala - Chairman and Executive Director
Mr. Michael Stivala - CEO and Executive Director
Mr. Martin John Stivala - Executive Director
Dr. Ann Marie Agius - Non-Executive Director
Mr. Francis Gouder - Non-Executive Director
Mr. Jean Paul Debono - Non-Executive Director

Stivala Group Finance p.l.c.

Corporate Governance Statement for the year ended 31 December 2025

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next annual general meeting ("AGM") of the Company following such an appointment. In terms of the Articles of Association, a director shall hold office for a period of one (1) year from the date of appointment. Provided that no appointment may be made for a period exceeding three (3) years. Notwithstanding the period for which a director has been appointed, on the lapse of such period, a director will be eligible for re-appointment. Dr. Ann Marie Agius, Mr. Francis Gouder and Mr. Jean Paul Debono are considered by the Board to be independent non-executive members of the Board, in that they have no involvement or relationship with the Company or with the majority shareholders.

None of the independent Non-Executive Directors:

- a) are or have been employed in any capacity with the Company and/or the Group;
- b) have or had a significant business relationship with the Company and/or the Group;
- c) has received or receives significant additional remuneration from the Company and/or the Group;
- d) has close family ties with any of the Company's executive Directors or senior employees;
- e) has served on the board for more than twelve consecutive years; or
- f) is or has been within the last three years an engagement partner or a member of the audit team of the present or former external auditor of the Company and/or the Group.

Each Non-Executive Director has declared in writing to the Board that he/she undertakes:

- a) to maintain in all circumstances his independence of analysis, decision and action;
- b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
- c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the Company.

Principle Four - The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its bonds in issue, and for monitoring that its operations are in conformity with its commitments towards bondholders, shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems and that it communicates effectively with the market.

The Executive Officers of the Company may be asked to attend board meetings or general meetings of the Company, although they do not have the right to vote thereat until such time as they are also appointed to the Board. The rest of the Directors may entrust to and confer upon the CEO any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Stivala Group Finance p.l.c.

Corporate Governance Statement

for the year ended 31 December 2025

In fulfilling its mandate, the Board:

- a) has a clearly-defined Company strategy, policies, management performance criteria and business policies which can be measured in a precise and tangible manner;
- b) has established a clear internal and external reporting system so that the Board has continuous access to accurate, relevant and timely information such that the Board can discharge its duties, exercise objective judgment on corporate affairs and take pertinent decisions to ensure that an informed assessment can be made of all issues facing the board;
- c) establishes an Audit Committee in terms of Capital Market Rules 5.117 – 5.134;
- d) continuously assesses and monitors the Company's present and future operations, opportunities, threats and risks in the external environment and current and future strengths and weaknesses;
- e) evaluates management's implementation of corporate strategy and financial objectives, and regularly reviews the strategy, processes and policies adopted for implementation using key performance indicators so that corrective measures can be taken to address any deficiencies and ensure the future sustainability of the Company; and
- f) ensures that the Company has appropriate policies and procedures in place to assure that the Company and its employees maintain the highest standards of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards.

As part of succession planning, the Board ensure that the Company implements appropriate schemes to recruit, retain and motivate employees and Senior Management. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

The Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. During the financial year under review, the Audit Committee met 5 times.

Although the Audit Committee is set up at the level of the Company its main tasks are also related to the activities of the subsidiary, sub- subsidiaries and operational companies.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

Furthermore, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company and a related party, to ensure that the execution of any such transaction was at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee is composed of 3 independent, Non-Executive Directors:

- Mr. Francis Gouder – Chairman of Audit Committee and Member
- Dr. Ann Marie Agius – Member
- Mr. Jean Paul Debono – Member

Stivala Group Finance p.l.c.

Corporate Governance Statement

for the year ended 31 December 2025

Principle Five - Board meetings

The Directors meet regularly to dispatch the business of the Company. The Directors are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting board papers, which are circulated in advance of the meeting. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. These minutes are subsequently circulated to all Directors as soon as practicable after the meeting. The Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda on the Board seeks to achieve a balance between long-term strategic and short-term performance issues.

The Board meets as often and as frequently required in line with the nature and demands of the business of the Company. Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met 5 times during the financial year under review. The following Directors attended meetings as follows:

Mr. Ivan Stivala - Chairman and Executive Director - 6 meetings

Mr. Michael Stivala - CEO and Executive Director - 6 meetings

Mr. Martin John Stivala - Executive Director - 6 meetings

Dr. Ann Marie Agius - Non-Executive Director - 6 meetings

Mr. Francis Gouder - Non-Executive Director - 6 meetings

Ms. Jean Paul Debono - Non-Executive Director - 6 meetings

Business at the Company's AGM will cover the Annual Report and Financial Statements, the declaration of dividends if any, election of directors and the approval of their remuneration, appointment of the auditors and the authorisation of the directors to set the auditors' fees. Shareholders' meetings are called with enough notice to enable the use of proxies to attend, vote and abstain. The Company recognises the importance of maintaining dialogue with its shareholders to ensure its strategies and performance.

Principle Six - Information and Professional Development

The Directors believe that for the financial year under review they conducted sufficient professional development for its officers. The Company will continue with this commendable practice. As part of succession planning and employee retention, the Board ensure that the Company implements appropriate schemes to recruit, retain and motivate employees and Senior Management and keep a high morale amongst employees.

Principle Seven - Evaluation of the Board's performance

The current composition of the Board allows for a cross-section of skills and experience and achieves the appropriate balance required for it to function effectively. During the year, the Directors carried out a self-evaluation performance analysis, including the Chairman and/or the CEO. The results of this analysis did not require any material changes in the Company's corporate governance structure.

Stivala Group Finance p.l.c.

Corporate Governance Statement

for the year ended 31 December 2025

Principle Eight - Committees

Principle Eight A of the Code deals with the establishment of a remuneration committee for the Company aimed at developing policies on remuneration for Directors and Senior Executives and devising appropriate remuneration packages.

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a remuneration committee, and the Board itself carries out the functions of the remuneration committee specified in, and in accordance with, Principle Eight A of the Code, given that the remuneration of Directors is not performance-related.

The Board has established a remuneration policy for Directors and Senior Executives, underpinned by formal and transparent procedures for the development of such a policy and the establishment of the remuneration packages of individual Directors.

The Board confirms that there have been no changes in the Company's remuneration policy during the year under review and the Company does not intend to effect any changes in its remuneration policy for the following financial year.

The maximum annual aggregate emoluments that may be paid to the Directors is, pursuant to the Company's Memorandum and Articles of Association, approved by the shareholders in general meeting.

The Board is composed exclusively of executive and non-executive Directors. The determination of remuneration arrangements for board members is a reserved matter for the Board as a whole.

During the financial year under review, Mr. Michael Stivala, Mr. Ivan Stivala and Mr. Martin John Stivala each held an indefinite full-time contract of service with ST Hotels Ltd.

The remuneration policy for Directors has been consistent since inception; no Director (including the Chairman) is entitled to profit sharing, share options or pension benefits. There is no linkage between the remuneration and the performance of Directors. A fixed honorarium is payable at each financial year to the Non-Executive Directors.

For the financial year under review the aggregate remuneration of the Directors of the Company and the Group (where the Company forms part) were as follows:

Fixed remuneration from Company	€45,000
Fixed remuneration from Sub-subsidiary	€32,307

Principle Eight B of the Code deals with the formal and transparent procedure for the appointment of Directors.

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a nomination committee. Reference is also made to the information provided under the subheading 'Principle Three' above, which provides for a formal and transparent procedure for the appointment of new Directors to the Board.

Principle Nine - Relations with shareholders and with the market

Pursuant to the Company's statutory obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta) and the Capital Market Rules issued by the Malta Financial Services Authority, the Annual Report and Financial Statements, the election of Directors and approval of Directors' fees, the appointment of the auditors and the authorisation of the Directors to set the auditors' fees, and other special business, are proposed and approved at the Company's AGM.

With respect to the Company's bondholders and the market in general, during the financial year under review, there was no need to issue any Company announcements to the market.

Stivala Group Finance p.l.c.

Corporate Governance Statement

for the year ended 31 December 2025

The Company's Articles of Association allow minority shareholders to call special meetings on matters of importance to the Company, provided that the minimum threshold of ownership established in the Articles of Association is met.

Principle Ten - Relations with Institutional shareholders

The Directors are of the view that this Principle is not applicable to the Company.

Principle Eleven - Conflicts of Interest

Principle Eleven deals with conflicts of interest and the principle that Directors should always act in the best interests of the Company

All of the Directors of the Company, except for Dr. Ann Marie Agius, Mr. Francis Gouder and Mr. Jean Paul Debono are Executive Officers of the Company. The other Executive Directors have a direct beneficial interest in the share capital of the Company, and as such are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap. 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company is under the duty to fully declare his interest in the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction.

Principle Twelve - Corporate Social Responsibility

Principle Twelve encourages Directors of listed companies to adhere to accepted principles of corporate social responsibility

The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices, and is committed to enhance the quality of life of all stakeholders and of the employees of the Company and the Group.

The Board is strongly committed to the environment, and to the welfare of the community in which we operate. All directors are mindful that sustainable development and environmental protection are critical, both for the success of our tourism and development activities, and for the benefit of our community's quality of life. To this end, the Group has taken initiatives to minimise its consumption of natural resources, reduce its generation of waste, and to incorporate sustainability principles and attractive design in its developments.

In carrying on its business the Group is fully aware and at the forefront to preserving the environment and continuously review its policies aimed at respecting the environment and encouraging social responsibility and accountability.

Stivala Group Finance p.l.c.

Corporate Governance Statement

for the year ended 31 December 2025

Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial year under review the Company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Other key features of the system of internal control adopted by the Company in respect of its own internal control as well as the control of its subsidiaries and affiliates are as follows:

Risk identification

The Board, with the assistance of the management team of the Company, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the Company and its subsidiaries are involved. These risks are assessed on a continual basis and any potential exposure is discussed regularly at Board and management level, with a view to mitigation thereof, where possible.

Information and communication

Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. Regular budgets are prepared and performance against these plans is actively monitored and reported to the Board.

In conclusion, the Board considers that the Company has generally been in compliance with the Principles throughout the period under review as befits a company of this size and nature.

Stivala Group Finance p.l.c.

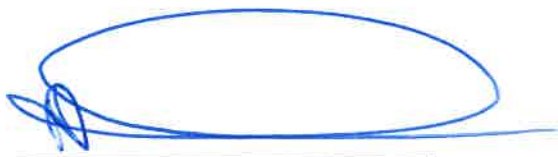
Corporate Governance Statement

for the year ended 31 December 2025

Non-compliance with the principles and the reasons therefor have been identified below.

Code Provision	Explanation
4.2.7 - The Responsibilities of the Board and Board Meetings	The Board has not formally developed a succession policy for the future composition of the Board of Directors as recommended by Code Provision 4.2.7. In practice, however, the Board is actively engaged in succession planning and involved in ensuring that appropriate schemes to recruit, retain and motivate employees and Senior Management are in place.
7.1 - Evaluation of the Board's performance	The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance. The Board believes that the size of the Company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. The size of the Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose. The Board shall retain this matter under review over the coming year.
8B - Committees	The Board has not appointed a Nominations Committee, particularly of the appointment process being specifically set out in the Articles of Association. The Board, however, intends to keep under review the utility and possible advantages of having a Nominations Committee and following an evaluation may, if the need arises, make recommendations to the shareholders for a change to the Articles of Association.

Approved by the Board on 28 April 2026 and signed on its behalf by:



Mr. Michael Stivala
CEO and Director



Mr. Ivan Stivala
Director

Stivala Group Finance p.l.c.

Other Disclosure in Terms of Capital Market Rules for the year ended 31 December 2023

Shareholder register information pursuant with Capital Market Rule 5.64

- Structure of Capital

The Company has an authorised share capital of €500,000 Ordinary Shares of €1 each and issued and fully paid up share capital of €258,804 with a nominal value of €1 each. Each Ordinary Share is entitled to one vote. The Ordinary Shares in the Company shall rank *pari passu* for all intents and purposes at law. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital.

- Appointment and removal of Directors

Article 55.1A of the Company's Memorandum and Articles of Association states that a shareholder holding not less than 25% of the issued share capital of the Company having voting rights or a number of shareholders who between them hold not less than 25% of the issued share capital of the Company having voting rights ("a qualifying shareholder") shall be entitled to appoint (1) director for every such qualifying shareholding, by letter addressed to the Company. Any shareholder who does not qualify to appoint directors in terms of the provisions of paragraph (a) of this sub-article 55.1, and who has not aggregated his holdings with those of other shareholders for the purposes of appointing a director(s) pursuant thereto shall be entitled to participate and vote in an election of directors to take place once in every year at the Annual General Meeting of the Company.

The Chairman shall be appointed by the directors at their first meeting following the annual general meeting in each year, save for the first chairman who shall retain the post of chairman until such time as he resigns or is earlier removed in accordance with the provisions of the articles regulating the removal of directors.

Any director may be removed at any time by the Company in general meeting. The director who is to be removed shall be given opportunity of making representations to the general meeting at which a resolution for his removal is to be taken.

- Powers of Directors

Subject to applicable provisions of the Articles, the directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue equity securities and debt securities on such terms, in such manner and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Company or of any third party. Provided that the members in general meeting may, from time to time, restrict and limit the aforesaid powers of the directors, in such manner as they may deem appropriate.

- General Meetings

Subject to the provisions of the Act, the Company shall in each year hold an annual general meeting at such time and place as the directors shall appoint. All general meetings other than the annual general meetings shall be called extraordinary general meetings. The Directors may convene an extraordinary general meeting whenever they think fit. Extraordinary general meetings may also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by the Act. If at any time, there are not in Malta sufficient directors capable of acting to form a quorum, any director, or any two members of the Company, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors.

**Independent Auditor's Report
to the shareholders of Stivala Group Finance p.l.c.**

Report on the Financial Statements for the year ended 31 December 2025

Opinion

We have audited the individual financial statements of Stivala Group Finance p.l.c. ("the Company") and the consolidated financial statements of the Company and its subsidiaries (together, "the Group"), set out on pages 29 to 100, which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 Group and the Company as at 31 December 2025, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we declare that no prohibited non-audit services referred to in Article 18A(1) of the Accountancy Profession Act, Cap. 281 of the Laws of Malta were provided by us to the Company and the Group and we remain independent of the Company and the Group. No other services besides statutory audit services as disclosed in the annual report in note 7 to the financial statements were provided by us to the Company and its controlled undertakings.

Independent Auditor's Report to the shareholders of Stivala Group Finance p.l.c.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon.

We do not provide a separate opinion on these matters.

1. Valuation of Investment property

Risk description

The Group's investment property comprises of Offices, Commercial and Residential premises, amounting to €229,966,355 as disclosed in Note 17. This represents 41% of the Company's total assets as of 31 December 2025. A full revaluation assessment was carried out last year on all the properties in accordance with accounting policy(s). Valuation reports were obtained from third party qualified valuers for all of the Group's properties, classified as investment property. The valuation of the Group's property portfolio is inherently subjective due to, among other factors, the individual nature of each investment property, its location and the expected future returns. Due to the significance of this investment property, and the dependency of the Company on this asset, we have considered that this is a key audit matter.

How the scope of our audit responded to the risk

Our procedures in relation to the valuation of the properties included:

- Reviewing the methodologies used by the external valuers and by management to estimate the fair value for all properties. We confirmed that the valuation approach for each property was suitable for use in determining the carrying value of properties as at 31 December 2025.
- Testing the mathematical accuracy of the calculations derived from each model.
- Assessing the key inputs in the calculations such as revenue growth and discount rate, by reference to management's forecasts, rental agreements for investment property, data external to the Group and our own expertise.
- Considering the appropriateness of the fair values estimated by the external valuers based on our knowledge of the industry.
- Considering the potential impact of reasonably possible changes in the key assumptions underlying the valuations. We challenged the Company's valuations to assess whether they fell within a reasonable range of the expectations developed. Management were able to provide explanations and refer to appropriate supporting evidence.

We have also assessed the relevance and adequacy of the disclosures relating to this investment property in accounting policy note(s) and in note 17 to the financial statements.

Findings

The result of our testing was satisfactory and we concur that the valuations of the investment property are appropriate.

Independent Auditor's Report to the shareholders of Stivala Group Finance p.l.c.

Other Information

The Directors are responsible for the other information. The other information comprises of the Chairman's Statement, Directors' Report and Corporate Governance Statement of Compliance.

Our opinion on the financial statements does not cover this information. Except for our opinion on the Directors' Report in accordance with the Companies Act, Cap. 386 of the Laws of Malta and on the Corporate Governance Statement of Compliance in accordance with the Capital Market Rules issued by the Malta Financial Services Authority, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 Companies Act, Cap. 386 of the Laws of Malta. Based on the work we have performed, in our opinion:

- the information given in the Directors' Report for the year ended 31 December 2025 is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the Companies Act, Cap. 386 of the Laws of Malta.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment, obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' Report and other information that we obtained prior to the date of this auditor's report. Based on the work we have performed, we have nothing to report in this regard.

Responsibilities of the Directors and the Audit Committee for the financial statements

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

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

The Directors have delegated the responsibility for overseeing the Company's and the Group's financial reporting process to the Audit Committee.

Independent Auditor's Report to the shareholders of Stivala Group Finance p.l.c.

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

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

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

We communicate with the Audit Committee 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.

Independent Auditor's Report to the shareholders of Stivala Group Finance p.l.c.

We also provide the Audit Committee 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 our independence, and where applicable related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. There are no such undisclosed matters.

Report on other legal and regulatory requirements

The Annual Report and Consolidated Financial Statements of Stivala Group Finance p.l.c. for the year ended 31 December 2025 contains other areas required by legislation on which we are required to report. The directors are responsible for these other areas.

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Capital Market Rules issued by the Malta Financial Service Authority require the directors to prepare and include in their Annual Report a Corporate Governance Statement providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with those Principles.

The Capital Market Rules also require the auditor to include a report on the statement of compliance prepared by the directors. We are also required to express an opinion as to whether, in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have identified material misstatements with respect to the information referred to in Capital Market Rules 5.97.4 and 5.97.5.

We read the statement of compliance and consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the annual report. Our responsibilities do not extend to considering whether this statement is consistent with the other information included in the annual report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Corporate Governance Statement cover all the risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risks and control procedures.

Independent Auditor's Report to the shareholders of Stivala Group Finance p.l.c.

In our opinion:

- the Corporate Governance Statement set out on pages 11 to 19 has been properly prepared in accordance with the requirements of the Capital Market Rules 5.94 and 5.97.
- in the light of the knowledge and understanding of the Company and the Group and its environment obtained in the course of the audit the information referred to in Capital Market Rules 5.97.4 and 5.97.5 are free from material misstatement.

Under the Capital Market Rules we also have the responsibility to:

- review the statement made by the Directors, set out on pages 4 to 10, that the business is a going concern, together with supporting assumptions or qualifications as necessary.

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

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Annual Financial Report of Stivala Group Finance p.l.c. for the year ended 31 December 2025, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Annual Financial Report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Independent Auditor's Report to the shareholders of Stivala Group Finance p.l.c.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS;
- Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS; and
- Examining the information in the Annual Financial Report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

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

Opinion

In our opinion, the Annual Financial Report for the year ended 31 December 2025 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Other matters on which we are required to report by exception under the Companies Act

We also have responsibilities:

- under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:
 - 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 not received all the information and explanations we require for our audit; and
 - certain disclosures of Directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

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

Appointment and audit tenure

We were first appointed by those charged with governance to act as statutory auditor by the board of Directors on 12 October 2020. Our appointment has been renewed annually by shareholder resolution representing a total uninterrupted engagement of 6 years.

**Independent Auditor's Report
to the shareholders of Stivala Group Finance p.l.c.**

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee in accordance with the provisions of article 11 of the EU Audit Regulation No. 537/2014, which was issued on the same date as this report.



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

HLB CA Falzon
Registered Auditors
Central Office Buildings, Block A,
Level 1, Mosta Road
Lija, LJA 9016, Malta
28 April 2026

www.hlbmalta.com

Together we make It happen

HLB CA Falzon, Central Office Building, Block A, Level 1, Mosta Road, Lija LJA 9016, Malta
TEL: +356 2010 9800 **EMAIL:** info@hlbmalta.com **VAT NO:** MT 2080 6811
PRINCIPALS: Fiona Buttigieg, Jozef Wallace Galea, Patrizio Prospero, Elaine Galea

Stivala Group Finance p.l.c.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	The Group		The Company	
		2025	2024	2025	2024
		€	€	€	€
Revenue from contracts with customers	6	22,069,218	19,192,150	-	-
Rental income	23	10,920,582	10,283,694	-	-
Revenue		32,989,800	29,475,844	-	-
Cost of sales and services	7	(9,567,862)	(8,197,792)	-	-
Gross profit		23,421,938	21,278,052	-	-
Distribution and selling costs	7	(194,613)	(132,059)	-	-
Administrative expenses	7	(9,158,380)	(9,648,241)	(58,487)	(69,044)
Other operating income	8	4,440,779	36,302,576	3,630	-
Operating profit/(loss)		18,509,724	47,800,328	(54,857)	(69,044)
Change in fair value of investment properties	17	4,512,600	209,000	-	-
Share in profit/(loss) of associates	15	(154,706)	25,742	-	-
Dividends income		287,568	277,125	7,545,140	23,854,283
Finance and similar income		20,000	20,000	-	-
Finance costs	10	(4,251,748)	(4,400,019)	(2,407,500)	(2,407,500)
Profit/(loss) before tax		18,923,438	43,932,176	5,082,783	21,377,739
Income tax credit	12	1,420,427	6,399,557	(95,384)	(211,996)
Profit/(loss) for the year		20,343,865	50,331,733	4,987,399	21,165,743

The notes on page 38–100 form part of these financial statements.

Stivala Group Finance p.l.c.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	The Group		The Company	
		2025 €	2024 €	2025 €	2024 €
Profit/(loss) for the year		20,343,865	50,331,733	4,987,399	21,165,743
Other comprehensive income					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Change in fair value of property, plant and equipment due to revaluation, net of deferred tax	27	11,784,745	-	-	-
Total comprehensive income/(loss) for the year		32,128,610	50,331,733	4,987,399	21,165,743
Earnings/(loss) per share (cents)					
- Basic profit/(loss) for year attributable to ordinary equity holders of the parent	26	78.61	194.48	19.27	81.78

The notes on page 38–100 form part of these financial statements.

Stivala Group Finance p.l.c.

Consolidated Statement of Financial Position

as at 31 December 2025

	Note	The Group		The Company	
		2025	2024	2025	2024
		€	€	€	€
ASSETS					
Non-current assets					
Property, plant & equipment	13	220,385,411	183,159,731	-	-
Intangible assets	18	66,643,656	66,540,477	-	-
Investment in subsidiaries	14	-	-	60,004,872	60,004,872
Investment in associates	15	151,369	306,078	-	-
Investment property	17	229,966,356	221,191,006	-	-
Right-of-use assets	23	109,056	152,297	-	-
Deferred taxation	24	18,494,450	16,756,099	127,822	223,206
Total non-current assets		535,750,298	488,105,688	60,132,694	60,228,078
Current assets					
Inventories	19	53,099	22,417	-	-
Property held-for-sale	20	2,435,817	4,235,816	-	-
Trade and other receivables	21	5,225,728	3,130,161	649	-
Current tax recoverable	12	-	-	22,095	22,095
Other financial assets	16	10,784,898	13,671,083	10,962,203	7,983,898
Cash and cash equivalents	28	6,595,934	1,454,965	-	4,011
Total current assets		25,095,476	22,514,442	10,984,947	8,010,004
Total assets		560,845,774	510,620,130	71,117,641	68,238,082

The notes on page 38–100 form part of these financial statements.

Stivala Group Finance p.l.c.

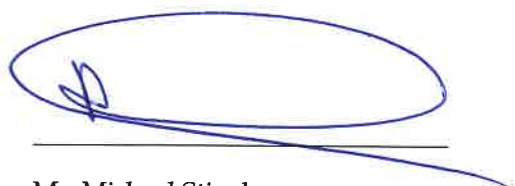
Consolidated Statement of Financial Position

as at 31 December 2025

	Note	The Group		The Company	
		2025	2024	2025	2024
		€	€	€	€
EQUITY AND LIABILITIES					
Equity					
Issued capital	25	258,804	258,804	258,804	258,804
Revaluation reserve	27	277,289,381	261,353,044	-	-
Retained earnings		109,294,191	97,251,669	2,663,540	1,825,891
Total equity		386,842,376	358,863,517	2,922,344	2,084,695
Non-current liabilities					
Interest bearing loans and borrowings	16	95,469,487	93,107,559	59,910,000	59,850,000
Finance lease liability	16, 23	94,231	129,497	-	-
Deferred taxation	24	48,050,326	33,629,848	-	-
Total non-current liabilities		143,614,044	126,866,904	59,910,000	59,850,000
Current liabilities					
Current borrowings	16	18,047,672	9,358,520	7,373,085	5,439,181
Finance lease liability	16, 23	35,266	42,863	-	-
Trade and other payables	22	12,274,675	15,456,585	912,212	864,206
Current tax due	12	31,741	31,741	-	-
Total current liabilities		30,389,354	24,889,709	8,285,297	6,303,387
Total liabilities		174,003,398	151,756,613	68,195,297	66,153,387
Total equity and liabilities		560,845,774	510,620,130	71,117,641	68,238,082

The notes on page 38-100 form part of these financial statements.

The financial statements set out on pages 29 to 100 were approved and authorized for issue by the Board of Directors and signed on its behalf by:



Mr. Michael Stivala
CEO and Director

28 April 2026



Mr. Ivan Stivala
Director

Stivala Group Finance p.l.c.

Consolidated Statement of Changes in Equity for the year ended 31 December 2025

	The Group			
	Issued capital €	Revaluation reserve €	Retained earnings €	Total Equity €
Balance as at 1 January 2024	255,000	261,160,764	67,112,217	328,527,981
Issuance of share capital	3,804	-	-	3,804
Profit for the year	-	-	50,331,733	50,331,733
Total comprehensive income for the year	-	-	50,331,733	50,331,733
Transfer of fair value gain on investment property, net of deferred tax (note 27)	-	192,281	(192,281)	-
Dividends distributed (note 13)	-	-	(20,000,000)	(20,000,000)
Balance as at 31 December 2024	258,804	261,353,045	97,251,669	358,863,517

The notes on page 38-100 form part of these financial statements.

Stivala Group Finance p.l.c.

Consolidated Statement of Changes in Equity for the year ended 31 December 2025

	The Group			
	Issued capital €	Revaluation reserve €	Retained earnings €	Total Equity €
Balance as at 1 January 2025 as previously reported	258,804	261,353,045	97,251,669	358,863,517
Profit for the year	-	-	20,343,865	20,343,865
Other comprehensive income (note 27)	-	11,784,745	-	11,784,745
Total comprehensive income for the year	-	11,784,745	-	11,784,745
Transfer of fair value gain on investment property, net of deferred tax (note 27)	-	11,784,745	20,343,865	32,128,610
Dividends distributed (note 13)	-	-	(4,151,593)	-
	-	4,151,593	(4,149,750)	(4,149,750)
Balance as at 31 December 2025	258,804	277,289,383	109,294,191	386,842,376

The notes on page 38–100 form part of these financial statements.

Stivala Group Finance p.l.c.
Statement of Changes in Equity
for the year ended 31 December 2025

	The Company		
	Issued capital €	Retained earnings €	Total Equity €
Balance as at 1 January 2024	255,000	660,148	915,148
Issuance of share capital	3,804	-	3,804
Profit for the year	-	21,165,743	21,165,743
Total comprehensive loss for the year	-	21,825,891	22,084,695
Dividends distributed (note 13)	-	(20,000,000)	(20,000,000)
Balance as at 31 December 2024	258,804	1,825,891	2,084,695
Balance as at 1 January 2025	258,804	1,825,891	2,084,695
Profit for the year	-	4,987,399	4,987,399
Total comprehensive income for the year	-	6,813,290	7,072,094
Dividends distributed (note 13)	-	(4,149,750)	(4,149,750)
Balance as at 31 December 2025	258,804	2,663,540	2,922,344

The notes on page 38-100 form part of these financial statements.

Stivala Group Finance p.l.c.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

	Note	The Group		The Company	
		2025 €	2024 €	2025 €	2024 €
Cash flows from operating activities					
Profit/(loss) before tax		18,923,438	43,932,176	5,082,783	21,377,739
Change in fair value of investment properties	17	(4,512,600)	(209,000)	-	-
Share in profit/(loss) of associates	15	154,711	(25,742)	-	-
Depreciation of right-of-use assets and property, plant and equipment	7	2,546,042	5,915,334	-	-
Amortisation of intangible assets	18	54,871	15,359	-	-
Provision for expected credit losses (ECL)	7, 8	(344,878)	(4,196,830)	(3,630)	31,705
Dividends income		(287,568)	(277,125)	(7,545,140)	(23,854,283)
Finance and similar income		(20,000)	(20,000)	-	-
Finance costs	10	4,093,785	4,400,019	2,407,500	2,407,500
Working capital changes:					
Increase in inventories	19	(30,682)	3,139	-	-
Decrease / (increase) in property held-for-sale	20	1,799,998	483,813	-	-
Decrease / (Increase) in receivables		(2,215,769)	2,948,813	(649)	-
(Decrease) / increase in payables		2,318,525	4,451,664	48,006	7,075
Interest paid on overdraft		-	(4,232)	-	-
Taxation paid	12	567,005	(1,240,502)	-	(854,283)
Taxation refunded	12	(840,140)	(19,173)	-	854,283
Net cash generated from / (used in) operating activities		22,206,738	56,157,713	(11,130)	(30,264)

The notes on page 38–100 form part of these financial statements.

Stivala Group Finance p.l.c.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

	Note	The Group		The Company	
		2025	2024	2025	2024
		€	€	€	€
Cash flows from investing activities					
Payments to acquire non-current intangible assets	18	(4,228,456)	(30,046,236)	-	-
Payments to acquire property, plant and equipment	13	(21,598,105)	(8,393,195)	-	-
Payments to acquire investment property	17	(4,262,750)	(9,338,206)	-	-
Receipts from disposal of non-current financial assets	14	-	-	(2,974,675)	(8,005,201)
Dividends received		287,568	277,125	-	-
Advances from directors		(633,369)	(633,369)	-	-
Net cash (used in) / generated from investing activities		(30,435,112)	(48,133,881)	(2,974,675)	(8,005,201)
Cash flows from financing activities					
Issuance of share capital	22	-	3,804	-	-
Equity dividends paid		(4,149,750)	(20,000,000)	-	-
(Repayments to)/ advances from banks loans		63,718	13,465,352	-	-
Issuance of share capital		-	-	-	3,804
Advances from subsidiary company		-	-	-	23,476,711
Advances from/(to) other related companies		7,177,906	2,074,988	-	-
Advances to associates		(605,704)	816,362	-	-
Repayment of lease liabilities	23	(132,281)	(138,042)	-	-
Advances to other companies		11,633	19,226	-	-
Payments to shareholder		-	-	(2,215,965)	(13,095,624)
Interest paid on bonds	10	(2,347,500)	(2,347,500)	(2,347,500)	(2,347,500)
Net cash (used in) / generated from financing activities		18,022	(6,105,810)	(4,563,465)	8,037,391
Movement of ECL on cash in banks	28	2,261	65	-	-
Net movement in cash and cash equivalents		(8,210,352)	1,918,022	(7,549,270)	1,926
Cash and cash equivalents at beginning of year		(210,996)	(2,129,083)	4,011	2,085
Cash and cash equivalents at end of year	28	(8,419,087)	(210,996)	(7,545,259)	4,011

The notes on page 38–100 form part of these financial statements.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

1. Corporate information

The consolidated financial statements of Stivala Group Finance p.l.c. and its subsidiaries (“the Group”) for the year ended 31 December 2025 were authorized for issue in accordance with a resolution of the Directors on 28 April 2026.

Stivala Group Finance p.l.c. (“the Company”) with registration no. of C 82218 is a limited liability company listed on the Malta Stock Exchange and is incorporated in Malta, under the Companies Act, Cap. 386 of the Laws of Malta. The Company is a holding company of the Carmelo Stivala Group Limited, which is mainly involved to act as a holding company and to rent out properties to its subsidiaries for hospitality and property development/letting purposes. Its registered office is at 143, The Strand, Gzira, Malta.

2. Significant accounting policies

2.1 Basis of preparation and consolidation

Basis of preparation

These financial statements are prepared under the historical cost convention, as modified by the measurement of investment properties and buildings under property, plant and equipment in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union and in compliance with the Companies Act, Cap. 386 of the Laws of Malta. The consolidated financial statements are presented in Euro (€), which is the functional currency of the Group.

Further information concerning fair value, fair value hierarchy and transfers therein are outlined in detail in notes 2.21 to the financial statements.

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 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
- 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
- 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.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.2 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting date; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3 Investment in associate

An associate is an entity over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is also the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

Under the equity method, the investment in an associate 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 since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 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

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group'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 has applied the practical expedient, the Group 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.16 (Revenue from contracts with customers).

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Subsequent measurement

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

- financial assets at amortised cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVTPL

Financial assets at amortised cost (debt instruments)

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

The Group's financial assets at amortised cost include cash in banks, trade and other receivables, and receivables from associates, directors and other related undertakings which are included under current financial assets.

Financial assets at FVOCI (debt instruments)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

As at 31 December 2025 and 2024, the Group has no debt instruments at FVOCI.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI 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 recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits 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 FVOCI are not subject to impairment assessment.

As at 31 December 2025 and 2024, the Group has no equity instruments at FVOCI.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

As at 31 December 2025 and 2024, the Group has no financial assets at FVTPL.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

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 (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

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

When the Group 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 continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in notes 3 and 31 to the consolidated financial statements.

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

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

For trade receivables, 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.

For cash in bank, other receivables, receivables from associates, directors and other related undertakings, the Group applies a general approach in calculating ECLs. Therefore, the Group tracks changes in credit risk, and recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. This is being done by considering the change in the risk of default occurring over the remaining life of the financial instrument. The key elements in the calculation of ECLs are the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

The following are the key elements in the calculation of ECLs:

- a. *Probability of Default (PD)* The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the financial asset has not been previously derecognised.
- b. *Exposure at Default (EAD)* The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- c. *Loss Given Default (LGD)* The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12-month ECL is calculated as the portion of lifetime ECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.
- Stage 3: For financial asset considered as credit-impaired, the Group recognises the lifetime ECL. The method is similar to that for Stage 2 financial assets, with the PD set at 100%.

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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings 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 financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

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

- financial liabilities at FVTPL
- financial liabilities at amortised cost (loans and borrowings)

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability at FVTPL as at 31 December 2025 and 2024.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. 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. For more information, refer to notes 16 and 31 to the consolidated financial statements.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

2.5 Property, plant and equipment

Commercial and residential properties included in buildings are stated in the statement of financial position at its revalued amount, being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from those that would be determined using fair values at each reporting date.

A revaluation surplus is recorded in OCI and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

Property, plant and equipment, except for revalued buildings, are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the cost of property, plant and equipment less any residual value over the expected useful lives.

The annual rates used for this purpose, which are consistent with those used in the previous year, are as follows:

Buildings	2%
Motor vehicles	20%
Kitchen equipment	16.67%
Computer equipment	25%
Plant and machinery	10%
Furniture, fittings and office equipment	10%
Electrical installations	6.67%
Energy saving equipment	16.67%

Depreciation methods, useful life and residual values are reassessed at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 and other comprehensive income when the asset is derecognised.

2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite. 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 each reporting date. 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 profit or loss in the expense category that is consistent with the function of the intangible assets. These costs are amortised using a straight line method as follows:

Computer software	25%
-------------------	-----

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss and other comprehensive income when the asset is derecognised.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

2.7 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group, is classified as investment property. Investment property comprises freehold land and buildings held under long-term operating leases.

Investment property is measured initially at its historical cost, including related transaction costs and borrowing costs (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value representing open market value determined periodically. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

These valuations are reviewed annually. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from its future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair value are recognised in profit or loss and transferred to "Revaluation reserve" under equity. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of the reclassification becomes its cost for subsequent accounting purposes. When the Group decides to dispose of an investment property without development, the Group continues to treat the property as an investment property. Similarly, if the Group begins to redevelop an existing investment property for continued future use as investment property, it remains an investment property during the redevelopment.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

If an item of property, plant and equipment and property held-for-sale becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in statement of comprehensive income to the extent that it reverses a previous impairment loss; with any remaining increase recognised in other comprehensive income, directly to revaluation surplus with equity. Any resulting decrease in the carrying amount of the property is initially charged to other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through statement of comprehensive income.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of inventories comprises the invoiced value of goods sold and other direct costs and is determined by first-in first-out method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Property held-for-sale

Property held-for-sale is included in the financial statements at the lower of cost and net realisable value. Cost comprises the purchase price of acquiring the property and other costs incurred to develop the property. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and banks as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.11 Share capital

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

2.12 Dividend distribution

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

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.15 Foreign currencies

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

Foreign currency translations are translated into the functional currency using the exchange rates 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 profit or loss. All foreign exchange gains and losses are presented in the income statement within 'Other operating charges'.

2.16 Revenue recognition

Revenue from contracts with customers (under IFRS 15)

Revenues include all revenues from the ordinary business activities of the group and are recorded net of value added tax. They are recognised in accordance with the provision for goods or services provided that collectability of the consideration is probable.

Revenue mainly represents income earned for accommodation, food and beverage and other services. The Group also sold property through barter during the year. The Group recognizes revenue when or as it satisfies a performance obligation by transferring control of a product or service to a customer.

Sale/barter of property for resale

Revenue from sale/barter of real property is recognised at the point in time when control of asset is transferred to the customer, generally upon signing of deed of sale where the customer obtains legal title to the property. Total fund is paid in full on date of deed.

Revenue from accommodation

Revenue from accommodation is recognised over a period of time. The customers get the benefits (i.e. control over the promise) with every passing day of each year's stay at the Group's hotel rooms. The revenue stream therefore meets the conditions for revenue recognition over time (i.e. stage of completion), and revenue is accordingly recognised on a daily basis of accommodation or equally amortised over the period of stay of the customer.

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

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Revenue from food and beverage, and other services

Revenue from services is generally recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue arising from these activities is recognised when the service is performed and/or when the goods (primarily food and beverage relating to restaurant and/or bar sales) are supplied upon performance of the service.

Each of the services rendered is assessed to be a distinct performance obligation, and if applicable, the Group allocates the transaction price to each of the services rendered to the customer on a relative basis, based on their stand-alone selling price. Normally, the transaction price follows a fee structure which is known at the date of consumption of service and thus no significant estimates are required in this respect.

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 (if there is any).

In determining the transaction price, the Group considers the effects of variable consideration, existence of significant financing component, non-cash consideration, and consideration payable to the customer (if there is any).

i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

As at 31 December 2025 and 2024, variable consideration would be the amount refunded to a customer if the customer cancels the booking within the window provided by the hotel. In this case, the Group uses the 'most likely amount' approach since it has only 2 possible outcome, which is if the customer will cancel the booking or not. The amount of variable consideration on refundable amounts to customer is not that significant as at year end. Should there have been discounts or concessions for goods and services, these have been already established with customer at the inception of the contract, thus are not considered contingent as the amounts agreed are fixed or unavoidable.

Overall, aside from the above mentioned, there are no other known factors or events that could make the consideration to be variable as at the current financial year end. The validity of this assessment is reassessed at each reporting date.

ii) Significant financing component

The Company 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. As at each year end, the contract liabilities (if there is any) were normally recognised as revenue within 1 year. The validity of this assessment is reassessed at each reporting date.

iii) Non-cash consideration

The Group does not receive non-cash considerations from customers for the sale of goods and services.

iv) Consideration payable to customer

There is no consideration payable to a customer that can be applied against amounts owed to the Group.

As at 31 December 2025 and 2024, upfront fees and pre-production fees are not applicable.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

It is very unlikely for the company to have contract assets since the collection of payment must be completed immediately after the company performs the service or goods/services and before the customer leaves the hotel's premises. This leaves no obligation on the part of the customer to pay further consideration.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the hotel has received consideration, or for which an amount of consideration is due from the customer. It is noted that in extremely rare situations, customers contracts contain a right to right to terminate for convenience, where amounts paid by the customer are refundable. In these situations, the customer has paid for future goods or services, but because of the termination clause an agreement does not exist and thus the Hotel does not have an obligation to transfer goods or services except as the customer requests (i.e. doesn't terminate).

Cost to obtain a contract

The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, payments of commissions to sales agencies which constitute relatively small amounts are immediately recognised as an expense in the consolidated statement of profit or loss and comprehensive income.

Other revenue sources (not within the scope of IFRS 15)

The following recognition criteria must also be met before revenue is recognised:

Rental income

This relates to the rental income from the rental of immovable property in the ordinary course of the Group's activities. For operating leases, it is recognised at profit or loss on a straight-line basis over the term of the lease and is stated net of value added tax.

Dividend income

Revenue from dividend income is recognised on the date the Group's right to receive payment is established.

Interest income

Interest income is accounted for when it is probable that the economic benefits associated with the transaction will flow to the Group and these can be measured reliably. Interest income is recognised on an accrual or time proportion basis.

Other operating income

Other operating income are accounted for when it is probable that the economic benefits associated with the transaction will flow to the Group and these can be measured reliably.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

2.17 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.

The 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, as follows:

Buildings	5 - 11 years
Furnitures and Fittings	5 years

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. Refer to the accounting policies in section 2.22 (Impairment of non-financial assets).

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.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note 16).

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

iii) Short-term leases and leases of low-value assets

The Group applies 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). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value (if there is any). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.18 Assets held for distribution to owner

In accordance with IFRS 5, a non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners.

For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification.

Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the distribution is highly probable.

Non-current assets and disposal groups classified as held for distribution to owner are measured at the lower of their carrying amount and fair value less costs to distribute. Costs to distribute are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

There are a number of asset categories that are excluded from measurement requirements of IFRS 5, although disclosure requirements still need to be complied with. Among these exclusions, the most relevant to the Company is "Non-current assets that are accounted for in accordance with the fair value model (IAS 40 Investment Property)" which will be subsequently measured under the same accounting policy as before the classification.

In prior year, assets classified as held for distribution to owner are presented separately as current items in the statement of financial position. Additional disclosures are provided in note 22.

2.19 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or directly in equity, in which case it is also dealt with in other comprehensive income or in equity, as appropriate.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Deferred income tax

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

Deferred tax liabilities are recognised for all 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.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent 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 differences 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.

Unrecognised deferred tax assets are reassessed 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.

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 each reporting date.

Value Added Tax

Revenue, expenses and assets are recognised net of Value Added Tax, except:

- where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case Value Added Tax is recognised as part of the acquisition of the asset or as part of the expense item, as applicable;
- where receivables and payables that are stated with the amount of Value Added Tax included.

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

2.20 Retirement benefits

The Group contributes towards the state pension fund in accordance with local legislation. The only obligation of the Group is to make the required contribution and carries no further legal or construction obligations to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. Costs are expensed in the year in which they are incurred.

2.21 Fair value measurements and valuation processes

The Group measures non-financial assets such as buildings under property, plant and equipment and investment property 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 the 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 (a) in the principal market for the asset or liability or (b) 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 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.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

A fair value measurement of 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 at fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Information about the valuation techniques and inputs used in determining the fair value of buildings and investment properties are disclosed in notes 13, 17 and 29 respectively.

2.22 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) 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.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

2.23 Government grants

Government grants are recognised where there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, the government grants related to assets, whose primary condition is that the Group should purchase, construct or otherwise acquire noncurrent assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.24 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on any accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group's interest-bearing borrowings.

2.25 Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of Directors, which is the Group's chief operating decision-maker in accordance with the requirements of IFRS 8 'Operating Segments'.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance executing the function of the chief operating decision-maker.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

3. Critical accounting estimates and judgements

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

Judgments

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

Determining the lease term of contracts with renewal and 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 extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or 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 renew or to terminate.

The Group does not include the renewal periods as part of the lease term for leases of assets with non-cancellable periods as these are not reasonably certain to be exercised. The effect of covid-19 pandemic also contributes to this uncertainty. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Group as lessor

The Group has entered into commercial and residential property leases on its investment property and property, plant and equipment 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 properties and the present value of the minimum lease payments not amounting to substantially all of the fair value of the properties, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Estimates and assumptions

Fair value of investment property and property, plant and equipment

The Group carries its investment property at fair value, with changes being recognised in profit or loss, while it carries its buildings within property, plant and equipment at fair value, with changes being recognised in other comprehensive income. These are based on market valuations performed by independent professional architect at least every three years. In a year when market valuations are not performed by the independent professional architect, an internal assessment of the fair value of investment property and property, plant and equipment are performed to reflect market conditions at the year-end date by the management. The Management has assessed the valuation of properties as at 31 December 2025 by reference to value of similar properties in the market as well as the management's expert knowledge of the industry being in property sector for more than 20 years.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

Provision for ECL on trade receivables

Upon adoption of IFRS 9, provision for ECL is maintained at a level considered adequate to provide for potentially uncollectible receivables. For trade receivables, the Company applies the Simplified Approach designed to identify potential charges to the allowance and is performed on a continuous basis throughout the period. For the year ended 31 December 2025, the increase in provision for ECL on trade receivables amounted to €140,258 (2024: increase of €61,392) (note 30).

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in notes 21 and 31.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Provision for ECL on other financial assets

The measurement of the Group's ECL on cash in banks, receivables from associates and other related undertakings is a function of the PD, LGD and the EAD. These financial assets are measured under Stage 1 of the impairment model, and therefore ECLs are calculated on 12-month basis.

Elements of the ECL model which are considered accounting judgments and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances should be measured on a lifetime ECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, EADs and LGDs

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is the Group's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

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 estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates or rates from bank sanction letters) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

4. Application of New and Revised IFRS

4.1 New and Revised IFRS effective for current year

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of each new standard and amendment is described below:

Lack of exchangeability - Amendments to IAS 21

An entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

4.2 Standards issued but not yet effective

The 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 standards, if applicable, when they become effective.

Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
 - Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The above amendments will take effect for annual reporting periods starting on or after 1 January 2026. The Company does not intend to early adopt these pronouncements. Management has reviewed the forthcoming changes and considered their relevance to the Company's operations, financial position, and reporting processes. For those standards expected to be applicable, the Company has commenced an assessment of the potential impact. At this stage, no material effects on the Company's financial statements are anticipated. Where the impact of a standard cannot yet be reasonably estimated, the Company will provide updated disclosures as the effective date approaches.

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.

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:

- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) 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.
- Interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027. The Company does not intend to early adopt these pronouncements.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

5. Segment information

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

<i> Holding</i>	This serves as the finance arm of the Group and the principal vehicle for further expansion of the Group's hospitality business and mixed-use developments.
<i> Property development and letting</i>	This segment carries works such as construction, plumbing, electrical and others to bring various properties in a state that can be leased to third parties. In relation to this, the Group leases out various freehold commercial and residential properties to third parties.
<i> Hospitality and Entertainment</i>	This segment includes hotel operations such as accommodation, food and beverage and other related services. The Group owns various hotels and apartment suites namely Bayview Hotel, Blubay Apartments, Blubay Suites, Sliema Hotel and Azur Hotel.

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.

Stivala Group Finance p.l.c.

Notes to the Financial Statements for the year ended 31 December 2025

5. Segment information (continued)

Inter-segment transactions, assets and liabilities are eliminated upon consolidation and reflected in the 'eliminations' column.

Year ended 31 December 2025	Holding	Property development and letting	Hospitality and Entertainment	Total segments	Eliminations	Consolidated
	€	€	€	€	€	€
External customers	-	11,420,582	33,348,013	44,768,595	(11,778,795)	32,989,800
Inter-segment	7,545,140	20,915,581	-	28,460,721	(28,460,721)	-
Total revenue	7,545,140	32,336,163	33,348,013	73,229,316	(40,239,516)	32,989,800
Income/(expenses)						
Finance and similar income	-	918,491	20,000	938,491	(918,491)	20,000
Finance cost	(2,407,500)	(986,056)	(3,044,458)	(6,438,014)	2,186,266	(4,251,748)
Depreciation and amortisation	-	(346)	(5,588,943)	(5,589,289)	2,988,375	(2,600,914)
Share in loss of associates	-	-	(154,706)	(154,706)	-	(154,706)
Income tax expense	(95,384)	(7,515,024)	6,616,422	(993,986)	2,414,413	1,420,427
Segment profit before tax	5,082,783	49,029,994	4,127,706	58,240,483	(39,317,045)	18,923,438
Total assets	71,117,641	535,791,984	185,331,085	792,240,710	(231,394,936)	560,845,774
Total liabilities	68,195,297	81,874,992	80,764,543	230,834,832	(56,831,434)	174,003,398
Other disclosures						
Capital expenditure	-	25,860,855	-	25,860,855	-	25,860,855

Stivala Group Finance p.l.c.

Notes to the Financial Statements for the year ended 31 December 2025

5. Segment information (continued)

Year ended 31 December 2024	Holding	Property development and letting	Hospitality and Entertainment	Total segments	Eliminations	Consolidated
	€	€	€	€	€	€
External customers	-	10,742,160	29,887,443	40,629,603	(11,153,759)	29,475,844
Inter-segment	23,854,283	29,133,982	-	52,988,265	(52,988,265)	-
Total revenue	23,854,283	39,876,142	29,887,443	93,617,868	(64,142,024)	29,475,844
Income/(expenses)						
Finance and similar income	-	1,168,403	20,000	1,188,403	(1,168,403)	20,000
Finance cost	(2,407,500)	(1,162,540)	(3,332,799)	(6,902,839)	2,502,820	(4,400,019)
Depreciation and amortisation	-	(346)	(5,488,756)	(5,489,102)	(441,591)	(5,930,693)
Share in loss of associates	-	-	25,742	25,742	-	25,742
Income tax expense	(211,996)	(4,034,014)	10,738,770	6,492,760	(93,203)	6,399,557
Segment profit before tax	21,377,739	68,548,972	3,791,960	93,718,671	(49,786,495)	43,932,176
Total assets	68,238,082	500,380,263	170,208,656	738,827,001	(228,206,871)	510,620,130
Total liabilities	66,153,387	77,314,452	74,703,918	218,171,757	(66,415,144)	151,756,613
Other disclosures						
Capital expenditure	-	17,731,401	-	17,731,401	-	17,731,401

Capital expenditure consists of additions to property, plant and equipment, and investment properties.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

6. Revenue from contracts with customers

The Group's hospitality revenue is derived locally from the operations of the hotels in Malta.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2025	2024
	€	€
Type of goods or service		
<i>Hospitality and Entertainment (note 5)</i>		
Accommodation	19,802,619	17,043,044
Food and beverage	1,548,014	1,473,457
Other services	218,585	217,183
	<u>21,569,218</u>	<u>18,733,684</u>
<i>Property development and letting (note 5)</i>		
Sale/barter of property for resale	500,000	458,466
	<u>22,069,218</u>	<u>19,192,150</u>
Timing of revenue recognition		
Services/goods transferred at a point in time	2,266,599	2,149,106
Services transferred over time	19,802,619	17,043,044
	<u>22,069,218</u>	<u>19,192,150</u>

Performance obligations

Information about the Group's performance obligations are summarised below:

Accommodation

The performance obligation is satisfied upon rendering the service over time as the hotel's customers consume and receive the benefit from these services on each day/throughout their stay until checkout. The payment (which is equal to the transaction price established at the time of booking) is generally due immediately on the day of checkout before the customer leaves the hotel's premises.

Food, beverage and other services

The performance obligation is satisfied at a point in time upon availment of service by the customer. The payment (which is equal to the transaction price established at the time of availment) is generally due immediately upon completion of services before the customer leaves the hotel's premises.

The Group assesses that there are no other premises in the contract of sale that are separate performance obligations to which a portion of transaction price needs to be allocated. The transaction price, which is equal to the cash selling price indicated in the sales invoices issued, is therefore allocated to only one performance obligation.

Sale/barter of property for resale

The performance obligation is satisfied at the point in time when control of the asset is transferred to the customer, generally upon signing of deed of sale where the customer obtains legal title to the property. The normal credit term is 30 to 90 days from date of deed.

The Group assesses that there are no other promises in the contract of sale/barter of properties held-for-sale that are separate performance obligations to which a portion of the transaction price needs to be allocated. The transaction price, which is equal to the selling price indicated in the deed of sale/barter signed by both parties, is therefore allocated to only one performance obligation. The Group assesses that there exist no variable considerations and consideration payable to the customer relating to the sale/barter of properties held-for-sale.

There are no contract liabilities or remaining performance obligations as at 31 December 2025 and 2024.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

7. Expenses

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Cost of sales				
Direct wages (note 11)	3,211,054	2,666,296	-	-
Commissions	2,160,189	2,109,772	-	-
Repairs and maintenance	508,842	774,227	-	-
Cost of goods sold (note 19)	1,415,313	1,273,029	-	-
Staff costs	51,428	23,325	-	-
Licenses and permits	19,555	2,588	-	-
Utilities	1,924,751	1,061,471	-	-
Transport	116,483	136,673	-	-
Fuel	160,247	150,411	-	-
	<u>9,567,862</u>	<u>8,197,792</u>	<u>-</u>	<u>-</u>
Distribution and selling costs				
Advertising and promotions	194,613	132,059	-	-
	<u>194,613</u>	<u>132,059</u>	<u>-</u>	<u>-</u>
Administrative expenses				
Depreciation (notes 13 and 23)	2,546,043	5,915,334	-	-
Amortisation (note 18)	54,871	15,359	-	-
Directors' remuneration (note 11)	77,307	64,100	45,000	43,500
Office salaries (note 11)	867,815	731,109	-	-
Social security contributions (note 11)	43,306	34,060	-	-
Auditors' remuneration	23,168	23,168	10,360	10,360
Provision for ECL (notes 16, 21 and 31)	1,997,811	486,423	-	10,901
Legal and professional fees	579,687	636,007	1,666	2,652
Rent (note 24)	65,955	100,268	-	-
Computer maintenance	232,908	116,207	-	-
Bank charges	553,192	257,906	661	750
Insurance	160,207	130,565	-	-
Motor vehicle expenses	89,773	95,947	-	-
Other administrative expenses	1,866,337	1,041,788	800	881
	<u>9,158,380</u>	<u>9,648,241</u>	<u>58,487</u>	<u>69,044</u>

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Auditor's fees

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

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Annual statutory audit	22,168	22,168	9,360	9,030
ESEF Review	1,000	1,000	1,000	1,000
Compliance services	-	-	250	330
	<u>23,168</u>	<u>23,168</u>	<u>10,610</u>	<u>10,360</u>

8. Other operating income

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Recharge of utilities to tenants	1,092,191	846,052	-	-
Condominium fees & other charges	606,059	456,400	-	-
Decrease in provision for estimated credit losses (notes 16, 21 and 31)	2,338,167	4,683,253	3,630	-
Management fees	952,555	657,660	-	-
Profit on recognition of intangible asset	-	30,000,000	-	-
Miscellaneous income	(548,193)	(340,789)	-	-
	<u>4,440,779</u>	<u>36,302,576</u>	<u>3,630</u>	<u>-</u>

9. Finance and similar income

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Interest from banks	20,000	20,000	-	-

10. Finance costs

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Interest on bank overdrafts	-	4,232	-	-
Interest on bonds and amortisation of bond issue cost	2,407,500	2,407,500	2,407,500	2,407,500
Interest on bank loans	1,680,402	1,980,568	-	-
Interest on lease liability (note 24)	5,883	7,719	-	-
Other interest	157,963	-	-	-
	<u>4,251,748</u>	<u>4,400,019</u>	<u>2,407,500</u>	<u>2,407,500</u>

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

11. Staff costs and employee information

Staff costs for the year comprised the following:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Wages and salaries (including Directors' remuneration) (note 7)	4,156,176	3,461,505	45,000	43,500
Social security contributions (note 7)	43,306	34,060	-	-
	<u>4,199,482</u>	<u>3,495,565</u>	<u>45,000</u>	<u>43,500</u>

The average number of persons (including Directors) employed by the company during the year was as follows:

	The Group		The Company	
	2025	2024	2025	2024
	No.	No.	No.	No.
Operational	139	152	-	-
Administration	19	19	-	-
	<u>158</u>	<u>171</u>	<u>-</u>	<u>-</u>

12. Income tax

Tax expense on profit on ordinary activities

Provision for income tax has been made at the rate of 35% on the chargeable income for the year except for investment income which is charged at the rates of 15% and 35% and for proceeds from sale of property taxable at 5% and 8% final withholding tax.

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
<i>Income tax expense:</i>				
Tax at source	840,140	854,283	-	-
Current tax charge	(1,070,140)	(912,017)	-	-
Final withholding tax at 15%	(43,135)	(41,569)	-	-
Total current tax expense	<u>(273,135)</u>	<u>(99,303)</u>	<u>-</u>	<u>-</u>
Consideration payable by the company in respect of the tax benefit, attaching to tax losses surrendered by a subsidiary company under the Group Relief provision of the Income Tax Act	575	-	-	-
Deferred taxation (note 24):				
Credit for the year	<u>1,692,987</u>	<u>6,498,860</u>	<u>(95,384)</u>	<u>(211,996)</u>
Income tax (expense)/credit for the year	<u>1,420,427</u>	<u>6,399,557</u>	<u>(95,384)</u>	<u>(211,996)</u>

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

12. Income tax (*continued*)

Tax reconciliation

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Profit before tax	18,923,438	43,932,176	5,082,783	21,377,739
Taxation charge thereon	6,623,203	15,376,262	1,778,974	7,482,209
<i>Tax effect of:</i>				
- expenses not allowed for tax purposes	8,257,945	7,368,255	863,095	866,790
- income not allowed for tax purposes	(8,161,571)	(16,037,824)	(2,642,069)	(8,348,999)
- income taxed at different rates	311,873	(2,039,717)	-	-
- unabsorbed capital allowances	(6,846,516)	(5,220,494)	-	-
- investment tax credit	(609,942)	(592,484)	-	-
- unabsorbed tax losses	(3,990,310)	(3,990,310)	-	-
- change in the fair value of investment property	1,049,898	73,150	-	-
- effect of adoption of IFRS 16	1,288,237	(2,267,878)	-	-
- provision for estimated credit losses	561,373	719,487	-	-
-deferred taxation	95,384	211,996	95,384	211,996
Income tax credit for the year	(1,420,426)	(6,399,557)	95,384	211,996

Current taxation

Taxation due/(recoverable) is made up as follows:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
As at 1 January	31,741	1,453,504	(22,095)	(22,095)
Underprovision of tax in prior years	-	(19,419)	-	-
Income tax expense	273,135	99,303	-	-
Tax refund/(excess) tax refund in prior year	(840,140)	246	-	854,283
	(535,264)	1,533,634	(22,095)	832,188
Payments:				
Provisional tax	-	(1,141,199)	-	-
Final withholding tax at 5% and 8%	(230,000)	(57,734)	-	-
Tax at source	797,005	(41,569)	-	(854,283)
	567,005	(1,240,502)	-	(854,283)
Reclassification to accrual:				
Final withholding tax at 15%	-	(261,391)	-	-
As at 31 December	31,741	31,741	(22,095)	(22,095)

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

13. Property, plant and equipment

The Group

Fair value

The fair value of the freehold buildings as at 31 December 2025 is based on a valuation carried out by an independent architect on 31 December 2025 for properties pledged to secure borrowings and for the consideration of wear and tear. The Group assessed that there are no conditions that would significantly increase or decrease the fair value of assets determined on 31 December 2025. The architect is qualified and has experience in valuation of properties of similar locations and categories. As at 31 December 2025, management assessed whether there are any significant changes to the significant inputs of the valuation. The fair value movement were credited to other comprehensive income and subsequently transferred to revaluation reserve under equity.

Owner-occupied property is disclosed in property, plant and equipment as Buildings.

These consist mainly of residential and commercial buildings with a carrying amount of €25,911,228 (2024: €24,825,898), had these assets been carried at cost less accumulated depreciation. As at 31 December 2025 and 2024, these properties have been categorised to fall within level 2 of the fair value hierarchy. The different levels in the fair value hierarchy have been defined in note 32. The Group policy is to recognise transfers into and out of fair value hierarchy levels as of date of the event of change in circumstances that caused the transfer. There were no transfers between levels during the year. For all properties, their current use equates to the highest and best use.

For properties categorised under Level 2 of the fair value hierarchy as at 31 December 2025 and 2024, the following techniques and inputs were used:

Type of property	Technique	Inputs
Commercial properties	Market approach	Value of the properties are based on the selling price of similar types of properties.
Residential properties	Market approach	

Stivala Group Finance p.l.c.

Notes to the Financial Statements for the year ended 31 December 2025

13. Property, plant and equipment (continued)

	The Group									
	Buildings	Motor Vehicles	Kitchen equipment	Computer equipment	Plant and machinery	Furniture, fittings and office equipment	Electrical installations	Energy saving equipment	Total	
	€	€	€	€	€	€	€	€	€	€
Cost / Valuation										
As at 1 January 2024	168,349,895	633,084	223,283	534,555	1,972,386	14,667,118	9,252,969	1,335,957	196,969,247	
Additions	5,254,479	62,808	3,150	4,618	16,454	1,047,343	1,966,991	37,352	8,393,195	
As at 31 December 2024	173,604,374	695,892	226,433	539,173	1,988,840	15,714,461	11,219,960	1,373,309	205,362,442	
Additions	13,725,558	39,850	238,050	207,648	184,013	3,749,768	3,353,019	100,199	21,598,105	
Revaluation surplus (note 27)	14,184,823	-	-	-	-	-	-	-	14,184,823	
As at 31 December 2025	201,514,755	735,742	464,483	746,821	2,172,853	19,464,229	14,572,979	1,473,508	241,145,370	
Depreciation										
As at 1 January 2024		556,839	116,277	404,572	874,685	8,572,669	4,500,480	1,313,493	16,339,015	
Charge for the year	3,945,554	51,203	30,728	50,314	140,258	894,341	737,025	14,273	5,863,696	
As at 31 December 2024	3,945,554	608,042	147,005	454,886	1,014,943	9,467,010	5,237,505	1,327,766	22,202,711	
Charge for the year	(3,945,554)	41,094	67,071	100,875	158,658	1,269,656	834,802	30,646	2,502,802	
Revaluation surplus (note 27)		-	-	-	-	-	-	-	(3,945,554)	
As at 31 December 2025	-	649,136	214,076	555,761	1,173,601	10,736,666	6,072,307	1,358,412	20,759,959	
Net book amount										
As at 31 December 2024	169,658,820	87,850	79,428	84,287	973,897	6,247,451	5,982,455	45,543	183,159,731	
As at 31 December 2025	201,514,755	86,606	250,407	191,060	999,252	8,727,563	8,500,672	115,096	220,385,411	

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

14. Investment in subsidiaries

The Company

	2025 €	2024 €
Cost		
As at 1 January and 31 December	60,004,872	60,004,872

As at 31 December 2025, the Company held the following equity interests:

Undertaking / Registered Office	Number, class and nominal value of shares held	Percentage of issued shares held
---------------------------------	--	--

Subsidiary

Carmelo Stivala Group Limited	4,872 Ordinary shares, 60,000,000 Redeemable	100%
ST Group Head Office, Novotel Hotel L Triq Sir Frederick C. Pon Gzira, Malta	Preference Shares, of €1 each fully paid up	100%

The subsidiary was engaged in renting out properties to related parties. It is a holding company. The Company also acts as a guarantor to the bonds issued by Stivala Group Finance p.l.c..

Sub-subsidiaries

ST Hotels Ltd. ST Group Head Office, Novotel Hotel Level 2, 60 Triq Sir Frederick C. Ponsonby Gzira, Malta	500,000 Ordinary shares, of €1 each fully paid up	100%
---	---	------

The subsidiary was engaged in operating hotels and hostels. It also rents out properties.

ST Properties Ltd ST Group Head Office, Novotel Hotel Level 2, 60 Triq Sir Frederick C. Ponsonby Gzira, Malta	1,200 Ordinary shares, of €1 each fully paid up	100%
--	---	------

The subsidiary is principally engaged in renting out properties.

ST Group Investments Limited ST Group Head Office, Novotel Hotel Level 2, 60 Triq Sir Frederick C. Pon Gzira, Malta	1200 Ordinary shares, of €1 each fully paid up	100%
--	--	------

The subsidiary used to be engaged in holding investments.

15. Investment in associates

	The Group		The Company	
	2025 €	2024 €	2025 €	2024 €
Cost				
As at 1 January	306,076	280,334	-	-
Share in loss	(154,706)	25,742	-	-
As at 31 December	151,370	306,076	-	-

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

As at 31 December 2025, the Company (through its subsidiary) held the following equity interests:

Undertaking / Registered Office	Number, class and nominal value of shares held	Percentage of issued shares held
<i>Associates</i>		
Civala Limited Vincenti Buildings, 25/25 Strait Street Valletta VLT 1432, Malta	600 Ordinary shares, of €1 each 20% paid up	50%
The associate has been engaged to acquire and hold assets of whatsoever nature, whether movable or immovable, corporal or incorporal, whether by way of title, real or personal, or on behalf of others.		
Platinum Developments Ltd ST Group Head Office, Triq Sir Frederick C. Ponsonby Gzira, Malta	600 Ordinary shares, of €1 each 20% paid up	50%
The associate is principally engaged to act as building developers, contractors, designers and ancillary services to building industry.		
Sliema Creek Lido Limited The Waterfront Hotel Triq Ix-Xatt Sliema, SLM 1028, Malta	500 'B' Ordinary shares, of €1 each fully paid up	33%
The associate was engaged in operation of a lido.		
Aqualuna Lido Ltd The Waterfront Hotel Triq Ix-Xatt Sliema, SLM 1028, Malta	500 'B' Ordinary shares, of €1 each fully paid up	33%
The associate will be engaged in operation of a lido.		
Summarised financial information of the associates, based on their latest audited financial statements, and reconciliation with the carrying amount of the investments in the consolidated financial statements are set out below. The amounts presented are extracted from the most updated and available financial statements of the associates as at and for the year ended:		

Undertaking	Accounting period
Civala Limited	31 December 2025
Platinum Developments Ltd	31 December 2025
Sliema Creek Lido Limited	31 December 2025
Aqualuna Lido Ltd	31 December 2025

Stivala Group Finance p.l.c.

Notes to the Financial Statements for the year ended 31 December 2025

15. Investment in associates (continued)

The aggregate capital and reserves as at the end of the under mentioned accounting period and the results for the said period of the Company were as follows:

	Platinum Developments											
	Civala Limited			Limited			Sliema Creek Lido Ltd			Aqualuna Lido Ltd		
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Percentage ownership interest	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%	33%	33%
Non-current assets	240	240	17,822,707	7,772,193	413	458	152,821	122,550	17,975,941	7,895,201	1,531,637	1,319,474
Current asset	(14,419)	(13,274)	740,503	560,902	168,601	200,868	622,293	557,464	(5,610,473)	(1,950,000)	(5,610,473)	(1,950,000)
Non-current liabilities	(14,179)	(13,034)	(5,897,000)	(1,950,000)	(167,566)	(200,738)	(772,086)	(678,136)	(6,851,071)	(6,665,333)	(6,851,071)	(6,665,333)
Current liabilities	(7,090)	(6,517)	7,055,737	609,910	1,448	588	3,028	1,878	7,046,034	599,342	7,046,034	599,342
Net Asset (Liability) (100%)	7,090	6,517	3,527,870	304,956	483	196	999	620	3,522,262	299,255	3,522,262	299,255
Group's share on net asset (liability)	7,090	6,517	120	120	17	304	(499)	(120)	6,728	6,821	6,728	6,821
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Group's carrying amount of the investment	-	-	3,527,990	305,076	500	500	500	500	3,528,990	306,076	3,528,990	306,076
Net Asset (liabilities) include (100%):												
Cash and cash equivalent	240	240	88,521	55,051	5,227	65,210	99,133	437,827	193,121	558,328	193,121	558,328
Revenue and other income	-	-	354,852	363,307	157,000	156,500	1,856,104	1,763,623	2,367,956	2,283,430	2,367,956	2,283,430
Cost of sale	-	-	-	-	(150,000)	(150,056)	(395,351)	(377,889)	(545,351)	(527,945)	(545,351)	(527,945)
Other expense	(1,145)	(1,832)	(641,104)	(311,823)	(5,507)	(5,125)	(596,899)	(552,768)	(1,244,655)	(871,548)	(1,244,655)	(871,548)
(Loss)/profit before tax	(1,145)	(1,832)	(286,252)	51,484	1,493	1,319	863,854	832,966	577,950	883,937	577,950	883,937
Income tax expense	-	-	(23,160)	-	(538)	-	(129,406)	(123,110)	(153,104)	(123,110)	(153,104)	(123,110)
Total comprehensive (loss)/profit (100%)	(1,145)	(1,832)	(309,412)	51,484	955	1,319	734,448	709,856	424,846	760,827	424,846	760,827
Group's share of (loss)/profit for the year	-	-	(154,706)	25,742	318	440	242,368	234,252	87,980	260,434	87,980	260,434
Prior year losses taken up this year	-	-	305,075	279,333	(318)	(440)	(242,368)	(234,252)	62,389	44,641	62,389	44,641
Group's share in profit at year end	-	-	150,369	305,075	-	-	-	-	150,369	305,075	150,369	305,075

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

16. Financial assets and financial liabilities

16.1 Financial assets

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Debt instruments at amortised cost:				
<i>Current assets</i>				
Trade receivables - net of ECL (note 21)	1,577,018	1,122,784	-	-
Other receivables - net of ECL (note 21)	379,801	408,640	-	-
<i>Total trade and other receivables</i>	<u>1,956,819</u>	<u>1,531,424</u>	<u>-</u>	<u>-</u>
<i>Other financial assets</i>				
Loans to subsidiary undertakings - net of ECL	-	-	10,962,203	7,983,898
Loans to associates - net of ECL	5,290,628	4,573,494	-	-
Loans to other related undertakings - net of ECL	5,103,925	8,695,611	-	-
Loans to other parties - net of ECL	390,345	401,978	-	-
<i>Total other financial assets</i>	<u>10,784,898</u>	<u>13,671,083</u>	<u>10,962,203</u>	<u>7,983,898</u>
Total debt instruments at amortised cost	<u>12,741,717</u>	<u>15,202,507</u>	<u>10,962,203</u>	<u>7,983,898</u>

All of the above debt instruments at amortised cost are interest free, unsecured and repayable on demand. The Group's exposure to credit risk related to these financial assets is disclosed in note 31. As at the reporting date, these financial assets were fully performing and hence do not contain impaired assets. However, due to the implementation of IFRS 9, the assets are measured at amortised cost and estimated credit losses have to be calculated.

Allowance for ECL on loans to associates, other related undertakings and other parties amounted to €271,207, €2,409,418 and €222,880 (2024: €276,857, €3,034,764 and €82,680), respectively. Movement in the allowance forms part of the total provision for ECL reported in the statement of profit or loss and other comprehensive income.

Stivala Group Finance p.l.c.

Notes to the Financial Statements for the year ended 31 December 2025

16. Financial assets and financial liabilities (continued)

16.2 Financial liabilities: Loans and borrowings

	Interest rate	Maturity	The Group		The Company	
			2025	2024	2025	2024
			€	€	€	€
Current loans and borrowings						
Bank overdrafts (notes 31)	4% - 5%	on demand	2,225,195	452,911	119	-
Bank loans (notes 31)	2.50% - 4%	2025 - 2035	5,379,611	6,468,079	-	-
Loans from associate (note 31)	no interest	on demand	105,780	-	-	-
Amount due to other related undertakings	no interest	on demand	10,337,086	2,437,530	7,372,966	-
Proposed dividend	no interest	on demand	-	-	-	5,439,181
Finance lease liability (note 31)	3.25% - 3.99%	2023 - 2029	35,266	42,863	-	-
			18,082,938	9,401,383	7,373,085	5,439,181
Non-current loans and borrowings						
450,000 and 150,000 (€100 face value) secured bonds	3.65% - 4%	2027 - 2029	59,910,000	59,850,000	59,910,000	59,850,000
Bank loans (notes 31)	2.50% - 4%	2025 - 2035	35,559,487	33,257,559	-	-
Finance lease liability (note 31)	3.25% - 3.99%	2023 - 2029	94,231	129,497	-	-
			95,563,718	93,237,056	59,910,000	59,850,000
Other Financial Liabilities at amortised cost, other than loans and borrowings						
Trade and other payables (note 23)			12,274,673	15,456,585	912,212	864,206

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

16. Financial assets and financial liabilities (*continued*)

16.2 Financial liabilities: Loans and borrowings (*continued*)

The Company

The secured 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 the bonds, using effective yield method as follows:

	2025	2024
	€	€
Face value of the secured bonds	60,000,000	60,000,000
Unamortised bond issue cost	(90,000)	(150,000)
Amortised cost	<u>59,910,000</u>	<u>59,850,000</u>

By virtue of the prospectus dated 25 September 2017 and 18 July 2019, the Company issued 45,000,000 4% secured bonds with a face value of €100 each, redeemable at par on 18 October 2027 and 15,000,000 3.65% secured bonds with a face value of €100 each, redeemable at par on 29 July 2029, respectively. The amount is made up of the two bond issues of €45 million and €15 million respectively, net of the bond issue costs which are being amortised over the lifetime of the bonds. These bonds are guaranteed by Carmelo Stivala Group Limited, which bound itself jointly and severally liable with the issuer. The bonds are secured by a first-ranking special hypothec over various guarantor's property, and pledge on various insurance proceeds (notes 13 and 17), pursuant to and subject to the terms and conditions in the prospectus.

The bond bear interest rate of 4.00% per annum on the nominal value payable annually in arrears every 18th of October with respect to the €45 million bond issue and 3.65% per annum on the nominal value payable annually in arrears every 18th of July with respect to the €15 million bond issue.

The bonds are listed on the Official Companies List of the Malta Stock Exchange. The quoted market prices as at 31 December 2025 for the secured bonds was €98.01 and €96.01 (2024: €99.50 and €98.90), respectively, which in the opinion of the Directors fairly represents the fair value of these financial liabilities and which is considered to be a Level 1 valuation within the fair value hierarchy.

The Group

The bank overdraft and bank loans bear interest ranging between 4% to 5% per annum (2024: 4% to 5%). These facilities are secured by a general hypothec over the Group's assets, special hypothec and guarantees over some of the Group's immovable properties, by joint and several personal guarantees and by pledge over the Group's insurance policies.

The bank overdrafts are repayable on demand. Information about the contractual terms of the Group's loans including interest are disclosed in note 29.

The loans from associate are unsecured, interest-free and repayable on demand.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

16. Financial assets and financial liabilities (*continued*)

16.2 Financial liabilities: Loans and borrowings (*continued*)

The interest rate exposures of borrowings are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Total borrowings:				
At fixed rates	103,203,790	100,200,909	59,910,119	59,850,000
<i>Effective interest rates:</i>				
Bank overdrafts	4% - 5%	4% - 5%	-	-
Bank loans	2.50% - 4%	2.50% - 4%	-	-
450,000 (€100 face value) secured bonds 2027	4.00%	4.00%	4.00%	4.00%
150,000 (€100 face value) secured bonds 2029	3.65%	3.65%	3.65%	3.65%
Lease liability	3.25% - 3.99%	3.25% - 3.99%	-	-

This note provides information about the Company's borrowings. For more information about the Company's exposure to interest rate and liquidity risk, see note 29.

17. Investment property

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Valuation				
As at 1 January	221,191,006	213,443,800	-	-
Additions	4,262,749	9,338,206	-	-
Transfer to property held-for-sale (note 20)	-	(1,800,000)	-	-
Change in fair value	4,512,600	209,000	-	-
As at 31 December	229,966,355	221,191,006	-	-

Fair value

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

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

17. Investment property (*continued*)

The fair value of the Group's investment properties as at 31 December 2025 is based on a valuation carried out by an independent architect on 31 December 2025 for properties pledged to secure borrowings for all remaining properties as at year end. The Group assessed that there are no conditions that would significantly increase or decrease the fair value of assets determined on 31 December 2025. The architect is qualified and has experience in valuation of properties of similar locations and categories. As at 31 December 2025, management also assessed whether there are any significant changes to the significant inputs of the valuation. The fair value movement were credited to profit or loss and subsequently transferred to revaluation reserve under equity.

As at 31 December 2025 and 2024, these properties have been categorised to fall within level 2 of the fair value hierarchy. The different levels in the fair value hierarchy have been defined in note 31. The Group policy is to recognise transfers into and out of fair value hierarchy levels as of date of the event of change in circumstances that caused the transfer. There were no transfers between levels during the year. For all properties, their current use equates to the highest and best use.

Reconciliation of fair value:

	Office properties €	Commercial properties €	Residential properties €	Total €
As at 1 January 2024	69,868,332	71,761,633	71,813,835	213,443,800
Additions	2,803,267	2,911,278	3,623,661	9,338,206
Transfer to property held-for-sale (note 20)	-	-	(1,800,000)	(1,800,000)
Fair value change recognised in profit or loss	-	50,000	159,000	209,000
As at 31 December 2024	72,671,599	74,722,911	73,796,496	221,191,006
Additions	1,387,120	1,049,937	1,825,692	4,262,749
Fair value change recognised in profit or loss	2,477,409	815,481	1,219,710	4,512,600
As at 31 December 2025	76,536,128	76,588,329	76,841,898	229,966,355

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

For investment properties categorised under Level 2 of the fair value hierarchy as at 31 December 2025 and 2024, the following techniques and inputs were used:

Type of property	Technique	Inputs
Commercial properties	Market approach	Value of the properties are based on the selling price of similar types of properties.
Residential properties	Market approach	
Office properties	Market approach	

As at year end, the Company did not had preliminary agreements for contractual agreements for the acquisition of investment property.

As at year end, the Company had investment property with a carrying amount of €64,500,000 (2024: €64,425,000) pledged to secure borrowings.

18. Intangible assets

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Cost - Computer Software				
As at 1 January	186,233	139,997	-	-
Additions	158,050	46,236	-	-
As at 31 December	<u>344,283</u>	<u>186,233</u>	-	-
Amortisation				
As at 1 January	145,756	130,397	-	-
Charge for the year	54,871	15,359	-	-
As at 31 December	<u>200,627</u>	<u>145,756</u>	-	-
Net book amount				
As at 1 January	40,477	9,600	-	-
As at 31 December	<u>143,656</u>	<u>40,477</u>	-	-

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Cost - Brand name				
As at 1 January	66,500,000	36,500,000	-	-
Additions	-	30,000,000	-	-
As at 31 December	66,500,000	66,500,000	-	-
Net book amount				
As at 1 January	66,500,000	36,500,000	-	-
As at 31 December	66,500,000	66,500,000	-	-
Total intangible assets				
As at 1 January	66,540,477	36,509,600	-	-
As at 31 December	66,643,656	66,540,477	-	-

19. Inventories

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Goods held for resale	53,099	22,417	-	-

During 2025, €1,415,313 (2024: €1,273,029) was recognised as an expense during the year and included in cost of sales (note 7).

20. Property held-for-sale

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Cost				
As at 1 January	4,235,816	2,919,629	-	-
Transfer from investment property (note 17)	-	1,800,000	-	-
Disposals	(1,799,999)	(483,813)	-	-
As at 31 December	2,435,817	4,235,816	-	-

In 2025, the Group sold properties for resale costing €1,799,999 and sale value consideration of €2,300,000. The profit from these transactions were shown in the statement of profit or loss and other comprehensive income under revenue from contracts with customers (note 6).

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

21. Trade and other receivables

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Current				
Trade receivables	1,797,195	1,202,703	-	-
Amounts owed by ultimate beneficial owners	2,366,127	-	-	-
Other receivables	380,629	409,526	649	-
Other advances	831,949	1,513,909	-	-
Accrued rental income	70,833	50,833	-	-
Prepayments and accrued income	-	33,997	-	-
	5,446,733	3,210,968	649	-
Allowance for ECL on (note 31):				
Trade receivables	(220,177)	(79,919)	-	-
Other receivables	(828)	(886)	-	-
	(221,005)	(80,805)	-	-
Total trade and other receivables	5,225,728	3,130,163	649	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The amounts owed by related parties are unsecured, interest free and repayable on demand.

Other advances include advance deposits on purchase of properties.

Set out below is the movement in the allowance for ECL on trade and other receivables:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
As at 1 January	80,805	102,796	-	10,402
Provision for ECL (note 7)	140,200	(21,991)	-	(10,402)
As at 31 December	221,005	80,805	-	-

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

22. Trade and other payables

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Current				
Amount received in advance	39,525	9,141	-	-
Trade payables	3,519,944	2,928,586	-	1,036
Amounts due to UBO's	-	5,439,181	-	-
Other payables	2,966,354	2,029,654	22,257	16,461
Indirect taxes and Social Security				
Contributions	2,252,941	1,950,281	-	-
Accruals	2,000,805	1,188,231	889,955	846,709
Deferred rental income	1,495,104	1,911,511	-	-
Total trade and other payables	12,274,673	15,456,585	912,212	864,206

Trade payables are non-interest bearing and are normally settled between 30 to 90 days. Other payables which includes refundable security and other deposits to tenants.

Indirect taxes and social security contributions included due from prior years, which are being paid in installments in accordance with the agreements entered by the Group with Commission for Revenue.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 29.

23. Leases

23.1 The Group as a lessee

The Group has lease contracts for various buildings and furniture and fittings used in its operations. Leases of building has lease terms of 5 to 11 years, while furniture and fittings have lease terms of 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is not restricted from subleasing the leased assets (except when otherwise agreed with the lessor in special terms) and effecting major structural or layout alterations on the leased. The Group has a lease contract which includes in-substance fixed payments. The Group has no lease contracts containing variable lease payments that depend on an index or a rate, residual value guarantees and sales and leaseback transactions.

The Group has leases of garage with lease term of 12 months or less. The Group applies the 'short-term lease' recognition exemption for this lease. There are no other leases qualifying for short term or low value asset recognition exemptions applicable to the Company.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

23. Leases (*continued*)

23.1 The Group as a lessee (*continued*)

Set out below are the carrying amounts of the Group's right-of-use assets recognised and the movements during the period:

	Buildings €	Furnitures and Fittings €	Total €
As at 1 January 2024	201,575	2,359	203,934
Depreciation expense (note 7)	(49,280)	(2,359)	(51,639)
As at 31 December 2024	152,295	-	152,295
Depreciation expense (note 7)	(43,241)	-	(43,241)
As at 31 December 2025	109,054	-	109,054

Set out below are the carrying amounts of lease liabilities included under interest-bearing loans and borrowings (note 16) and the movements during the period:

	The Group		The Company	
	2025 €	2024 €	2025 €	2024 €
As at 1 January	172,360	225,046	-	-
Payments	(48,746)	(60,405)	-	-
Accretion of interest (note 9)	5,883	7,719	-	-
As at 31 December	129,497	172,360	-	-
Current	35,266	42,863	-	-
Non-current	94,231	129,497	-	-

The maturity analysis of lease liabilities are disclosed in note 31.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

23. Leases (*continued*)

23.1 The Group as a lessee (*continued*)

The following are the amounts recognised in profit or loss:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Depreciation expense of right-of-use assets	43,241	51,639	-	-
Interest expense on lease liabilities	5,883	7,719	-	-
Expense relating to short-term leases and leases of low-value assets (included in administrative expenses) (note 7)	65,955	100,268	-	-
Total amount recognised in profit or loss	115,079	159,626	-	-

The Group had total cash outflows for leases of €48,746 in 2025 (€60,405 in 2024). In 2025, same as 2024, there is no non-cash addition to right-of-use assets and lease liabilities.

23.2 The Group as a lessor

The Group has entered into operating leases on its property portfolio consisting of certain commercial and residential buildings (see notes 13 and 17). These leases have terms of between 1 and 3 years for the non-cancellable portion, while up to 8 years for the cancellable portion thereafter. All leases include a clause to enable upward revision (usually 10%) of the rental charge at various intervals on a cumulative basis (in-substance fixed payments) as a precaution to prevailing market conditions throughout the whole lease term. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in euro. Rental income recognised by the Group during the year is €10,920,582 (2024: €10,283,694).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Within one year	11,864,596	4,971,033	-	-
After one year but not more than five years	31,593,537	8,002,498	-	-
More than five years	8,315,587	2,414,854	-	-
	51,773,720	15,388,385	-	-

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

24. Deferred taxation

Deferred tax liability

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
As at 1 January	(33,629,848)	(30,409,757)	-	-
(Charge)/Credit in profit or loss (note 12)	2,946,224	(16,720)	-	-
Charge in other comprehensive income	(17,366,702)	(3,203,371)	-	-
As at 31 December	(48,050,326)	(33,629,848)	-	-

The balance represents:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Tax effect of temporary differences relating to:				
Asset revaluations	(48,050,326)	(33,629,848)	-	-

Deferred tax asset

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
As at 1 January	16,756,098	10,240,518	223,206	435,202
Credit/(charge) in profit or loss (note 12)	1,738,351	6,515,580	(95,384)	(211,996)
As at 31 December	18,494,449	16,756,098	127,822	223,206

The balance represents:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Tax effect of temporary differences relating to:				
Excess of capital allowances over depreciation	6,531,713	5,363,138	-	-
Unabsorbed capital allowances	6,846,516	5,220,494	-	-
Unrelieved tax losses	4,111,946	4,206,060	121,636	215,750
Allowance for estimated credit losses	193,515	1,173,236	6,186	7,456
Leases	200,819	200,688	-	-
Investment tax credit	609,940	592,482	-	-
	18,494,449	16,756,098	127,822	223,206

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Deferred income taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax used is 35% (2024: 35%) with the exception of deferred taxation on the fair valuation of non-depreciable investment property which is computed on the basis applicable to disposals of immovable property that is tax effect of 8% (2024: 8%) of the transfer value.

The Group and the Company did not have unrecognised deferred income tax assets that could be carried forward against future taxable income as at 31 December 2025 and 31 December 2024.

25. Share capital

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Authorised:				
500,000 Ordinary shares of €1 each	500,000	500,000	500,000	500,000
Issued and fully paid up:				
258,804 Ordinary shares of €1 each	258,804	258,804	258,804	258,804

Each ordinary share gives the right to one vote, participates equally in profits distributed by the company and carries equal rights upon distribution of assets by the company in the event of winding up. See note 22 for more information on the reduction of issued share capital of the Group and the Company.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

26. Earnings per share

Earnings per share is based on the profit for the year attributable to the owners of the Group divided by the weighted average number of ordinary shares in issue during the year.

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Profit for the year attributable to shareholders:				
- Basic profit/(loss) for year attributable to ordinary equity holders of the parent	20,343,865	50,331,733	4,987,399	21,165,743
Weighted average number of ordinary shares in issue (note 25)	258,804	258,804	258,804	258,804
Earnings/(loss) per share (cents)				
- Basic profit/(loss) for year attributable to ordinary equity holders of the parent	78.61	194.48	19.27	81.78

There is no difference between the basic and diluted earnings per share as the Group and Company has no potential dilutive ordinary shares.

27. Revaluation reserve

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
As at 1 January	261,353,044	261,160,764	-	-
Revaluation of property, plant and equipment, net of deferred tax (note 13 and 24)	11,784,745	-	-	-
Revaluation of investment property, net of deferred tax (note 17 and 24)	4,151,592	192,280	-	-
As at 31 December	277,289,381	261,353,044	-	-

The revaluation reserve comprises the revaluation of property, plant and equipment and investment properties, net of deferred taxation due to change in fair market value which are unrealised at the reporting date. The change in fair value of investment properties are transferred from retained earnings to this reserve since these gains are not considered by the directors to be available for distribution. Upon disposal of the respective investment property, realised fair value gains are transferred back to retained earnings. This reserve is a non-distributable reserve.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

28. Cash and cash equivalents

The cash and cash equivalents comprise the following statement of financial position amount:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Cash at banks and in hand	6,598,604	1,455,374	-	4,011
Allowance for ECL	(2,670)	(409)	-	-
Bank overdrafts (note 16)	(2,225,195)	(452,911)	(119)	-
As at 31 December	4,370,739	1,002,054	(119)	4,011

Set out below is the movement in the allowance for ECL on cash in banks:

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
As at 1 January	409	344	-	-
Provision for ECL (note 7)	2,261	65	-	-
As at 31 December	2,670	409	-	-

29. Financial risk management objectives and policies

The Group's principal financial assets comprise trade and other receivables, loans receivable and cash and cash equivalents. Its principal financial liabilities comprise trade and other payables, borrowings and lease liabilities.

The Group is exposed to market risk, credit risk, liquidity risk, fair value risk and capital risk management.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk. Financial instruments affected by market risk include borrowings. The Group is only exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Except as disclosed in note 16, the Group's borrowings are non-interest bearing. Borrowings issued at fixed rates consist primarily of bank loans, 3.65% and 4% secured bonds which are carried at amortised cost, and therefore do not expose the Group to cash flow and fair value interest rate risk.

The Company's exposure to interest rate risk is limited to the variable interest rates on bank overdraft and bank loans. Based on observations of current market conditions, the directors consider an upward or downward movement in interest of 1% to be reasonable possible. However, the potential impact of such movement is considered immaterial. As a result, the Company is not subject to significant amounts of risk due to fluctuations on the prevailing levels of market interest rates.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities including deposits with banks and loans to related undertakings.

Customer credit risk is managed by the Group's management subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on each individual's credit limits. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at the reporting date on an individual basis. The Group exercises a prudent credit control policy, and accordingly, it is not subject to any significant exposure or concentration of credit risk.

The Group banks only with local financial institutions with high quality standard or rating. The Group's operations are principally carried out in Malta and most of the Group's revenue originates from clients based in Malta.

Stivala Group Finance p.l.c.
Notes to the Financial Statements
for the year ended 31 December 2025

29. Financial risk management objectives and policies (continued)

Set out below is the information about the credit risk exposure on the Group and Company's financial assets and contract assets subject to ECL under IFRS 9.

31 December 2025

	The Group						
	Loans to other related undertakings (note 16)		Loans to associates (notes 16 and 21)	Loans to other party (note 16)	Other receivables (notes 16 and 21)	Amounts owed by directors (notes 16 and 21)	Cash and cash equivalents (note 31)
	General	General	General	General	General	General	General
Trade receivables (notes 16 and 21)	15	3.19% - 75%	4.84% - 100%	1%	0.06% - 1%	1.00%	0.15%
Loss given default	N/A	100%	100%	75%	100%	100%	45%
Estimated gross carrying amount at default	1,447,964	8,774,349	5,710,014	250,000	253,544	-	6,598,604
Allowance for ECL (Decrease) / increase in provision for ECL (note 7)	220,177	2,557,597	271,207	1,875	828	-	2,670
	140,258	(477,167)	(5,650)	-	(58)	-	2,261
							(340,356)
							3,054,354

31 December 2024

	The Group						
	Loans to other related undertakings (note 16)		Loans to associates (notes 16 and 21)	Loans to other party (note 16)	Other receivables (notes 16 and 21)	Amounts owed by directors (notes 16 and 21)	Cash and cash equivalents (note 31)
	General	General	General	General	General	General	General
Trade receivables (notes 16 and 21)	0% - 32.26%	4.84% - 100%	1.34% - 100%	1%	0.70% - 1%	1%	0.06%
Loss given default	N/A	100%	100%	75%	100%	100%	45%
Estimated gross carrying amount at default	718,503	10,971,613	5,630,114	250,000	238,090	-	14,335
Allowance for ECL (Increase in provision for ECL (note 7)	79,919	3,034,764	276,857	1,875	886	-	409
	61,392	(4,175,429)	525	-	(964)	(82,419)	65
							(4,196,830)
							3,394,710

Stivala Group Finance p.l.c.

Notes to the Financial Statements for the year ended 31 December 2025

29. Financial risk management objectives and policies (continued)

	The Company		
	31 December 2025		
	Loans to subsidiary (note 16)	Amounts owed by directors (notes 16 and 21)	Total
Approach in measuring ECL	General	General	
Probability of default	0.57%	0.70%	
Loss given default	90.27%	100%	
Estimated gross carrying amount at default	10,979,876	-	
Allowance for ECL	17,673	-	17,673
Increase in provision for ECL (note 7)	(3,630)	-	-3,630
	The Company		
	31 December 2024		
	Loans to subsidiary (note 16)	Amounts owed by directors (notes 16 and 21)	Total
Approach in measuring ECL	General	General	
Probability of default	0.57%	70.00%	
Loss given default	90.04%	100%	
Estimated gross carrying amount at default	8,005,201	-	
Allowance for ECL	21,303	-	21,303
Increase in provision for ECL (note 8)	21,303	(10,402)	10,901

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

29. Financial risk management objectives and policies (*continued*)

Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities. 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.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 December 2025

	The Group			
	Less than 1 year	1 to 5 years	> 5 years	Total
	€	€	€	€
Bank overdrafts	2,225,195	-	-	2,225,195
Bank loans	6,274,177	22,956,764	16,180,989	45,411,930
Finance lease liabilities	39,692	99,230	-	138,922
4.00% secured bonds and interest	-	-	44,970,000	44,970,000
3.65% secured bonds and interest	-	-	14,940,000	14,940,000
Trade and other payables	12,274,673	-	-	12,274,673
Other financial liabilities	10,442,866	-	-	-
	31,256,603	23,055,994	76,090,989	119,960,720

As at 31 December 2024

	The Group			
	Less than 1 year	1 to 5 years	> 5 years	Total
	€	€	€	€
Bank overdrafts	452,911	-	-	452,911
Bank loans	6,874,894	19,244,434	17,432,129	43,551,457
Finance lease liabilities	48,746	138,922	-	187,668
4.00% secured bonds and interest	-	-	44,865,000	44,865,000
3.65% secured bonds and interest	-	-	14,985,000	14,985,000
Trade and other payables	15,456,585	-	-	15,456,585
Other financial liabilities	2,437,530	-	-	2,437,530
	25,270,666	19,383,356	77,282,129	121,936,151

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

29. Financial risk management objectives and policies (*continued*)

Liquidity risk (continued)

The below table shows gross undiscounted cash flows for lease liabilities and bank loans. The following shows the corresponding reconciliation of those amounts to the carrying amount (net present value):

As at 31 December 2025

	The Group			
	Less than 1 year	1 to 5 years	> 5 years	Total
<i>Bank loans</i>				
Gross payments	6,274,177	22,956,764	16,180,989	45,411,930
Finance charges	(894,566)	(2,862,613)	(715,653)	(4,472,832)
Carrying amount (net present value)	5,379,611	20,094,151	15,465,336	40,939,098

	The Group			
	Less than 1 year	1 to 5 years	> 5 years	Total
<i>Lease liabilities</i>				
Gross payments	39,692	99,230		138,922
Finance charges	(4,426)	(4,999)		(9,425)
Carrying amount (net present value)	35,266	94,231	-	129,497

As at 31 December 2024

	The Group			
	Less than 1 year	1 to 5 years	> 5 years	Total
<i>Bank loans</i>				
Gross payments	6,874,894	19,244,434	17,432,129	43,551,457
Finance charges	(406,815)	(2,236,073)	(1,182,931)	(3,825,819)
Carrying amount (net present value)	6,468,079	17,008,361	16,249,198	39,725,638

	The Group			
	Less than 1 year	1 to 5 years	> 5 years	Total
<i>Lease liabilities</i>				
Gross payments	48,746	138,922	-	187,668
Finance charges	(5,882)	(9,426)	-	(15,308)
Carrying amount (net present value)	42,864	129,496	-	172,360

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

29. Financial risk management objectives and policies (*continued*)

Liquidity risk (continued)

As at 31 December 2025

	The Company			
	Less than 1	1 to 5 years	> 5 years	Total
	year			
	€	€	€	€
4.00% secured bonds and interest	-	-	44,970,000	44,970,000
3.65% secured bonds and interest	-	-	14,940,000	14,940,000
Trade and other payables	912,212	-	-	912,212
	912,212	-	59,910,000	60,822,212

As at 31 December 2024

	The Company			
	Less than 1	1 to 5 years	> 5 years	Total
	year			
	€	€	€	€
4.00% secured bonds and interest	-	-	44,865,000	44,865,000
3.65% secured bonds and interest	-	-	14,985,000	14,985,000
Trade and other payables	864,206	-	-	864,206
	864,206	-	59,850,000	60,714,206

Fair value risk

As at 31 December 2025 and 2024, the carrying amounts of trade and other receivables, other financial assets (loans and receivables), cash and cash equivalents, trade and other payables and current 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 values of non-current borrowings are not materially different from their carrying amounts in the statement of financial position.

The Group used the following hierarchy for determining and disclosing the fair value of investment property.

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

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

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

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Fair value measurement hierarchy:

	The Group			Total €
	Level 1 €	Level 2 €	Level 3 €	
As at 31 December 2025				
Investment property				
<i>Commercial properties</i>	-	76,588,329	-	76,588,329
<i>Residential properties</i>	-	76,841,898	-	76,841,898
<i>Offices</i>	-	76,536,128	-	76,536,128
	-	229,966,355	-	229,966,355
Property, plant and equipment				
<i>Commercial properties</i>	-	157,245,736	-	157,245,736
<i>Residential properties</i>	-	44,269,019	-	44,269,019
	-	201,514,755	-	201,514,755

There were no transfers between level classifications of investment property and property, plant and equipment during 2025.

	The Group			Total €
	Level 1 €	Level 2 €	Level 3 €	
As at 31 December 2024				
Investment property				
<i>Commercial properties</i>	-	74,722,911	-	74,722,911
<i>Residential properties</i>	-	73,796,496	-	73,796,496
<i>Offices</i>	-	72,671,599	-	72,671,599
	-	221,191,006	-	221,191,006
Property, plant and equipment				
<i>Commercial properties</i>	-	129,723,238	-	129,723,238
<i>Residential properties</i>	-	43,881,136	-	43,881,136
	-	173,604,374	-	173,604,374

As at 31 December 2025 and 2024, there are no properties owned by the Company.

Capital Risk management

Capital includes the equity attributable to the ultimate shareholders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, return capital to the shareholders or issue new shares.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

	The Group		The Company	
	2025	2024	2025	2024
	€	€	€	€
Interest-bearing loans and other borrowings	113,517,159	102,466,079	67,283,085	65,289,181
Trade and other payables (note 23)	12,274,675	15,456,585	912,212	864,206
Finance lease liability (note 24)	129,497	172,360	-	-
Less: cash and cash equivalents	(6,595,934)	(1,454,965)	-	(4,011)
Net debt	119,325,397	116,640,059	68,195,297	66,149,376
Equity	386,842,376	358,863,517	2,922,344	2,084,695
Net debt to equity ratio	0.34:1	0.34:1	(-66.68):1	(-66.68):1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

30. Events after the reporting date

People and Organisation

Looking ahead, the Group could eventually result in certain holiday apartments being redirected into longer-term rental stock, slightly easing tightness. However, the Group's people agenda for 2026 is focused on strengthening delivery through an updated organisational structure and the standardisation of processes across all roles. Clear roles, responsibilities and reporting lines are being established to improve accountability, consistency and decision-making across the organisation.

To reinforce leadership capacity, the Group looks forward to the commencement of a new Revenue Manager for ST Hotels in the near term. This role is expected to strengthen revenue management capability and support improved forecasting, pricing discipline and performance optimisation across the hotel portfolio.

The Group is also establishing a dedicated Learning and Development department to provide structured guidance on career pathways and to formalise procedures across all sectors. This will help ensure consistent standards, clearer progression opportunities and stronger support for employees at every level. Management expects these initiatives to contribute positively to employee retention and to sustaining high standards across operations appointed a new General Manager and a new Marketing Manager. In addition, the Group's hotels met budget expectations for the first four months of operation, and we will continue to monitor the situation and react accordingly.

In summary: hotels and tourism may see a short-lived boost from market reallocation, but there is a medium-term risk of slower growth or yield compression; residential rentals remain underpinned by a tight market and steady foreign demand, though higher financing costs and global sentiment could moderate rent growth; and commercial real estate (offices and shopping) is supported by scarce land and strong service-sector demand.

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

31. Supplemental cash flow information

Changes in liabilities arising from financing activities The Group

	1 January 2025 €	Cash flows €	Non-cash changes €	31 December 2025 €
Bank overdrafts	452,911	1,772,284	-	2,225,195
Bank loans	39,725,638	1,213,460	-	40,939,098
4% and 3.65% secured bonds	59,850,000	-	60,000	59,910,000
Loans from associate	-	105,780	-	105,780
Amount due to related undertakings	-	-	10,337,086	10,337,086
Finance lease liability (notes 16, 24 and 31)	172,360	(48,746)	5,883	129,497
Total liabilities from financing activities	100,200,909	3,042,778	10,402,969	113,646,656

The Group

	1 January 2024 €	Cash flows €	Non-cash changes €	31 December 2024 €
Bank overdrafts	2,859,195	(2,406,284)	-	452,911
Bank loans	32,471,514	7,254,124	-	39,725,638
4% and 3.65% secured bonds	59,790,000	-	60,000	59,850,000
Loans from associate	124	(124)	-	-
Finance lease liability (notes 16, 24 and 31)	225,044	(60,405)	7,721	172,360
Amounts due to related undertakings	3,125,848	-	(688,318)	2,437,530
Total liabilities from financing activities	98,471,725	4,787,311	(620,597)	102,638,439

Non-cash changes refer to accumulated amortization of bond issue cost, accretion of interest expense on finance lease liability, and additional lease liability recognised during the year.

The Company

	1 January 2025 €	Cash flows €	Non-cash changes €	31 December 2025 €
Proposed dividends	5,439,181	(7,373,085)	-	7,373,085
4% and 3.65% secured bonds	59,850,000	-	60,000	59,910,000
Loans from subsidiary undertakings	-	6,705,000	(6,705,000)	-
Total liabilities from financing activities	65,289,181	(668,085)	(6,645,000)	67,283,085

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

	1 January 2024	Cash flows	Non-cash changes	31 December 2024
	€	€	€	€
Proposed dividends	-	5,439,181	-	5,439,181
4% and 3.65% secured bonds	59,790,000	-	60,000	59,850,000
Loans from subsidiary undertakings	377,571	22,622,429	(23,000,000)	-
Total liabilities from financing activities	60,167,571	28,061,610	(22,940,000)	65,289,181

Non-cash changes refer to accumulated amortization of bond issue cost and loss incurred on owner's divestiture recognised during the year.

32. Contingent liabilities

Some of the companies within the group (where the Company forms part as an ultimate parent company) are engaged in various legal proceedings. As at approval date of these financial statements, it is difficult to predict exposures of the Group; hence no provision has been made in the consolidated financial statements accordingly.

33. Related party transactions

The Company

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Expenses recharge to (from) related parties	Dividend income	Interest income	Amount owed by (to) related parties
		€	€	€	€
<i>Subsidiary of the Company:</i>					
Carmelo Stivala Group	2025	-	7,545,140	-	10,979,876
Limited	2024	-	23,854,283	-	-
<i>Sub-subsidiaries of the Company:</i>					
ST Hotels Ltd.	2025	(45,000)	-	-	-
	2024	(43,500)	-	-	-

Stivala Group Finance p.l.c.

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Group recorded impairment of receivables relating to amounts owed by other related undertakings disclosed in notes 16, 21 and 31, in compliance with IFRS 9. This assessment will be undertaken each financial year through examining the financial position of the related party and the market in which the related party operates together with other historical data on recovery of amounts due.

34. Ultimate controlling parties

Stivala Group Finance p.l.c., the ultimate parent company, is a public limited company incorporated in Malta.

The Company's registered office is ST Group Head Office Novotel Hotel, Level 2, 60, Triq Sir Frederick C. Ponsonby, Gzira, GZR 1070, Malta. The Company's share capital is fully owned by Carmelo Stivala Trustee Limited acting as a trustee, on behalf of the ultimate beneficial owners which are Mr. Michael Stivala, Mr. Ivan Stivala and Martin John Stivala.