Calamatta Cuschieri Investment Services Limited
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Registered in Malta No. C 13729 - VAT No. MT13219224

The Directors
Tum Finance p.l.c.
Tum Invest Head Office, Zentrum Business Centre
Mdina Road
Qormi QRM 9010
Malta

30 June 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Tum Finance p.l.c. (the "**Issuer**"), including the prospectus dated 1 November 2024 published by the Issuer (the "**Prospectus**"), or is based on our own computations as follows:

a) Historical financial data for the three years ending 31 December 2023, 2024 and 2025 have been extracted from the audited financial statements of the Issuer.

b) The forecast data for the financial year ending 31 December 2026 has been provided by management.

c) Our commentary on the Issuer results and financial position is based on the explanations provided by management.

d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.

e) Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

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Patrick Mangion
Head of Capital Markets

Calamatta Cuschieri Investment Services Limited is a founding member of the Malta Stock Exchange and is licensed to conduct investment services by the Malta Financial Services Authority.

FINANCIAL ANALYSIS SUMMARY 2026

Tum Finance p.l.c.

30 June 2026

Prepared by Calamatta Cuschieri Investment Services Limited

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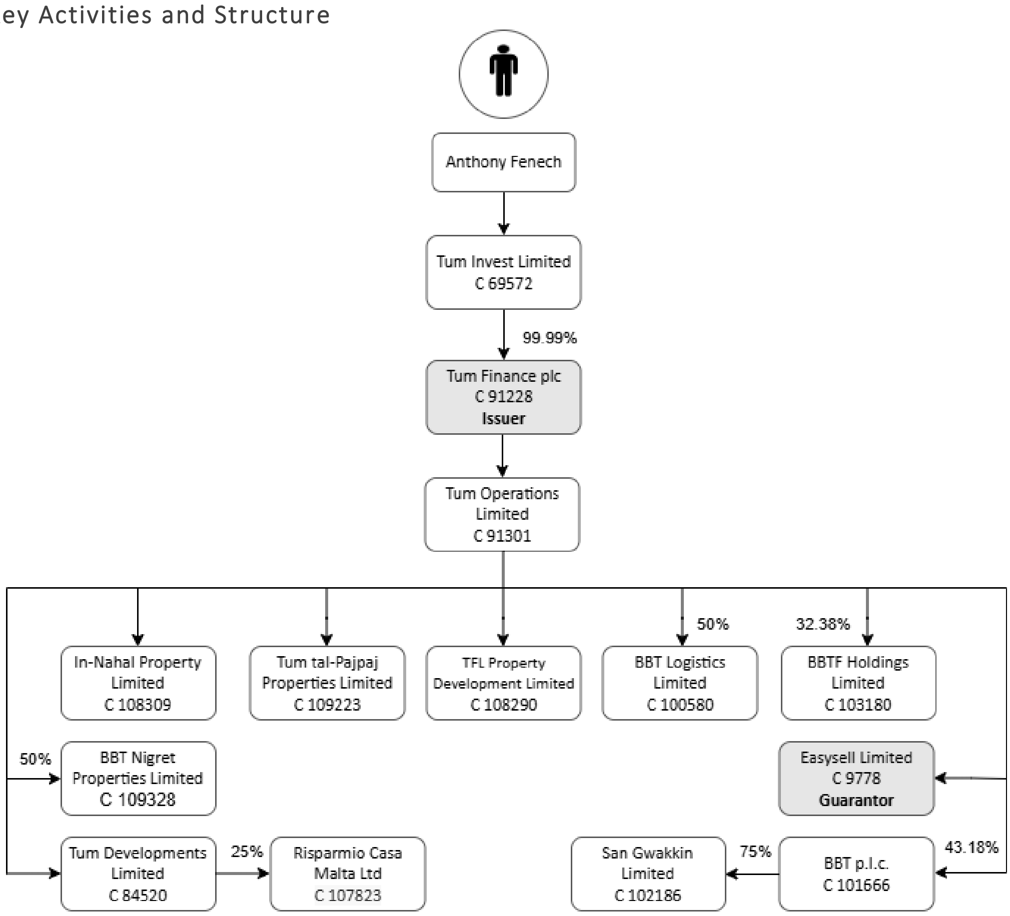
Part 1 - Information about the Group

1.1 Issuer's Key Activities and Structure



**100% Ownership unless indicated otherwise*

The "**Group**" of companies consists of Tum Finance p.l.c. which acts as the Group's finance and holding company, as well as Tum Operations Limited ("**TOL**") and its various subsidiaries and associates. The Group's objective involves the management of investment properties held for rental income, alongside the acquisition and development of new properties to enhance the Group's existing revenue base.

Tum Finance p.l.c. was incorporated on 26 March 2019 under the laws of Malta as a public limited company with registration number C 91228. The Issuer's registered office is located at Tum Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi. Apart from two ordinary shares held by Mr. Anthony Fenech, the Issuer is a wholly owned subsidiary of Tum Invest Limited (the "**Parent**"). The Issuer was established as a special-purpose vehicle to act as the Group's finance arm and holds an authorised share capital of €20,000,000 divided into 20,000,000 ordinary shares of €1.00 each. The issued and fully paid-up share capital stands at €19,993,000 after the capitalisation of a loan with the ultimate parent company in 2026. This resulted also in a share premium balance of Eur 19,415,000.

Tum Operations Limited, a wholly owned subsidiary of the Issuer, was incorporated on 1 April 2019 under the laws of Malta, with company registration number C 91301 and the same registered office as the Issuer. TOL has an authorised share capital of €23,600,000, comprising 2,000,000 ordinary shares, 10,000,000 Class A redeemable preference shares (at 3.75%), and 11,600,000 Class B redeemable preference shares (at 5.32%). The issued share capital amounts to €17,951,200, consisting of 1,200 ordinary shares, 6,350,000 Class A, and 11,600,000 Class B preference shares, all fully paid.

1.2 Directors

Board of Directors - Issuer

As at the date of this Analysis, the following persons constitute the board of directors of the Issuer:

Name	Designation
Mr Anthony Fenech	Chairman and executive director
Mr Silvan Fenech	Executive director
Mr Matthew Fenech	Executive director
Dr Stanley Portelli	Independent non-executive director

Mr Mario Vella	Independent non-executive director
Mr William Wait	Independent non-executive director

The business address of all of the directors of the Issuer is the registered office of the Issuer. Dr Malcolm Falzon is the company secretary of the Issuer.

The board of the Issuer is composed of six directors who are responsible for its overall direction and management. The three executive directors are entrusted with the Issuer's day-to-day management whereas the three non-executive directors, all of whom are independent of the Issuer, provide direction and strategy, monitoring and supervision of company performance while ensuring that controls and risk management systems are adequately in place.

1.3 Issuers current Debt Securities in issue

Debt Security	ISIN	€m
3.75% Secured Bonds 2029	MT0002271204	20
5.20% Secured Callable Bonds 2031 - 2034	MT0002271212	12

1.4 Major Assets owned by the Group

1.4.1 Associates

1.4.1.1 BBT p.l.c.

BBT p.l.c. (**"BBT"**) was duly incorporated and registered under Maltese Law as a public company on 7 April 2022 with its registered address at The Watercourse Zone 2, Central Business District, Mdina Road, Birkirkara CBD 2010, Malta and company registration number C 101666. The Issuer through TUM Operations indirectly holds approximately 43.18% of the shares in BBT. BBT's current object, amongst others, is to acquire, hold, buy, or sell shares, securities, and ownership interests of any kind in any company, partnership, or body of persons worldwide. It may do so whether these interests are fully paid up or not, in such manner as determined from time to time, and may participate in their management or activities, acting solely in its own name, for, and on its own behalf.

1.4.1.2 BBTF Holdings Limited

BBTF Holdings Limited (**"BBTF"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 6 September 2022 with its registered address at The Watercourse Zone 2, Central Business District, Mdina Road, Birkirkara CBD 2010, Malta and company registration number C 103180. The Issuer through TUM Operations indirectly holds 32.38% of the shares in BBTF.

BBTF's current object, amongst others, is to acquire, hold, buy, or sell shares, securities, and ownership interests of any kind in any company, partnership, or body of persons worldwide. It may do so whether these interests are fully paid up or not, in such manner as determined from time to time, and may participate in their management or activities, acting solely in its own name, for, and on its own behalf.

1.4.1.3 BBT Logistics Limited

BBT Logistics Limited (**"BBT Logistics"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 25 October 2021 with its registered address at The Watercourse Zone 2, Central Business District, Mdina Road, Birkirkara CBD 2010, Malta and company registration number C 100580. The Issuer through TUM Operations indirectly holds fifty percent (50%) of the shares in BBT Logistics.

BBT Logistics's current object, amongst others, is to acquire, develop, manage, operate, or dispose of any immovable property, projects, or connected rights and interests under any title—including by purchase, lease, emphyteusis, or exchange—and to enter into any arrangements with other persons for these purposes.

1.4.2 Subsidiaries

1.4.2.1 Easysell

Easysell (**"ESL"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 5 July 1988 with its registered address at TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta and company registration number C 9778. The Issuer through TUM Operations indirectly holds one hundred percent (100%) of the shares in ESL. The principal objective of ESL is to acquire, develop and manage property primarily for commercial purposes.

ESL holds the Zentrum building, the Independent commercial outlet and Ta Natu Commercial outlet.

1.4.2.2 TFL Property Development Limited

TFL Property Development Limited (**"TFL"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 8 April 2024 with its registered address at Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta and company registration number C 108290. The Issuer through TUM Operations indirectly holds one hundred percent (100%) of the shares in TFL. TFL's primary objective is the acquisition and development of immovable property.

The projects under the company's remit are Ta'Natu Residential Complex, Geblin project in St. Julians and Parilja Projects in Santa Venera. (see 1.4.4, 1.4.6 and 1.4.7).

1.4.2.3 In-Nahal Property Limited

In-Nahal Property Limited (**"In-Nahal"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 8 April 2024 with its registered address at Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta and company registration number C 108309. The Issuer through TUM Operations indirectly holds one hundred percent (100%) of the shares in In-Nahal Property Limited.

In-Nahal's current object is to acquire immovable property, rights, or privileges by any legally valid title, in order to develop, construct, renovate, or otherwise invest in it as deemed profitable and in the company's interests.

The project under the company's remit is the Oracle project in Qormi (see 1.4.5).

1.4.2.4 San Gwakkin Limited

San Gwakkin Limited (**"San Gwakkin "**) was duly incorporated and registered under Maltese Law as a private limited liability company on 4 May 2022 with its registered address at TUM Head Office, Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta and company registration number C 102186. On 30 December 2025, Tum Operations Limited sold its entire 75% equity interest in San Gwakkin to BBT.

San Gwakkin's current object, amongst others, is to acquire immovable property, rights, or privileges in order to develop, construct, renovate, or otherwise invest in it as deemed profitable and in the company's interests.

The project under the company's remit is an office block in Mriehel (see 1.4.10).

1.4.2.5 TUM Developments Limited

TUM Developments Limited (**"TUM Developments"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 22 January 2018 with its registered address at TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta and company registration number C 84520. The Issuer through TUM Operations indirectly holds one hundred percent (100%) of the shares in TUM Developments.

TUM Development Limited's current object is to import, export, and trade as a wholesaler, franchisee, and retailer of various home goods and home improvement products, including tools, ironmongery, hardware, building and plumbing materials, bricolage, wall décor, decking, paving, crafts, gardening supplies, outdoor furniture, and landscaping materials.

1.4.2.6 Risparmio Casa Malta Limited

Risparmio Casa Malta Limited (**"Risparmio Casa"**) was duly incorporated and registered under Maltese Law as a private limited liability company on 22 February 2024 with its registered address at Zentrum Business Centre, Mdina Road, Qormi QRM 9010, Malta and company registration number C 107823. The Issuer indirectly through TUM Operations and TUM Developments holds twenty-five percent (25%) of the shares in Risparmio Casa.

Risparmio Casa's current object, amongst others, is to manufacture, purchase, sell, distribute, import, export, and carry goods, merchandise, and commodities of every description, operating as merchants, wholesalers, retailers, commercial agents, or forwarders.

1.4.2.7 Tum Tal-Pajpaj Properties Limited

Tum Tal-Pajpaj Properties Limited's (**"Tal-Pajpaj"**) principal objective relates to the buying and management of immovable property. Tum Operations Limited's shareholding in Tal-Pajpaj is expected to be transferred to BBT late in 2026 or early 2027.

1.4.2.8 BBT Nigret Properties Limited

BBT Nigret Properties Limited's principal objective relates to the buying and management of immovable property.

The current project under the company's remit is the Nigret project in Zurrieq

1.4.3 Easysell Investment Properties

This property consists of two buildings:

1. The original KIA showroom and adjacent offices, constructed in 1986.
2. A newer complex featuring six underground parking levels, a ground-floor showroom of approximately 2,450 sqm, and two upper floors of office space totaling around 4,100 sqm.

The property is hypothecated as security for the €20.0m bond.

1.4.4 Parilja Property

In 2024, the Group agreed to acquire a 2,750 sqm site in Santa Venera for €3.0m, designated for the development of 8 semi-detached villas. This development has a full permit (PA/5484/18), having had its final setting-out concluded in May 2025. Property sales from this project started in 2026.

1.4.5 In-Nahal Property

In July 2023, the Group signed a promise of sale for a 3,900 sqm site in Qormi for €11.5m. The development plan includes 114 residential units, three terraced houses, 112 garages, and nine commercial outlets. This transaction was structured with favourable financing terms. A full development permit application has been submitted and the permit (PA/00715/24) has been approved in June 2025. Sales are expected to begin in Q1 2027.

1.4.6 Mosta Property

Alongside the Ta' Natu acquisition, the Group has partnered to develop a 2,000 sqm adjacent site into 40 residential units and four floors of underground parking. The existing owner will contribute the land, while the Group will manage development, retaining 18 residential units, 67 underground car spaces and 27 small stores. Property sales are expected to commence in Q2 2028.

1.4.7 Geblin Property

In August 2015, a related party acquired two adjacent properties on Saint Elia Street, St. Julians. These are now being transferred to the Group for the development of six semi-detached villas. The planning application process is currently underway. Property sales are expected to commence in Q4 2027.

1.4.8 Investment in BBT Group

The BBT Group has a diverse portfolio of investment properties aimed at generating rental income and long-term value growth. In Q1 2023, TOL, along with other investors, contributed property holdings into BBT plc to enhance rental income and capital growth. During the year under review the group continued to consolidate its shareholding in its associate BBT plc via additional investments totalling €10.4m, resulting in an increased shareholding of 43.18% (previously 36.23%).

1.4.9 Investment in Risparmio Casa

In 2023, the Group entered into a joint venture with Risparmio Casa's parent company, Rica Gest S.r.l., to establish a franchise presence in Malta. The operations will be managed through Risparmio Casa, of which TUM Developments holds a 25% stake.

1.4.10 San Gwakkin Site

The Group, through BBT, owns a 75% stake in a development located in the Central Business District near the TG Complex (housing Forestals and Deloitte). The project includes a showroom, 8,062 sqm of office space, and 245 parking spaces. The shareholding in the project was transferred to BBT on 30 December 2025 in exchange for shares and cash. The site has been completed and operations started in May 2026.

1.4.11 Ta' Natu Commercial Outlet

In September 2023, a related entity entered a promise of sale agreement to acquire the Ta' Natu commercial outlet for €2.25m, together with two finished penthouses. The outlet, which is leased to Risparmio Casa (in which the Group has a 25% interest), was passed on to the Group in January 2025.

1.5 Operational Developments

1.5.1 Independent 2 Property

In 2024, The Group acquired a commercial property in St. Julians for €2.8m, with €1.0m allocated to settle existing obligations and development costs. The property is intended primarily for retail use; however, the group will keep open the option of renting it as office space, subject to permit and market demand.

Part 2 - Historical Performance and Forecasts

The Guarantor's historical financial information for the three years ending 31 December 2023, 2024 and 2025, as set out in the audited financial statements of the Guarantor may be found in section 2.1 to 2.3 of this Analysis. These sections also include the projected performance of the Guarantor for the year ending 31 December 2026. Moreover, the Group's historical financial information for the three years ending 31 December 2023, 2024 and 2025, together with the Group's projected performance for the year ending 31 December 2026 are set out in section 2.4 to section 2.6.

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 Guarantor's Income Statement

Income Statement for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	**€000s**	**€000s**	**€000s**
Rental income	1,771	1,748	1,969	2,091
Other operating income	146	171	197	206
Total revenue	**1,917**	**1,919**	**2,166**	**2,297**
Administrative expenses	(570)	(263)	(345)	(327)
EBITDA	**1,347**	**1,656**	**1,821**	**1,970**
Depreciation and amortisation	(50)	(56)	(56)	(51)
EBIT	**1,297**	**1,601**	**1,765**	**1,919**
Change in fair value of investment property	-	-	3,155	-
Other income	31	-	-	-
Finance costs	(110)	(114)	(307)	(308)
Profit / (loss) before tax	**1,218**	**1,487**	**4,614**	**1,612**
Taxation	(353)	(701)	(794)	(472)
Profit / (loss) after tax	**865**	**786**	**3,820**	**1,140**

The Guarantor primarily generates revenue through rental income from the Zentrum Business Centre, which continues to be a stable source of income. In FY25, rental income increased to €2.0m due to contractual rent escalations. Rental income is expected to increase slightly to €2.1m in FY26 due to increased sales at Risparmio Casa and also minor scheduled increases in tenant rates as per contracts.

Other operating income which is comprised of recharges for utilities and miscellaneous fees, increased slightly in FY25 reaching €197k. This income line is again expected to increase slightly going forward, to €206k due to higher utility recharges to tenants.

Administrative expenses reached €345k in FY25 mainly due to higher wages and salaries (91k vs 26k) and water electricity (56k vs 14k). In FY26 administrative expenses are projected to remain broadly stable at €327k, reflecting normalized operational levels.

EBITDA improved to €1.8m in FY25, compared to €1.7m in FY24. Depreciation remained broadly stable, resulting in an EBIT of €1.8m. In FY25 the Guarantor registered a fair value gain of €3.2m driven by a property revaluation.

Finance costs increased to €307k (FY24: €114k) mainly due to higher interest on preference shares which reached €201k (FY24: €5k) a full year of dividends on the newly issued preference shares along with interest on amounts due. These are expected to remain at similar levels in FY26.

Profit before tax rose to €4.6m in FY25, up from €1.5m in FY24, in large part due to the fair value revision of the investment property amounting to €3.155m. This led to a profit after tax of €3.8m (FY24: €786k) following a tax charge of €794k. In FY26 profit after tax is expected to normalise at €1.1m.

2.2 Guarantor's Statement of Financial Position

Statement of Financial Position as at 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	30,500	33,367	38,653	38,757
Property plant and equipment	316	320	338	289
Total non-current assets	**30,816**	**33,687**	**38,991**	**39,045**
Current assets				
Trade and other receivables	146	430	105	108
Due from related parties	414	1,829	889	202
Cash and cash equivalents	44	1,545	233	433
Total current assets	**604**	**3,804**	**1,228**	**743**
Total assets	**31,420**	**37,491**	**40,219**	**39.789**
Equity and liabilities				
Equity				
Share capital	1,165	1,165	1,165	1,165
Other equity	6,300	6,300	6,300	6,300
Retained earnings	16,856	16,642	20,062	21,202
Total equity	**24,321**	**24,107**	**27,527**	**28,641**
Non-current liabilities				
Preference shares	-	3,725	3,725	3,725
Lease liabilities	192	192	192	192
Loans from parent company	2,538	2,538	2,538	2,538
Deferred tax liabilities	3,031	3,318	3,639	3,639
Total non-current liabilities	**5,761**	**9,773**	**10,093**	**10,093**
Current liabilities				
Trade and other payables	336	294	493	257
Due to related parties	615	2,805	1,481	51
Tax payable	387	512	625	721
Total current liabilities	**1,338**	**3,611**	**2,599**	**1,029**
Total liabilities	**7,099**	**13,384**	**12,692**	**11,122**
Total equity and liabilities	**31,420**	**37,491**	**40,219**	**39,789**

As at 31 December 2025, the Guarantor's total assets stood at €40.2m, reflecting a €2.7m increase year-on-year from €37.5m. This growth is primarily attributable to higher investment property (the main driver being the aforementioned fair value increase) which represents approximately 96% of total assets. The increase reflects ongoing enhancements to the Guarantor's property portfolio. Investment property is forecast to remain stable in FY26.

Property, plant and equipment ("**PPE**") increased slightly to €338k in FY25 (FY24: €320k), despite ongoing depreciation charges. This increase was driven by the acquisition of operational assets linked to the Guarantor's investment activities. PPE is expected to decrease to €289k in FY26.

Current assets fell to €1.2m from €3.8m in FY24, driven by lower receivables, amounts due from related parties and

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cash and cash equivalents across the board. Going forward, current assets are expected to come in at €743k.

The Guarantor's equity base increased in line with the profit generated for the year which led to retained earnings of €20.1m. This pattern is forecasted to continue in FY26 with retained earnings reaching €21.2m and total equity €28.6m.

On the liabilities side, total liabilities decreased from €13.4m in FY24 to €12.7m in FY25, mainly driven by lower current amounts due to related parties. Non-current liabilities now account for approximately 80% of total liabilities and include the preference shares (€3.7m), related party loans (€2.5m), lease liabilities (€192k), and deferred tax liabilities, which rose to €3.6m.

Current liabilities decreased to €2.6m in FY25 (FY24: €3.6m). This was mainly due to lower amounts due to related parties of €1.5m. In FY26 current liabilities are expected to come down further to €1.0m with total liabilities coming in at €11.1m mainly due to lower amounts due to related parties.

2.3 Guarantor's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit / (loss) before tax	1,218	1,487	4,614	1,612
Adjustments for:				
Interest expense	110	114	307	307
Fair value gain on investment property	-	-	(3,155)	-
Depreciation	50	56	56	51
Operating profit before working capital movement	**1,378**	**1,656**	**1,821**	**1,970**
Movement in working capital:				
Movement in trade and other receivables	(12)	(285)	325	(3)
Movement in dues from related parties	(47)	(392)	939	687
Movement in dues to related parties	(138)	2,189	(2,020)	(1,737)
Movement in trade and other payables	(153)	(41)	198	(236)
Cash Generated from operations	**1,028**	**3,127**	**1,264**	**682**
Tax paid	(502)	(290)	(360)	(376)
Net cash flows generated from / (used in) operating activities	**526**	**2,837**	**903**	**305**
Cash flows from investing activities				
Additions to investment property	(30)	(2,868)	(2,132)	(104)
Additions to property, plant and equipment	(271)	(59)	(72)	(2)
Net cash flows generated from / (used in) investing activities	**(301)**	**(2,927)**	**(2,204)**	**(105)**
Cash flows from financing activities				
Proceeds from related parties	-	1,599	-	
Loans from related parties	(182)	-	-	
Proceeds from additional contribution	-		-	
Repayment of lease liabilities	(11)	(11)	(11)	-
Preference share capital	-		-	
Net cash flows generated from / (used in) financing activities	**(193)**	**1,588**	**(11)**	**-**
Movement in cash and cash equivalents	**32**	**1,498**	**(1,312)**	**200**
Cash and cash equivalents at start of year	13	45	1,544	232
Cash and cash equivalents at end of year	**45**	**1,544**	**232**	**432**

In FY25, the Guarantor generated €903k in net cash from operating activities, a significant decrease from €2.8m in FY24. This was primarily driven by negative movements in amounts due to related parties as the Guarantor continued its clearing exercise pertaining to intercompany balances.

In FY26, net cash generated from operations is expected to be lower than FY25 at €305k again due to the clearance of related party balances.

Cash used in investing activities fell to €2.2m in FY25, compared to €2.9m in FY24. This was driven by lower additions to investment properties. PPE additions were slightly higher at €72k related to minor asset purchases. For FY26, investing outflows are projected to drop significantly to €105k, with no major additions expected.

In terms of financing activities, the Guarantor recorded just €11k in repayments related to lease liabilities. No further repayments are projected for FY26.

As a result of the above, the Guarantor recorded a net negative cash movement of €1.3m in FY25, ending the year with a closing cash balance of €232k (FY24: €1.5m). Management forecasts a €200k increase in cash in FY26 supported by positive operational cash flows and minimal investment requirements, bringing the expected year-end cash balance to €432k.

2.4 Group's Income Statement

Income Statement for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Revenue	3,693	1,869	2,451	3,667
Cost of sales	-	-	(100)	(806)
Administrative expenses	(587)	(847)	(1,395)	(543)
EBITDA	**3,105**	**1,023**	**956**	**2,318**
Depreciation and amortisation	(53)	(61)	(191)	(57)
EBIT	**3,052**	**961**	**764**	**2,261**
Fair value movement on property	-	-	3,155	-
Share of profit / (loss) in associates	(114)	(238)	5,690	6,837
Finance income	14	51	222	1,283
Finance costs	(855)	(954)	(1,672)	(2,333)
Other income	-	1	749	7,378
Profit / (loss) before tax	**2,097**	**(179)**	**8,909**	**15,426**
Taxation	(395)	(1,297)	(1,232)	(855)
Profit / (loss) after tax	**1,702**	**(1,476)**	**7,677**	**14,571**
Profit from discontinued operation	3,648	-	5,060	-
Total comprehensive income	**5,350**	**(1,476)**	**12,737**	**14,571**

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
Profitability				
Growth in Revenue (YoY Revenue Growth)	-1.4%	-49.4%	31.1%	49.6%
EBITDA Margin (EBITDA / Revenue)	84.1%	54.7%	39.0%	63.2%
Operating (EBIT) Margin (EBIT / Revenue)	82.7%	51.4%	31.2%	61.7%
Net Margin (Profit after taxation / Revenue)	46.1%	-79.0%	313.2%	397.4%
Return on Common Equity (Profit after taxation / Average Equity)	4.1%	-3.6%	14.6%	21.3%
Return on Assets (Profit after taxation / Average Assets)	2.3%	-1.4%	4.8%	8.4%

The Group's revenue for FY25 increased to €2.5m, up 31.1% year-on-year (FY24: €1.9m). Revenue in the year under review was derived solely from rental income. Management expects revenue to increase in FY26 and reach €3.7m due to increase in turnover rent from Risparmio Casa, scheduled increases in tenant rents at Guarantor level. Furthermore, management is forecasting the sale of 2 units related to a project being carried out in one of the subsidiary companies.

Cost of sales came in at €100k in FY25 and are forecast to be €806k in FY26 in line with the sale of the above mentioned 2 units. Administrative expenses rose to €1.4m in FY25 (FY24: €847k), mainly due to higher general and other expenses which increased to €905k in FY25 (€560k of which was related to a one-off write off in connection with tax charges on property sales) from €289k in FY24. In FY26 administrative expenses are thus expected to stabilise to normal levels as no more one-off charges are forecast.

EBITDA declined slightly from €1.0m in FY24 to €956k in FY25, reflecting the increased administrative expenses. EBITDA is however projected to recover to €2.3m in FY26 as revenue increases sharply and expenses normalise. EBIT followed a similar trajectory declining to €764k in FY25 before being expected to recover to €2.3m in FY26 after charging €57k in depreciation and amortisation. The forecasted decrease in depreciation and amortisation is related to the fact that FY25 included depreciation in connection with right of use assets (ROU) which were subsequently subleased and therefore demanded a different accounting treatment in FY26 as per IFRS.

In FY25 the group registered €3.2m in fair value gains, €5.7m in share of profits from associates, €222k in finance income and €1.7m in finance costs. The Groups associates are outlined in section 1.1.1. with the most significant contributor being BBT. The increased finance costs are mainly related to higher interest on debt securities. All this led to a profit before tax of €8.9m in FY25 which is expected to increase substantially to €15.4m in FY26 mainly due to higher other income of €7.4m. This other income relates to a one-off gain in connection with the above-mentioned subleases where the accounting standard requires the elimination of the ROU assets and the creation of a lease receivable figure consisting of the discounted values of the future leases. The difference between the elimination of the ROU asset and the creation of the lease receivable figure resulted in a one-time gain which is being included in other income.

Following a tax charge of €1.2m, the Group reported a profit after tax of €7.7m. In FY25 the Group registered a €5.1m profit from discontinued operations related to TOL's sale of its entire 75% equity interest in San Gwakkin to BBT. In FY26 total comprehensive income is forecast to come in at €14.6m.

2.4.1 Variance Analysis

Income Statement for the year ended 31 December	FY2025F	FY2025A	Variance
	€000s	€000s	€000s
Revenue	2,521	2,451	(70)
Cost of sales	(225)	(100)	125
Administrative expenses	(678)	(1,395)	(717)
EBITDA	**1,618**	**956**	**(662)**
Depreciation and amortisation	(61)	(191)	(130)
EBIT	**1,557**	**764**	**(793)**
Fair value movement on property	3,155	3,155	-
Share of profit / (loss) in associates	5,285	5,690	405
Finance income	34	222	188
Finance costs	(1,450)	(1,672)	(222)
Other income	-	749	749
Profit / (loss) before tax	**8,581**	**8,909**	**328**
Taxation	(750)	(1,232)	(482)
Profit / (loss) after tax	**7,831**	**7,677**	**(154)**
Profit from discontinued operation	6,959	5,060	(1,899)
Total comprehensive income	**14,790**	**12,737**	**(2,053)**

While Total Comprehensive Income fell short of the forecast by €2.1m, the underlying operational performance before tax showed resilience, exceeding forecast by €328k. The primary drivers for the consolidated variance were significantly higher-than-expected administrative expenses and lower profits from discontinued operations. These were partially offset by an increase in finance income, a strong performance from associates, and lower operational costs of sales.

Revenue was more or less in line with forecasts coming in at €2.5m. Cost of sales dropped from a forecasted €225k to an actual €100k, resulting in a favourable variance of €125k. This positive impact relates to the cost of sale of an airspace by one of the group companies, which was initially estimated to be higher during the preparation of last year's Analysis but ultimately concluded at a lower actual amount. Conversely, actual administrative expenses more than doubled the forecast, jumping from €678k to €1.4m. This unfavourable variance of €717k was heavily driven by un-envisaged one-off items in TOL, including a one-time write-off of €560k that was subsequently offset at Group level by another income component, leading to an overall unfavourable EBITDA variance of €662k.

Actual depreciation and amortisation came in at €191k against a €61k forecast, creating an unfavourable variance of €130k due to the depreciation charge on Right-of-Use assets for the Avella warehouse and Centerparc additional floors that had to be accounted for under IFRS 16. Consequently, EBIT finished at €764k compared to the projected €1.6m. Below the operating line, the share of profit in associates outperformed expectations by €405k, reaching €5.7m due to better results from the BBT group of companies than planned. Finance income also saw a favourable variance of €188k, totalling €222k because of income from third-party balances due to TOL for monies disbursed on San Gwakkin. This was partially offset by an unfavourable variance of €222k in finance costs, which rose to €1.7m due to interest on finance lease liabilities for Tum Developments and unexpected bank charges on new facilities taken on.

A significant actual gain on other income of €749k was recorded against a zero forecast, comprised of other income from the guarantor and the contra-entry to the €560k TOL write-off. These non-operating improvements pushed the profit before tax to €8.9m, beating the forecast of €8.6m by €328k. However, taxation was €482k higher than forecast due to a deferred tax charge connected with the revaluation of property at Easysell.

Furthermore, the profit from discontinued operations fell short by €1.9m, coming in at €5.1m because the profit on disposal of San Gwakkin was lower due to transaction timing and contract interpretations regarding a previous balance owed by the acquirer. Ultimately, the combined weight of the higher tax charge and the reduced discontinued operations profit caused the total comprehensive income to close at €12.7m, which is €2.1m lower than the original forecast.

2.5 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	30,500	79,626	57,480	44,149
Goodwill	-	346	346	346
Property, plant and equipment	8,567	14,710	351	399
Investment in associates	29,619	28,388	44,993	51,313
Loans receivable	-	-	1,712	866
Loans due from related parties	325	325	-	-
Other non-current assets	-	1,559	516	21,700
Total non-current assets	**69,011**	**124,953**	**105,399**	**118,773**
Current assets				
Inventories	-	-	63,283	65,349
Loans receivable	-	-	875	847
Amounts due from related parties	4,816	4,486	12,639	6,594
Trade and other receivables	262	293	1,116	1,353
Cash and cash equivalents	846	8,074	576	5,694
Tax recoverable	155	-	-	-
Total current assets	**6,078**	**12,853**	**78,488**	**79,837**
Total assets	**75,089**	**137,807**	**183,886**	**198,610**
Equity and liabilities				
Equity				
Share capital	17,693	17,693	17,693	19,993
Share premium	-	-	-	19,415
Retained earnings	19,251	9,039	21,788	36,363
Capital contribution	3,916	3,916	3,916	3,916
Other reserves	543	9,392	9,392	9,392
Non-controlling interest	(10)	(22)	12,428	12,424
Total equity	**41,393**	**40,018**	**65,217**	**101,503**
Non-current liabilities				
Deferred tax liability	3,031	3,318	3,994	3,994
Loans due to related parties	1,756	23,471	30,640	10,618
Lease liabilities	192	192	14,293	14,062
Bank loan	5,216	23,465	16,886	17,000
Debt securities in issue	19,703	31,432	31,509	31,582
Other financial liabilities	-	-	150	150
Other long-term payables	-	-	11,650	11,664
Total non-current liabilities	**29,898**	**81,877**	**109,122**	**89,070**
Current liabilities				
Bank loan and overdraft	-	488	559	-

Trade and other payables	753	2,429	3,342	3,706
Debt securities in issue	391	398	401	401
Lease liabilities	-	-	312	-
Amounts due to related parties	2,277	12,068	4,186	2,826
Tax payable	376	529	747	1,105
Total current liabilities	**3,797**	**15,912**	**9,547**	**8,038**
Total liabilities	**33,695**	**97,789**	**118,669**	**97,108**
Total equity and liabilities	**75,089**	**137,807**	**183,886**	**198,610**

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	37.3%	54.2%	48.9%	36.1%
Gearing 2 (Total Liabilities / Total Assets)	44.9%	71.0%	64.5%	48.9%
Gearing 3 (Net Debt / Total Equity)	59.6%	118.5%	95.9%	56.5%
Net Debt / EBITDA	7.9x	46.4x	65.4x	24.7x
Current Ratio (Current Assets / Current Liabilities)	1.6x	0.8x	8.2x	9.9x
Interest Coverage 1 (EBITDA / Cash interest paid)	4.1x	1.4x	N/A	1.7x
Interest Coverage 2 (EBITDA / finance costs)	3.6x	1.1x	0.6x	1.0x

As at FY25, the Group's total assets stood at €183.9m, increasing significantly from the €137.8m in FY24. This growth is primarily attributable to the recognition of €63.3m in inventories related to properties held by In-Nahal, TFL and BBT Nigret Properties Limited with these properties intended for sale in the ordinary course of business. Total assets are projected to increase to €198.6m in FY26.

In FY25, non-current assets accounted for 57.3% of total assets, predominantly comprising:

- Investment property (€57.5m), primarily the Zentrum building, Zurrieq land, Parilja, Geblin and Independent. The lower investment property whe compared to FY24 is mainly due to a reclassification to inventory following a change in use.
- Investments in associates (€45.0m), including the Group's interests in BBT, BBT Logistics and BBTF.

In FY26, non-current assets are expected to increase to €118.8m. The investment in associates is forecast to increase to €51.3m, primarily driven by the share of profit expected to be registered for the year. Investment property is expected to be lower at €44.2m due to the elimination of the ROU assets as per accounting standard in connection with subleases. Other non-current assets on the other hand are expected to surge to €21.7m and consist of the lease's receivable in conjunction with the subleasing and the discounting of the future lease payments, together with deposits made on potential property acquisitions in prior year.

Historically, current assets were composed mainly of amounts due from related parties and cash. However, in FY25, this changed with the reclassification of various assets to inventory resulting in inventory of €63.3m which is expected to remain at similar levels in FY26. Cash and cash equivalents decreased significantly to €576k in FY25 and are projected to increase to €5.7m in FY26, supported by increased collections both from third party debtors and also from related company balances.

Total equity increased to €65.2m in FY25 and is forecast to rise to €101.5m in FY26. The increase in FY25 was mainly due to the profit generated for the year which resulted in increased retained earnings and also a strong uptick in non-controlling interests. In FY26 equity is expected to increase again due to an increase in share capital in connection with the capitalisation of a €21.7m loan between the Issuer and the Parent, part of which also resulted in share premium of €19.4m.

Total non-current liabilities rose to €109.1m in FY25, made up of debt securities in issue (€31.5m) and loans due to related parties (€30.6m), reflecting financing from the Parent. Non-current liabilities also include bank borrowings of €16.8m and other long-term payables of €11.7m. Non-current liabilities are forecast to decrease substantially due to the capitalisation mentioned above and result in non-current liabilities of €89.1m in FY26.

Current liabilities decreased to €9.6m in FY25 driven by €4.2m due to related parties, down from €12.1m in FY24 and

€3.3m in trade and other payables, up from €2.4m in FY24. Current liabilities are forecasted to decrease to €8.0m in FY26, largely due to lower amounts due to related parties.

Gearing peaked in FY24 due to the bond issue and development-stage borrowing but is forecast to decrease substantially to 36.1% in FY26 with improved profitability and equity growth. The Current Ratio is projected to improve significantly to 9.9x in FY26, indicating strong short-term liquidity.

2.6 Group's Statement of Cash Flows

Cash Flow Statement for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	**€000s**	**€000s**	**€000s**
Cash flows from operating activities				
Profit before taxation	**2,097**	**-179**	**8,909**	**15,426**
Adjustments for:				
Depreciation	53	61	191	57
Finance costs	855	859	1,575	1,446
Finance income	(14)	(51)	(222)	-
Goodwill	-	(346)	-	-
Recognised cumulative share in losses in associates	160	(211)	(353)	-
Share of (profit) / loss of associates	(46)	(27)	(5,337)	(6,838)
Gain on investments	-	-	(3,155)	-
Gain from bargain purchase	(884)	-	-	-
Gain from disposal of hotel	(892)	-	-	-
Other	-	100	19	(7,378)
Adjustments to non-controlling interests	-	-	12,451	
Operating profit before working capital movement	**1,329**	**207**	**14,078**	**2,713**
Changes in working capital:				
Movement in trade and other receivables	(8,441)	19	(8,870)	(237)
Movement in dues to related parties	-	-	-	(1,892)
Movement in dues from related parties	-	-	-	6,590
Movement in trade and other payables	13,172	23,364	(994)	363
Movement in inventories	-	-	(17,024)	(2,066)
Cash generated from operations	**6,060**	**23,591**	**(12,810)**	**5,471**
Operating activities of discontinued operation	553	-	-	-
Tax paid	(527)	(703)	(338)	(496)
Bond interest paid	-	-	-	-
Net cash flows generated from operating activities	**6,087**	**22,887**	**(13,149)**	**4,975**
Cash flows from investing activities				
Purchase of property, plant and equipment	(8,522)	(6,174)	(4,847)	(105)
Purchase of investment property	(137)	(49,127)	(6,575)	(474)
Interest received	-	-	222	-
Advance payment to acquire property	-	(1,559)	1,043	-
Advances from (to) related parties	(1,130)	11,589	(2,587)	-
Net proceeds from loan related parties	-	-	325	-
Net cash flows used in investing activities	**(9,790)**	**(45,271)**	**(12,419)**	**(579)**

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Cash flows from financing activities				
Proceeds from debt securities issued	-	11,636	-	-
Net Proceeds from / (payments made to) bank loan	5,216	18,781	4,247	(449)
Repayment of lease liabilities	(11)	(11)	(180)	(11)
Loans (advanced to)/received from related parties	-	-	-	846
Loans advanced by (repayments to) related parties	-	-	15,864	1,709
Interest paid	(4)	(45)	(1,417)	-
Bond interest paid	(750)	(750)	-	(1,374)
Net cash flows (used in) / generated from financing activities	**4,451**	**29,612**	**18,513**	**721**
Movement in cash and cash equivalents	**749**	**7,229**	**(7,054)**	**5,117**
Cash and cash equivalents at start of year	105	846	8,074	576
Cash and cash equivalents at end of year	**854**	**8,074**	**1,020**	**5,693**
Cash and cash equivalents included in disposal group	(8)	-	-	--
Cash and cash equivalents (including discontinued operation)	-	-	(444)	
Cash and cash equivalents for continuing operations	**846**	**8,074**	**576**	**5,693**

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
Cash Flow	**€000s**	**€000s**	**€000s**	**€000s**
Free Cash Flow (Net cash from operations + Interest - Capex)	-2,572	-32,413	-24,570	4,396

Operating profit before working capital movements amounted to €14.1m during FY25 significantly higher than the €207k in FY24. After adjusting for the movement in working capital, which included a €17.0m outflow from inventories and an €8.9m outflow related to trade and other receivables, the Group registered a net cash outflow from operating activities of €13.2m in FY25. In FY26 management is forecasting a €5.0m inflow from operating activities mainly due to favourable movements in amounts due from related parties.

Net cash flows used in investing activities totalled €12.4m in FY25, primarily due to the acquisition and development of investment properties and PPE. Investing outflows from investing activities are forecast to come in at €579k related to minimal further investment in PPE and investment properties.

The Group's net cash flows generated from financing activities amounted to €18.5m, mostly reflecting €15.9m in loans advanced by related parties and a further €4.3m in bank borrowings. In FY26, management is anticipating minimal financing activities with amounts received from related parties virtually netting out with the bond interest to be paid resulting in a net inflow of €721k.

Overall, the Group generated a net negative cash movement of €7.1m in FY25, resulting in a year-end cash position of €1.0m, down from €8.1m in the previous year. After adjusting for cash outflows related to discontinued operations, the Groups closing cash balance was €576k. In FY26 management expects an upward cash movement of €5.1m bringing the expected closing cash balance to €5.7m.

Free cash flow during FY25 remained negative at €24.6m, largely due to the outflow of cash from operating activities and the Group's heavy investment cycle. However, this is forecast to turn positive in FY26 to €4.4m, as the Group begins to benefit from the cash returns of its completed development portfolio and enters a less capital-intensive phase of its strategy.

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

The Group is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.1 Economic Update[1]

Economic activity in Malta continues to show solid momentum. The Bank's Business Conditions Index indicates that in May, annual growth in business activity edged slightly upwards and remained above its long-term average. Manufacturing and retail trade increased in April, as did services production in March. In April, tourism activity continued to perform well. As from May, the European Commission suspended business survey results for Malta (and Estonia), due to changes in partner institutes. Consequently, the Economic Sentiment Indicator, the Employment Expectations Indicator and the Economic Uncertainty Indicator are not available.

However, the consumer sentiment indicator remains available, and it improved significantly in May. Overall, conditions in the property market remain strong. In May, approved commercial permits increased compared with a year earlier. On the demand side, both the number of residential promise-of-sale agreements and the number of final deeds of sale decreased in May, compared with a year earlier. In May, unemployment expectations as published by the European Commission rose to stand above their historical average. The unemployment rate increased slightly to 3.6% in April, and stood above the previous month's rate and the rate recorded in the same month a year earlier. Malta's inflation rate declined in May and stood well below that in the euro area.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) declined to 2.1% in May, while HICP inflation excluding food and energy fell marginally to 2.3%. Across the euro area, HICP inflation was higher than that in Malta due to the increase in energy inflation in the euro area. In May, inflation based on the Retail Price Index (RPI) decreased. In April, the Consolidated Fund reported a surplus compared with a deficit recorded a year earlier, due to an increase in government revenue which outweighed an increase in government expenditure. The annual rate of change of Maltese residents' deposits decelerated when compared with March, while annual credit growth was unchanged.

3.2 Economic Outlook[2]

According to the Bank's latest forecasts, Malta's real GDP growth is projected at 3.7%, 3.6% and 3.8% over the period 2026-2028. Compared to the Bank's previous projections, the outlook for GDP growth has been revised down by 0.1 p.p. in 2027 and upwards by 0.1 p.p. in 2028. Against an uncertain global backdrop due to the Middle East conflict, the Maltese economy is expected to present some degree of resilience to these effects in 2026, though a marginal delayed impact on GDP and prices is envisaged to materialise in 2027.

Growth over the projection horizon is expected to be led by private consumption, which is projected to continue to grow at a brisk pace, in part supported by recent changes to income tax bands. Employment growth is expected to moderate gradually to 2.3% by 2028. The unemployment rate is forecast to edge down to 2.9% over the projection horizon. Wage growth is set to remain strong, driven by labour market tightness, but is set to ease to 3.9% in 2028 from 4.2% last year. HICP inflation is projected to be impacted by the war in the Middle East, primarily through the channel of higher imported inflation, particularly in goods and food components as continued fiscal support mitigates the propagation of the energy shock on domestic energy prices. Overall HICP inflation is thus projected to increase to 2.5% in 2026 and is set to remain at that level in 2027.

[1] Central Bank of Malta – Economic Update 06/2026

[2] Central Bank of Malta – Economic projections 2026-2028 : 2

It is then expected to ease to 2.2% in 2028, driven primarily by lower services and NEIG inflation. Compared to the Bank's previous forecast publication, overall HICP inflation has been revised up by 0.2 percentage points in 2026 and 2028 and by 0.4 percentage points in 2027. The general government deficit-to-GDP ratio is projected to continue to decline over the forecast horizon, albeit in a more gradual manner. It is set to narrow to 1.9% in 2026, 1.7% in 2027 and to 1.6% by 2028. The general government debt-to-GDP ratio is expected to decline further from 46.4% in 2025 to 46.0% in 2026 and subsequently to 44.1% by 2028. Risks to growth are tilted to the downside.

These risks largely emanate from the uncertainty surrounding the duration and intensity of the conflict in the Middle East which may lead to a weaker external environment and hence a more subdued trajectory in foreign demand. Disruptions to transport through the Strait of Hormuz have also raised concerns on fuel shortages in trading partner countries which may negatively impact tourism, aviation and the shipping industry. However, this downside risk to tourism could be mitigated potentially by the redirection of tourists towards safer destinations like central and western Mediterranean. Risks to inflation are tilted to the upside over the projection horizon. Upside risks to inflation primarily reflect stronger disruptions to energy markets than assumed in the technical assumptions.

Although the direct impact on domestic energy prices continues to be mitigated by the Government's commitment to its fixed energy price policy, higher than envisaged global energy prices could generate stronger imported inflation, with potential further amplification via indirect effects on wages and profit margins. Inflation could also be higher than expected if supply disruptions were to spread to non-energy markets, although alternative supplies from other regions could mitigate this effect. On the fiscal side, risks are assessed to be tilted to the downside (deficit-increasing). These predominantly stem from the possibility of slippages in current expenditure, notably higher-than-expected spending on energy support measures should commodity prices exceed assumptions. These risks are partly mitigated by the likelihood of higher-than-forecast increases in tax revenue, brought about by additional improvements in tax administration.

3.3 The retail sector[3]

The confidence indicator in April 2026 for the retail sector remained flat at 7.7 compared to previous month and thus remained above its long-term average. This mainly reflected an expected improvement in business activity over the next three months.

In relation to retail properties for rent, the most pronounced increase in average rental rates was recorded in the North Harbour region, where average asking prices for retail space rose by 10.9% in 2025, reaching €422 per sqm. This development positions the North Harbour as the most expensive retail location. The Grand Harbour region ranks second, with an average rate of €414 per sqm, despite experiencing a decline of 16.1% compared to 2024. The North West and Southern regions remain the least expensive areas for retail space, at €164 per sqm and €161 per sqm respectively, both registering modest growth over the prior year.

3.4 Commercial property market[4]

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta has considerably increased over the last couple of years. Of note, there are several traditional business areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta, being Malta's capital city, is considered to be a cultural and administrative hub with many law firms, government entities and long-established family businesses holding their main office space there.

Other traditional commercial areas include the likes of St. Julian's, which is popular for its sea-view offices, and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top-quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieha and in parts of the south of Malta. The

[3] https://assets.kpmg.com/content/dam/kpmgsites/mt/pdf/2025/12/kpmg-mda-construction-industry-and-property-market-report-2025.pdf

[4] KPMG & Malta development Association – Construction Industry and Property Market Report 2025

variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline.

Rental figures for office space support the generally sluggish environment expressed during discussions with industry experts, due to weak demand and limited transactional momentum, as can be seen in the decrease in average asking rental rates for office space which decreased to €221/sqm in 2025, down from €234/sqm. The Central region saw modest growth of 0.7%, with the Grand Harbour, North Harbour and Southern regions recording declines in office rental rates of 5.7%, 4.2% and 1.5%, respectively. Further analysis shows that the highest proportion of office space can be found in the Northern Harbour region (51.1% of all listings), followed by the Central region (30.2%). In relation to retail properties, the highest increase in average rental rates was recorded in the North Harbour region, with an increase of 10.9% in 2025.

However, commercial property sales tell a story of divergence. Retail properties are showing weakness, with the average price per sqm decreasing by 3.3% in 2025 over the prior year. On the other hand, office commercial property experienced a 2.3% increase in the average asking price per sqm over the prior year. Key stakeholders in the commercial real estate segment also indicate that the industrial and warehousing segments remain strong.

Key stakeholders in the commercial real estate segment also indicate that the industrial and warehousing segments remain strong.

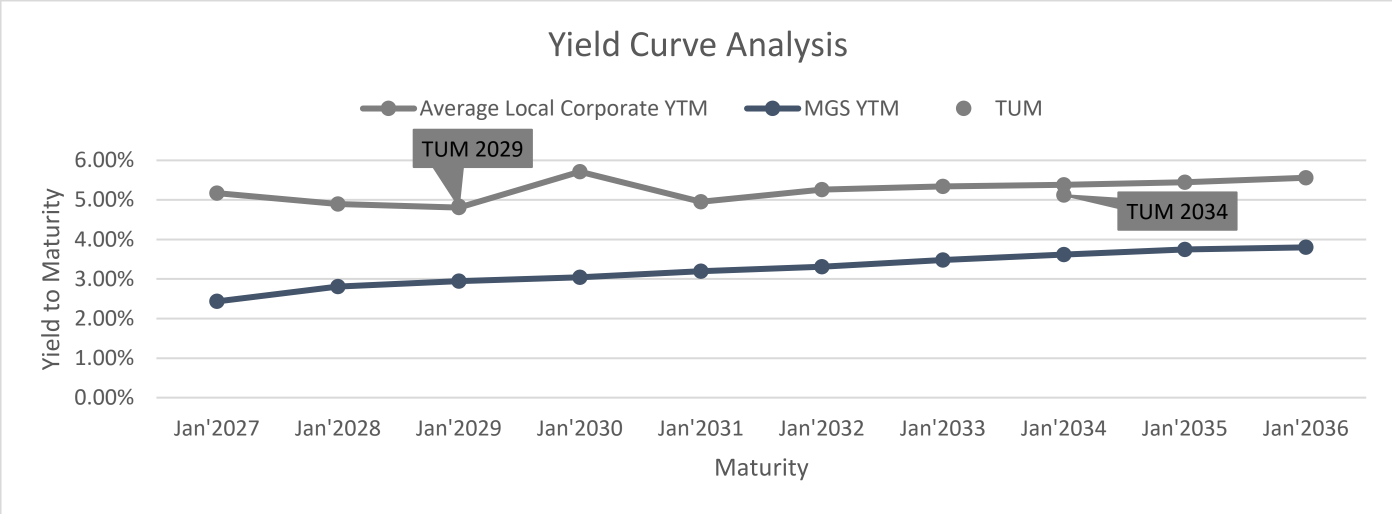
While office prices have risen, they remain consistent with three-year historical averages. This suggests the current upward trend may be a market correction after previous declines, yet industry stakeholders still describe the office sector as subdued.

3.5 Comparative Analysis

The purpose of the table below compares the debt issuance of the Issuer to other debt instruments. We have included different securities with a similar maturity as the debt securities of the Issuer. One must note that, given the material differences in profiles and industries, the risks associated with the Issuer's business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
4.5% Endo Finance plc Unsecured € 2029	13,500	4.53%	2.0x	60.3	19.2	68.1%	64.7%	7.1x	1.3x	2.8%	3.2%	-5.6%
5.75% Best Deal Properties Holding plc Secured € 2027-2029	15,000	4.96%	1.3x	44.0	7.4	83.2%	80.9%	13.1x	7.9x	19.2%	8.0%	26.8%
4.25% IZI Finance plc Unsecured € 2029	30,000	4.24%	7.8x	259.3	85.8	66.9%	50.4%	3.4x	0.4x	1.2%	0.1%	15.6%
4% SP Finance plc Secured € 2029	12,000	4.75%	5.0x	55.4	28.8	48.0%	36.1%	5.3x	0.4x	0.9%	2.6%	4.5%
3.75% TUM Finance plc Secured € 2029	20,000	4.84%	0.7x	183.9	65.2	64.5%	49.2%	66.0x	8.2x	11.8%	313.2%	31.1%
3.65% Stivala Group Finance plc Secured € 2029	15,000	4.54%	5.1x	560.8	386.8	31.0%	21.7%	5.1x	0.8x	5.3%	61.7%	11.9%
5% MedservRegis plc Secured € 2029	13,000	4.99%	4.8x	158.3	58.4	63.1%	48.4%	2.5x	1.6x	9.4%	5.3%	49.4%
3.75% AX Group plc Unsec 2029 Series II	10,000	5.02%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
6.25% Camilleri Finance plc € Unsecured 2034	15,000	5.91%	(.3)x	48.0	16.1	66.5%	55.3%	N/A	0.8x	-7.0%	-6.1%	1.4%
4.50% The Ona plc Secured € 2028-2034	16,000	5.11%	4.0x	39.5	9.0	77.3%	73.3%	7.6x	1.3x	-12.5%	-9.9%	47.3%
5.35% Hal Mann Vella Group plc Secured € 2031-2034	23,000	5.12%	3.4x	132.0	57.4	56.5%	48.2%	7.0x	1.4x	6.1%	10.9%	18.2%
5.3% Mercury Projects Finance plc Secured € 2034	20,000	5.61%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5.2% VBL plc Secured € 2030-2034	10,000	5.17%	16.6x	96.5	69.1	28.3%	22.3%	6.3x	3.5x	2.3%	33.5%	15.4%
5.2% TUM Finance plc Secured Callable € 2031 -2034	12,000	4.84%	0.7x	183.9	65.2	64.5%	49.2%	66.0x	8.2x	11.8%	313.2%	31.1%
	Average 2029*	4.72%										
	Average 2034*	5.38%										

Source: Latest available audited financial statements
Last closing price as at 17/06/2026
*Average figures do not capture the financial analysis of the Issuer



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph plots the entire MGS yield curve, thus taking into consideration the yield of comparable issuers. The graph illustrates on a stand-alone basis, the yield of comparable issuers having a maturity between 3-9 years (Peers YTM).

As at 17 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with maturity of 3 years was 177 basis points. The 3.75% TUM Finance plc 2029 is currently trading at a YTM of 4.84%, meaning a spread of 189 basis points over the equivalent MGS. This means that this bond is trading at a premium of 12 basis points in comparison to the market.

As at 17 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with maturity of 9 years was 177 basis points. The 5.2% TUM Finance plc 2031-2034 is currently trading at a YTM of 5.12%, meaning a spread of 151 basis points over the equivalent MGS. This means that this bond is trading at a discount of 26 basis points in comparison to the market

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Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
EBIT (Operating Profit)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Profit After Taxation	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).

Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.

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Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Current Liabilities	Obligations which are due within one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

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