QLZH Holding p.l.c.

C 102616

ANNUAL REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

QLZH Holding p.l.c.

Annual report and consolidated financial statements
for the year ended 31 December 2025

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The users of this financial report are reminded that the official statutory Annual Financial Report for the year ended 31 December 2025, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on www.borzamalta.com.mt. A copy of the Independent auditor's report issued on the official statutory Annual Financial Report for the year ended 31 December 2025, is included within this printed document and comprises the auditor's report in 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. In case of any conflicts and differences, the ESEF report prevails.

QLZH Holding p.l.c.

Annual report and consolidated financial statements
for the year ended 31 December 2025

Directors' report

The directors present their annual report and the audited parent company financial statements together with the group's consolidated financial statements (the "**financial statements**") of QLZH Holding p.l.c. (formerly Dowdall Ltd. following conversion of the company into a public limited liability company on 11 June 2025) for the year ended 31st December 2025.

Principal activities

The principal activity of QLZH Holding p.l.c. (the "**Company**") is to hold investments in its subsidiaries which own and operate the QuickLets and Zanzi Homes (QLZH) brands. In addition, from the year under review, the Company expanded its activities to include the raising of funds to finance the Group's property ownership and development projects.

The QuickLets brand was founded in 2013 and has since become the leading agency in Malta in the letting industry. The Zanzi Homes brand is a specialised brand focusing on the sale of real estate in Malta and was launched in 2015. Similarly, the Zanzi Homes brand has also become a pioneer in the real estate agency industry.

Review of business

The QuickLets and Zanzi Homes brands generated total crystallised commissions across all offices (including franchisees) of *Eur13.5M* compared to *Eur11.1M* in the previous year. During the year under review, the group reported revenues of *Eur5.1M* an increase of *Eur2.0M* compared to the previous year. The increase was mainly generated from agency fees, which remains the core business of the group, and also from property management activities, which operation began towards the end of 2024.

The gross profit generated by the group for 2025 amounted to *Eur2.6M* compared to *Eur1.8M* reported in 2024.

The Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**") reported by the group for the year ended 31 December 2025 amounted to *Eur1.0M* compared to *Eur786K* in the previous financial year which equates to an increase of *28%*.

After considering depreciation, finance costs and a revaluation of investment property, the reported profit before tax on continuing operations for 2025 amounted to *Eur1.1M* compared to *Eur503K* reported in 2024.

Profit after tax for the year ended 31 December 2025 from continuing operations amounted to *Eur969K* compared to *Eur863K* in 2024. During the year ended 31 December 2024, the group also reported a profit from discontinued operations of *Eur1.7M*.

At 31 December 2025 the group reported total assets amounting to *Eur21.7M* compared to *Eur6.3M* as at 31 December 2024. The main increase relates to the acquisition and revaluation of investment property (*Eur3.5M*), investments in highly liquid funds (T-bills of *Eur3.7M*) and investments made in on-going property development projects (*Eur1.3M*). Cash and cash equivalents also increased by *Eur5.4 million* representing the excess funds raised through bonds issued not yet utilised on on-going property acquisition/development projects.

Directors' report – continued

Review of business - continued

The total equity of the group amounted to *Eur4.8M* as at 31 December 2025 compared to *Eur3.4M* as at 31 December 2024.

The Company reported a profit after tax for the year ended 31 December 2025 of *Eur428K* (2024 – *Eur487K*) and equity of *Eur5.9M* (2024 – *Eur5.0M*).

During the year the Company successfully raised an aggregate of *Eur12.0M,* through the issue of the following secured bonds on the Official List of the Malta Stock Exchange:

- On 24 July 2025, issue of *Eur6.8M* 5.5% (Tranche 1) secured callable bonds 2030-2035 of a nominal value of €100 per Bond issued at par; and

- On 4 December 2025, issue of *Eur5.2M* 5.5% (Tranche 2) secured callable bonds 2030-2035 of a nominal value of €100 per Bond issued at par.

The proceeds of the bond issues are utilised by the group for the acquisition of properties for investment purposes or development. The interest on the bonds is payable annually in arrears on 22 July of each year, with the first interest payment due on 22 July 2026.

Results and dividends

The Company's and the Group's financial results for the year ended 31 December 2025 are set out in the statement of comprehensive income.

During the year the directors of the Company declared and paid interim dividends amounting to *Eur490K* but do not recommend the payment of a final dividend. Retained profits carried forward by the Company as at 31 December 2025 amounted to *Eur27K* (2024 – *Eur89K*). The Group's retained earnings as at 31 December 2025 amounted to *Eur1.6M* (2024 – *Eur1.1M*).

Directors

The directors of the Company who held office during the year were:

Michael Mercieca
Stephen Mercieca
Edward Cachia (appointed on 5 June 2025)
Francis Galea Salomone (appointed on 5 June 2025)
Luke Coppini (appointed on 5 June 2025)

In terms of Article 101 of the Company's Articles of Association, directors hold office until the conclusion of the next following annual general meeting, and shall be automatically eligible for re-election by the Company in general meeting, without the need for nomination. The Company's Articles of Association require each director to retire from office at least once every three years, with retiring directors eligible for re-election.

Company Secretary

Dr. David Zahra LLD, holder of Maltese identification number 26183M and residing at 111, Triq Sant' Anton, Attard ATD1285, Malta was the Company secretary of the Company until the 4 June 2025. Following his resignation, Ganado Services Limited (C 10785) of 171, Old Bakery Street, Valletta VLT 1455, Malta acts as Company Secretary.

Directors' report – continued

Directors' Interest

Apart from Mr. Stephen Mercieca, who is the ultimate beneficial owner of the Group, and Mr. Michael Mercieca none of the directors of the Company hold any interest in the shares of the Company.

Financial Risk Management

The Company is exposed to market risk, credit risk, and liquidity risk. These risks are monitored through established internal processes and financial controls. Further details are provided in Note 3 to the financial statements.

Events subsequent to the Statement of Financial Position date

The directors have evaluated subsequent events through to 28 April 2026 and consider that there are no significant events to report during the said period.

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

- Ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- Adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;
- Value separately the components of asset and liability items;
- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Account for income and charges relating to the accounting period on the accruals basis;
- Report comparative figures corresponding to those of the preceding accounting period.

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

The financial statements of the Company for the year ended 31 December 2025 are included in the Annual Report 2025 which is published on the Company's website (https://www.qlzhholding.com/financial-statements) and available in hard copy printed form upon request. 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.

Directors' report – continued

Going concern statement pursuant to Capital Markets Rules 5.62

After making enquiries, the directors, at the time of approving the financial statements, have determined that it is reasonable to assume that the company and the group have adequate resources to continue operating for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Statement of Responsibility pursuant to Capital Markets Rule 5.68

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' report includes a fair review of the performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Auditor

The auditor of the company and the group, CLA Malta has expressed its willingness to continue in office and a resolution proposing their reappointment will be put before the members at the next annual general meeting.

Statement by the Directors on the Financial Statements and Other Information included in the Annual Financial Report

The Directors declare that to the best of their knowledge, the financial statements included in the Annual Financial Report are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the Board of Directors on 28 April 2026 by Dr. Francis Galea Salomone (Chairman) and Michael Mercieca (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered office:
Cali House, 3rd Floor
Vjal ir-Rihan
San Gwann SGN 9020
Malta

Corporate Governance - Statements of Compliance

Pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority, issuers which are registered in Malta and have securities which are admitted to trading on a regulated market operating in Malta, should: (i) endeavour to adopt the Code of Principles of Good Corporate Governance set out in Appendix 5.1 thereof (the "**Code**"), and (ii) on this basis, prepare a report explaining how it has complied with the provisions of the Code.

This Statement of Compliance seeks to fulfil this requirement (with respect to the Company) for the financial year ended 2025, and is structured as follows:

(i) Part 1 covers the Company's compliance with the Code; and

(ii) Part 2 sets out those instances where the Company has diverged from, or not complied with, the various principles set out in the Code.

Given its status as an issuer of debt securities, the Company is exempt from disclosing the information prescribed by Capital Markets Rules 5.97.1 – 5.97.3, 5.97.5, 5.97.6 and 5.97.8.

Part 1: Compliance with the Code

The Company's board of directors (the "**Board**") believes in the principles espoused by, and the adoption of, the Code, and hereby confirms that the Company has endorsed these principles to the extent that they are considered complementary to the size, nature, and operations of the Company, as set out in further detail in this section.

The Board

The Board is responsible for devising strategies, setting policies and overseeing the general management of the Company. It is also responsible for reviewing internal control procedures, financial performance and business risks facing the Company, as well as ensuring that its operations are in conformity with all relevant rules and regulations.

The Board meets regularly, mainly to review the financial performance of the Company and the operations of the group, any significant matters arising, and to review internal control processes. During the year under review, the Board met 4 times, all of such meetings were attended by the full Board. The members of the Board are notified of forthcoming meetings by the Company Secretary, who is tasked with circulating an agenda and supporting documents in advance of the meeting. All of the directors have access to independent professional advice at the Company's expense should they so require and have made use of this facility on various issues.

Throughout the year under review, the Board has monitored management's performance at regular intervals. The Company has in place systems whereby the directors may obtain timely information from the executive directors and other members of the executive management team; not only at formal, scheduled meetings of the Board but when the need arises.

Corporate Governance - Statements of Compliance

The Board is composed of two executive, and three independent non-executive directors, as listed below:

(i) Mr. Michael Mercieca (Executive Director);
(ii) Mr. Steve Mercieca (Executive Director);
(iii) Mr. Edward Cachia (Independent Non-Executive Director);
(iv) Mr. Luke Coppini (Independent Non-Executive Director); and
(v) Dr. Francis Galea Salomone (Chairman and Independent Non-Executive Director);

The company secretary of the Company is Ganado Services Limited (C 10785).

The Company's Articles of Association require each director to retire from office at least once every three years, with retiring directors eligible for re-election.

Internal controls & risk management in relation to financial reporting

The Board is generally responsible for the Company's internal control and risk management systems in relation to the financial reporting process, and for reviewing its effectiveness. The monitoring of these controls and systems has been delegated to the Audit Committee (as described below). Such a system is designed to achieve business objectives while managing, rather than eliminating, the risk of failure to achieve those business objectives, and can only provide reasonable assurance against material error, losses or fraud.

The authority to manage the Company is delegated to the Executive Directors and the rest of the executive management team within the limits set by the Board. Systems and procedures are in place for the Company to control, report, monitor and assess risks and their financial implications, and to take timely corrective actions where necessary. The Group's finance department carries out the monthly bank, creditor and debtor reconciliations, performs monthly debtor settlement reports, manages employee payroll, manages and administers the accounting and finance functions, prepares monthly management accounts and other data reporting and trend analysis. Regular financial budgets and strategic plans are prepared, and performance against these plans is actively monitored and reported to the directors on a regular basis.

The Board and Audit Committee are satisfied with the effectiveness of the Company's system of internal controls.

Audit Committee

The Board established an Audit Committee (the "Committee") to assist the Board in fulfilling its supervisory and monitoring responsibilities. The Committee operates according to detailed terms of reference established by the Board that reflect the requirements of the Capital Markets Rules as well as current good corporate governance best practices. These terms of reference establish the Committee's composition, role, responsibilities and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Committee, which meets at least four times a year, is a sub-committee of the Board and is directly responsible and accountable to the Board.

Corporate Governance - Statements of Compliance – continued

The primary purpose of the Committee is to assist the directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. Among other responsibilities, the Committee is responsible for supervision of the financial reporting process and monitoring the effectiveness of the Company's internal quality control and risk management system in relation to the financial reporting of the Company.

The Audit Committee is composed entirely of independent non-executive directors (each of which satisfies the independence criteria set out in the Capital Markets Rules). In accordance with the Capital Markets Rules, the member of the Audit Committee who has been designated as competent in auditing and/or accounting is Mr. Luke Coppini.

The members of the Audit Committee are:

(i) Mr. Luke Coppini (Chairman);
(ii) Mr. Edward Cachia (Member); and
(iii) Dr. Francis Galea Salomone (Member)

Relations with bondholders and the market

The Company publishes financial statements and company announcements as and when required. The Board feels these provide the market with adequate information about its activities.

Conflicts of Interest

On joining the Board and regularly thereafter, the directors and officers of the Company are informed and reminded of their obligations with respect to the disclosure of conflicts of interest and on dealing in securities of the Company within the parameters of law and the Capital Markets Rules. The Company has also set up reporting procedures in line with the Capital Markets Rules, the Code, and its internal code of dealing.

Part 2: Non-Compliance with the Code

The Board believes that, due to the Company's size, operations and particular circumstances, it is *not* necessary:

(i) to appoint a committee to carry out an evaluation of its performance, as the Board's performance is already evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself (owing to the fact that three directors are independent non-executive directors), the Company's shareholders, the market and all of the rules and regulations to which the Company is subject given its status as a listed entity;

(ii) to appoint a remuneration committee, given that the Company only employs the group's administrative team, and the Board reviews, on an annual basis, the remuneration payable to the directors whilst evaluating their performance as per (i) above, and the shareholders in turn approve the remuneration payable during the Company's annual general meeting; and

to appoint a nomination committee, given that appointments to the Board are determined by the shareholders of the Company in accordance with the nomination and appointment process set out in the Company's memorandum and articles of association.

Statements of Financial Position

	Notes	Group		Company	
		As at 31 December			
		2025	**2024**	**2025**	**2024**
		€	**€**	**€**	**€**
ASSETS					
Non-current assets					
Property, plant and equipment	5	**100,091**	131,619	**-**	-
Intangible assets	6	**3,272,444**	3,274,633	**-**	-
Right-of-use assets	6	**1,206,510**	923,218	**-**	-
Investment property	7	**3,533,301**	-	**-**	-
Investments in subsidiaries	15.2	**-**	-	**4,925,175**	4,854,835
Other investments @ FVOCI	15.3	**3,728,288**	11,418	**3,716,830**	-
Deferred tax	8	**247,692**	359,365	**-**	-
Total non-current assets		**12,088,326**	4,700,253	**8,642,005**	4,854,835
Current assets					
Trade and other receivables	9	**2,582,383**	1,285,821	**5,625,183**	527,828
Inventory	10	**1,324,302**	-	**-**	-
Current tax assets		**4,455**	4,455	**-**	-
Cash and cash equivalents	11	**5,659,427**	307,429	**5,214,326**	1,317
		9,570,567	1,597,705	**10,839,509**	529,145
Total assets		**21,658,893**	6,297,958	**19,481,514**	5,383,980
EQUITY AND LIABILITIES					
Equity					
Share capital	12	**4,218,227**	4,215,819	**4,218,227**	4,215,819
Share premium	12	**635,008**	635,008	**635,008**	635,008
Capital contribution reserve	13	**1,011,582**	20,000	**1,011,582**	20,000
Retained earnings		**1,577,709**	1,129,183	**27,229**	89,470
Other reserves	16	**(2,745,759)**	(2,701,443)	**-**	-
Fair value reserve	14	**9,958**	9,958	**-**	-
Capital and reserves attributable to owners of Dowdall Ltd		**4,706,725**	3,308,525	**5,892,046**	4,960,297
Non-controlling interests		**116,935**	95,641	**-**	-
Total equity		**4,823,660**	3,404,166	**5,892,046**	4,960,297

Statements of Financial Position - continued

	Notes	Group		Company	
		As at 31 December			
		2025	**2024**	**2025**	**2024**
		€	**€**	**€**	**€**
Non-current liabilities					
Borrowings	18	**797,136**	196,764	**732,291**	137,641
Lease liabilities	3.1.1	**953,639**	729,545	**-**	-
Trade and other payables	17	**1,900**	-	**-**	-
Debt securities in issue	18	**11,659,805**	-	**11,659,805**	-
		13,412,480	926,309	**12,392,096**	137,641
Current liabilities					
Trade and other payables	17	**2,865,542**	1,285,601	**1,134,689**	286,042
Borrowings	18	**250,493**	452,035	**62,683**	-
Lease liabilities	3.1.1	**306,718**	229,847	**-**	-
		3,422,753	1,967,483	**1,197,372**	286,042
Total liabilities		**16,835,233**	2,893,792	**13,589,468**	423,683
Total equity and liabilities		**21,658,893**	6,297,958	**19,481,514**	5,383,980

The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Board of Directors on 28 April 2026 by Dr. Francis Galea Salomone (Chairman) and Michael Mercieca (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Statement of Profit & Loss & Other Comprehensive Income

	Notes	Group		Company	
		Year ended 31 December 2025	**Year ended 31 December 2024**	**Year ended 31 December 2025**	**Year ended 31 December 2024**
		€	€	€	€
Revenue	19	**5,064,141**	3,105,137	**1,428,413**	1,114,569
Cost of sales	20	**(2,457,029)**	(1,267,600)	**-**	-
Gross profit		**2,607,112**	1,837,537	**1,428,413**	1,114,569
Administrative and other related expenses	20	**(2,435,855)**	(1,790,162)	**(1,241,142)**	(627,414)
Other income	23	**330,602**	507,820	**246,447**	-
Operating profit		**501,859**	555,195	**433,718**	487,155
Analysed as follows:					
EBITDA		**1,002,384**	785,970	**474,880**	473,282
Depreciation and amortisation		**(438,014)**	(222,226)	**(5,933)**	-
Expected credit losses		**(62,511)**	(8,539)	**(35,229)**	13,873
Operating profit		**501,859**	555,195	**433,718**	487,155
Revaluation of investment property	7	**781,875**	-	**-**	-
Finance income	24	**-**	-	**167,802**	-
Finance costs	24	**(143,590)**	(52,004)	**(171,359)**	-
Profit before tax		**1,140,144**	503,191	**430,161**	487,155
Tax expense	25	**(171,261)**	359,365	**(2,532)**	-
Profit after tax from continuing operations		**968,883**	862,556	**427,629**	487,155
Profit from discontinued operations		**-**	1,688,413	**-**	-
Profit after tax		**968,883**	2,550,969	**427,629**	487,155
Comprehensive income					
Loss for the year/period		**968,883**	2,550,969	**427,629**	487,155
Share of loss from joint venture		**(3,074)**	-	**-**	-
Total comprehensive expense/(income) for the year/period		**965,809**	2,550,969	**427,629**	487,155
Attributable to:					
Equity holders of the Company		**938,395**	2,522,043	**427,629**	487,155
Non-controlling interests		**27,414**	28,926	**-**	-
Total comprehensive expense/(income) for the year/period		**965,809**	2,550,969	**427,629**	487,155

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity - Group

	Notes	Attributable to owners of the Company								
		Share capital €	Share premium €	Other reserves €	Capital contribution Reserve €	Retained earnings €	Fair value movement €	Total €	Non-controlling interests €	Total €
Balance at 1 January 2024		4,215,819	635,008	(2,701,443)	20,000	(869,918)	9,922	1,309,388	72,835	1,382,223
Comprehensive income										
Profit for the year		-	-	-	-	2,522,043	-	2,522,043	28,926	2,550,969
Dividends paid to equity holders	27	-	-	-	-	(522,941)	-	(522,941)	(6,120)	(529,061)
Movement for the year		-	-	-	-	-	36	36	-	36
Balance at 31 December 2024		4,215,819	635,008	(2,701,443)	20,000	1,129,184	9,958	3,308,526	95,641	3,404,167
Balance at 1 January 2025		**4,215,819**	**635,008**	**(2,701,443)**	**20,000**	**1,129,184**	**9,958**	**3,308,526**	**95,641**	**3,404,167**
Comprehensive income										
Issuance of shares		**2,408**	**-**	**-**	**-**	**-**	**-**	**2,408**	**-**	**2,408**
Profit for the year		**-**	**-**	**-**	**-**	**938,395**	**-**	**938,395**	**27,414**	**965,809**
Common control reserve transfer adjustment		**-**	**-**	**(44,316)**	**-**	**-**	**-**	**(44,316)**	**-**	**(44,316)**
Reclassification of shareholders' loans to equity		**-**	**-**	**-**	**991,582**	**-**	**-**	**991,582**	**-**	**991,582**
Dividends paid to equity holders	27	**-**		**-**	**-**	**(489,870)**	**-**	**(489,870)**	**(6,120)**	**(495,990)**
Movement for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2025		**4,218,227**	**635,008**	**(2,745,759)**	**1,011,582**	**1,577,709**	**9,958**	**4,706,725**	**116,935**	**4,823,660**

Statement of Changes in Equity - Company

	Notes	Share capital €	Share premium €	Other reserves €	Capital contribution Reserve €	Retained earnings €	Total €	Non-controlling interests €	Total €
Balance at 1 January 2024		4,215,819	635,008	-	20,000	125,256	4,996,083	-	4,996,083
Comprehensive income									
Profit for the period		-	-	-	-	487,155	487,155	-	487,155
Dividends paid to equity holders	27	-	-	-	-	(522,941)	(522,941)	-	(522,941)
Balance at 31 December 2024		**4,215,819**	**635,008**	**-**	**20,000**	**89,470**	**4,960,297**	**-**	**4,960,297**
Balance at 1 January 2025		4,215,819	635,008	-	20,000	89,470	4,960,297	-	4,960,297
Comprehensive income									
Issuance of shares		2,408	-	-	-	-	2,408		2,408
Profit for the year		-	-	-	-	427,629	427,629	-	427,629
Reclassification of shareholders' loans to equity		-	-	-	991,582	-	991,582	-	991,582
Dividends paid to equity holders	27	-	-	-	-	(489,870)	(489,870)	-	(489,870)
Balance at 31 December 2025		**4,218,227**	**635,008**	**-**	**1,011,582**	**27,229**	**5,892,046**	**-**	**5,892,046**

Consolidated Statement of Cash Flows

	Notes	Group		Company	
		2025	2024	**2025**	2024
		€	€	**€**	€
Cash (used in)/generated from operations	26	**(200,951)**	1,367,924	**380,419**	100,481
Income tax paid		**(2,532**)	-	**(2,532**)	-
Net cash flows (used in)/from operating activities		**(203,483)**	1,367,924	**377,887**	100,481
Purchase of non-current assets		**(83,983)**	(109,719)	**-**	-
Acquisition of subsidiaries, net of cash acquired		**74,646**	(100)	**(70,340)**	(3,900)
Investment in associates and joint ventures		**(5,000)**	-	**(5,000)**	-
Acquisition and development of investment property		**(2,751,426)**		**-**	
Investment in financial assets		**(3,714,688)**		**(3,714,904)**	
Proceeds from disposal of discontinued operation net of cash disposed		**-**	(68,363)	**-**	-
Net cash flows used in investing activities		**(6,480,451)**	(178,182)	**(3,790,244)**	(3,900)
Proceeds from bond issue		**11,653,872**	-	**11,653,872**	-
Proceeds from borrowings		**796,695**	85,508	**796,933**	-
Increase in share capital		**-**		**2,408**	-
Payment of lease liabilities		**(285,745)**	(117,665)	**-**	-
Movement in related party balances		**165,687**	(590,898)	**(3,128,156)**	413,993
Dividends paid to owners of the Parent	27	**(376,860)**	(522,941)	**(489,870)**	(522,941)
Dividends paid to non-controlling interests		**(6,120)**	(6,120)	**-**	-
Net interest paid		**(34,695)**	(7,982)	**(171,359**)	-
Net cash flows from/(used in) financing activities		**11,912,834**	(1,160,098)	**8,663,828**	(108,948)
Net movement in cash and cash equivalents		**5,228,900**	29,644	**5,251,471**	(12,367)
Cash and cash equivalents at the beginning of the year		**275,125**	245,481	**1,324**	13,691
Cash and cash equivalents at the end of the year		**5,504,025**	275,125	**5,252,795**	1,324

Notes to the financial statements

1. Summary of material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements include the financial statements of QLZH Holding p.l.c. and its subsidiaries and are prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Financial position of the Group and the Group's cash flow forecasting process

The Group envisages that it will continue generate a significant level of earnings throughout the forthcoming financial year, through its cash generating units, which will enable the Group to manage effectively its forecasted cash flows and liquidity needs. These factors are embedded within the Group's cash flow forecasts.

Standards, interpretations and amendments to published standards effective in 2025

The Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2025.

Standards, interpretations and amendments to published standards that are not yet adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB that are not yet effective, and have not been early adopted by the Group. The Directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's and Company's financial statements in the period of initial application.

1. Summary of material accounting policies - continued

1.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where, for instance the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of acquiring the investment. Provisions are recorded where, in the opinion of the Directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1. Summary of material accounting policies - continued

1.2 Consolidation - continued

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Group's ability to control the subsidiary's financial and operating policies, as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the identifiable net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.3 Functional and presentation currency

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

1.4 Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. 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 asset 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.

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

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

1. Summary of material accounting policies - continued

1.4 Property, plant and equipment – continued

The rates of depreciation used for the current and comparative periods are as follows:

	%
Fixtures and fittings	6.67 - 10
Computer equipment	25
Motor vehicles	20
Leasehold improvements	6.67

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised in profit or loss.

1.5 Intangible assets

(a) Computer software

In determining the classification of an asset that incorporates both intangible and tangible elements, judgement is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified as property, plant and equipment and accounted for in accordance with the company's accounting policy on property, plant and equipment. Where the software is not an integral part of the related hardware, this is classified as an intangible asset and carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software classified as an intangible asset is amortised on a straight-line basis over four years.

(b) Brand name

The brand name is carried net cost and was acquired from a company with the same shareholding. The trademark classified as an intangible asset is amortised on a straight-line basis over fifty years.

1. Summary of material accounting policies - continued

1.5 Intangible assets - continued

(c) Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'.

Goodwill that is recognised separately within 'intangible assets' is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and also whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. The recoverable amount is the higher of fair value less costs to sell and value in use. Impairment losses on goodwill are not reversed.

Amortisation

Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets to their residual value over their estimated useful lives as follows:

	%
Computer software	25
Brand names	2

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

1.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or certain intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1. Summary of material accounting policies - continued

1.7 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1. Summary of material accounting policies - continued

1.7 Financial assets - continued

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For all other financial assets that are subject to impairment under IFRS 9, the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit impaired on initial recognition is classified in stage 1.

Financial assets in stage 1, have their expected credit loss measured at an amount equal to the portion of lifetime expected credit loss that results from default events possible within the next 12 months, or until contractual maturity if shorter. If the Group identifies a significant increase in credit risk since initial recognition, the asset is transferred to stage 2 and its expected credit loss is measured on a lifetime basis, that is up until contractual maturity. If the Group determines that a financial asset is credit impaired, the asset is transferred to stage 3 and the expected credit loss is measured on a lifetime credit loss basis.

1.7.1 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss allowances.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.8 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

1. Summary of material accounting policies - continued

1.9 Inventory

One of the main objects of the Company is the development of land acquired for development and resale. This development is intended in the main for resale purposes, and is accordingly classified in the financial statements as Inventory. Any elements of a project which are identified for business operation or long-term investment properties are transferred at their carrying amount to Property, plant and equipment or investment properties when such identification is made and the cost thereof can reliably be segregated.

i) The cost incurred on development works, including demolition, site clearance, excavation, construction, etc., together with the costs of ancillary activities such as site security.
ii) The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.
iii) Any borrowing costs, including imputed interest, attributable to the development phases of the project.

The purchase cost of acquiring the land represents the cash equivalent of the contracted price. This was determined at date of purchase by discounting to present value the future cash outflows comprising the purchase consideration. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

1.10 Share capital

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

1.11 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities are classified as financial liabilities measured at amortised cost, i.e. not at fair value through profit or loss under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.11.1 Trade and other payables

Trade payables comprise 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 (or in the normal operating cycle of the business if longer). 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.

1.11 Financial liabilities - continued

1.11.2 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.12 Offsetting financial instruments

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

1.13 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1. Summary of material accounting policies - continued

1.14 Provisions for legal and other claims

Provisions for legal and other claims 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 will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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 passage of time is recognised as interest expense.

1.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met as described below.

(i) Franchise and agency fees

Revenue is calculated as a percentage of franchisee sales and is recognised upon the completion of a sale or letting of a property listing by one of the franchisees' agents. This is generally considered to occur on the contract of sale of a property or letting agreement.

1.16 Leases

The Group is the lessee

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

1. Summary of material accounting policies - continued

1.16 Leases - continued

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

1. Summary of material accounting policies - continued

1.17 Dividend distribution

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

1.18 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property 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 recognised as an expense in the profit or loss account in the period as incurred.

2. 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.

3. Financial risk management

3.1 Financial risk factors

The Group's activities potentially expose it to a variety of risks: market risk, economic risk, credit risk and liquidity risk. Where possible, the board provides principles for overall risk management, as well as policies to mitigate these risks in the most prudent way.

(a) Market risk

(i) *Cash flow and fair value interest rate risk*

The interest rate profile of the Group's and the Company's interest-bearing financial instruments at the end of the reporting periods is analysed below:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Financial assets				
Bank balances	**5,698,535**	307,429	**5,250,833**	1,317
Financial liabilities				
Bank loans	**1,047,629**	130,484	**-**	-
Debt securities in issue	**11,659,805**	-	**-**	-
Other borrowings	**-**	198,791	**-**	-

The Group's significant instruments which are subject to fixed interest rates consist principally of a bank loan and a loan due to third party. In this respect, the Group is exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

3. Financial risk management - continued

3.1 Financial risk factors – continued

(a) Credit risk

Credit risk principally arises from cash and cash equivalents comprising deposits with financial institutions, loans or amounts due to related parties, as well as credit exposures from outstanding receivables. The Group's and the Company's principal exposures to credit risk as at the end of the reporting period are analysed as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Carrying amount				
Trade and other receivables	**1,290,174**	238,741	**5,403**	15,432
Cash and cash equivalents	**5,698,535**	307,429	**5,250,833**	1,317
	6,988,709	546,170	**5,256,236**	16,749

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any significant collateral as security in this respect. The figures disclosed in the table above in respect of trade and other receivables exclude prepayments.

Cash and cash equivalents

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

Trade and other receivables

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they posses share credit risk characteristics. They have been grouped based on the days past due.

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

On the above basis the expected credit loss for trade receivables as at 31 December 2024 was determined as follows:

3. Financial risk management - continued

3.1 Financial risk factors – continued

(a) Credit risk – continued

Trade and other receivables - continued

Other financial assets amortised at Group level include amounts due to related companies. The closing balance of the other receivables at amortised costs loss allowance as at 31 December 2024 reconciles with the other receivables at amortised costs loss allowance opening balance as follows:

Group - 2024	**Days past due – simplified approach**					
Trade receivables	**Not past due**	**31-59 Days**	**60-89 Days**	**90-119 Days**	**>120**	**Total**
Expected credit loss rate	0.81%	2.00%	3.20%	9.87%	17.30%	
Estimated total gross carrying amount at default	225,857	27,436	7,615	-	46,018	306,926
Lifetime ECL at 31 December 2024	- 1,829	- 409	- 244	-	- 7,961	- 10,443
Net carrying amount at 31 December 2024	224,028	27,027	7,371	-	38,057	296,483

Group - 2025	**Days past due – simplified approach**					
Trade receivables	**Not past due**	**31-59 Days**	**60-89 Days**	**90-119 Days**	**>120**	**Total**
Expected credit loss rate	0.81%	2.00%	3.20%	9.87%	17.30%	
Estimated total gross carrying amount at default	**260,062**	**7,566**	**6,098**	**-**	**93,802**	**367,528**
Lifetime ECL at 31 December 2024	**(2,107)**	**(112)**	**(195)**	**-**	**(16,228)**	**(18,642)**
Net carrying amount at 31 December 2024	**257,955**	**7,454**	**5,903**	**-**	**77,574**	**348,886**

3. Financial risk management - continued

3.1 Financial risk factors – continued

(a) Credit risk – continued

Trade and other receivables - continued

Company - 2024	**Days past due – simplified approach**					
Trade receivables	**Not past due**	**31-59 Days**	**60-89 Days**	**90-119 Days**	**>120**	**Total**
Expected credit loss rate	0.81%	1.49%	3.20%	9.87%	17.30%	
Estimated total gross carrying amount at default	4,394	-	-	1,154	9,772	15,320
Lifetime ECL at 31 December 2024	(36)	-	-	(114)	(1,691)	(1,841)
Net carrying amount at 31 December 2024	4,358	-	-	1,040	8,081	13,479

Company - 2025	**Days past due – simplified approach**					
Trade receivables	**Not past due**	**31-59 Days**	**60-89 Days**	**90-119 Days**	**>120**	**Total**
Expected credit loss rate	0.81%	1.49%	3.20%	9.87%	17.30%	
Estimated total gross carrying amount at default	**5,045**	**764**	**-**	**-**	**-**	**5,809**
Lifetime ECL at 31 December 2025	**(41)**	**(11)**	**-**	**-**	**-**	**(52)**
Net carrying amount at 31 December 2025	**5,004**	**753**	**-**	**-**	**-**	**5,757**

3. Financial risk management - continued

3.1 Financial risk factors – continued

(a) Credit risk – continued

Other financial assets amortised at Group level include amounts due to related companies. The closing balance of the other receivables at amortised costs loss allowance as at 31 December 2025 reconciles with the other receivables at amortised costs loss allowance opening balance as follows:

Group	Other receivables €
Opening loss allowance at 1 January 2025	-
For the year	27,693
	27,693

Company	Other receivables €
Opening loss allowance at 1 January 2025	-
Reversal of previous loss allowance	-
	-

Group	Other receivables At amortised cost €
Opening loss allowance at 1 January 2025	1,545
For the year	55,774
	57,319

Company	Other receivables At amortised cost €
Opening loss allowance at 1 January 2025	824
Reversal of previous loss allowance	10,479
	11,303

(b) Liquidity risk

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

Management monitors liquidity risk by reviewing expected cash flows through cash flow forecasts, and ensures that no additional financing facilities are expected to be required over the coming year. This is performed at a central treasury function, which controls the overall liquidity requirements of the Group within certain parameters.

3. Financial risk management - continued

3.1.1 Financial risk factors – continued

(b) Liquidity risk – continued

Group	Carrying amount €	Contractual cashflows €	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	After 5 years €
Bank loans	98,180	111,028	9,806	19,613	73,789	7,820
Trade and other payables	1,285,599	1,285,599	1,285,599	-	-	-
Lease liabilities	959,391	1,076,482	106,722	149,411	820,349	-
Loans to third party	198,791	198,791	2,027	-	196,764	-
Loans to related company	393,020	393,020	393,020	-	-	-
31 December 2024	2,934,981	3,064,920	1,797,174	169,024	1,090,902	7,820
Bank loans	**894,875**	**1,133,665**	**-**	**266,078**	**360,053**	**507,534**
Trade and other payables	**2,802,641**	**2,802,641**	**2,802,641**	**-**	**-**	**-**
Lease liabilities	**1,260,357**	**1,465,932**	**65,365**	**346,086**	**971,913**	**82,569**
Loans to third party	**-**	**-**	**-**	**-**	**-**	**-**
Loans to related company	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2025	**4,957,873**	**5,402,238**	**2,868,006**	**612,164**	**1,331,966**	**590,103**

Company	Carrying amount €	Contractual cashflows €	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	After 5 years €
Trade and other payables	**286,042**	**286,042**	**286,042**	**-**	**-**	**-**
31 December 2024	**286,042**	**286,042**	**286,042**	**-**	**-**	**-**
Trade and other payables	**1,134,692**	**1,134,692**	**1,134,692**	-	-	-
31 December 2025	**1,134,692**	**1,134,692**	**1,134,692**	-	-	-

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions present a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group's management also makes judgements, apart from those involving estimations, in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognised in the financial statements.

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

4. Critical accounting estimates and judgements - continued

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions present a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group's management also makes judgements, apart from those involving estimations, in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognised in the financial statements.

4.1 Impairment testing

IFRSs require management to undertake an annual test for impairment of goodwill and non-financial assets having an indefinite useful life, and require management to test for impairment if events or changes in circumstances indicate that the carrying amount of a non-financial asset having a finite useful life may not be recoverable. For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). The Group also assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets or cash-generating units can be supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections, which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, in particular those derived from the Group's cash-generating units, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in earnings before interest, taxation, depreciation and amortisation (EBITDA), long-term growth rates, and the selection of discount rates to reflect the risks involved. Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results.

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The useful lives and residual values of the Group's property, plant and equipment are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Assessment of matters referred to above

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements, which have been highlighted above, are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

The Directors also draw attention to the fact that there are no assumptions and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Property, plant and equipment

Group

	Leasehold Improvements	Fixtures and Fittings	Airconditioners	Computer Equipment	Motor Vehicles	Total
Year ended 31 December 2024						
Opening net book amount	6,279	40,315	-	4,960	80,999	132,553
Additions	-	5,386	4,769	5,940	35,334	51,429
Depreciation	(855)	(10,341)	(795)	(4,738)	(35,634)	(52,363)
Closing net book amount	5,424	35,360	3,974	6,162	80,699	131,619
At 31 December 2024						
Cost	12,806	108,785	4,769	34,603	191,301	352,264
Accumulated depreciation	(7,382)	(73,425)	(795)	(28,441)	(110,602)	(220,645)
Net book amount	5,424	35,360	3,974	6,162	80,699	131,619
Year ended 31 December 2025						
Opening net book amount	**5,424**	**35,360**	**3,974**	**6,162**	**80,699**	**131,619**
Acquired through business combination	**-**	**15,954**	**-**	**190**	**-**	**16,144**
Additions	**-**	**7,675**	**-**	**1,302**	**407**	**9,384**
Depreciation	**(854)**	**(16,198)**	**(797)**	**(3,574)**	**(35,633)**	**(57,056)**
Closing net book amount	**4,570**	**42,791**	**3,177**	**4,080**	**45,473**	**100,091**
At 31 December 2025						
Cost	**12,806**	**174,495**	**4,769**	**38,858**	**191,708**	**422,636**
Accumulated depreciation	**(8,236)**	**(131,704)**	**(1,592)**	**(34,778)**	**(146,235)**	**(322,545)**
Net book amount	**4,570**	**42,791**	**3,177**	**4,080**	**45,473**	**100,091**

6. Intangible assets

Group

	Software	Brand names	Goodwill	Total
	EUR	EUR	EUR	EUR
At 1 January 2024				
Cost	250,478	619,930	2,587,150	3,458,265
Accumulated amortisation	(167,027)	(12,399)	-	(179,426)
Net book amount	83,451	607,531	2,587,150	3,278,839
Year ended 31 December 2024				
Opening net book amount	83,451	607,531	2,587,150	3,278,839
Additions	59,250	-	-	59,250
Release on disposal of subsidiary	-	-	(960)	(960)
Amortisation	(50,098)	(12,398)	-	(62,496)
Closing net book amount	92,603	595,133	2,586,897	3,274,633
At 31 December 2024				
Cost	309,728	619,930	2,586,897	3,516,555
Accumulated amortisation	(217,125)	(24,797)	-	(241,922)
Net book amount	92,603	595,133	2,586,897	3,274,633
Year ended 31 December 2025				
Opening net book amount	**92,603**	**595,133**	**2,586,897**	**3,274,633**
Additions	**74,600**	**-**	**-**	**74,600**
Amortisation	**(64,389)**	**(12,399)**	**-**	**(76,788)**
Closing net book amount	**102,814**	**582,734**	**2,586,897**	**3,272,445**
At 31 December 2025				
Cost	**384,328**	**619,930**	**2,586,897**	**3,591,155**
Accumulated amortisation	**(281,514)**	**(37,196)**	**-**	**(318,710)**
Net book amount	**102,814**	**582,734**	**2,586,897**	**3,272,445**

6. Intangible assets – continued

6.1 Impairment testing

Goodwill is allocated to the following cash-generating units (CGUs), which represent the lowest level within the Group at which goodwill is monitored for internal management purposes:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Goodwill allocated to operating segments:				
Dowdall ZH Limited	**508,336**	508,336	**-**	-
Quicklets Property Management Ltd	**2,078,075**	2,078,075	**-**	-
QLC Real Estate Ltd	**486**	486	**-**	-
	2,586,897	2,586,897	**-**	-

The Group tests cash-generating units with goodwill annually for impairment, or more frequently if there is an indication that a cash-generating unit to which goodwill has been allocated may be impaired. The recoverable amount of a cash generating unit is the higher of the cash-generating unit's fair value less cost of disposal ('FVLCD') and its value-in-use.

For the year ended 31 December 2025 and 31 December 2024, the recoverable amounts for all CGUs exceeded their carrying values, and therefore no impairment loss was recognised.

Method of valuation

For the purpose of impairment testing for the three entities, the recoverable amount was determined using the value in use method:

- a pre-tax discount rate of 5.5% was applied to projected cash flows over a five-year forecast period. The discount rate was determined based on a weighted average cost of capital (WACC) that reflects the specific risks relating to each CGU.
- a terminal growth rate of 3% was applied beyond the forecast period, using the Gordon Growth Model to estimate terminal value. Cash flow projections were based on financial budgets approved by management, incorporating revenue growth assumptions of 5% to 10% per annum and stable gross margins based on past performance and industry outlooks.

Management also performed sensitivity analysis on key assumptions, including the discount rate and revenue growth rates. Based on these analyses, no reasonably possible change in assumptions would cause the carrying amount of any CGU to exceed its recoverable amount.

6. Right of Use Assets

Group

	Investment Property	Property
	€	€
At 1 January 2024		
Cost	-	391,082
Accumulated amortisation	-	(27,220)
Net book amount	**-**	363,862
Year ended 31 December 2024		
Opening net book amount	-	363,862
Additions	666,723	-
Amortisation	(24,279)	(83,088)
Closing net book amount	642,444	280,774
At 31 December 2024		
Cost	666,723	391,082
Accumulated amortisation	(24,279)	(110,308)
Net book amount	642,444	280,774
Year ended 31 December 2025		
Opening net book amount	**642,444**	**280,774**
Additions	**393,025**	**-**
Acquired through business combination	**-**	**272,237**
Release upon disposal	**(83,732)**	**-**
Amortisation	**(160,702)**	**(137,535)**
Closing net book amount	**791,034**	**415,476**
At 31 December 2025		
Cost	**963,376**	**772,213**
Accumulated amortisation	**(172,342)**	**(356,737)**
Net book amount	**791,034**	**415,476**

7. Investment property

Year ended 31 December 2025	Group	Company
	€	€
Opening net book amount	**-**	**-**
Additions	**2,751,426**	**-**
Revaluation gain	**781,875**	**-**
Closing net book amount	**3,533,301**	**-**

During the current financial reporting period, the group acquired several properties for redevelopment into residential apartments and a guesthouse for long term and short term rental purposes.

8. Deferred tax asset

Deferred 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 realised or the liability is settled based on tax rates (and tax laws) that have been substantively enacted by the end of the reporting period.

The balance at 31 December represents temporary differences attributable to:

	Group	
	2025	2024
	€	€
Amortisation of intangible assets	22,948	(256,917)
Unabsorbed losses and capital allowances	224,744	616,282
	247,692	359,365

9. Trade and other receivables

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Trade receivables	**325,491**	277,327	**5,455**	13,556
Amounts due from shareholders	**126,100**	464,233	**-**	-
Amounts due from related parties	**1,478,152**	508,640	**5,567,925**	514,158
Prepayments and accrued income	**409,865**	24,207	**20,243**	-
Other receivables	**242,775**	11,414	**31,560**	114
	2,582,383	1,285,821	**5,625,183**	527,828

The amounts due from shareholders and related parties are unsecured, interest free and repayable on demand.

10. Inventory

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Property for redevelopment	**1,324,302**	-	**-**	-

During the current financial reporting period, the Group acquired a property for redevelopment into residential apartments and will be sold upon completion.

11. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Bank deposits	**5,698,535**	309,429	**5,250,833**	1,323
Less expected credit losses	**(39,108)**	(1,998)	**(36,507)**	(6)
	5,659,427	307,429	**5,214,326**	1,317

12. Share capital

	Company	
	2025	**2024**
Authorised	**€**	**€**
789,600 Ordinary 'A' shares of €1 each	789,600	789,600
3,180,960 Ordinary 'B' shares of €1 each	3,180,960	3,180,960
246,667 Non-redeemable preference shares	246,667	246,667
1,000 Ordinary 'C' shares of €1 each	1,000	-
Closing net book amount	**4,218,227**	**4,217,227**
Issued and fully paid up	**€**	**€**
789,600 Ordinary 'A' shares of €1 each	789,600	789,250
3,180,960 Ordinary 'B' shares of €1 each	3,180,960	3,179,550
246,667 Non-redeemable preference shares	246,667	246,667
1,000 Ordinary 'C' shares of €1 each	1,000	-
Closing net book amount	**4,218,227**	**4,215,819**

13. Capital contribution reserve

During the previous financial periods, the Company received a capital contribution from its shareholders amounting to €20,000 in order to strengthen the financial position of the Company.

During the current financial reporting period, there was an increase of €991,582 which represents loans from shareholders. These loans are interest free, have no fixed date of repayment and are only repayable at the option of the company. These loans are expected to be capitalised during the financial year ending 31 December 2026.

14. Fair value reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15. Investments

15.1 Composition of the Group

	Registered office	2025	2024
Quicklets Property Management Ltd	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	100%
Dowdall (QL) IP Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	100%
Dowdall Holdings (ZH) Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**89.80%**	89.80%
Dowdall (ZH) Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**89.80%**	89.80%
Dowdall Developments Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	100%
Dowdall Lease Management Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	100%
Dowdall (Real Estate) Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	-
QLZH Developments Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	-
Merci Development Limited	Cali House, 3rd Floor, Vjal ir-Rihan San Gwann	**100%**	100%

Quicklets Property Management Ltd has further subsidiaries as per below:

	Registered office	2025	2024
QLC Real Estate Limited	Zanzi Homes, Birkirkara Hill, San Giljan	**87.5%**	87.5%

15.2 Investments in subsidiaries

	Company	
	2025	2024
	€	€
Opening balance	**4,854,835**	4,850,935
Additions	**70,340**	3,900
Closing balance	**4,925,175**	4,854,835

15.3 Other investments at FVOCI

	Group	Company
	€	**€**
At at 1 January 2024	11,317	-
Fair value movement	101	-
At 31 December 2024	11,418	**-**
At 1 January 2025	**11,418**	**-**
Additions	**3,716,870**	**3,716,830**
At 31 December 2025	**3,728,288**	**3,716,830**

16. Business combinations

Dowdall (Real Estate) Limited:

On 4 June 2025, QLZH Holding p.l.c acquired 100% of the issued share capital of Dowdall (Real Estate) Limited (C 63332), a property agency company operating in Malta. The total consideration payable for the subscription of shares was €68,250.

	€
Fair value of 100% equity holding in Dowdall (Real Estate Limited)	68,250

The assets and liabilities recognised as a result of the acquisition are as follows:

	€
Property, plant and equipment	16,144
Other investments	36
Trade and other receivables	1,251,987
Cash and cash equivalents	117,989
Trade and other payables	(1,312,020)
Current tax liability	(2,504)
Net asset value as at acquisition date	71,632
Net assets acquired	**71,632**

QLZH Developments Ltd.

On 9 May 2025, QLZH pl.c. acquired 90.4% of the issued share capital of QLZH Developments Ltd. (C 108591), a property development company operating in Malta. The total consideration payable for the subscription of shares was €1,890.

The remaining 9.6% of the issued share capital of QLZH Developments Ltd. was acquired by QLZH p.l.c. on 10 November 2025 for €200.

	€
QLZH Developments Ltd acquisition value:	2,090

Details of the purchase consideration as at 9 May 2025 are as follows:

	€
Loan receivable	141,000
Cash and cash equivalents	29,091
Inventory	25,512
Trade and other payables	(241,210)
Net liabilities acquired	**(45,608)**

17. Trade and other payables

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current				
Other payables	**1,900**	-	**-**	-
	1,900	-	**-**	-
Current				
Trade and other payables	**340,763**	264,679	**76,640**	2,262
Amounts due to related parties	**414,985**	-	**521,727**	-
Indirect taxation	**802,320**	638,997	**318,642**	257,011
Advances from customers	**268,000**	-	**-**	-
Other payables	**297,512**	127,779	**415**	2,414
Accruals and deferred income	**741,962**	254,146	**217,265**	24,355
	2,865,542	1,285,601	**1,134,689**	286,042

The amounts due to related parties are unsecured, interest free and repayable on demand.

18. Borrowings

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current				
Loan to third party	**-**	196,764	**-**	-
Loan to related party	**-**	-	**-**	**137,641**
Bank loan	**797,136**	73,496	**732,291**	-
	797,136	270,260	**732,291**	-
Current				
Loan to third party	**-**	2,027	**-**	-
Related party balance	**-**	393,020	**-**	-
Bank loans	**97,739**	24,684	**62,683**	-
Bank overdraft	**152,754**	32,304	**-**	
	250,493	452,035	**62,683**	-

18. Borrowings - continued

Debt securities in issue

The bonds are measured at the amount of net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds.

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Face value				
5.5% Secured Callable Bonds 2030-2035	**12,000,000**	-	**12,000,000**	-
Bond issue costs	**(340,195)**	-	**(340,195)**	-
Amortised cost	**11,659,805**	-	**11,659,805**	-

On 24 July 2025, QLZH Holding p.l.c. issued up to 6,800,000 5.5% (Tranche 1) secured callable bonds 2030-2035 of a nominal value of €100 per Bond issued at par. The bond interest is payable annually in arrears on 22 July of each year, with the first interest payment due on 22 July 2026.

Furthermore, on 4 December 2025, QLZH Holding p.l.c. issued up to 5,200,000 5.5% (Tranche 2) secured callable bonds 2030-2035 of a nominal value of €100 per Bond issued at par. The bond interest is payable annually in arrears on 22 July of each year, with the first interest payment due on 22 July 2026.

19. Revenue

Revenue represents agency fees on property sales and letting of residential and commercial properties generated from various branches. The parent company income is derived from dividends receivable and wages recharged to group entities and to related entities outside the group.

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Agency fees	**4,580,446**	3,105,137	**-**	-
Property management and sub-letting income	**483,695**	-	**-**	-
Dividends received	**-**	-	**591,370**	506,609
Wages recharges	**-**	-	**837,043**	607,960
	5,064,141	3,105,137	**1,428,413**	1,114,569

20. Expenses by nature

The operating profit for the period is stated after charging the following:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Cost of sales	**2,806,072**	1,267,600	**-**	-
Employee benefit expense	**837,043**	610,388	**837,043**	467,445
Depreciation of property, plant and equipment (Note 5)	**57,056**	52,363	**-**	-
Amortisation of intangible assets (Note 6)	**76,788**	62,496	**5,933**	-
Depreciation of right of use assets (Note 6)	**298,237**	107,367	**-**	-
Impairment of investment in financial assets	**-**	36	**-**	-
Annual statutory audit fees	**41,500**	32,826	**3,500**	3,600
Other	**776,188**	924,686	**394,666**	30,149
Total cost of sales, administrative and other related expenses	**4,892,884**	3,057,762	**1,241,142**	501,194

21. Employee benefit expense

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Wages and salaries	**784,843**	570,908	**784,843**	569,484
Social security costs	**52,200**	39,480	**52,200**	38,476
Total employee benefit expense	**837,043**	610,388	**837,043**	607,960

The average number of persons employed by the Group and the Company during the period amounted to 24 and 24 respectively (2024: 19 and 13 respectively).

22. Directors' emoluments

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Fees	**45,500**	-	**45,500**	-

Directors' emoluments are included within 'administrative and other related expenses'.

23. Other income

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Management fees and recharges of expenses	**330,602**	507,820	**229,783**	-
Other income	**-**	-	**16,664**	-

24. Finance costs

	Group		Company	
	2025	2024	**2025**	2024
	€	**€**	**€**	**€**
Bank loan interest	**7,039**	7,982	**3,557**	-
Bond interest	**46,807**	-	**167,802**	-
Bank charges	**-**	9,265	**-**	-
Other interest	**36,648**	13,578	**-**	-
Finance cost on finance lease	**53,096**	21,179	**-**	-
	143,590	52,004	**171,359**	-

25. Tax expense

	Group		Company	
	2025	2024	**2025**	2024
Current tax	**€**	€	**€**	€
Deferred tax	**168,729**	(359,365)	**-**	-
Current tax	**-**	-	**-**	-
Witholding tax	**2,532**	-	**2,532**	-
Current tax expense	**171,261**	(359,365)	**2,532**	-

25. Tax expense – continued

The accounting profits and the tax charge for the year are reconciled as shown hereunder:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Profit for the year	**1,140,144**	503,191	**430,161**	487,155
Tax on profit at 35% applicable to taxable profits in Malta	**399,050**	176,117	**150,556**	170,504
Tax effect of:				
Disallowed expenses	**191,019**	35,436	**58,956**	6,808
Income exempt from tax	**(206,980)**	-	**(206,980)**	(177,312)
Gain on revaluation	**(273,656)**	-	-	-
Rental Income taxed at source	**(3,376)**	-	-	-
Other adjustment	**3,740**	-	-	-
Deferred tax not recognized	**61,464**	(570,918)	-	-
	171,261	(359,365)	**2,532**	-

26. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Profit after tax	965,809	862,556	**427,628**	487,155
Loss from discontinued operations	-	1,688,413	**-**	-
Adjustments for:				
Tax expense	171,261	(359,365)	**2,532**	-
Depreciation and amortization	438,014	222,226	**-**	-
Amortization of bond issue cost	-	-	**5,933**	-
Finance lease modification	(3,000)		**-**	
Finance lease interest	53,096	21,179	**-**	-
Net interest cost	90,495	7,982	**171,359**	-
Expected credit losses	25,401	8,539	**45,268**	(13,873)
Dividends received	-	-	**(591,370)**	(506,609)
Revaluation gains	(781,875)	-	**-**	-
Share of losses in joint venture	3,074	-	**3,074**	-
Changes in working capital:				
Inventory	(1,298,790)	-	**-**	-
Trade and other receivables	(669,376)	1,125,622	**(10,730)**	(14,013)
Trade and other payables	804,940	(2,209,228)	**326,725**	147,821
Cash (used in)/generated from operations	(200,951)	1,367,924	**380,419**	100,481

27. Related party transactions

Companies having the same shareholders and directors are considered by the directors to be related parties.

During the course of the period, the Company and the Group entered into transactions with related undertakings all of which arise in the ordinary course of business. The related party transactions were:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Income				
Dividend income	-	-	**591,370**	506,909
Management fees to related companies outside the group	**198,240**	182,000	**-**	-
Wages recharged to group entities	-	59,340	**837,043**	607,947

Balances due to/from shareholders and related parties are disclosed in Notes 9, 17 and 18 respectively. During the year, the parent company declared dividends amounting to EUR 489,870 to its shareholders (2024: EUR 522,941).

28. Statutory information

QLZH Holding p.l.c. is a limited liability company and is incorporated in Malta, with its registered address at Cali House, 3rd Floor, Vjal ir-Rihan, San Gwann, SGN 9020, Malta.

The parent company of QLZH Holding p.l.c. Is Valletta Hub Limited, a company registered in Malta, with its registered address at Cali House, 3rd Floor, Vjal ir-Rihan, San Gwann, SGN 9020, Malta.

The directors consider the ultimate controlling party to be Mr. Stephen Mercieca.

QLZH Holding p.l.c.

Independent Auditors' Report

To the shareholders of QLZH Holding p.l.c.

Opinion

We have audited the accompanying consolidated financial statements of QLZH Holding p.l.c., set out on pages 4 to 40, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and parent company financial statements of QLZH Holding p.l.c. give a true and fair view of the Group's and the Parent Company's financial position as at 31 December 2025, and of the Group's and the Parent Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We 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 consolidated financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditors' Report (continued)

Key Audit Matters (continued)

Impairment Assessment of Goodwill – note 6
The Group's consolidated statement of financial position includes goodwill of €2.6 million, representing approximately 55% of total non-current assets. In accordance with IAS 36 *Impairment of Assets*, goodwill is required to be tested for impairment annually or more frequently if indicators of impairment are identified.

Management determined the recoverable amount of the cash-generating unit (CGU) to which goodwill is allocated based on its value in use, using a discounted cash flow model. This assessment involves significant judgment in respect of key assumptions, including forecast revenue growth rates, operating margins, and the discount rate applied. Due to the materiality of the goodwill balance and the sensitivity of the value in use calculation to these assumptions, we considered this to be a key audit matter.
Our audit procedures included:

- Evaluating the design and implementation of relevant controls over the impairment assessment process.
- Assessing the valuation methodology used by management in estimating the recoverable amount.
- Testing the reasonableness of key assumptions, including forecast revenues and margins, by reference to historical results and external market data.
- Performing sensitivity analyses on key assumptions to evaluate the impact of reasonably possible changes.
- Evaluating the adequacy of the disclosures made in Note 6, particularly in relation to the key assumptions and sensitivities.

Borrowings – Note 18
The Group has issued a bond on the capital market, which represents a significant portion of its financial liabilities and is material to the consolidated financial statements. The accounting for this bond requires consideration of the completeness and accuracy of the recorded liability, the recognition of interest expense using the effective interest method, and the amortisation of transaction costs over the term of the instrument. Accordingly, this area was considered to be a key audit matter.

Our audit procedures in this area included, among others:

- Obtaining an understanding of the bond issuance and reviewing relevant contractual documentation to assess the terms and conditions of the instrument;
- Testing the completeness and accuracy of the bond balance recorded in the financial statements;
- Evaluating the application of the effective interest method, including recalculating interest expense and accruals; and
- Assessing the accounting treatment and amortisation of bond issue costs in accordance with applicable financial reporting standards.

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Independent Auditors' Report (continued)

Other Information

The directors are responsible for the other information. The other information comprises of Company Information and the Report of the Directors. Our opinion on the consolidated financial statements does not cover this information. 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the Maltese Companies Act (Cap.386).

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

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Independent Auditors' Report (continued)

Responsibilities of the Directors

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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Independent Auditors' Report (continued)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Corporate Governance

The Prospects MTF Rules of the Malta Stock Exchange require the Directors to prepare and include in their Annual Report a Statement of Compliance 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 throughout the accounting period with those Principles.

The Prospects MTF Rules of the Malta Stock Exchange also require the auditors to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications 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 any other information included in the annual return.

We read the Statement of Compliance and consider the implications 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 any other information included in the annual return.

In our opinion, the Statement of Compliance set out on pages 4 to 8 has been properly prepared in accordance with the requirements of the Prospects MTF Rules of the Malta Stock Exchange.

We also read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

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Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Market 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 QLZH Holding p.l.c for the year then ended 31 December 2025, entirely prepared in a single electronic reporting format.

Responsibility of the directors

The directors are responsible for the preparation of the annual financial report and the relevant mark-up requirements therein, by reference to Capital Market 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 and the relevant electronic tagging therein comply 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.

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.

Examining the information in the annual financial report to determine whether all the required tagging 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.

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Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

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

We have responsibilities under the Companies Act (Cap. 386) enacted in Malta to report to you if, in our opinion:

- The information given in the Report of the Directors is not consistent with the consolidated financial statements.
- 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.
- 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.

Bernard Charles Gauci (Partner) for and on behalf of

CLA Malta
Certified Public Accountants

Msida
Malta

28 April 2026

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