

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

METTMANN PUBLIC COMPANY LIMITED

REPORT AND 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

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of Mettmann Public Company Limited (the “Company”) for the year ended 31 December 2025.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are that of investment holdings and interest earning activities.

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

The net profit of the Company for the year amounted to €55,021 (2024: €1,044,020). As of 31 December 2025, the total assets of the Company were €92,657,719 (2024: €84,931,941) and the net assets of the Company were €1,273,554 (2024: €1,223,261). The financial position, development and performance of the Company as presented in the financial statements are in line with the Board of Directors’ expectations.

The Company continuously pursues new investments opportunities.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company, including the Company’s exposure to financial risks, are disclosed in Notes 6, 7 and 27 of the financial statements.

Use of financial instruments by the Company

The Company’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 Company's financial risk management policies as well as the use of financial instruments by the Company refer to Note 6 of the financial statements.

Existence of branches

The Company does not maintain any branches.

Results and Dividends

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

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 19 of the financial statements.

Corporate Governance Code

The Board of Directors, as at the date of this 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

MANAGEMENT REPORT

Board of Directors

The members of the Company'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 28 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 Company

Any significant events that relate to the operating environment of the Company are described in Note 27 to the financial statements.

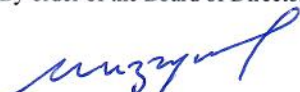
Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in Note 31 to the 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 Separate Financial Statements

Opinion

We have audited the separate financial statements of parent company Mettmann Public Company Limited (the "Company"), which are presented in pages 9 to 41 and comprise the statement of financial position as at 31 December 2025, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the 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 separate 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 Separate Financial Statements" section of our report. We remained independent of the Company 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 separate 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate 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 Company'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 Company's loans receivable which represent 94% of the Company'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 Company's credit management processes and credit risk exposures, refer to Notes 4, 6.2, 6.3, 7 and 20 of the separate 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 Company'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 Company's rights for collaterals and the seniority of the Company's lending exposures; and ii) Evaluating the valuations performed by external real estate valuation experts for the properties for which the Company has rights to create collaterals as security for the Company's lending exposures. • Testing the accuracy of the ECL estimates on the Company'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 separate 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 Company's loans receivable as at 31 December 2025 and the related disclosures made in the separate 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 Management Report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 Separate Financial Statements

The Board of Directors is responsible for the preparation of separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.



Independent Auditor's Report (continued)

To the Members of Mettmann Public Company Limited

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate 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.

Independent Auditor's Report (continued)

To the Members of Mettmann Public Company Limited

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 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 separate financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the 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.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025.

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

Comparative figures

The separate financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those separate 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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	2025 €	2024 €
Loan interest income	20	4,714,258	3,870,935
Interest expense	24	(3,158,877)	(2,642,258)
Net interest income		1,555,381	1,228,677
Dividend income	28.2	325,000	1,000,000
Other income		12,000	-
(Impairment losses)/reversal of impairment losses on financial assets	8	(5,630)	83,963
Administration expenses	9	(1,810,787)	(1,217,026)
Other expenses	10	(1,904)	(4,224)
Operating profit		74,060	1,091,390
Finance costs - net	12	(19,039)	(16,660)
Profit before income tax		55,021	1,074,730
Income tax expense	13	-	(30,710)
Profit for the year		55,021	1,044,020
Other comprehensive income		-	-
Total comprehensive income for the year		55,021	1,044,020
Basic and diluted earnings per share attributable to equity holders of the Company	14	0.55	10.44

The notes on pages 13 to 41 form an integral part of these financial statements.

METTMANN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 €	2024 €
ASSETS			
Non-current assets			
Property, plant and equipment	16	15,483	22,611
Right-of-use assets	17	88,151	23,909
Investments in subsidiaries	18	46,000	46,000
Investments in associates	19	1,583,500	1,263,500
Loans receivable	20	<u>42,105,037</u>	<u>81,342,908</u>
		<u>43,838,171</u>	<u>82,698,928</u>
Current assets			
Other receivables	21	1,907,505	17,018
Tax receivable		1,687	-
Loans receivable	20	45,048,207	730,608
Cash and cash equivalents	22	<u>1,862,149</u>	<u>1,485,387</u>
		<u>48,819,548</u>	<u>2,233,013</u>
Total assets		<u><u>92,657,719</u></u>	<u><u>84,931,941</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	23	100,000	100,000
Retained earnings		<u>1,173,554</u>	<u>1,123,261</u>
Total equity		<u>1,273,554</u>	<u>1,223,261</u>
Non-current liabilities			
Borrowings	24	89,873,699	83,306,155
Lease liabilities	25	<u>15,847</u>	<u>-</u>
		<u>89,889,546</u>	<u>83,306,155</u>
Current liabilities			
Other payables	26	283,638	203,277
Borrowings	24	1,148,763	174,916
Tax payable		-	851
Lease liabilities	25	<u>62,218</u>	<u>23,481</u>
		<u>1,494,619</u>	<u>402,525</u>
Total liabilities		<u>91,384,165</u>	<u>83,708,680</u>
Total equity and liabilities		<u><u>92,657,719</u></u>	<u><u>84,931,941</u></u>

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



Aleksandr Mizgunov, FCCA
Director



Natalia Nazarova
Director

The notes on pages 13 to 41 form an integral part of these financial statements.

METTMANN PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2024	100,000	79,241	179,241
Total comprehensive income for the year	-	1,044,020	1,044,020
Balance at 31 December 2024/1 January 2025	100,000	1,123,261	1,223,261
Total comprehensive income for the year	-	55,021	55,021
Taxes on Deemed dividend distribution	-	(4,728)	(4,728)
Balance at 31 December 2025	100,000	1,173,554	1,273,554

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 refer. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 13 to 41 form an integral part of these financial statements.

METTMANN PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 €	2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		55,021	1,074,730
Adjustments for:			
Foreign exchange differences	12	(7,968)	(14)
Depreciation of right-of-use assets	17	60,207	57,382
Depreciation of property, plant and equipment	16	9,327	5,525
Loan interest income	20	(4,714,258)	(3,870,935)
Interest expense	24	3,158,877	2,642,258
Lease interest expense	25	1,644	1,807
Impairment losses/(reversal of impairment losses) on financial assets	8	5,630	(83,963)
Dividend income	28.2	(325,000)	(1,000,000)
		(1,756,520)	(1,173,210)
Changes in working capital:			
Increase in other receivables		(9,992)	(82)
Increase/(decrease) in other payables		75,637	(46,779)
Cash used in operations		(1,690,875)	(1,220,071)
Tax paid		(2,538)	(61,442)
Net cash used in operating activities		(1,693,413)	(1,281,513)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of investments in associates	19	-	(263,300)
Additional capital contributions into associates	19	(320,000)	-
Proceeds from disposal of investment in associate	19	-	1,050
Payments for purchase of property, plant and equipment	16	(2,200)	(16,477)
Loans granted	20	(46,100)	(57,052,100)
Loans repayments received	20	-	3,211,650
Interest received	20	-	205,753
Net cash used in investing activities		(368,300)	(53,913,424)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability	25	(62,004)	(59,400)
Proceeds from borrowings	24	4,500,000	33,150,000
Coupon on bonds paid	24	(1,999,521)	(2,000,479)
Net cash generated from financing activities		2,438,475	31,090,121
Net increase/(decrease) in cash and cash equivalents		376,762	(24,104,816)
Cash and cash equivalents at beginning of the year		1,485,387	25,590,203
Cash and cash equivalents at end of the year	22	1,862,149	1,485,387

Significant non-cash transactions are disclosed in the Notes 20, 21, 24 and 28.2 to these financial statements.

The notes on pages 13 to 41 form an integral part of these financial statements.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

1. Incorporation and principal activities

Country of incorporation

The 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, which are unchanged from last year, are those of investment holdings and interest earning activities.

2. Basis of preparation

The 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 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.

The financial statements have been prepared under the historical cost convention.

These financial statements are the separate financial statements of the Company. The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law and the Cyprus Companies Law, Cap. 113.

The Company prepared consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union for the Company, its subsidiaries and associates (together the "Group"). The Consolidated financial statements can be obtained from the Company's website.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2025 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

The preparation of 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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

During the current year, the Company 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 Company's accounting policies.

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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

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

- 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 financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company 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.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the statement of profit or loss and other comprehensive income in the period in which the impairment is identified.

Associates

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

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.

- **Dividend income**

Dividends are received from investments in subsidiaries and associates. Dividends are recognised as "Dividend income" in profit or loss when the right to receive payment is established.

Interest expense

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company'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 profit or loss.

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.

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 reducing balance method 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

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 Company. Major renovations are depreciated over the remaining useful life of the related asset.

Leases

The Company as lessee

The Company 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 Company's incremental borrowing rate.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Leases (continued)

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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company 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 profit or loss 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 statement of financial position.

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 Company'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 statement of profit or loss and other comprehensive income. Impairment losses are presented as separate line item in the 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 Company 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 Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company 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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Financial assets (continued)

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

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and exposure arising from loan commitments and financial guarantee contracts. The Company 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 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 statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Company 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 Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. 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 Company 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 Company determines when a SICR has occurred. If the Company 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 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.

Financial assets - Write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company 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 statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

4. Material accounting policy information (continued)

Financial liabilities – Recognition and derecognition

Financial liabilities are initially recognised at fair value and classified as 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 profit or loss 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 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 statement of financial position. Offsetting transaction which occurred during the year 2025 is disclosed in Notes 20, 21 and 24 to the 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 reporting

The Company's main operations are in Cyprus and given that the Company's main activity is provision of financing to related companies, for this reason operations are not analysed by geographical segment.

Comparatives

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

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 Company 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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. New accounting pronouncements (continued)

(i) Issued by the IASB and adopted by the European Union (continued)

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 Company’s financial statements.

6. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company 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 Company 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 Company to fair value interest rate risk. The Company’s Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.1 Interest rate risk (continued)

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

	2025	2024
	€	€
Fixed rate instruments		
Financial assets	87,153,244	82,073,516
Financial liabilities	(91,022,462)	(83,481,071)
	<u>(3,869,218)</u>	<u>(1,407,555)</u>

Sensitivity analysis

Any increase/(decrease) in interest rates will have no effect on results and equity of the Company, 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 Company manages credit risk by banking with solid and reputable financial institutions. The Company 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 Company assesses 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 Company 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 Company does not expect any losses from non-performance by the counterparties.

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

(ii) Impairment of financial assets

The Company 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

The impairment methodology applied by the Company 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 Company applies general approach - three stage model for impairment. The Company 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 Company 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 Company 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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

Significant increase in credit risk

The Company 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 Company 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 Company 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 Company. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

Loans to related parties

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

	2025	2024
	€	€
Company internal credit rating		
Performing	87,153,244	82,068,061
Not performing	5,630	5,455
	<u>87,158,874</u>	<u>82,073,516</u>

The Company 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 building 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;

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) *Impairment of financial assets (continued)*

- 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.

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

Other receivables from a third party

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

	2025	2024
	€	€
Company internal credit rating		
Performing	<u>1,890,000</u>	-
	<u>1,890,000</u>	-

The Company did 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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

Other receivables from related parties

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

	2025	2024
	€	€
Company internal credit rating		
Performing	12,508	3,104
	<u>12,508</u>	<u>3,104</u>

The Company 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

Cash and cash equivalents held at banks with investment grade rating are considered as low credit risk.

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

		2025	2024
		€	€
Company internal credit rating	External credit rating		
Performing	A2	-	34,441
Performing	A3	171,066	-
Performing	Baa2	1,689,305	1,448,348
Performing	Ba3	-	115
		<u>1,860,371</u>	<u>1,482,904</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 Company does not hold any collateral as security for any cash at bank balances.

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

6.3 Credit quality of loans and other receivables

31 December 2025

	Loans to related parties	Receivables from related parties	Receivables from a third party	Total receivables
	€	€	€	€
Stage 1	87,158,874	12,508	1,890,000	89,061,382
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Less: Credit loss allowance	(5,630)	-	-	(5,630)
Net carrying amount	<u>87,153,244</u>	<u>12,508</u>	<u>1,890,000</u>	<u>89,055,752</u>

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

6.3 Credit quality of loans and other receivables (continued)

31 December 2024

	Loans to related parties €	Receivables from related parties €	Receivables from a third party €	Total receivables €
Stage 1	82,073,516	3,104	-	82,076,620
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Less: Credit loss allowance	-	-	-	-
Net carrying amount	82,073,516	3,104	-	82,076,620

During 2025 the Company's management recognised impairment loss of €5,630 on a loan receivable from its subsidiary (Note 8).

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 Company 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 Company'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 Company 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	3,979,612	4,471,280	-	857,204	610,353	3,003,721	-
Other payables	283,638	283,638	-	283,638	-	-	-
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	-	-
	91,384,165	108,774,244	16,019	4,617,012	4,817,490	99,323,721	-

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	32,466,242	34,898,012	-	-	19,856,130	15,041,882	-
Other payables	203,277	203,277	-	203,277	-	-	-
Corporate tax liability	851	851	-	851	-	-	-
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	-
	83,708,680	97,965,108	14,903	2,212,280	21,936,788	21,801,137	52,000,000

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. Financial risk management (continued)

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 Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollars. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company'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) equity and 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 profit and equity.

	Equity		Profit or loss	
	2025	2024	2025	2024
	€	€	€	€
United States Dollars	9,309	10,106	9,309	10,106

6.6 Capital risk management

The Company's objectives in managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company 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.

The Company's gearing ratio is as follows:

	2025	2024
	€	€
Total borrowings (Note 24)	91,022,462	83,481,071
Less: Cash and cash equivalents (Note 22)	(1,862,149)	(1,485,387)
Net debt	89,160,313	81,995,684
Total equity	1,273,554	1,223,261
Total capital	90,433,867	83,218,945
Gearing ratio	98.59%	98.53%

Fair value estimation

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

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 Company 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.

Critical accounting estimates and assumptions (continued)

- **Impairment of investments in subsidiaries and associates**

The Company periodically evaluates the recoverability of investments in subsidiaries and 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 subsidiaries and 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 Company 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 Company 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 Company 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.

- **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 Company 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. (Impairment losses)/reversal of impairment losses on financial assets

	2025	2024
	€	€
(Impairment losses)/reversal of impairment losses on loans receivable from related parties (Note 28.4)	<u>(5,630)</u>	<u>83,963</u>

The above reversal of impairment losses relates to credit-impaired (POCI) loans which were fully repaid.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

9. Administration expenses

	2025	2024
	€	€
Staff costs (Note 11)	1,265,462	718,383
Common expenses	1,112	1,095
Electricity	5,450	5,653
Water supply and cleaning	12,977	8,227
Insurance	273	898
Repairs and maintenance	2,451	1,773
Sundry expenses	32,991	27,704
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
Independent auditors' remuneration - current year	80,421	59,500
Independent auditors' remuneration - prior year	306	11,319
Legal and professional	86,191	54,758
Other professional fees	60,706	53,214
Translation fees	3,776	737
Travelling	16,435	21,887
Entertaining	5,004	3,285
Certification expenses	3,190	4,258
Consulting expenses	123,438	141,818
Charity donation	14,913	11,706
Other tax expenses	-	998
Depreciation of property, plant and equipment (Note 16)	9,327	5,525
Depreciation of right-of-use assets (Note 17)	60,207	57,382
	1,810,787	1,217,026

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).

10. Other expenses

	2025	2024
	€	€
Expenses under profit-sharing agreement (Note 28.6)	1,904	4,224

11. Staff costs (Note 9)

	2025	2024
	€	€
Salaries	1,132,002	633,142
Social security costs	100,633	66,880
GHS contribution	32,827	18,361
	1,265,462	718,383
Average number of employees (including Directors in their executive capacity)	13	11

12. Finance costs - net

	2025	2024
	€	€
Bank charges	25,363	14,867
Interest expense on lease liability (Note 25)	1,644	1,807
Unrealised foreign exchange gain - net	(7,968)	(14)
Finance costs - net	19,039	16,660

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

13. Tax

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2025 €	2024 €
Profit before tax	55,021	1,074,730
Tax calculated at the applicable tax rates	6,878	134,341
Tax effect of expenses not deductible for tax purposes	25,845	29,758
Tax effect of allowances and income not subject to tax	(52,683)	(133,950)
Underprovision of tax	-	561
Tax losses carried forward	19,960	-
Tax charge	-	30,710

The corporation tax rate is 12.5%.

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 financial statements.

No deferred tax has been recognised in these 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 Company 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.

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

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
Profit attributable to equity shareholders of the Company (€)	55,021	1,044,020
Weighted average number of ordinary shares in issue during the year	100 000	100 000
Basic and diluted earnings per share attributable to equity holders of the Company (€)	0.55	10.44

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

15. Financial instruments by category

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

	Financial assets at amortised cost €
<u>31 December 2025</u>	
Other receivables	1,907,505
Loans receivable	87,153,244
Cash and cash equivalents	<u>1,862,149</u>
	<u><u>90,922,898</u></u>
	Borrowings and other financial liabilities at amortised cost €
Borrowings	91,022,462
Other payables (excluding statutory liabilities and accruals)	<u>283,638</u>
	<u><u>91,306,100</u></u>
	Financial assets at amortised cost €
<u>31 December 2024</u>	
Other receivables	17,018
Loans receivable	82,073,516
Cash and cash equivalents	<u>1,485,387</u>
	<u><u>83,575,921</u></u>
	Borrowings and other financial liabilities at amortised cost €
Borrowings	83,481,071
Other payables (excluding statutory liabilities and accruals)	<u>203,277</u>
	<u><u>83,684,348</u></u>

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

16. Property, plant and equipment

	Furniture and fixtures €	Computer hardware €	Total €
Cost			
Balance at 1 January 2024	6,932	4,764	11,696
Additions	12,075	5,402	17,477
Balance at 31 December 2024	<u>19,007</u>	<u>10,166</u>	<u>29,173</u>
Additions	-	2,199	2,199
Balance at 31 December 2025	<u>19,007</u>	<u>12,365</u>	<u>31,372</u>
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	<u>(4,923)</u>	<u>(1,639)</u>	<u>(6,562)</u>
Charge for the year (Note 9)	(6,918)	(2,409)	(9,327)
Balance at 31 December 2025	<u>(11,841)</u>	<u>(4,048)</u>	<u>(15,889)</u>
Net book amount at 31 December 2024	<u>14,084</u>	<u>8,527</u>	<u>22,611</u>
Net book amount at 31 December 2025	<u>7,166</u>	<u>8,317</u>	<u>15,483</u>

17. Right-of-use assets

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

18. Investments in subsidiaries

	2025 €	2024 €
Balance at 1 January	46,000	46,000
Balance at 31 December	<u>46,000</u>	<u>46,000</u>

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

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

19. Investments in associates

	2025	2024
	€	€
Balance at 1 January	1,263,500	4,250
Additions	320,000	1,260,300
Disposals	-	(1,050)
Balance at 31 December	1,583,500	1,263,500

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
			<u>%</u>	<u>%</u>
Nash Beach Club, S.L. (direct)	Spain	Purchase, sale, lease, 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
Joya Verde, S.L. (indirect)	Spain	Purchase, sale, lease, and construction of real estate	40	33.33
Joya Costa del Sol, S.L. (indirect)	Spain	Purchase, sale, lease, and construction of real estate	40	33.33
Prestige Expo, S.L. (indirect)	Spain	Construction, installations and maintenance.	50	50
La Meridiana de Rio Verde, S.L. (indirect)	Spain	Management and administration of real estates	50	50
Dei Homes, S.L. (indirect)	Spain	Purchase, sale, lease, and construction of real estate	35	35
Velmure Marketing, S.L. (indirect)	Spain	Marketing	35	-
Alsan Homes, S.L. (indirect)	Spain	Purchase, sale, lease, 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
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	27.49
Promociones Siat Sur, S.L. (indirect)	Spain	Dormant	25	25
Inversion Correcta, S.L. (direct)	Spain	Purchase, sale, lease, and construction of real estate	50	-
Muscle Beach, S.L. (direct)	Spain	Operation of a restaurant	50	-
Concesiones Bellamar, S.L. (direct)	Spain	Operation of a restaurant	50	-
Nostos Camojan, S.L. (direct)	Spain	Purchase, sale, lease, and construction of real estate	41.67	-

On 23 April 2025, the Company made the following additional contributions: €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 Company's interest in the associates.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

20. Loans receivable

	2025	2024
	€	€
Loans to related companies (Note 28.7)	59,304,354	55,760,558
Loans to own subsidiary (Note 28.8)	208,800	161,838
Loans to associates (Note 28.14)	27,640,090	26,151,120
	87,153,244	82,073,516
Less current portion	(45,048,207)	(730,608)
Non-current portion	42,105,037	81,342,908

During the year 2025, the total loan interest income charged amounted to €4,714,258 (2024: €3,870,935).

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	730,608
Between one and five years	25,650,927	65,016,600
After five years	16,454,110	16,326,308
	87,153,244	82,073,516

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

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

	2025	2024
	€	€
At beginning of year	82,073,516	25,741,422
Loans granted	371,100	57,052,100
Loans assigned - net (1,2)	-	(1,257,501)
Loan interest income	4,714,258	3,870,935
Loans repaid	-	(3,211,650)
Interest repaid	-	(205,753)
(Impairment losses)/reversal of impairment losses on loans (Note 8)	(5,630)	83,963
	87,153,244	82,073,516

On 26 September 2025, the Company 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 effective interest rate on loans receivable (current and non-current is as follows):

	2025	2024
	%	%
Loans to related companies (Note 28.7)	6.00	6.00
Loans to own subsidiaries (Note 28.8)	3.50-3.65	3.50-3.65
Loans to associates (Note 28.14)	6.00	6.00
Loans receivable from third parties	-	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 FINANCIAL STATEMENTS

Year ended 31 December 2025

21. Other receivables

	2025	2024
	€	€
Deposits and prepayments	4,997	13,914
Receivables from related parties (Note 28.9)	12,508	3,104
Receivable from a third party (1)	<u>1,890,000</u>	-
	<u>1,907,505</u>	<u>17,018</u>

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

The exposure of the Company to credit risk and impairment losses in relation to other receivables is reported in Note 6 of the 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	1,778	2,483
Cash at bank	<u>1,860,371</u>	<u>1,482,904</u>
	<u>1,862,149</u>	<u>1,485,387</u>

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

23. Share capital

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE 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 28.12)	78,082	77,872
Loans from third parties	857,204	-
Loans from shareholder (Note 28.11)	80,710	53
	<u>1,148,763</u>	<u>174,916</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 28.12)	22,266,600	22,266,600
Loans from shareholder (Note 28.11)	751,291	839,913
	<u>89,873,699</u>	<u>83,306,155</u>
	<u>91,022,462</u>	<u>83,481,071</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 €3,158,877 (2024: €2,642,258).

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

	2025	2024
	€	€
At beginning of year	83,481,071	51,346,896
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	1,123,370	642,258
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>91,022,462</u>	<u>83,481,071</u>

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

	2025	2024
	%	%
Loans from third parties	3.50	3.48
Bonds to third parties	4.00	4.00
Bonds to related parties (Note 28.12)	4.00	4.00

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 Company 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).

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

24. Borrowings (continued)

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.

As at 31 December 2025, the Company 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	<u>(62,004)</u>	<u>(59,400)</u>
	<u>78,065</u>	<u>23,481</u>

The maturity of lease liabilities is as follows:

	The present value of minimum lease payments			
	Minimum lease payments		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>	23,627	<u>78,065</u>	23,481
Future finance charges	<u>(1,765)</u>	(146)	-	-
Present value of lease liabilities	<u>78,065</u>	23,481	<u>78,065</u>	<u>23,481</u>

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

Lease terms:

- Tenancy period: 24 months
- Monthly rental fee: €5,322
- 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	77,660	998
Shareholders' current accounts - credit balances (Notes 28.13, 29)	61,671	59,767
Payable to employees	1,100	12,903
Accruals	126,401	117,330
Other creditors	9,713	10,170
Payables to related parties (Note 28.10)	<u>7,093</u>	<u>2,109</u>
	<u>283,638</u>	<u>203,277</u>

Social insurance and other taxes were settled during January 2026.

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. Operating Environment of the Company

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 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 the United States of America, Switzerland, the 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 Company 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 Company's management has assessed:

The impact on the expected credit losses of the Company's 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 Company 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, subsidiaries 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 Company's business activity due to prices exceeding the pre-pandemic levels.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event does not 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.

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 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.

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

27. Operating Environment of the Company (continued)

Geopolitical situation in Middle East (continued)

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

Although the Company 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 Company. 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 Company and has concluded that there is no significant impact in the Company'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.

28. Related party balances and transactions

For the purpose of these 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 Company's ultimate controlling party is Mr. Zvonko Mickovic.

The related party balances and transactions are as follows:

28.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

28. Related party balances and transactions (continued)

28.2 Dividend income

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Sword Dragon, S.L.	Subsidiary	325,000	1,000,000

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

28.3 Loan interest income

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Joya Verde, S.L.	Indirect associate	84,000	121,840
Prestige Expo, S.L.	Indirect 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
Ortiga, D.O.O.	Subsidiary	6,491	5,090
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.	Associate	585,284	227,934
		4,714,258	3,684,735

28.4 (Impairment losses)/reversal of impairment losses on loans receivable (Note 8)

<u>Name</u>	<u>Relationship</u>	2025 €	2024 €
Ortiga, D.O.O.	Subsidiary	(5,630)	-
Joya Verde, S.L.	Indirect associate	-	83,963
		(5,630)	83,963

28.5 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

28.6 Expenses under profit-sharing agreement (Notes 10, 29)

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

28. Related party balances and transactions (continued)

28.7 Loans to related companies (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.	Indirect associate	6.00%	13/04/2026	13,729,379	12,993,442
Prestige Expo, S.L.	Indirect associate	6.00%	30/11/2026	4,970,459	4,694,459
Prestige Expo, S.L.	Indirect associate	6.00%	31/12/2027	1,932,301	1,503,197
Joya Verde, S.L.	Indirect 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	13,824,984	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
				59,304,354	55,760,558

28.8 Loans to own subsidiary (Note 20)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	2025 €	2024 €
Ortiga, D.O.O.	3.65%	31/12/2027 (2024: 31/12/2026)	208,800	156,383
Ortiga, D.O.O.	3.50%	on demand	-	5,455
			208,800	161,838

28.9 Receivables from related parties (Note 21)

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	2025 €	2024 €
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	-
			12,508	3,104

28.10 Payables to related parties (Note 26)

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	2025 €	2024 €
Sword Dragon, S.L.	Subsidiary	Settlement of expenses	371	371
Prestige Expo, S.L.	Indirect associate	Settlement of expenses	488	488
Nostos Camojan, S.L.	Associate	Contribution for the allotted shares	-	1,250
Director		Settlement of expenses	6,234	-
			7,093	2,109

28.11 Loans from shareholder (Note 24)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	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

METTMANN PUBLIC COMPANY LIMITED

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Year ended 31 December 2025

28. Related party balances and transactions (continued)

28.12 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	3,011
			22,344,682	22,344,472

28.13 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 29)	57,841	55,937
		61,671	59,767

The amount of €3,830 is interest free, and has no specified repayment date.

28.14 Loans to associates (Note 20)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	2025 €	2024 €
Nash Beach Club, S.L.	6.00%	31/12/2034	4,979,110	4,716,610
Nash Beach Club, S.L.	6.00%	25/10/2028	1,521,106	1,439,619
Nash Beach Club, S.L.	6.00%	31/12/2034	4,409,639	4,169,639
Start Hub Beach, S.L.	6.00%	31/12/2027	1,898,384	1,802,085
Start Hub Beach, S.L.	6.00%	22/11/2028	787,420	745,236
Start Hub Beach, S.L.	6.00%	31/05/2026	5,590,770	5,284,770
Inversion Correcta, S.L.	6.00%	31/12/2035	3,256,398	3,079,698
4D Properties, S.L.	6.00%	31/12/2040	4,980,443	4,708,643
Muscle Beach, S.L.	6.00%	31/12/2027	216,820	204,820
			27,640,090	26,151,120

29. Contingent liabilities

On 2 August 2022, the Company entered into the Project collaboration and profit-sharing agreement, by means of which the major shareholder of the 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 2023-2025, the Company recognised the respective expense of €156,453 being 75% of the dividend received from the subsidiary and €8,929 of total penalty accrued being 0.01% of the remuneration not repaid within 20 business days but not exceeding 30% of the remuneration amount.

On 9 August 2024, the Company repaid €107,541 of debt under the Profit-sharing agreement. The balance of €57,841 remained partly unpaid as at 31 December 2025 (Note 28.13).

On 29 February 2024, the 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 agreement (Note 28.2).

On 7 April 2025, the 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 28.2).

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

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

30. Commitments

As at 31 December 2025, the Company has commitments to provide funding of €206,800 to its subsidiary, €661,000 to its direct associate company, and €30,725,000 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 31).

31. 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 the 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 Company 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 Company's activities in 2026 and thereafter cannot be predicted.

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

On 16 February 2026, the Company 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.

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

Independent auditor's report on pages 4 to 8