

**METTMANN PUBLIC COMPANY
LIMITED**
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
Year ended 31 December 2025

METTMANN PUBLIC COMPANY LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

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METTMANN PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Aleksandr Mizgunov
Oxana Hadjipavlou (resigned 04/03/2025)
Natalia Nazarova (appointed 04/03/2025)

Company Secretary:

Fidusol Ltd

Independent Auditors:

Axion M.P. Audit, Tax & Assurance Ltd
Chartered Certified Accountants and Registered Auditors
23 Louki Akrita str., 7th floor, Office 202
1100 Ag. Andreas, Nicosia, Cyprus

Registered office:

67, Spyrou Araouzou,
Ulysses House
Floor 2, Office 202
3036 Limassol, Cyprus

METTMANN PUBLIC COMPANY LIMITED

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the parent company Mettmann Public Company Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are unchanged from last year, are that of interest earning activities, holding of land, equity investments, purchase, sale, lease, development and construction of real estates.

Review of current position, future developments and performance of the Group's business

The net loss of the Group for the year amounted to (€1,089,526) (2024: (€1,356,122)). As of 31 December 2025, the total assets of the Group were €94,642,864 (2024: €88,052,832) and the net assets of the Group were €2,536,080 (2024: €3,630,334). The financial position, development and performance of the Group as presented in the consolidated financial statements are in line with the Board of Directors' expectations.

The Group continuously pursues new investments opportunities.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group, including the Group's exposure to financial risks, are disclosed in Notes 6, 7 and 28 of the consolidated financial statements.

Use of financial instruments by the Group

The Group's activities expose it to a variety of financial risks including currency risk, interest rate risk, credit risk and liquidity risk. For more information about financial risk factors and the Group's financial risk management policies as well as the use of financial instruments by the Group refer to Note 6 of the consolidated financial statements.

Existence of branches

The Group does not maintain any branches.

Results and Dividends

The Group's results for the year are set out on page 9. The Board of Directors of the parent company, following consideration of the availability of profits for distribution as well as the liquidity position of the parent company as of the sign-off date of these consolidated financial statements, does not recommend the payment of a dividend.

Share capital

There were no changes in the share capital of the Company during the year under review.

Changes in Group structure

There were no changes in the Group structure during the year under review, other than as disclosed in Note 20 of the consolidated financial statements.

Corporate Governance Code

The Board of Directors, as at the date of this Consolidated Management Report, has decided to partially adopt the Corporate Governance Code. The main reason for the partial adoption is that the cost of full implementation as per the provisions of the Corporate Governance Code would be disproportionate to the identified benefits from its implementation. The Board of Directors ensures adequate and robust internal control and risk management procedures for the preparation of the periodic information required for listed companies

METTMANN PUBLIC COMPANY LIMITED

CONSOLIDATED MANAGEMENT REPORT

Board of Directors

The members of the Group's Board of Directors as at 31 December 2025 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Percentages of Major Shareholders including Directors' interests

The table below indicates the percentages of the Shareholders of the Company's issued share capital as at 31 December 2025:

Shareholders	31 December 2025	
	Number of ordinary shares	% held
Zvonko Mickovic	82 500	82.5%
Zvonko Invest Limited	10 277	10.28%
Aleksandr Mizgunov	2 853	2.85%
Other shareholders	4 370	4.37%
Total	100 000	100%

Except for the balances and transactions disclosed in Note 30 of the financial statements, there were no other significant contracts with the Company or related companies, in which the Directors or related parties has a significant interest.

There are no other major shareholders holding more than 5% of the Company's issued share capital.

Operating Environment of the Group

Any significant events that relate to the operating environment of the Group are described in Note 28 to the consolidated Group financial statements.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in Note 32 to the consolidated Group financial statements.

Independent Auditors

The Independent Auditors, Axion M.P. Audit, Tax & Assurance Ltd, who were appointed in replacement of the previous auditors, MKS Audit & Consulting Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,


Aleksandr Mizgunov, FCCA
Director

Limassol, 26 May 2026



Independent Auditor's Report

To the Members of Mettmann Public Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mettmann Public Company Limited (the "Company") and its subsidiaries (the "Group"), which are presented in pages 9 to 44 and comprise the consolidated statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 relating to consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We remained independent of the Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Independent Auditor's Report (continued)

To the Members of Mettmann Public Company Limited

Expected Credit Losses	How our audit addressed the Key Audit Matter
<p>Estimation of Expected Credit Losses (ECLs) on loans receivable</p> <p>The Group's Management estimates the credit allowance provisions on loans receivable using a three-stage ECL model in line with the requirements of IFRS 9 'Financial Instruments'.</p> <p>We focused on this area due to the following:</p> <ul style="list-style-type: none"> • The size of the Group's loans receivable which represent 90% of the Group's total assets as at 31 December 2025, and • The estimation of ECLs on loans receivable involves significant judgements and key assumptions in relation to the Probabilities of Default (PDs) and Loss Given Defaults (LGDs). • For detailed information on the estimation of ECLs on loans receivable as well as the Group's credit management processes and credit risk exposures, refer to Notes 4, 6.2, 6.3, 7 and 20 of the consolidated financial statements. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding and evaluating the appropriateness of the Group's three-stage methodology for estimating credit allowance provisions on loans receivable, and the key inputs and assumptions used in performing such assessment. • Evaluating the appropriateness and reasonableness of the inputs and key assumptions used in the estimation of ECLs on loans receivable, including, amongst others: <ul style="list-style-type: none"> i) Reviewing the terms of loan agreements to confirm the Group's rights for collaterals and the seniority of the Group's lending exposures; and ii) Evaluating the valuations performed by external real estate valuation experts for the properties for which the Group has rights to create collaterals as security for the Group's lending exposures. • Testing the accuracy of the ECL estimates on the Group's loans receivable as at 31 December 2025. • Assessing the adequacy of the disclosures made in Notes 4, 6.2, 6.3, 7, and 20 of the consolidated financial statements in accordance with the requirements of the relevant IFRSs. <p>Based on the evidence obtained, we concluded that the methodology, inputs and key assumptions used by the Management in the estimation of ECLs on the Group's loans receivable as at 31 December 2025 and the related disclosures made in the consolidated financial statements were appropriate.</p>

Independent Auditor's Report (continued)

To the Members of Mettmann Public Company Limited

Reporting on Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 consolidated financial statements.



Independent Auditor's Report (continued)

To the Members of Mettmann Public Company Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report (continued)

To the Members of Mettmann Public Company Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Marios Phedonos.

Comparative figures

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 30 April 2025.



Marios Phedonos
Certified Public Accountant and Registered Auditor for and on behalf of
Axion Audit, Tax & Assurance Limited
Certified Public Accountants & Registered Auditors

Nicosia, 26 May 2026

METTMANN PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	2025 €	2024 €
Loan interest income	20	4,707,767	3,865,845
Interest expense	24	(3,166,598)	(2,649,979)
Net interest income		1,541,169	1,215,866
Dividend income	29.2	325,000	-
Other income		12,000	-
Reversal of impairment losses on financial assets	8	-	83,963
Administration expenses	9	(2,020,240)	(1,237,200)
Other expenses	10	(25,566)	(27,886)
Share of post-tax losses of associates accounted for using the equity method	19	(904,628)	(1,330,813)
Operating loss		(1,072,265)	(1,296,070)
Finance costs - net	12	(19,542)	(19,591)
Loss before income tax		(1,091,807)	(1,315,661)
Income tax expense – current year		(749)	(40,461)
Income tax credit – prior year		3,030	-
Net loss for the year		(1,089,526)	(1,356,122)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,089,526)	(1,356,122)
Basic and diluted losses per share attributable to equity holders of the parent	14	(10.90)	(13.56)

The notes on pages 13 to 43 form an integral part of these consolidated financial statements.


METTMANN PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2025

ASSETS	Note	2025 €	2024 €
Non-current assets			
Property, plant and equipment	16	203,390	363,414
Right-of-use assets	17	88,151	23,909
Investment property	18	2,366,147	2,366,147
Investments in associates	19	1,119,599	1,656,226
Loans receivable	20	41,896,238	81,186,525
		<u>45,673,525</u>	<u>85,596,221</u>
Current assets			
Other receivables	21	1,979,960	130,289
Loans receivable	22	45,048,207	725,153
Tax receivable	27(a,b)	4,347	-
Cash and cash equivalents	24	1,936,825	1,601,169
		<u>48,969,339</u>	<u>2,456,611</u>
Total assets		<u>94,642,864</u>	<u>88,052,832</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	23	100,000	100,000
Retained earnings		2,436,080	3,530,334
Total equity		<u>2,536,080</u>	<u>3,630,334</u>
Non-current liabilities			
Borrowings	24	89,873,699	83,306,155
Lease liabilities	25	15,847	-
		<u>89,889,546</u>	<u>83,306,155</u>
Current liabilities			
Other payables	26	619,175	527,676
Borrowings	24	1,535,845	554,277
Tax payable	27(c,d)	-	10,909
Lease liabilities	27	62,218	23,481
		<u>2,217,238</u>	<u>1,116,343</u>
Total liabilities		<u>92,106,784</u>	<u>84,422,498</u>
Total equity and liabilities		<u>94,642,864</u>	<u>88,052,832</u>

On 26 May 2026, the Board of Directors of Mettmann Public Company Limited authorised these consolidated financial statements for issue.


Aleksandr Mizgunov, FCCA
Director


Natalia Nazarova
Director

The notes on pages 13 to 43 form an integral part of these consolidated financial statements.

METTMANN PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2024	100,000	4,886,456	4,986,456
Total comprehensive loss for the year	-	(1,356,122)	(1,356,122)
Balance at 31 December 2024/ 1 January 2025	100,000	3,530,334	3,630,334
Total comprehensive loss for the year	-	(1,089,526)	(1,089,526)
Taxes on Deemed dividend distribution	-	(4,728)	(4,728)
Balance at 31 December 2025	100,000	2,436,080	2,536,080

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. Deemed dividend distribution is also subject to a 2.65% contribution to the General Healthcare System. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits. This special contribution for defence is payable by the Company for the account of the shareholders.

Tax Laws of the Spanish and Montenegrin jurisdictions may have impact on the possible future distribution of profit.

The notes on pages 13 to 43 form an integral part of these consolidated financial statements.

METTMANN PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 €	2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(1,091,807)	(1,315,661)
Adjustments for:			
Depreciation of right-of-use assets	17	60,207	57,382
Depreciation of property, plant and equipment	16	162,223	5,525
Foreign exchange differences	12	(7,968)	(14)
Share of loss from associates	19	904,628	1,330,813
Dividend income	29.2	(325,000)	-
Loan interest income	20	(4,707,767)	(3,865,845)
Interest expense	24	3,166,598	2,649,979
Reversal of impairment losses on financial assets	8	-	(83,963)
Interest expense on lease liability	25	1,644	1,807
		(1,837,242)	(1,219,977)
Changes in working capital:			
Decrease in other receivables		38,720	34,049
Increase/(decrease) in other payables		78,147	(40,639)
Cash used in operations		(1,720,375)	(1,226,567)
Tax paid		(12,244)	(61,442)
Net cash used in operating activities		(1,732,619)	(1,288,009)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	16	(2,200)	(16,477)
Payment for purchase of investment in associates	19	-	(263,300)
Additional capital contributions into associates	19	(368,000)	-
Proceeds from disposal of investment in associate	19	-	1,050
Loans granted	20	-	(57,035,000)
Loans repayments received	20	-	3,211,650
Interest received	20	-	205,753
Dividends received from associates		-	77,916
Net cash used in investing activities		(370,200)	(53,818,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	24	4,500,000	33,150,000
Coupon on bonds paid	24	(1,999,521)	(2,000,479)
Payment of lease liability	25	(62,004)	(59,400)
Net cash generated from financing activities		2,438,475	31,090,121
Net increase/(decrease) in cash and cash equivalents		335,656	(24,016,296)
Cash and cash equivalents at beginning of the year		1,601,169	25,617,465
Cash and cash equivalents at end of the year	22	1,936,825	1,601,169

Significant non-cash transactions are disclosed in the Notes 20, 24 and 29.2 to the consolidated financial statements.

The notes on pages 13 to 43 form an integral part of these consolidated financial statements.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. Incorporation and principal activities

Country of incorporation

The parent company Mettmann Public Company Limited (the "Company") was incorporated in Cyprus on 20 December 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 67, Spyrou Araouzou, Ulysses House, Floor 2, Office 202, 3036 Limassol, Cyprus.

The Company was converted from a Private Limited Company to a Public Limited Company and was admitted to the Emerging Companies Market of the Cyprus Stock Exchange on 30 December 2022.

Principal activities

The principal activities of the Company, its subsidiaries and associates (the "Group"), which are unchanged from last year, are those of interest earning activities, holding of land, equity investments, purchase, sale, lease, development and construction of real estates.

Composition of the Group

The details of the Company's subsidiaries, all of which are unlisted and fully consolidated in these consolidated financial statements, are listed below. All of them have share capital consisting of ordinary shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding 2025</u>	<u>Holding 2024</u>
			<u>%</u>	<u>%</u>
Ortiga, D.O.O.	Montenegro	Holding of land	100	100
Sword Dragon, S.L.	Spain	Holding of investments	100	100

The details of the Group's associates, which are accounted for in these consolidated financial statements using the equity method of accounting, are disclosed in Note 19 of the consolidated financial statements.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of these consolidated Group financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2025 have been adopted by the EU through the endorsement procedure established by the European Commission.

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment 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 7.

3. Adoption of new or revised standards and interpretations

During the current year, the Group adopted all new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. The adoption of these Standards and amendments has not resulted in significant changes to the Group's accounting policies.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

3. Adoption of new or revised standards and interpretations (continued)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) (effective for annual periods beginning on or after 1 January 2025).

- A currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable into the other currency if an entity can obtain only an insignificant amount of the other currency.
- The amendments specify how an entity determines the exchange rate to be applied when a currency is not exchangeable. When a currency is not exchangeable at the measurement date, the entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction between market participants at the measurement date and that would faithfully reflect the prevailing economic conditions.
- The amendments require the disclosure of additional information when a currency is not exchangeable. In such circumstances, an entity discloses information that enables users of its financial statements to evaluate how the lack of exchangeability of a currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

4. Material accounting policy information

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

Basis of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Acquisitions of subsidiaries that meet the IFRS 3 definition of a business are accounted for using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities and contingent liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit or loss and other comprehensive income as a gain on acquisition of subsidiaries.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost and are accounted for by the equity method of accounting.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

(b) Associates (continued)

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Revenue

- **Loan interest income**

Loan interest income is recognised using the effective interest method.

Loan interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for purchased or originated credit-impaired ("POCI") financial assets (i.e. assets that are credit impaired at initial recognition) for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial assets. The credit-adjusted effective interest rate is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest expense

Interest expenses are charged to the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

Foreign currency translation

- (1) **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 Group's functional and presentation currency.

- (2) **Transactions and balances**

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

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line and reducing balance methods so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates are as follows:

	%
Furniture and fixtures	33
Computer hardware	20
Motor vehicles	14 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Investment properties

Investment property, principally comprising land in Montenegro, is held for capital appreciation and is not occupied by the Group. Investment property is stated at historical cost less depreciation and any accumulated impairment losses.

No depreciation is provided on land.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in the consolidated statement of profit or loss and other comprehensive income if the carrying amount of the right of use asset has been reduced to zero.

Right of use asset and associated lease liabilities are presented as separated lines on the face of consolidated statement of financial position.

Impairment of non-financial assets

Goodwill arising from business combinations is tested annually for impairment or more frequently if events or changes in the circumstances indicate that it might be impaired. Other non-financial assets that are subject to depreciation or 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 have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Financial assets - Classification

A financial asset is measured at fair value through profit or loss (FVPL) unless it is measured at amortised cost or at fair value through other comprehensive income (FVOCI). Classification depends on both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if:

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

Interest income from these financial assets is included in 'loan interest income'. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, other receivables and loans receivable.

Financial assets - Recognition and derecognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Financial assets (continued)

Financial assets – Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

POCI financial assets at amortised cost (loans receivable) are financial assets which are credit-impaired at initial recognition and recognised at the amount equivalent to consideration paid for acquisition of rights to loans receivable.

Financial assets – impairment - credit loss allowance for Expected Credit Losses (ECL)

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans receivable) measured at amortised cost and exposure arising from loan commitments. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For all financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. The management of the Group constantly reviews credit quality of its financial instruments. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime expected credit losses are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognized as a loss allowance subsequent to initial recognition is equal to the changes in lifetime expected credit losses since the initial recognition of the asset and is recognized as an impairment gain or loss on financial assets in the consolidated statement of profit or loss and other comprehensive income depending on whether the change in lifetime expected credit losses is favourable or not.

Financial assets - Reclassification

Financial assets are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Financial assets (continued)

Financial assets - Write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Financial liabilities

Financial liabilities - Recognition and derecognition

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position. Offsetting transactions occurred during the year 2025 are disclosed in Notes 20 and 24 to the consolidated financial statements.

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Segmental information

The Group has one segment that relates to investments and other financial instruments that primarily relate to real estate markets in Spain, long-term interests and other assets in Spain. For more information refer to Notes 19 and 20 of the consolidated financial statements.

Comparatives

Changes in the presentation of comparative information were made to reclassify certain comparative amounts in Notes 6.3, 11, 21 and 29.7 as Management of the Group considered such presentation to be more relevant and appropriate.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. New accounting pronouncements

Up to the date of approval of these financial statements, new Standards, Interpretations and amendments to existing Standards have been issued which are not yet mandatory for the current accounting period and which the Group has not early adopted, as follows:

(i) **Standards and Interpretations issued by the IASB and endorsed by the EU**

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024) (effective for annual periods beginning on or after 1 January 2026).

The amendments to the classification and measurement of financial instruments address the settlement of financial liabilities using an electronic payment system, the assessment of the contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features, and investments in equity instruments designated at fair value through other comprehensive income. Disclosure requirements have also been added for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (issued on 18 December 2024) (effective for annual periods beginning on or after 1 January 2026).

The amendments include:

- clarifying the application of the “own-use” requirements;
- permitting hedge accounting when such contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on an entity’s financial performance and cash flows.

(ii) **Standards and Interpretations issued by the IASB but not yet endorsed by the EU**

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024) (effective for annual periods beginning on or after 1 January 2027).

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024) (effective for annual periods beginning on or after 1 January 2027).

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to ensure that they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.

Annual Improvements – Volume 11 (issued on 18 July 2024) (effective for annual periods beginning on or after 1 January 2026).

The Annual Improvements to IFRS Accounting Standards – Volume 11 relate to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – hedge accounting by a first-time adopter;
- IFRS 7 Financial Instruments: Disclosures – gain or loss on derecognition;
- Guidance on implementing IFRS 7: introduction – disclosure of the deferred difference between fair value and transaction price – credit risk disclosures;
- IFRS 9 Financial Instruments – derecognition of lease liabilities – transaction price;
- IFRS 10 Consolidated Financial Statements – determination of a “de facto agent”; and
- IAS 7 Statement of Cash Flows – cost method.

The Board of Directors expects that the adoption of these financial reporting Standards in future periods will not have a significant effect on the Group’s consolidated financial statements.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital management risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its current and non-current borrowings, and current and non-current loans receivable. Loans receivable and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2025	2024
	€	€
Fixed rate instruments		
Financial assets	86,944,445	81,911,678
Financial liabilities	<u>(91,409,544)</u>	<u>(83,860,432)</u>
	<u>(4,465,099)</u>	<u>(1,948,754)</u>

Sensitivity analysis

Any increase/(decrease) in interest rates will have no effect on the consolidated results and equity of the Group, because, all financial instruments are fixed rate.

6.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, loans receivable and other receivables at amortised cost.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group manages credit risk by banking with solid and reputable financial institutions. The Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'B'. The Management of the Group assessed credit risk by reviewing the banks' financial standing on a regular basis as reflected in ratings assigned to the banks by rating agencies.

For other receivables and loans receivable, the Group assesses on an individual basis, its exposure to credit risk from financial assets at amortised cost. This assessment takes into account, the period the loan receivable or other receivable balance is past due and history of defaults in the past, adjusted for forward looking information. At the reporting date, the Group does not expect any losses from non performance by the counterparties.

These policies enable the Group to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- loans receivable,
- other receivables, and
- cash and cash equivalents

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For all financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. 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 ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition in the asset classified in Stage 1, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired further, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- any actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- any actual or expected significant changes in the operating results of the borrower/counterparty
- any significant increases in credit risk on other financial instruments of the same borrower/counterparty
- any significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- any significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty and changes in the operating results of the borrower/counterparty.

Regardless of the analysis above, a significant increase in credit risk is presumed if a borrower/counterparty is more than 30 days past due in making a contractual payment.

The Group considers a default on a financial asset when the borrower/counterparty fails to make contractual payments within 90 days of when they fall due and/or the borrower/counterparty is assessed as unlikely to pay its obligations in full without realisation of collateral, regardless of the existence of any past-due amount or the number of days past due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement profit or loss and other comprehensive income.

The Group's exposure to credit risk for each class of asset/instrument subject to the expected credit loss model is set out below:

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Loans to related parties

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

Group internal credit rating	2025	2024
	€	€
Performing	86,944,445	81,911,678
	86,944,445	25,601,774

The Group holds first right priority to create collaterals as security for the loans to related parties as follows:

- Land of 1,170 sq.m and 5,017 sq.m, and buildings of 2,504 sq.m located in Urbanizacion Lomas de Virrey, Marbella, Malaga, Spain;
- 70% of shares of the company Dei Homes, S.L. located in Spain;
- Land of 9,456 sq. m and buildings under construction of 6,405 sq. m located at Blocks 4 and 5 of Sector 32 "Pozoalbero" Norte, 11407 Jerez de la Frontera, Cadiz, Spain;
- Land of 19,880 sq. m located in UR Valtocado Ndup-I, Suelo, 29650 Mijas, Malaga, Spain;
- Land of 1,427 sq. m located in Avenida del Carmen 49, Suelo, 29680 Estepona, Malaga, Spain;
- Land of 3,004.82 sq. m and building of 4,346.54 sq. m located in UR Bermeja Beach 1(P), Suelo, 29680 Estepona, Malaga, Spain;
- Land of 2,265.84 sq. m located in UR Arroyo Palomera, Plot P-6, Marbella, Malaga, Spain;
- Land of 3,082.86 sq. m, 3,082.86 sq. m and 3,082.87 sq. m, and buildings under construction of 2,915 sq. m. located in UR Reserva Alcuzcuz 2,3,5, 29678 Benahavis, Malaga, Spain;
- Land of 1,191.28 sq. m, 1,197.56 sq. m and 1,208.18 sq. m, and buildings under construction of 1,176.87 sq.m located in UR Lomas del Virrey, San Francisco, Properties D1, D1-A, D-1B, Nagueles, 29602 Marbella, Spain;
- Land of 18,088.33 sq. m located in AR Sectors UA-10, UA-11 9001, C/Castillejos, 11380 Tarifa, Cadiz, Spain;
- Kitchen appliances and furniture of a restaurant located at Avenue Litoral, Promenade Maritimo Pedro Manrique, Chiringuito Playa La Rada, 29680 Estepona, Malaga, Spain;
- Commercial space of 518,39 sq. m and parking place of 28 sq. m located at BV Principe Alfonso Hohenloh 1, 29602 Marbella, Malaga, Spain;
- Office building located at Calle Guadalmedina, UR Los Angeles, Edificio Los Angeles, 29670 Marbella, Malaga, Spain;
- Land of 3,508 sq. m located at CL Portico Bajo de Guia 46, Suelo, 11540 Sanlucar de Barrameda, Cadiz, Spain;
- 70% of land of 1,417.43 sq. m, 1,845.02 sq. m and 421.25 sq. m located at AR Commercial La Cala 1[A], 1[B], 2, Suelo Parcela P1A, P1B, P2, 29680 Estepona, Malaga, Spain.

At 31 December 2025, the fair values of the properties for which a first priority right to create collaterals exist were higher than the gross carrying values of the respective loans as per independent valuations obtained.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

There were no significant loans to related parties written off during the year that are subject to enforcement activity.

Other receivables from third parties

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

	2025	2024
	€	€
Group internal credit rating		
Performing	<u>1,908,726</u>	16,433
	<u>1,908,726</u>	<u>16,433</u>

The Group does not hold any collateral as security for any receivables from third parties.

There were no significant receivables from third parties written off during the year that are subject to enforcement activity.

Other receivables from related parties

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

	2025	2024
	€	€
Group internal credit rating		
Performing	<u>66,237</u>	56,833
	<u>66,237</u>	<u>56,833</u>

The Group does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

		2025	2024
		€	€
Group internal credit rating	External credit rating		
Performing	A2	70,206	149,525
Performing	A3	171,065	-
Performing	Baa2	1,689,305	1,448,349
Performing	Ba3	4,457	799
		<u>1,935,033</u>	<u>1,598,673</u>

No ECLs were recognised on current accounts as they were not considered significant.

Based on management's estimates, no expected credit losses were recognised as the amount was not significant.

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.3 Credit quality of loans and other receivables

31 December 2025

	Loans to related parties	Loans to third parties	Receivables from related parties	Receivables from third parties	Total receivables
	€	€	€	€	€
Stage 1	86,944,445	-	66,237	1,908,726	88,919,408
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
Less: Credit loss allowance	-	-	-	-	-
Net carrying amount	86,944,445	-	66,237	1,908,726	88,919,408

31 December 2024

	Loans to related parties	Loans to third parties	Receivables from related parties	Receivables from third parties	Total receivables
	€	€	€	€	€
Stage 1	81,911,678	-	56,833	16,433	81,984,944
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
Less: Credit loss allowance	-	-	-	-	-
Net carrying amount	81,911,678	-	56,833	16,433	81,984,944

6.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2025	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Lease liabilities	78,065	78,065	15,966	46,252	15,847	-	-
Loans from third parties	4,366,693	4,858,359	-	1,244,285	610,353	3,003,721	-
Other payables	619,175	619,175	-	619,175	-	-	-
Bonds to third parties	63,866,167	76,389,340	-	2,458,596	2,549,336	71,381,408	-
Bonds to related parties	22,344,682	26,719,920	-	890,664	890,664	24,938,592	-
Loans from shareholder	832,001	832,001	53	80,658	751,290	-	-
	92,106,783	109,496,860	16,019	5,339,630	4,817,490	99,323,721	-

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

31 December 2024	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Lease liabilities	23,481	23,481	14,850	8,631	-	-	-
Loans from third parties	32,845,603	35,277,373	-	379,361	19,856,130	15,041,882	-
Other payables	527,676	527,676	-	527,676	-	-	-
Corporate tax liability	10,909	10,909	-	10,909	-	-	-
Bonds to third parties	27,830,391	34,389,150	-	1,109,070	1,109,336	3,328,008	28,842,736
Bonds to related parties	22,344,472	27,610,371	-	890,451	890,664	2,671,992	23,157,264
Loans from shareholder	839,966	839,966	53	-	80,658	759,255	-
	84,422,498	98,678,926	14,903	2,926,098	21,936,788	21,801,137	52,000,000

6.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the functional currency of each of the entities of the Group. The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to the United States Dollars. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2025	2024	2025	2024
	€	€	€	€
United States Dollars	93,094	101,059	-	-

Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2025 would have increased/(decreased) consolidated equity and consolidated profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the consolidated profit and consolidated equity.

	Consolidated equity		Consolidated profit or loss	
	2025	2024	2025	2024
	€	€	€	€
United States Dollars	9,309	10,106	9,309	10,106

6.6 Capital risk management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.6 Capital risk management (continued)

The Group's gearing ratio is as follows:

	2025	2024
	€	€
Total borrowings (Note 24)	91,409,544	83,860,432
Less: Cash and cash equivalents (Note 22)	<u>(1,936,825)</u>	<u>(1,601,169)</u>
Net debt	89,472,719	82,259,263
Total equity	<u>2,536,080</u>	<u>3,630,334</u>
Total capital	<u>92,008,799</u>	<u>85,889,597</u>
Gearing ratio	<u>97.24%</u>	<u>95.77%</u>

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

7. Critical accounting estimates, judgments and assumptions

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

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Impairment of investments in associates**

The Group periodically evaluates the recoverability of investments in associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in associates may be impaired, the estimated future discounted cash flows associated with these associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Calculation of loss allowance**

When measuring expected credit losses, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default (LGD) is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. In assessing LGDs for secured exposures, the Group considers the collateral type, liquidity and quality of pledged assets, geography (location of the collateral) and seniority of the lending exposure among others.

Probability of default (PD) constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which is based on historical data, current information, assumptions and expectations of future conditions.

At 31 December 2025, the management has assessed a decrease of 10% in the sale prices and a 10% increase of the construction costs for the properties for which the Group has a first priority right to create a collateral, and such decreases would not result in the recognition of material ECLs on the respective loans receivable.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Critical accounting estimates, judgments and assumptions (continued)

Critical accounting estimates and assumptions (continued)

• Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

8. Reversal of impairment losses on financial assets

	2025	2024
	€	€
Reversal of impairment losses on loans receivable from related parties (Note 29.4)	-	83,963
	-	83,963

The above gains relate to credit-impaired (POCI) loans which were fully repaid.

9. Administration expenses

	2025	2024
	€	€
Staff costs (Note 11)	1,272,804	725,958
Common expenses	1,112	1,095
Electricity	5,450	5,653
Water supply and cleaning	12,977	8,227
Insurance	273	2,022
Repairs and maintenance	2,451	1,773
Sundry expenses	56,333	34,294
Courier expenses	1,212	1,463
Stationery and printing	1,539	472
Staff training	2,386	1,842
Computer supplies and maintenance	4,049	13,033
Computer software	16,971	10,096
Certification and legalisation expenses	4,824	4,755
Independent auditors' remuneration - current year	80,421	59,500
Independent auditors' remuneration - prior year	306	11,319
Legal and professional	89,103	54,758
Other professional fees	73,533	55,079
Translation fees	3,776	1,608
Travelling	16,435	21,887
Entertaining	5,004	3,285
Consulting expenses	131,938	143,149
Charity donation	14,913	11,706
Other tax expenses	-	1,319
Depreciation of right-of-use assets (Note 17)	60,207	57,382
Depreciation of property, plant and equipment (Note 16)	162,223	5,525
	2,020,240	1,237,200

The total fees charged by the Company's statutory auditor for the statutory audit of the annual separate and consolidated financial statements of the Company for the year ended 31 December 2025 amounted to €59,500 (2024: €43,435).

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

10. Other expenses

	2025	2024
	€	€
Other operating expenses	23,662	23,662
Expenses under profit-sharing agreement (Note 29.6)	1,904	4,224
	<u>25,566</u>	<u>27,886</u>

11. Staff costs (Note 9)

	2025	2024
	€	€
Salaries	1,138,527	640,717
Social security costs	101,450	66,880
GHS contribution	32,827	18,361
	<u>1,272,804</u>	<u>725,958</u>
Average number of employees (including Directors in their executive capacity)	<u>14</u>	<u>12</u>

12. Finance costs - net

	2025	2024
	€	€
Bank charges	25,866	17,798
Interest expense on lease liability (Note 25)	1,644	1,807
Unrealised foreign exchange gain - net	(7,968)	(14)
Finance costs - net	<u>19,542</u>	<u>19,591</u>

13. Tax

The Cyprus corporation tax rate for the parent company is 12.5%. The Spain corporation tax rate for the Spanish subsidiary and associates is 25%. The Montenegro corporation tax rate for the Montenegro subsidiary is progressive and is calculated as follows:

- up to €100,000 - 9%
- €100,000.01 to €1,500,000 - 12%
- €1,500,000.01 and over - 15%

In Cyprus, under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

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.

No deferred tax has been recognised in these consolidated financial statements since no temporary differences between the tax bases of assets and liabilities and their carrying amounts have given rise to deferred tax for the year ended 31 December 2025.

Cyprus tax legislation is subject to varying interpretations. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the income tax authorities and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open for review by the taxation authorities in respect of taxes for the six calendar years preceding the year of review. Under certain periods reviews may cover longer periods.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

14. Basic and diluted earnings per share attributable to equity holders of the parent

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company with the weighted average number of ordinary shares in issue during the year.

	2025	2024
Loss attributable to equity holders of the parent (€)	(1,089,526)	(1,356,122)
Weighted average number of ordinary shares in issue during the year	100,000	100,000
Basic and diluted loss per share attributable to equity holders of the parent (€)	(10.90)	(13.56)

15. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial assets at amortised cost €
31 December 2025	
Other receivables	1,979,960
Loans receivable	86,944,445
Cash and cash equivalents	1,936,825
	<u>90,861,230</u>
	Borrowings and other financial liabilities at amortised cost €
Borrowings	91,409,544
Other payables (excluding statutory liabilities and accruals)	619,175
	<u>92,028,719</u>
	Financial assets at amortised cost €
31 December 2024	
Other receivables	130,289
Loans receivable	81,911,678
Cash and cash equivalents	1,601,169
	<u>83,643,136</u>
	Borrowings and other financial liabilities at amortised cost €
Borrowings	83,860,432
Other payables (excluding statutory liabilities and accruals)	527,676
	<u>84,388,108</u>

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

16. Property, plant and equipment

	Furniture and fixtures €	Computer hardware €	Motor vehicles €	Total €
Cost				
Balance at 1 January 2024	6,932	4,764	340,803	352,499
Accumulated impairment	-	-	(180,000)	(180,000)
Additions	12,075	5,402	-	17,477
Balance at 31 December 2024	19,007	10,166	340,803	369,976
Additions	-	2,199	-	2,199
Balance at 31 December 2025	19,007	12,365	340,803	372,175
Depreciation				
Balance at 1 January 2024	(861)	(176)	-	(1,037)
Charge for the year (Note 9)	(4,062)	(1,463)	-	(5,525)
Balance at 31 December 2024	(4,923)	(1,639)	-	(6,562)
Charge for the year (Note 9)	(6,918)	(2,409)	(152,896)	(162,223)
Balance at 31 December 2025	(11,841)	(4,048)	(152,896)	(168,785)
Net book amount at 31 December 2024	14,084	8,527	340,803	363,414
Net book amount at 31 December 2025	7,166	8,317	187,907	203,390

17. Right-of-use assets

	Land and buildings €
Cost	
Balance at 1 January 2024/ 1 January 2025	114,764
End of lease	(114,764)
Present value of future lease payments	124,449
Balance at 31 December 2024/ 31 December 2025	124,449
Depreciation	
Balance at 1 January 2024	(33,473)
Charge for the year (Note 9)	(57,382)
Balance at 31 December 2024	(90,855)
Charge for the year (Note 9)	(60,207)
End of lease	114,764
Balance at 31 December 2025	(36,298)
Net book amount at 31 December 2024	23,909
Net book amount at 31 December 2025	88,151

18. Investment properties

	2025 €	2024 €
Balance at 1 January	2,366,147	2,366,147
Balance at 31 December	2,366,147	2,366,147

The fair value as at 31 December 2025 as determined by an independent qualified professional valuer with recent experience in the location and category of the investment property being valued is €2,836,800, by means of the residual valuation approach.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

18. Investment properties (continued)

The key assumptions used in the valuation under the residual approach were as follows:

- Average selling price of €3,200 per sqm,
- Direct building costs of the above-ground levels of €980/sqm gross areas, and
- Profit of the investor of 15%.

At 31 December 2025, there was no indication for impairment of the investment property.

19. Investments in associates

	2025	2024
	€	€
Balance at beginning of the year	1,656,226	2,727,789
Additions	368,000	1,260,300
Disposals	-	(1,050)
Share of losses of associates after tax	(904,628)	(1,330,813)
Dividends declared (Note 29.2)	-	(1,000,000)
Balance at 31 December	1,119,598	1,656,226

The details of the associates, all of which are unlisted, are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding 2025	Holding 2024
			%	%
Nash Beach Club, S.L. (direct)	Spain	Purchase, sale, lease, rent, and construction of real estate	50	50
Start Hub Beach, S.L. (direct)	Spain	Purchase, sale, lease and construction of real estate	50	50
4D Properties, S.L. (direct)	Spain	Holding of investments; purchase, sale, lease, and construction of real estate	41.67	41.67
Alsan Homes, S.L. (indirect)	Spain	Purchase, sale, lease, rent, and construction of real estate	29.18	29.18
Alysan Homes, S.L. (indirect)	Spain	Purchase, sale, lease, and construction of real estate	29.17	29.17
Corvipon, S.L. (indirect)	Spain	Purchase, sale, lease, and construction of real estate	29.17	29.17
Nova Tarifa, S.L. (2024: Gran Parcela, S.L.) (indirect)	Spain	Purchase, sale, lease, and construction of real estate	29.17	29.17
Promotora Inmobiliaria Donana, S.A. (indirect)	Spain	Purchase, sale, lease, and construction of real estate	29.18	29.18
Prestige Expo, S.L. (direct)	Spain	Construction, installations and maintenance. Management and administration of real estates	50	50
La Meridiana de Rio Verde S.L. (indirect)	Spain	Purchase, sale, lease, rent, and construction of real estate	50	50
Dei Homes, S.L. (indirect)	Spain	Purchase, sale, lease, rent, and construction of real estate	35	35
Velmure Marketing, S.L. (indirect)	Spain	Marketing	35	35
Promociones Siat Sur, S.L. (direct)	Spain	Dormant	25	25
Joya Verde, S.L. (direct)	Spain	Purchase, sale, lease, and construction of real estate	40	33.33
Joya Costa del Sol, S.L. (indirect)	Spain	Purchase, sale, lease, rent, and construction of real estate	40	33.33

METTMANN PUBLIC COMPANY LIMITED

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19. Investments in associates (continued)

Inversion Correcta, S.L. (direct)	Spain	Purchase, sale, lease, and construction of real estate	50	50
Muscle Beach, S.L. (direct)	Spain	Operation of a restaurant	50	50
Concesiones Bellamar, S.L. (direct)	Spain	Operation of a restaurant	50	50
Nostos Camojan, S.L. (direct)	Spain	Purchase, sale, lease, and construction of real estate	41.67	41.67

On 20 June 2025, the Group increased its shareholding in the direct associate, Joya Verde, S.L., up to 40% for the consideration of €48,000.

On 22 May 2025, the Group made the following additional investments: €150,000 into capital of 4D Properties, S.L., €20,000 into capital of Start Hub Beach, S.L., €110,000 into capital of Inversion Correcta, S.L., €40,000 into capital of Concesiones Bellamar, S.L.

There are no contingent liabilities relating to the Group's interest in the associates.

Summarised financial information for material associates

The table below provides summarised financial information for those associates that are material to the Group. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associate and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using equity method.

2025	Prestige Expo Group €
Percentage ownership interest	50%
<i>At 31 December 2025</i>	
Non-current assets	16,273,648
Current assets	94,842,985
Non-current liabilities	(38,977,009)
Current liabilities	<u>(70,255,102)</u>
Net assets (100%)	<u>1,884,522</u>
Group's share in net assets (50%)	<u>942,261</u>
<i>Year ended 31 December 2025</i>	
Revenue	3,511,208
Net (post-tax) loss and total comprehensive loss attributable to owners of the associate (100%)	<u>(1,435,678)</u>
Group's share in total comprehensive loss (50%)	<u>(717,839)</u>
Reconciliation to carrying amount:	
Balance at beginning of the year	254,790
Group's share in total comprehensive loss (50%)	<u>(717,839)</u>
Balance at the end of the year	<u><u>-</u></u>

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

20. Loans receivable

	2025	2024
	€	€
Loans to associates (Note 29.8)	86,944,445	81,911,678
	86,944,445	81,911,678
Less current portion	(45,048,207)	(725,153)
Non current portion	41,896,238	81,186,525

During the year 2025, the total loan interest income charged amounted to €4,707,767 (2023: €3,865,845).

The above loans are secured by first priority rights that the Company has to create collaterals over the underlying properties of the parties it has financed (Note 6.2 (ii)).

The loans are repayable as follows:

	2025	2024
	€	€
Within one year	45,048,207	725,153
Between one and five years	25,442,128	64,860,218
After five years	16,454,110	16,326,307
	86,944,445	81,911,678

The exposure of the Group to credit risk and impairment losses in relation to loans receivable is reported in Note 6 of the consolidated financial statements.

The movement of loans during the years 2024-2025 was as follows:

	2025	2024
	€	€
At beginning of year	81,911,678	25,601,774
Loans granted	325,000	57,035,000
Loans assigned - net	-	(1,257,501)
Loan interest income	4,707,767	3,865,845
Loans repaid	-	(3,211,650)
Interest repaid	-	(205,753)
Reversal of impairment losses on loans (Note 8)	-	83,963
	86,944,445	81,911,678

On 26 September 2025, the parent company Mettmann Public Company Limited assigned part of its loans totaling of €3,630,000 from its indirect associate, Alsan Homes, S.L., to another indirect associate, Nova Tarifa, S.L.

The exposure of the Group to credit risk and impairment losses in relation to loans receivable is reported in Note 6 of the consolidated financial statements.

The effective interest rate on loans receivable (current and non-current is as follows):

	2025	2024
	%	%
Loans to associates (Note 29.8)	6.00	6.00
Loans receivable from third parties	-	6.00-12.00

The fair values of non-current loans receivable approximate to their carrying amounts as presented above.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

21. Other receivables

	2025	2024
	€	€
Deposits and prepayments	4,997	13,914
VAT receivable	-	43,109
Receivables from related parties (Note 29.7)	66,237	56,833
Receivable from a third party (1)	1,890,000	-
Other receivables	18,726	16,433
	1,979,960	130,289

(1) The balance represents a consideration outstanding from a third party for the corporate bonds issued during 2025 (Note 24).

The exposure of the Group to credit risk and impairment losses in relation to loans receivable is reported in Note 6 of the consolidated financial statements.

The fair values of other receivables due within one year approximate to their carrying amounts as presented above.

22. Cash and cash equivalents

Cash balances are analysed as follows:

	2025	2024
	€	€
Cash in hand	1,792	2,496
Cash at bank	1,935,033	1,598,673
	1,936,825	1,601,169

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in Note 6 of the consolidated financial statements.

23. Share capital

	2025	2024	2025	2024
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	45 000 000	45,000,000	45 000 000	45,000,000
Issued and fully paid				
Balance at 1 January	100 000	100,000	100 000	100,000
Balance at 31 December	100 000	100,000	100 000	100,000

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

24. Borrowings

	2025	2024
	€	€
Current borrowings		
Bonds to third parties	132,767	96,991
Bonds to related parties (Note 29.10)	78,082	77,872
Loans from third parties	1,244,286	379,361
Loans from shareholder (Note 29.12)	80,710	53
	<u>1,535,845</u>	<u>554,277</u>
Non-current borrowings		
Loans from third parties	3,122,408	32,466,242
Bonds to third parties	63,733,400	27,733,400
Bonds to related parties (Note 29.10)	22,266,600	22,266,600
Loans from shareholder (Note 29.12)	751,291	839,913
	<u>89,873,699</u>	<u>83,306,155</u>
	<u>91,409,544</u>	<u>83,860,432</u>

Maturity of non-current borrowings:

	2025	2024
	€	€
Between two and five years	89,873,699	33,306,155
After five years	-	50,000,000
	<u>89,873,699</u>	<u>83,306,155</u>

During the year 2025 interest expense charged amounted to €3,166,598 (2024: €2,649,979).

The movement of borrowings during the years 2024-2025 was as follows:

	2025	2024
	€	€
At beginning of year	83,860,432	51,718,536
Borrowings advanced	4,500,000	33,150,000
Proceeds from issuance of bonds	1,890,000	-
Borrowings novated	-	2,061,184
Borrowings set-off	-	(3,718,685)
Loan interest expense	1,131,091	649,979
Bond coupon expense	2,035,507	2,000,000
Coupon on bonds paid	(1,999,521)	(2,000,479)
Foreign exchange differences	(7,965)	(103)
	<u>91,409,544</u>	<u>83,860,432</u>

The weighted average effective interest rates on borrowings (current and non-current) were as follows:

	2025	2024
	%	%
Loans from third parties	3.52	3.42
Bonds to third parties	4.00	4.00
Bonds to related parties (Note 29.10)	4.00	4.00

METTMANN PUBLIC COMPANY LIMITED

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Year ended 31 December 2025

24. Borrowings (continued)

The 500 000 Callable Corporate 4%-coupon bonds of nominal value €100 each are non-secured, non-guaranteed, and listed on the Emerging Companies Market of the Cyprus Stock Exchange.

On 23 December 2025, the parent company Mettmann Public Company Limited issued 360 000 Callable Corporate 4%-coupon bonds of nominal value €100 each, non-secured and non-guaranteed, due by 30 November 2030. The subscription amount of €36,000,000 was settled by:

- Non-cash conversion of loans payable to third parties of €34,110,000 which were issued to the Company during the years 2024-2025;
- Issuance of bonds of €1,890,000 in exchange for cash. The cash consideration remains outstanding as at 31 December 2025 (Note 21).

During the year 2025 the Company repaid total coupon interest of €1,999,521 to the bondholders.

As at 31 December 2025, the accrued coupon interest amounted to €210,849 (2023: €174,863).

The carrying amounts of the non-current borrowings approximate their fair values.

The loans from third parties as at 31 December 2025 amounting to €4,366,694 consist of:

- Loan payable of Mettmann Public Company Limited to a third party amounting €852,204, which is denominated in Euro, and is repayable on or before 31 December 2026.
- Loan payable of Mettmann Public Company Limited to a third party amounting €260,096, which is denominated in Euro, and is repayable on or before 30 May 2027.
- Loan payable of Mettmann Public Company Limited to a third party amounting €350,257, which is denominated in Euro, and is repayable on or before 30 June 2027.
- Loan payable of Mettmann Public Company Limited to a third party amounting €2,512,055, which is denominated in Euro, bears interest at the rate of 4% per annum and is repayable on or before 30 November 2030.
- Loan payable of Ortiga, D.O.O. to third party amounting €344,435, which is denominated in Euro, bears interest at the rate of 2% per annum and is repayable on demand.
- Loan payable of Ortiga, D.O.O. to third party amounting €42,647, which is denominated in Euro, bears interest at the rate of 7.5% per annum and is repayable on demand.

The loans from third parties as at 31 December 2024 amounting to €32,845,603 consist of:

- Loan payable of Mettmann Public Company Limited to a third party amounting €18,767,130, which is denominated in Euro, bears interest at the rate of 3% per annum and is repayable on or before 31 December 2026.
- Loan payable of Mettmann Public Company Limited to a third party amounting €5,065,027, which is denominated in Euro, bears interest at the rate of 4% per annum and is repayable on or before 30 May 2027.
- Loan payable of Mettmann Public Company Limited to a third party amounting €8,634,085, which is denominated in Euro, bears interest at the rate of 4% per annum and is repayable on or before 30 June 2027.
- Loan payable of Ortiga, D.O.O. to third party amounting €338,918, which is denominated in Euro, bears interest at the rate of 2% per annum and is repayable on demand.
- Loan payable of Ortiga, D.O.O. to third party amounting €40,443, which is denominated in Euro, bears interest at the rate of 7.5% per annum and is repayable on demand.

The carrying amounts of the non-current borrowings approximate their fair values.

METTMANN PUBLIC COMPANY LIMITED

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24. Borrowings (continued)

As at 31 December 2025, the Group has access to undrawn committed borrowing facilities of €4,000,000 from its major shareholder and €37,500,000 from third parties, which remain available to support the financing of investment projects and its ongoing working capital and general corporate funding requirements.

25. Lease liabilities

	2025	2024
	€	€
Balance at 1 January	23,481	81,074
Present value of future lease payments	124,449	-
Interest expense (Note 12)	1,644	1,807
Prepayment used	(9,505)	-
Lease payments	(62,004)	(59,400)
	<u>78,065</u>	<u>23,481</u>

The maturity of lease liabilities is as follows:

	Minimum lease payments		The present value of minimum lease payments	
	2025	2024	2025	2024
	€	€	€	€
Not later than 1 year	63,864	23,627	62,218	23,481
Later than 1 year and not later than 5 years	15,966	-	15,847	-
	<u>79,830</u>	<u>23,627</u>	<u>78,065</u>	<u>23,481</u>
Future finance charges	(1,765)	(146)	-	-
Present value of lease liabilities	<u>78,065</u>	<u>23,481</u>	<u>78,065</u>	<u>23,481</u>

In May 2025, the parent company Mettmann Public Company Limited prolonged its lease contract as a lessee (tenant) with an unrelated company for the lease of an office space.

Lease terms:

- a) Tenancy period: 24 months
- b) Monthly rental fee: €5,322
- c) Incremental borrowing rate: 4%

All lease obligations are denominated in Euro.

Interest expense on the lease liability of €1,644 (2024: €1,807) is presented as part of the finance costs (Note 12).

26. Other payables

	2025	2024
	€	€
Social insurance and other taxes	77,683	1,039
Shareholders' current accounts credit balances (Notes 29.11, 30)	102,445	100,541
Payables to third party	247,593	247,593
Payables to employees	1,100	12,903
Accruals	126,401	117,330
Other creditors	44,401	42,833
Payables to associates (Note 29.9)	19,552	5,437
	<u>619,175</u>	<u>527,676</u>

Social insurance and other taxes were settled during January 2025.

The fair values of other payables due within one year approximate their carrying amounts as presented above.

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Year ended 31 December 2025

27. Taxes

	2025	2024
	€	€
(a) Refundable taxes (Spain)	2,660	-
(b) Refundable taxes (Cyprus)	1,687	-
(c) Corporate tax liability (Spain)	-	(10,058)
(d) Corporate tax liability (Cyprus)	-	(851)

28. Operating Environment of the Group

Russia – Ukraine conflict

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian governments, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Group's management has assessed:

The impact on the expected credit losses of the Group's consolidated financial instruments that are subject to impairment under IFRS 9. IFRS 9 requires forward-looking information (including macro-economic information) to be considered both when assessing whether there has been a significant increase in credit risk and when measuring expected credit losses. As with any economic forecast the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Refer to Note 6 for more information on impairment of financial assets.

The Group has no exposure to Russia, Ukraine, and Belarus and as such does not expect impact from direct exposures to these countries.

Taking into consideration the principal activities of the borrowers and associates which have been mainly engaged in real estate development, the increased demand for real estate purchases in Cyprus and Spain after 24 February 2022 has had rather a positive impact on the Group's business activity due to prices exceeding the pre-pandemic levels.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's profitability position. The event is not expected to have an immediate material impact on the business operations.

Management will continue to monitor the situation closely in case the crisis becomes prolonged. Management will continue to monitor the situation closely and will assess further the implications as the events continue to evolve.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. Operating Environment of the Group (continued)

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated on 28 February 2026 due to the armed conflict. As of the date of authorisation of the consolidated financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused significant volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

Challenges for companies may include disruptions to supply chains, higher energy and raw material costs and increased uncertainty in operational and financial planning.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

There are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

The Group has no direct exposure to the Middle East, as such, does not expect significant direct impact.

Although the Group has no direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Group. In addition, potential adverse effects on the tourism sector, which constitutes a key pillar of the Cypriot economy, may further influence economic activity and business conditions. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's financial position, financial performance and cash flow position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely.

29. Related party balances and transactions

For the purpose of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions are entered into the normal course of the business with other related parties.

The parent company's ultimate controlling party is Mr. Zvonko Mickovic.

The related party balances and transactions are as follows:

29.1 Directors' remuneration

The remuneration of the parent company's Directors and other members of key management was as follows:

	2025	2024
	€	€
Directors' remuneration	<u>177,783</u>	133,667

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29. Related party balances and transactions (continued)

29.2 Dividend income

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Prestige Expo, S.L.	Associate	325,000	1,000,000
		325,000	1,000,000

On 7 April 2025, the Group's associate Prestige Expo, S.L. declared dividend to the Group of €325,000. The dividend was non-cash used by the Group by providing a loan instalment to its associate Prestige Expo, S.L. (Note 20).

29.3 Loan interest income

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Joya Verde, S.L.	Associate	84,000	121,840
Prestige Expo, S.L.	Associate	1,116,040	825,492
La Meridiana de Rio Verde, S.L.	Indirect associate	268,392	253,200
Start Hub Beach, S.L.	Associate	444,483	323,254
Alsan Homes, S.L.	Indirect associate	371,880	383,849
Nash Beach Club, S.L.	Associate	583,988	513,627
Promotora Donana, S.L.	Indirect associate	16,200	16,067
Dei Homes, S.L.	Indirect associate	777,000	696,221
Inversion Correcta, S.L.	Associate	176,700	134,698
4D Properties, S.L.	Associate	271,800	178,643
Muscle Beach, S.L.	Associate	12,000	4,820
Gran Parcela, S.L.	Indirect associate	585,284	227,934
		4,707,767	3,679,645

29.4 Reversal of impairment losses on loans receivable (Note 20)

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Joya Verde, S.L.	Associate	-	83,963
		-	83,963

29.5 Bond coupon expense

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Major shareholder		-	347,945
Zvonko Invest Limited	Shareholder	890,544	542,599
Directors		120	120
		890,664	890,664

29.6 Expenses under profit-sharing agreement (Notes 10, 30)

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Major shareholder		1,904	3,817
Zvonko Invest Limited	Shareholder	-	407
		1,904	4,224

29.7 Receivables from related parties (Note 21)

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	2025 €	2024 €
Major shareholder		Settlement of expenses	53,729	53,729
Prestige Expo, S.L.	Indirect associate	Dividends receivable	3,104	3,104
Prestige Expo, S.L.	Indirect associate	Settlement of expenses	4,687	-
Dei Homes, S.L.	Indirect associate	Settlement of expenses	579	-
Nova Tarifa, S.L.	Indirect associate	Settlement of expenses	4,138	-
			66,237	56,833

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. Related party balances and transactions (continued)

29.8 Loans to associates (Note 20)

<u>Name</u>	<u>Relationship</u>	<u>Interest rate</u>	<u>Maturity date</u>	2025 €	2024 €
La Meridiana de Rio Verde, S.L.	Indirect associate	6.00%	31/12/2027	4,741,592	4,473,200
Prestige Expo, S.L.	Associate	6.00%	13/04/2026	13,729,379	12,993,442
Prestige Expo, S.L.	Associate	6.00%	30/11/2026	4,970,459	4,694,459
Prestige Expo, S.L.	Associate	6.00%	31/12/2027	1,932,301	1,503,197
Joya Verde, S.L.	Associate	6.00%	31/12/2027	1,617,019	1,533,019
Alsan Homes, S.L.	Indirect associate	6.00%	31/12/2026	-	738,784
Alsan Homes, S.L.	Indirect associate	6.00%	31/12/2026	4,344,897	6,864,234
Promotora Donana, S.L.	Indirect associate	6.00%	31/12/2026	302,267	286,067
Dei Homes, S.L.	Indirect associate	6.00%	30/04/2026	13,824,985	13,080,984
Dei Homes, S.L.	Indirect associate	6.00%	31/07/2026	598,238	565,238
Nova Tarifa, S.L. (2024: Gran Parcela, S.L.)	Indirect associate	6.00%	31/10/2028	13,243,219	9,027,934
Nash Beach Club, S.L.	Associate	6.00%	31/12/2034	4,979,110	4,716,610
Nash Beach Club, S.L.	Associate	6.00%	25/10/2028	1,521,106	1,439,619
Nash Beach Club, S.L.	Associate	6.00%	31/12/2034	4,409,639	4,169,639
Start Hub Beach, S.L.	Associate	6.00%	31/12/2027	1,898,384	1,802,085
Start Hub Beach, S.L.	Associate	6.00%	22/11/2028	787,420	745,236
Start Hub Beach, S.L.	Associate	6.00%	31/05/2026	5,590,770	5,284,770
Inversion Correcta, S.L.	Associate	6.00%	31/12/2035	3,256,398	3,079,698
4D Properties, S.L.	Associate	6.00%	31/12/2040	4,980,443	4,708,643
Muscle Beach, S.L.	Associate	6.00%	31/12/2027	216,820	204,820
				86,944,445	81,911,678

29.9 Payables to associates (Note 26)

<u>Name</u>	<u>Nature of transactions</u>	2025 €	2024 €
Prestige Expo, S.L.	Settlement of expenses	13,318	4,187
Nostos Camojan, S.L.	Contribution for the allotted shares	-	1,250
Director	Settlement of expenses	6,234	-
		19,552	5,437

29.10 Bonds to related parties (Note 24)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	2025 €	2024 €
Zvonko Invest Limited (shareholder)	4.00%	30/11/2030	22,341,675	22,341,462
Directors	4.00%	30/11/2030	3,007	3,010
			22,344,682	22,344,472

29.11 Shareholders' current accounts - credit balances (Note 26)

<u>Name</u>	<u>Nature of transactions</u>	2025 €	2024 €
Major shareholder	Settlement of expenses	3,830	3,830
Major shareholder	Payable under profit-sharing agreement (Note 30)	57,841	55,937
Major shareholder	Other payables	40,774	40,774
		102,445	100,541

The amount of €44,604 is interest free, and has no specified repayment date

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. Related party balances and transactions (continued)

29.12 Loans from shareholder (Note 24)

Name	Interest rate	Maturity date	2025	2024
			€	€
Major shareholder	0.00%	On demand	53	53
Major shareholder	4.00% (interest accrued only)	30/11/2026	80,658	80,658
Major shareholder	4.00% (interest accrued only)	31/12/2027	751,291	759,255
			832,002	839,966

30. Contingent liabilities

On 2 August 2022, the parent company Mettmann Public Company Limited entered into the Project collaboration and profit-sharing agreement, by means of which the major shareholder of the parent company agreed to negotiate potential equity investment, i.e., the purchase of 100% of shares of a Spanish Company Sword Dragon, S.L. (the “subsidiary”), under maximum profitable terms and conditions.

The agreed remuneration for the provided assistance is 75% of the future dividends to be paid by the newly acquired subsidiary within 3 years, i.e., until 2 August 2025 (inclusive).

On 8 June 2023, dividend income amounting to €208,604 was received in cash from the subsidiary. During 2023-2024, the Group recognised the respective expense of €156,453 being 75% of the dividend received from the subsidiary and €7,025 of total penalty accrued being 0.01% of the remuneration not repaid within 20 business days but not exceeding 30% of the remuneration amount (Note 29.6).

On 9 August 2024, the Group repaid €107,541 of debt under the Profit-sharing agreement. The balance of €57,841 remained partly unpaid as at 31 December 2025 (Note 29.11).

On 29 February 2024, the parent company’s subsidiary Sword Dragon, S.L. declared dividend to the Company of €1,000,000. However, as the dividend was non-cash settled it was excluded from the scope of the share profit agreement (Note 29.2)

On 7 April 2025, the parent company’s subsidiary Sword Dragon, S.L. declared dividend to the Company of €325,000. However, as the dividend was non-cash settled it was excluded from the scope of the agreement (Note 29.2).

The Group had no other contingent liabilities as at 31 December 2025 and 31 December 2024.

31. Commitments

As at 31 December 2025, the Group has commitments to provide funding of €10,736,000 to its direct associate companies, and €20,650,000 to its indirect associate companies, in accordance with the terms of signed loan agreements. The amounts represent the remaining balances to be disbursed, if needed, under the respective loan agreements (Note 32).

32. Events after the reporting period

As explained in Note 27 the geopolitical situation in Middle East intensified on 28 February 2026 due to the armed conflict. As of the date of authorisation of these consolidated financial statements, the conflict continues to evolve as military activity persists. Depending on the duration of the conflict, and continued negative impact on economic activity, the Group might experience negative results, and liquidity restraints and incur impairments on its assets in 2026, which relate to new developments that occurred after the reporting period. The exact impact on the Group’s activities in 2026 and thereafter cannot be predicted.

On 16 February 2026, the parent company Mettmann Public Company Limited assigned part of its loans totaling of €1,815,000 from its indirect associate, Alsan Homes, S.L., to another indirect associate, Nova Tarifa, S.L.

On 16 February 2026, the parent company Mettmann Public Company Limited amended an existing loan agreement with its associate, Prestige Expo, S.L., and decreased the loan principal amount from €11,900,000 to €2,025,000.

On 16 February 2026, the parent company Mettmann Public Company Limited amended an existing loan agreement with its indirect associate, Alsan Homes, S.L., and decreased the loan principal amount from €10,800,000 to €6,400,000.

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Year ended 31 December 2025

32. Events after the reporting period (continued)

There were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on pages 4 to 8