Reg. No. C 100482

JUEL HOSPITALITY LIMITED

FINANCIAL STATEMENTS

31st DECEMBER 2024

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DIRECTOR'S REPORT

FOR THE YEAR ENDED 31st DECEMBER 2024

The director presents his report and the audited financial statements of Juel Hospitality Limited for the year ended 31st December 2024.

Principal Activities

The principal activity of the company, which is unchanged since last year is the operation of a hotel. The director does not envisage any changes to the Company's principal activities in the forseeable future.

Review of business

The Statement of profit or loss and other comprehensive income and the Statement of financial position for the year are set out on Page 7 and Page 8 respectively.

Hyatt Centric

Juel Hospitality Limited commenced operations in November 2024 with the opening of the Hyatt Centric Malta in St. Julian's. The hotel, comprising 170 guest rooms, generated €612,738 in revenue during the reporting period, marking a successful entry into the hospitality sector. The Directors anticipate that, as the hotel continues to establish its presence in the market, it will contribute positively to the Group's revenue streams in the forthcoming periods.

Principal risks and uncertainties

A detailed review of these risks and uncertainties faced by the Company is included in Note 2 of the financial statements.

Results and dividends

The results for the year are shown in the Statement of Profit or Loss and Other Comprehensive Income on page 7.

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

Directors

The Directors of the company as at 31st December 2024 who held office throughout the year were:-

Adrian Muscat
Mario Camilleri - resigned 8th May 2024

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

DIRECTOR'S REPORT - CONTINUED

Auditor

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

Approved by the Director on behalf of the Board hereunder:

Adrian Muscat
Director

Hyatt Centric Malta
Triq Santu Wistin,
San Giljan,
Swq 3312

Date : 29 April 2025

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

Statement of the Director's Responsibilities

The director is required by the Maltese Companies Act 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of each financial period and of its income statement for that period. In preparing the financial statements, the director is required to:-

- ensure that the financial statements have been drawn up in accordance with the International Financial Reporting Standards as adopted by the EU;
- make judgments and estimates that are reasonable and prudent;
- ensure that applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Maltese Companies Act 1995. The director is also responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the company are properly safeguarded and that fraud and other irregularities will be prevented or detected.

Approved by the Director on behalf of the Board hereunder:

Adrian Muscat
Director

Date : 29 April 2025

Independent auditor's report

To the Shareholders of Juel Hospitality Limited.

Report on the Audit of the Financial Statements for the year ended 31st December 2024.

Opinion

I have audited the financial statements of Juel Hospitality Limited (the Company), set out on pages 7 to 27 which comprise the statement of financial position as at 31st December 2024 and the Statement of Profit or Loss and Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of material accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Juel Hospitality Limited as at 31st December 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap.281) in Malta, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information other than the Financial Statements and Auditor's Report thereon

The director is responsible for the other information. The other information comprises the Director's Report and the Statement of the Director's Responsibilities.

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

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

With respect to the Director's Report, I also considered whether the Director's Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386).

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Director's Report, in my opinion, based on the work undertaken in the course of the audit:

The information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

The Director's Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Director's Report.

Independent auditor's report

To the Shareholders of Juel Hospitality Limited.

Responsibilities of the Director

The director is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the EU, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 director.
- Conclude on the appropriateness of the director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Company audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

Independent auditor's report

To the Shareholders of Juel Hospitality Limited.

Report on Other Legal and Regulatory Requirements

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

I am also responsible under the Companies Act (Cap. 386), I have responsibilities to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for my audit.
- The information given in the Report of the Director is not consistent with the financial statements.

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

This copy of the audit report has been signed by
Pamela Fenech (Director) for and on behalf of

TACS Malta Limited
Certified Public Accountant and Registered Auditor

1, Tal-Providenza Mansions
Main Street
Balzan
Malta
Date: 29th April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31st DECEMBER 2024

	Notes	2024	2023
		€	€
Revenue	3	612,738	-
Cost of sales		(431,342)	-
Gross profit		181,396	-
Administrative expenses		(874,126)	(17,397)
Operating loss	4	(692,730)	(17,397)
Finance costs	7	(150,000)	(805)
Finance income	8	10,524	7,472
Loss before taxation		(832,206)	(10,730)
Tax expense	9	(1,579)	(1,121)
Loss for the year		(833,785)	(11,851)
Total Comprehensive loss		(833,785)	(11,851)
Earnings per share		0.00	0.00

The notes on pages 11 to 27 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION - 31st DECEMBER 2024

	Notes	2024	2023
		€	€
ASSETS			
Non-current assets			
Property, plant and equipment	10	50,435,388	26,947,435
Total Non-current assets		50,435,388	26,947,435
Current assets			
Inventory	11	312,148	-
Trade and other receivables	12	766,045	1,604,441
Cash and cash equivalents	13	1,598,436	664,818
Total Current assets		2,676,629	2,269,259
Total Assets		53,112,017	29,216,694
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	20,000	20,000
Accumulated losses		(853,943)	(20,158)
Total equity		(833,943)	(158)
Non-current liabilities			
Other loans and borrowings	16	1,850,000	-
Other financial liabilities	17	40,753,336	24,408,601
Total Non-current liabilities		42,603,336	24,408,601
Current liabilities			
Other loans and borrowings	16	150,000	-
Trade and other payables	17	6,461,584	117,036
Other financial liabilities	17	4,731,040	4,691,215
Total Current liabilities		11,342,624	4,808,251
Total liabilities		53,945,960	29,216,852
Total equity and liabilities		53,112,017	29,216,694

The notes on pages 11 to 27 are an integral part of these financial statements.

The financial statements on pages 7 to 27 were approved by the board of directors and were signed on its behalf by:

Adrian Muscat
Director

Date : 29 April 2025

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st DECEMBER 2024

	Share Capital €	Accumulated Losses €	Total €
Balance at 1st January 2023	20,000	(8,307)	11,693
Comprehensive loss			
Loss for the year	-	(11,851)	(11,851)
Balance at 31st December 2023	20,000	(20,158)	(158)
Balance at 1st January 2024	20,000	(20,158)	(158)
Comprehensive loss			
Loss for the year	-	(833,785)	(833,785)
Balance at 31st December 2024	20,000	(853,943)	(833,943)

The notes on pages 11 to 27 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st DECEMBER 2024

	2024	2023
	€	€
Cash flows from operating activities		
Net loss before taxation	(832,206)	(10,730)
Adjustments for:		
Depreciation	514,772	871
Finance income	(10,524)	(7,472)
Finance costs	150,000	805
Operating loss before working capital changes	(177,958)	(16,526)
Trade and other receivables	653,396	(1,322,288)
Inventory	(312,148)	-
Trade and other payables	6,344,548	(112,397)
Cash generated from / (used in) operations	6,507,838	(1,451,211)
Finance costs	(150,000)	(805)
Income tax paid	(1,579)	(1,121)
Net cash from / (used in) operating activities	6,356,259	(1,453,137)
Cash flows from investing activities		
Purchase of fixed assets	(24,002,725)	(6,065,484)
Finance income	10,524	7,472
Net cash used in investing activities	(23,992,201)	(6,058,012)
Cash flows from financing activities		
Movement in related parties	224,825	1,082,348
Movement in loans and other borrowings	2,000,000	-
Movement in other loans	10,788,598	6,816,734
Movement in other financial liabilities	5,556,137	-
Net cash from financing activities	18,569,560	7,899,082
Movement in cash and cash equivalents	933,618	387,933
Cash and cash equivalents at beginning of the year	664,818	276,885
Cash and cash equivalents at end of the year (note 13)	1,598,436	664,818

The notes on pages 11 to 27 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) with the requirements of the the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Director has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the end of the reporting period. Accordingly, the financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires directors to exercise their judgements in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

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

Standards, interpretations and amendments to published standards effective in 2024

In 2024 the company adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accouting period on 1st January 2024. The adoption of these revisions to the requirements of the IFRSs as adopted by the EU did not result in changes to the company's accounting policies impacting the company's financial performance and position.

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

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. The Company does not expect that new standards, interpretations and amendments will have a material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in these Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These Financial Statements are presented in euro, which is the company's functional currency and presentation currency.

(b) Transactions and Balances

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

1.3 Financial instruments

1.3.1 *i. Recognition and initial measurement*

Financial assets are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

ii. Classification and subsequent measurement

Financial assets - Classification, subsequent measurement and gains and losses

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

• It is held within a business model whose objective is to hold assets to collect contractual cash flows;

• Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.3 Financial instruments - continued

iii. Derecognition

Financial assets

The Company derecognises a financial asset when:
• the contractual rights to the cash flows from the financial asset expire; or
• it transfers the rights to receive the contractual cash flows in a transaction which either:
• substantially all of the risks and rewards of ownership of the financial assets are transferred; or
• the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Impairment

Simplified approach model

For trade and other receivables, the Company applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period before 31st December 2024 or after 1st January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the customers to settle the receivable. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.4 Share Capital

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

1.5 Provisions

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

1.6 Revenue and cost recognition

Hospitality

Revenue from hospitality related to revenue from accommodation. Revenue from each operation is recognised one time since the customer benefits as the company is performing: the amount allocated to the performance obligation is recognised over the customer's stay at the respective hotel.

Costs

Costs are recognised when the related goods and services are sold, consumed or allocated, or when their future useful lives cannot be determined.

1.7 Borrowings

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

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.8 Trade and other payables

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

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

1.9 Other financial liabilities

Other financial liabilities are recognized initially at fair value of proceeds received, net of transaction costs incurred. Other financial liabilities are subsequently measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in the statement of profit or loss and other comprehensive income over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

1.10 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and subsequently stated at cost less depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is provided for on the straight line method in order to write off cost over the expected useful economic lives of the assets as follows:

	Years
Buildings	50
Plant & Machinery	6 - 7
Office Equipment	5
Furniture, Fittings & Other	10

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Land is not depreciated.

1.11 Inventory

Inventory is stated at the lower of cost, which is incurred in bringing each product to the present location and condition, and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

1 Summary of material accounting policies

1.12 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset 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 selling and other direct expenses.

When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against selling and other direct expenses in the statement of profit or loss and other comprehensive income.

1.13 Cash and cash equivalents

Cash and cash equivalents as shown in the cashflow statement comprise of cash in hand and at bank.

1.14 Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the current tax is also dealt within equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are not assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision is made for deferred taxation, using the liability method, in respect of timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax debits are only carried forward in so far as it is probable that future taxable profits will be available against which the tax losses and unabsorbed capital allowances can be utilised.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management

Risks relating to the Company

The Company's Board of Directors has the responsibility for the establishment and oversight of the Company's risk management framework. Accordingly, the Company's Board of Directors provides principles for overall Company risk management, as well as policies covering the risks identified.

2.1 Economic and Financial risks of the Company

i. Risks relating to the financing of the Company's Hotel Project

The Company's hotel project has been part-financed through bank financing with local banks. Future developments will continue to seek financing, with equity maintained at prudent levels. A significant portion of cash flow is used to repay debt obligations. Any increase in debt could affect profitability. Bank debt agreements impose financial covenants that may limit future financing, capital expenditure, or ability to withstand economic downturns. Changes in banks' risk appetite could affect loan terms, hindering the Company's ability to secure necessary financing.

ii. Risks relating to rising costs for materials, resources, and utilities.

Rising costs of raw materials and resources, due to global supply chain disruptions and/or tariffs, affect both the hospitality and property development sectors. The Company faces risks in delivering projects on time and within budget, and increased costs may be difficult to pass on to customers. Failure to meet project obligations could harm relationships with customers and suppliers, negatively impacting the Company's financial performance.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.1 Economic and Financial risks of the Company - continued

iii. Risks relating to aversion to travel due to Global Geopolitical event

Recent global geopolitical events may lead to reduced travel due to various factors such as political unrest, tariffs, and higher fuel costs. Such events may deter potential visitors to Malta. The Company's hospitality operations, is exposed to fluctuations in travel demand, influenced by geopolitical situations and economic conditions. Economic instability and geopolitical uncertainty remain risks to the Company's financial performance.

2.2 Operational risks of the Company

i. Risks relating to the Franchise Agreement

The Hotel, now open under the "HYATT CENTRIC®" brand, operates under a Franchise Agreement with the Franchisor. Juel Hospitality must meet various conditions, including maintaining brand standards and performance levels. Breaching these conditions could result in penalties or termination of the agreement. If the Franchise Agreement is terminated or not renewed, the Company could lose the benefits of the brand's reputation, negatively impacting profitability.

ii. Risks relating to the loss of senior management and other key personnel

The Company's growth is driven by its director and key personnel, including senior management and project teams. Loss of any of these individuals, especially to competitors, could impact the Company's ability to manage and grow the business, potentially affecting its financial performance.

iii. Risks relating to competing projects

The local hospitality industry is highly competitive given the variety of temporary accommodation available on the market. Accordingly, the Hotel may compete with local hotels and facilities offering various types of lodging options and related services to the public. Although the Hotel gives a level of comfort through Hyatt Brand loyalty, there can be no assurances that the Hotel will not be effected by competition and hotel bed supply amongst other factors.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.2 Operational risks of the Company - continued

iv. Risks relating to changes in consumer preferences and demand

The Company's success depends on meeting consumer demand, which is influenced by trends, economic conditions, and brand reputation. In the property and hospitality sectors, failure to adapt to changing preferences could lead to reduced revenue and negatively affect the Company's financial performance.

v. Risks relating to the Company's insurance policies

There is no guarantee that the Company's insurance coverage will be sufficient for all potential losses or available at acceptable rates. Changes in laws or regulations, as well as actions by employees, contractors, or third parties, may impact the Company's ability to make successful insurance claims.

2.3 Risks specific to the hospitality and tourism industry

The hospitality and tourism industry are influenced by various factors that could impact the Company's operations and revenue, including:

• Changes in travel patterns, seasonal variations, availability of flights to Malta and consumer preferences regarding price, quality, location, and hospitality offerings.
• Disruptions in Malta-bound air or sea travel, increased taxes, surcharges, or travel restrictions imposed by authorities.
• Alterations in laws and regulations affecting hotel management, employment, health and safety, alcohol licensing, environmental standards, and zoning, along with the associated compliance costs.
• Maintenance of required licenses and authorisations to operate hospitality establishments.
• Risks from terrorism, transportation disruptions (such as airline strikes and border closures), civil unrest, extreme weather, natural disasters, health crises, or other factors affecting travel patterns and reducing tourism.
• Heightened competition from alternative accommodation providers, such as private rentals through online platforms and other hospitality models like bed and breakfasts, room-sharing, and short-term lets at competitive prices.

Any of these factors, or a combination of them, could negatively impact room rates, occupancy levels at the Hotel, potentially reducing income from the Company's revenue. This could have a material adverse effect on the Company's business, financial condition, and results of operations, including its ability to meet financial obligations in a timely manner.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.4 Other Company Risks

i.Risks relating to the regulatory environment in which the Company operates

The Company's operations in hospitality are subject to a broad range of regulations, including environmental, property, health and safety, and consumer laws. These regulations are constantly evolving, and changes may expose the Company to liabilities or compliance risks, including fines, penalties, or the revocation of permits. Environmental risks, such as hazardous materials on properties, could also lead to third-party claims, significantly impacting the Company's financial condition and operations. Failure to comply with regulations could damage the Company's reputation, result in business losses, and affect its competitive position.

ii. Risks relating to personal data protection and privacy laws

The Company processes personal data as part of its operations and is subject to local and EU data protection regulations. Non-compliance could lead to substantial penalties, additional costs, and operational changes. There is also a risk of unauthorized access or disclosure of personal data, which could harm the Company's reputation, cause loss of consumer trust, and result in legal and financial consequences. These risks could negatively impact the Company's business and financial performance.

iii. Risks relating to Information Technology

In view of the increasing reliance on digital systems, the Company remains exposed to cybersecurity risks, including potential data breaches, ransomware attacks, and other malicious cyber threats. To mitigate these risks, the Company continues to invest in robust IT security measures and regularly reviews its systems and protocols to ensure resilience and compliance with applicable regulations.

2.5 Risks relating to the failure to implement environmental, social and governance considerations in the Company's business model

There is increasing pressure on companies to incorporate sustainability risks and ESG factors into their operations and decision-making. As global focus on ESG rises, the Company's business model will face greater scrutiny from investors, regulators, and the public.

The Company operates in hospitality, with ESG considerations including energy efficiency, waste management, renewable energy use, and worker welfare. Risks from climate change, such as severe weather events and regulatory changes, could impact the Company's operations, financial performance, and long-term prospects.

Governance risks, such as inadequate management or compliance, could affect the Company's income, reputation, and operations. Failing to adopt sustainable practices could damage the Company's public image, relationships with stakeholders, and overall business performance.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

2 Financial risk management - continued

2.6 Financial risk factors

(i) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and borrowings. Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's financial obligations and to safeguard the Company's ability to continue as a going concern, in particular to complete of the Company's projects in a timely manner.

The Company regularly requires further funding to finish its ongoing projects and investments in new ones. The funding should be available from a mix of own Reserves, bank finance and/or capital markets and creditors. There is no certainty that the Company will be able to obtain the full capital it requires, and this may effect the ability of the Company to deliver these projects.

Notwithstanding these challenges, the Company has ample experience in the industry and has always managed to obtain the appropriate funding and completed projects within pre-determined time-frames.

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern; to maximise the return to stakeholders through the optimisation of the debt and equity balance and to comply with the requirements of the Prospectus issued in relation to the 5.5% Secured Bonds 2035 of Juel Group p.l.c. and those of other borrowings.

The capital structure consists of items presented within equity in the statement of financial position. The Company monitors the level of debt against total capital on an ongoing basis.

(iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss.

Credit risk relating to the hospitality is considered low, due to the nature of the business.

Credit risk mainly arises from cash and cash equivalents. Credit risk relating to financial assets is addressed through careful selection of the issuers of securities bought by the Company. All such transactions were authorised by the Juel Group p.l.c.'s Trustee of the 5.5% Secured Bonds 2035.

Furthermore, the Company manages its credit risk exposure in relation to receivables from fellow companies in an active manner, at arm's length and with accrued interest charges thereon. The Board retains direct responsibility for monitoring the investments made by the fellow companies. The Board considers these receivables to be fully performing and recoverable.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

3 Revenue

Revenue represents the income from hotel operations.

	2024	2023
	€	€
Accommodation revenue	612,738	-
	612,738	-

4 Operating loss

The loss for the year is stated after charging :

		2024	2023
		€	€
Directors' salaries and remuneration	- Note 6	2,052	-
Employment costs	- Note 5	376,307	-
Cost of Sales		431,342	-
Depreciation	- Note 10	514,772	871
Audit fees		6,300	1,800

5 Employees

	2024	2023
	€	€
Employment costs comprise:		
Wages and salaries	479,909	-
Social security costs	28,772	-
Capitalised wages during the year	(132,374)	-
	376,307	-

	2024	2023
The average weekly number of persons employed by the company during the year including directors was:	13	1
Average number of full-time equivalent employees during the year was as follows:		
Direct	10	1
Administration	3	-
	13	1

6 Director's emoluments

	2024	2023
	€	€
Director's salaries and remuneration	23,142	5,000
Capitalised directors remuneration during the year	(21,090)	(5,000)
	2,052	-

7 Finance costs

	2024	2023
	€	€
Finance Charges	150,000	805
	150,000	805

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

8 Finance income

	2024	2023
	€	€
Income from Investments	10,524	7,472
	10,524	7,472

9 Tax expense

The company's income tax charge for the year has been arrived at as follows:

	2024	2023
	€	€
Current income tax		
Income tax on taxable income at 15%	1,579	1,121
Tax charge	1,579	1,121

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

	2024	2023
	€	€
Net loss for the year	(832,206)	(10,730)
Income tax thereon at 35% (statutory local income tax rate)	(291,272)	(3,756)
Tax effect of:		
Deferred tax asset arising from claimable losses brought forward not taken as a deferred tax asset due to materiality	294,956	6,372
Difference resulting from different tax rates on bank interest received	(2,105)	(1,495)
	1,579	1,121

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

10 Property, plant and equipment

	Land & Buildings	Plant & Machinery	Office Equipment	Furniture, Fittings & Other	Total
	€	€	€	€	€
Cost					
At 1st January 2024	26,944,467	-	4,356	-	26,948,823
Additions during the year	2,074,125	11,506,547	168,627	10,253,426	24,002,725
At 31st December 2024	29,018,592	11,506,547	172,983	10,253,426	50,951,548
Depreciation					
At 1st January 2024	-	-	1,388	-	1,388
Charge for the year	76,464	266,217	5,247	166,844	514,772
At 31st December 2024	76,464	266,217	6,635	166,844	516,160
At 31st December 2024	28,942,128	11,240,330	166,348	10,086,582	50,435,388
At 31st December 2023	26,944,467	-	2,968	-	26,947,435

11 Inventory

	2024	2023
	€	€
Food and beverages	30,764	
Consumables and others	281,384	-
	312,148	-

12 Trade and other receivables

	2024	2023
	€	€
Trade receivables	85,708	-
Other receivables	81,400	136,836
Bank guarantees	19,177	19,177
Prepayments	73,630	1,150,000
Amounts due from group companies	-	185,000
Other taxation	506,130	113,428
	766,045	1,604,441

All balances receivable from group companies are unsecured, interest free and have no fixed date for repayment.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

13 Cash and cash equivalents

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

	2024	2023
	€	€
Cash in hand	8,705	469
Cash at bank	1,589,731	664,349
	1,598,436	664,818

14 Share capital

	2024	2023
	€	€
Authorised		
20,000 Ordinary shares of €1 each	20,000	20,000
	20,000	20,000
Issued and fully paid up		
20,000 Ordinary shares of €1 each	20,000	20,000
	20,000	20,000

15 Earnings per share

Earnings per share is calculated by dividing the result attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
	€	€
Loss for the year	(833,785)	(11,851)
Weighted average share in issue	20,000	20,000
Earnings per share	0.00	0.00

The company has not issued any dilutive instruments in the past, and therefore the basic and diluted earnings per share are equal.

16 Borrowings

	2024	2023
	€	€
Short term - falling due within one year		
Third party loans	150,000	
Total short term borrowings	150,000	-

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

16 Borrowings (Continued)

	2024	2023
	€	€
Long term - falling due after one year		
Third party loans	1,850,000	
Total long term borrowings	1,850,000	-
Total borrowings	2,000,000	-
Maturity of long term borrowings		
Due between 1 and 2 years	200,000	-
Due between 2 and 5 years	800,000	-
Due after 5 years	850,000	-
	1,850,000	-

The company has a third party loan of €2,000,000 (2023 - €0) which bears interest at 2% per annum. The loan is repayable in annual installments. As at 31st December 2024, €150,000 has been classified as current, while the remaining was non-current.

17 Trade and other payables

	2024	2023
	€	€
Trade and other payables		
Trade payables	2,854,274	114,686
Other payables	74,895	-
Social security and Fss Tax	1,386	175
Accruals	3,531,029	2,175
	6,461,584	117,036
Other financial liabilities		
Amounts due to group companies	4,731,040	4,691,215
	4,731,040	4,691,215
Non-current liabilities		
Deferred income - long-term	1,000,000	-
Long term commitments	4,556,137	-
Amounts due to corporate shareholder - Maturity date 2035	35,197,199	24,408,601
	40,753,336	24,408,601
Total trade and other payables	51,945,960	29,216,852

The balance owed to group companies is unsecured, interest free and repayable on demand.

The amount owed to the corporate shareholder of €35,197,199 (2023 - €24,408,601) is expected to be paid by May 2035. The amount payable by May 2035 has an interest rate of 5.525%.

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2024

18 Deferred taxation

The liability for deferred taxation is analysed as follows:

	2024	2023
	€	€
Excess of depreciation over capital allowances	1,185,694	-
Unabsorbed capital allowances and tax losses carried forward	(1,487,212)	(9,279)
Deferred tax not accounted for (not crystallised in the near future)	301,518	9,279
	-	-

19 Transactions with related parties

All companies forming part of JUEL Group are considered by the directors to be related parties.

During the course of the year the company entered into transactions with related undertakings all of which arise in the ordinary course of business. The related party transactions were :

	2024	2023
	€	€
Trade and other receivables		
Amounts due from group companies	-	185,000
Trade and other payables		
Amounts due to group companies	4,731,040	4,691,215
Non-Current liabilities		
Amounts due to corporate shareholder - Maturity date 2035	35,197,199	24,408,601

Key management personnel compensation consists of directors' remuneration as disclosed in Note 6 of the financial statements.

20 Contingent liabilities

On 27th June 2023, the parent company issued up to €32,000,000 5.5% Secured Bonds 2035. The 5.5% Secured Bonds 2035 are redeemable at par on 27 June 2035. The bond is secured for the full nominal value of the Secured Bond and interests thereon as follows:

(i) The first-ranking general hypothec for the amount is €32,000,0000, over all the present and future property of Juel Group plc.
(ii) The first-ranking general hypothec for the amount of €32,000,000, over all the present and future property of Juel Hospitality Limited.
(iii) The first-ranking special hypothec granted by Juel Hospitality Limited for the amount of €32,000,000 over the Hotel site (and any developments and constructions thereon).

In addition, the Company has provided a joint and several guarantee to the Security Trustee of the Parent Company and acts as a joint and several guarantor for other companies within the Group.

21 Statutory information

JUEL Hospitality Limited is a limited liability company and is incorporated in Malta, with its registered address at Hyatt Centric Malta,Triq Santu Wistin, San Giljan, SWQ 3312.

The ultimate parent company of JUEL Hospitality Limited is JUEL Group p.l.c., a company registered in Malta, with its registered address at Hyatt Centric Malta,Triq Santu Wistin, San Giljan, SWQ 3312.