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CF ESTATES FINANCE p.l.c.

CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta
Co. Reg. No. C102839

COMPANY ANNOUNCEMENT

Publication of Financial Analysis Summary

It is being announced that the updated report containing the Financial Analysis Summary of the Company dated 24th June 2025, has been approved for publication and is attached herewith. It is also available for viewing on the Company's website: https://cf.com.mt/

By order of the Board

Joseph Saliba

Company Secretary

24th June 2025

Calamatta Cuschieri

The Directors
CF Estates Finance p.l.c.
CF Business Centre,
Level 1, Triq Gort, Paceville,
San Giljan, STJ 9023,
Malta

24 June 2025

Re: Financial Analysis Summary – 2025

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 CF Estates Finance p.l.c. (the "**Issuer**") and CF Estates Ltd. (the "**Guarantor**"), being the parent company of the group as explained in part 1 of the Analysis. The data is derived from various sources, including the prospectus dated 28 November 2022 (the "**Prospectus**"), or is based on our own computations as follows:

(a) Historical financial data for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 has been extracted from the audited financial statements of the Issuer for the three years in question.

(b) The forecast data for the financial year ending 31 December 2025 has been provided by management.

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

(d) The ratios quoted 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 or websites providing financial data.

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,

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2025

HOMES | HOTELS | OFFICES | LEISURE

24 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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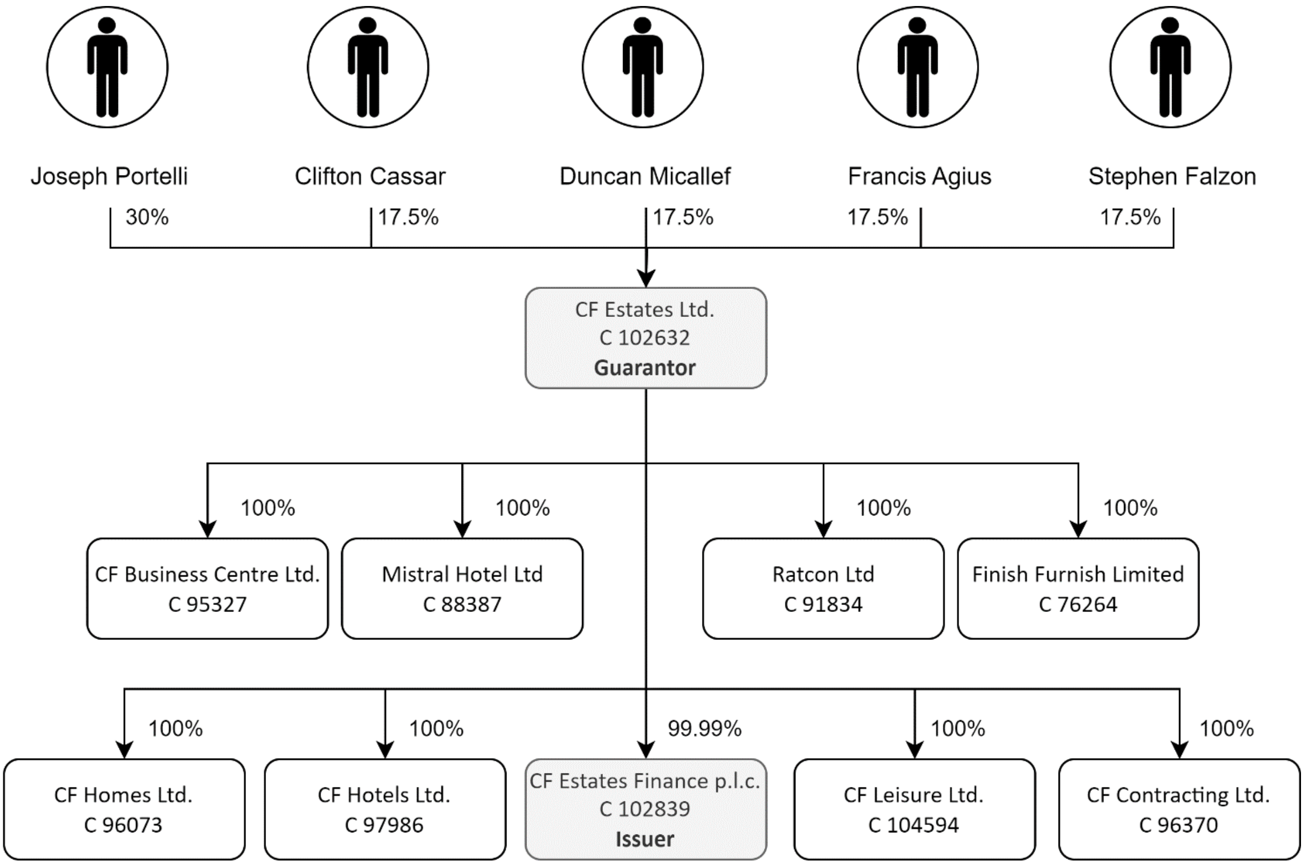
Part 1 - Information about the Group

1.1. Issuer's Key Activities and Structure

The Group structure is as follows:



CF Estates Finance p.l.c. (the "**Issuer**") was incorporated on 26 July 2022 with company registration number C 102839. As at the date of this Analysis, the Issuer has an authorised share capital of €250,000 divided into 250,000 ordinary shares of €1 each and an issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. The Issuer is, except for one ordinary B share that is held by Mr Joseph Portelli, a fully owned subsidiary company of CF Estates Ltd.

CF Estates Ltd. was incorporated on 30 June 2022 with company registration number C 102632. It was incorporated to act as both the holding and parent company of the CF Group (the "**Group**"). The Group is owned directly by Joseph Portelli, Francis Agius, Stephen Falzon, Duncan Micallef and Clifton Cassar (the "**Shareholders**"). The Group operates, through its subsidiaries, a range of businesses including hotels, a business centre, residential developments and other commercial outlets.

Prior to a group restructuring exercise, the Shareholders operated through different companies. Stephen Falzon, Duncan Micallef and Francis Agius developed residential projects through "**SDF Limited**", a company incorporated on 6 February 2013 with company registration number C 59236. Along with Joseph Portelli, they also developed residential projects through "**7 Dwarfs Ltd**", a company incorporated on 19 February 2020 with company registration number C 94667. "**Finish Furnish Limited**", which operates the Casafini showroom in Balzan, was incorporated on 4 July 2016 with company registration number C 76264.

Joseph Portelli, Duncan Micallef and Clifton Cassar also developed residential projects through JDC Projects Limited (C 88087) and JDC Contracting Limited (C 92792), which were incorporated on 3 September 2018 and 5 August 2019, respectively. They also acquired and developed three hotels and a business centre (the "**CF Business Centre**"). The aforementioned three hotels are the Mistral Hotel (through "**Mistral Hotel Ltd**"), the Scirocco Hotel and Levante Hotel (through "**Ratcon Ltd**"). The business centre is owned through "**CF Business Centre Ltd.**" (Previously Haven Centre Limited).

In 2020, the Shareholders began discussions on merging their aforementioned businesses to create synergies which would facilitate further growth in their future operations. The companies involved in the merger were CF Business Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd and Finish Furnish Limited. The Shareholders agreed that any developments which were still in progress would be completed by the corresponding entities, following which all new developments would be done through "**CF Homes Ltd.**" (Previously CF Developers Ltd.) And "**CF Contracting Ltd.**", both incorporated in 2020. The Shareholders had proposed incorporating a new holding company to be owned 30% by Joseph Portelli and 17.5% each by Francis Agius, Duncan Micallef, Stephen Falzon and Clifton Cassar. This resulted in the incorporation of CF Estates Ltd. in June 2022.

Management explained that, in most cases, the acquisition of the land and construction of the development up to shell form is carried out by CF Homes Ltd. whilst CF Contracting Ltd. is appointed to finish the common areas and apertures. CF Contracting Ltd. may also be appointed to finish and furnish the apartments if requested by the client. Furthermore, "**CF Hotels Ltd**" was incorporated on 26 January 2021 with company registration number C 97986 and is a direct subsidiary of the Guarantor and for "**CF Leisure Limited**", the company started operation in Q1 2024.

1.2. Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Joseph Portelli	Chairman and Executive Director
Mr Francis Agius	Executive Director
Mr Stephen Muscat	Independent Non-Executive Director
Mr Mario Vella	Independent Non-Executive Director
Mr Peter Portelli	Independent Non-Executive Director

The business address of all of the directors is the registered office of the Issuer.
Dr Joseph Saliba is the company secretary of the Issuer.

The board of the Issuer is composed of five directors who are entrusted with its overall direction and management. The executive directors are entrusted with the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all three of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

Board of Directors - Guarantor

As of the date of this Analysis, the board of directors of the Guarantor is constituted by the following persons:

Name	Office Designation
Mr Joseph Portelli	Chairman and Executive Director
Mr Francis Agius	Executive Director
Mr Clifton Cassar	Executive Director
Mr Stephen Falzon	Executive Director
Mr Duncan Micallef	Executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Nicole Ann Demicoli is the company secretary of the Guarantor.

The board of the Guarantor is composed of five directors who are entrusted with its overall direction and day-to-day management.

1.3. Major Assets owned by the Group

1.3.1. Hotels

The hotels owned by the Group are the Mistral Hotel, the Scirocco Hotel, and the Levante Hotel, all of which are three-star hotels in St. Julian's, Malta (collectively, the "**Hotels**"). As at end of FY2024, all three hotels were operational. Mistral Hotel completed its first year of operations, Scirocco Hotel commenced operations in March 2024, and Levante Hotel opened its doors on July 2024. Since the hotels are operated by the Group and managed by Meliá, they are classified as property, plant and equipment. As at 31 December 2024, the total asset value of the hotels was €16.7m. This value was taken following the opening of the three hotels.

1.3.2. CF Business Centre

The CF Business Centre has been the head office of the Group since the first half of 2022.

This property is a luxurious and spacious work environment that includes a restaurant, offices, a store and other commercial outlets. As at the date of this Analysis, level 1 and part of level 2 of the CF Business Centre house the Group's head office. The rest of the centre is fully rented out.

The CF Business Centre is partly accounted for as property, plant and equipment, as it uses one floor of the building as the Group's head office, and part as investment property.

Following a revaluation on 22 November 2022, the fair value of the CF Business Centre increased by €2.1m, resulting in a net book value of €13.7m for the investment property as at the end of FY2024.

1.3.3. Residential Units

The inventory of the Group as at year-end also consists of work-in-progress in relation to the development of residential units, undertaken by CF Homes Ltd. As at 31 December 2024, inventory relating to property development totalled €35.8m and included *inter alia* the cost of land, permits, professional fees and construction costs in relation to ongoing projects.

1.4. Operational Developments

1.4.1. Residential Units

As at the date of this Analysis, CF Homes Ltd has permits to develop 18 projects. As at FY2024, all the projects funded from the bond proceeds have been completed with the sales proceeds utilised in new development projects. A description of the more material project follows:

1.4.1.1. Mayfair

On 17 May 2022, CF Developers Ltd. (now CF Homes Ltd.) acquired the land known as "Ta Dardu" in Triq Lorenzo Manche, Attard, for a consideration of €5.3m. On 16 November 2021, a full development permit was approved to excavate 44 basement garages and construct 43 residential units from the ground floor upwards, including penthouses. Works for this property were completed by FY2024 for a total cost (including cost of land) *circa* €10.1m.

1.4.1.2. Park Lane

On 3 August 2022, CF Developers Ltd. (now CF Homes Ltd.) entered into a promise of sale agreement to acquire "Dolphin Centre" in Triq il-Wied, Hal Balzan corner with Triq il-Kbira with an approximate floor area of 3,997m^2. The property was acquired for a consideration of €9.5m, of which €2.1m would be delivered through a barter of units from this project in shell form. The development was originally planned to include 8 one-bedroom apartments, 24 two-bedroom apartments, and 56 three-bedroom apartments, while also allowing for offices, a bank, and a restaurant. Works, which were previously expected to be completed during FY2024, are currently on hold and undergoing a redesigning project.

1.4.1.3. Vermont Court

CF Developers Ltd. (now CF Homes Ltd.) acquired a number of properties in Pieta for a total of €2.4m. A permit was granted by the Planning Authority for the excavation of basement garages a retail shop and maisonettes at the ground floor plus 6 overlying floors of apartments. The development included 42 2-bedroom units, 9 garages and one outlet over a site with a superficial area of around 435m^2. Works were completed by FY2024 for a total cost (including cost of land) *circa* €3.9m.

1.4.1.4. Macael

CF Developers Ltd. (now CF Homes Ltd.) entered into a promise of sale agreement with various vendors to acquire 5 houses in Paola for a consideration of €1.5m plus a barter for 6 units and 5 garages from the said development. On 15 December 2021, the planning authority granted CF Developers Ltd. a permit to demolish the existing property and construct 18 garages and 45 apartments, including penthouses with a Jacuzzi or pool. The development is over a site of approximately 1,155m^2 and will include 2 1-bed apartments, 17 2-bed apartments and 26 3-bed apartments. The development was completed in Q2 2024.

1.4.1.5. Artemis and Hestia

Artemis and Hestia are two developments making up a) a site of approximately 1,670m^2 under preliminary agreement for a consideration of €5.0m plus a barter of 4 garages, an apartment, and a penthouse within the site; and b) a site comprising approximately 400m^2 under preliminary agreement for a consideration of €0.9m of which was paid in cash and part through an exchange in property from Excel Investments Limited (C 81721). These two properties were adjacent to each other, and were developed and sold as one composite development. The development was completed by FY2024. This site includes 67 residential units and 60 garages.

1.4.1.6. Meadow

CF Homes Ltd acquired a Burmarrad property on 3 February 2023 for €2m. Development approval was obtained through Planning Authority permit PA/3317/21. The scheme includes 19 residential units and 11 garages, occupying a 657m^2 site. Construction started in FY2024 and is scheduled for completion in FY2025. The overall cost, including land acquisition, is expected to be in the region of €4m.

1.4.1.7. Dovecote

CF Homes Ltd acquired a property in Mosta on 26 June 2023 for €5m. Planning permit PA/1762/24 was obtained for the development of 48 residential units and 46 garages. Situated on approximately 1,328m^2 of land, the construction began in FY2024 and is projected to reach completion in FY2025. The total outlay, inclusive of the land cost, is forecasted at circa €10.8m.

1.4.1.8. Field view

On 1 May 2024, CF Homes Ltd purchased a site in Mqabba for €2.7m. Planning permission for the project was granted under application PA/04317/23. The scheme comprises 43 residential units and 41 garages, covering an area of about 1,584m^2. Construction began in FY2024 and is on track for completion during FY2025, with total development costs (land included) estimated at approximately €7m.

1.4.1.9. Sienja

On 29 April 2024, CF Homes Ltd finalised the purchase of a Mellieha property for €3.3m. Planning Authority permit PA/04255/23 was granted for the construction of 5 luxury villas on a site spanning roughly 7,338m^2. Building activity commenced in FY2024 and progressed through FY2025, with the project expected to conclude in FY2026. The total investment, including land acquisition, is estimated at approximately €8.9 million.

1.4.1.10. Corner Residences

CF Homes Ltd acquired a property in Fgura on 25 June 2024 for a consideration of €2.8m. The development, approved under permit PA/7378/23, entails excavation works and the construction of 28 residential units and 27 garages/outlets across a site measuring about 1,011m^2. Completion is scheduled for FY2025, with an overall estimated cost (inclusive of land) of approximately €5.85m.

1.4.1.11. Marigold

On 5 August 2024, CF Homes Ltd entered into an agreement for several properties in Fgura, with a consideration of €0.6m plus a barter. The site is covered by Planning Authority permit PA/08739/21, which authorises excavation works. The project comprises 27 residential units and 12 garages, occupying a footprint of approximately 1,470m^2. The total development cost, including land, is projected at around €3.3m, with completion targeted for FY2025.

1.4.1.12. Sunset Breeze

CF Homes Ltd acquired a site in Qawra on 23 December 2024 for €7m. Planning Authority application PA/03209/23 allows for the construction of 110 residential units and 64 garages on a 1,550m^2 plot. Works commenced in FY2025 and will continue into FY2026, by which time the project is expected to be completed. The comprehensive development cost is estimated at around €16m.

1.4.1.13. The Arches

On 8 May 2025, CF Homes Ltd secured a property in Santa Venera for €2.5m. Approved via application PA/05366/23, the project will feature 33 residential units and 40 garages spread over approximately 939m^2. Construction is planned to begin in FY2025 with project completion anticipated by FY2026. Total investment, including land, is estimated at circa €5.2m.

Part 2 - Historical Performance and Forecasts

The Groups audited financials for the year ended 31 December 2022 covers 6 months, while the audited financials for the years ending 31 December 2023 and 31 December 2024 cover 12 months. The projected financial information for the year ending 31 December 2025 has been provided by the Group's management. This financial information relates to events in the future and are based on assumptions which the Group 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. Group's Statement of Comprehensive Income

Group's Statement of Comprehensive Income for the year ended 31 December	2022A	2023A	2024A	2025F
	(6 months)	(12 months)	(12 months)	(12 months)
	€000s	**€000s**	**€000s**	**€000s**
Revenue	3,567	23,058	41,104	36,739
Cost of sales	(2,454)	(15,373)	(28,361)	(21,965)
Gross profit	**2,540**	**7,685**	**12,743**	**14,774**
Administrative expenditure	(1,986)	(4,566)	(6,944)	(3,834)
Fair value gains	2,072	-	-	-
Other expenses	-	(38)	-	-
Other income	7	75	51	5
EBITDA	**2,634**	**3,156**	**5,850**	**10,945**
Depreciation and amortisation	(1,427)	(555)	(927)	(852)
EBIT	**1,207**	**2,601**	**4,923**	**10,093**
Finance cost	(478)	(1,990)	(2,222)	(2,222)
Finance income	-	174	489	489
Profit / (loss) before tax	**729**	**785**	**3,190**	**8,360**
Current tax charge	(659)	(1,186)	(2,436)	(2,790)
Profit / (loss) for the year	**70**	**(401)**	**754**	**5,570**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
Growth in Revenue (YoY Revenue Growth)	N/A	N/A	78.26%	(10.62%)
Gross Profit Margin (Gross Profit/ Revenue)	71.21%	33.33%	31.00%	40.21%
EBITDA Margin (EBITDA / Revenue)	73.82%	13.69%	14.23%	29.79%
Operating (EBIT) Margin (EBIT / Revenue)	33.81%	11.28%	11.98%	27.47%
Net Margin (Profit for the year / Revenue)	1.96%	(1.74%)	1.83%	15.16%
Return on Common Equity (Net Income / Average Equity)	0.98%	(5.20%)	9.55%	50.96%
Return on Assets (Net Income / Average Assets)	0.16%	(0.56%)	0.87%	6.58%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	7.27%	5.22%	8.20%	20.89%
EBITDA Growth	N/A	N/A	85.36%	87.09%

➔ Revenue Generation and Operational Overview

The Group derives its revenue from a diversified portfolio of operations, including property sales, office space leasing, hotel operations, turnkey finishing and construction services, the operation of an entertainment arena forming part of the "**Mercury Project**".

Total revenue for the year 2024 amounted to €41.1 million, primarily driven by a substantial increase in property sales, which nearly doubled compared to the previous year and accounted for approximately 80% of the overall revenue, more significantly, the increase was driven by a higher volume of deed executions following the completion of residential developments by CF Homes Ltd.

Income generated from hotel operations experienced significant growth, rising from €707k in the prior year to €2.4 million in 2024, reflecting an increase in bed nights with 2024 being the first full year of operations and an increase in growth experienced in the tourism sector.

For FY2025, revenue is projected to decrease when compared to FY2024, primarily due to a one-off high-value sale by CF Homes Limited in 2024, which accounted for 18.6% of total revenue from sale of properties, and the cessation of activities by Finish Furnish Limited. It is important to highlight that 85% of the forecasted revenue for FY2025 is expected to be derived from property development sales, of which 98.5% are already secured through the promise of sale agreements.

➔ Cost of Sales and Gross Profit

Cost of sales comprises expenses directly related to the Group's property development activities, including land acquisition, construction materials, and labour costs, in addition to operating expenses for the Group's three hotels, such as accommodation, food, and beverage costs.

In FY2025, gross profit is projected to reach €14.8 million, resulting in a gross profit margin of 40.21%, compared to 31.00% in FY2024. Property development revenues represented 75% of total revenue in FY2023, increasing to 80% in FY2024, reflecting the Group's strategic focus on its core property development operations.

➔ Administrative Expenses and Strategic Exits

The increase in administrative expenses in FY2024 compared to FY2023 is primarily attributable to a provision related to inventory held by Sanitaryware, following the Group's strategic decision to exit this underperforming segment. Depreciation and amortisation increased to €927k from €555k in line with the increase in PPE.

➔ Finance Costs and Profitability

Finance costs reached €2.2 million in FY2024, driven mainly by interest expenses on bonds issued to finance new investments and higher levels of borrowings undertaken to support ongoing expansion initiatives.

Profit before tax in FY2024 was €2.4 million higher than in the preceding year. After accounting for a tax charge of €2.4 million, the Group reported a net profit of €754k for the year. In FY2025, the Group is forecasting a profit for the year of €5.6m, mainly due to lower cost of sales and administrative expenses.

2.1.1 Group's Variance Analysis

Group's Statement of Comprehensive Income for the year ended 31 December	2024F	2024A	Variance
	€000s	€000s	€000s
Revenue	51,522	41,104	(10,418)
Cost of sales	(37,518)	(28,361)	9,157
Gross profit	**14,004**	**12,743**	**(1,261)**
Administrative expenditure	(4,078)	(6,944)	(2,866)
Fair value gains	-	-	-
Other expenses	-	-	-
Other income	-	51	51
EBITDA	**9,926**	**5,850**	**(4,076)**
Depreciation and amortisation	(657)	(927)	(270)
EBIT	**9,269**	**4,923**	**(4,346)**
Finance cost	(2,137)	(2,222)	(85)
Finance income	-	489	489
Profit / (loss) before tax	**7,132**	**3,190**	**(3,942)**
Current tax charge	(3,132)	(2,436)	696
Profit / (loss) for the year	**4,000**	**754**	**(3,246)**

➔ Variance Analysis – FY2024 Revenue and Cost Structure

Revenue for FY2024 was €10.4 million below initial projections. This variance primarily stems from the performance of CF Homes Ltd., where management had anticipated a higher volume of deed signings during the year. However, a number of these transactions were either delayed or deferred to FY2025 due to extended project completion timelines and delays in bank appointment processes. A portion of these deeds have been executed in early FY2025, with the remainder expected to close within the current financial year. The deferral of these transactions materially impacted the revenue recognition for FY2024. Had these contracts materialised in 2024 as originally projected, no variance would have materialised.

Consequently, cost of sales was also lower than forecasted, decreasing proportionally with the revenue shortfall. This reflects the variable nature of direct costs associated with the Group's development activities, including materials, labour, and related construction expenditures.

Administrative expenses exceeded budgeted levels, driven largely by the underperformance of the Group's retail segment. In particular, a full impairment provision was recognised for the sanitary ware inventory during the year, following management's strategic decision to discontinue operations in this line of business.

Finance costs for FY2024 were initially projected at €2.1 million but resulted marginally higher.

As a result of the above, the Group reported actual profit for the year of €754k as compared to the projected profit of €4m. This resulted in an adverse variance of €3.2m.

2.2 Group's Statement of Financial Position

Group Statement of Financial Position as at 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	13,689	13,689	13,689	13,689
Intangible assets	6	5	34	34
Property, plant and equipment	15,356	24,770	26,321	25,469
Right-of-use asset	644	782	131	131
Deferred tax assets	842	1,022	1,090	1,090
Total non-current assets	**30,537**	**40,268**	**41,265**	**40,413**
Current assets				
Inventory	24,090	30,025	35,763	27,465
Trade and other receivables	6,127	8,470	9,356	8,291
Cash and cash equivalents	520	2,330	5,865	1,000
Total current assets	**30,737**	**40,825**	**50,984**	**36,756**
Total assets	**61,274**	**81,093**	**92,249**	**77,169**
Equity				
Share capital	6,308	6,308	6,308	6,308
Revaluation reserve	1,540	1,540	1,540	1,540
Retained earnings	70	(331)	423	5,740
Total equity	**7,918**	**7,517**	**8,271**	**13,588**
Liabilities				
Non-current liabilities				
Lease liabilities	437	601	55	55
Borrowings	24,528	48,808	56,916	32,622
Long-term deposits	116	208	221	221
Deferred tax liability	3,194	3,313	3,496	3,496
Trade and other payables			2,400	2,400
Total non-current liabilities	**28,275**	**52,930**	**63,088**	**38,794**
Current liabilities				
Lease liabilities	215	214	91	91
Borrowings	8,170	4,313	2,535	6,372
Trade and other payables	16,696	16,119	18,264	18,324
Total current liabilities	**25,081**	**20,646**	**20,890**	**24,787**
Total liabilities	**53,356**	**73,576**	**83,978**	**63,581**
Total equity and liabilities	**61,274**	**81,093**	**92,249**	**77,169**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	80.57%	87.29%	86.66%	73.73%
Gearing 2 (Total Liabilities / Total Assets)	87.08%	90.73%	91.03%	82.39%
Gearing 3 (Net Debt / Total Equity)	414.62%	686.52%	649.64%	280.69%
Net Debt / EBITDA	12.47x	16.35x	9.18x	3.48x
Current Ratio (Current Assets / Current Liabilities)	1.23x	1.98x	2.44x	1.48x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.27x	0.52x	0.73x	0.37x
Interest Coverage (EBITDA / Finance Costs)	5.52x	1.59x	2.63x	4.93x

➔ Asset Composition and Balance Sheet Dynamics – FY2024

As at FY2024, the Group's total assets comprised 44.7% non-current assets and 55.3% current assets, reflecting a balanced asset structure aligned with the nature of its operations.

Non-current assets were predominantly composed of property, plant and equipment (PPE), amounting to €26.3 million, and investment property valued at €13.7 million as at year-end. The latter relates to the CF Business Centre, with its fair value determined by an independent architect, as referenced in Section 1.3.2 of this Analysis. Additional components of non-current assets include intangible assets, right-of-use assets, and deferred tax assets.

The group's current assets comprise inventory, trade and other receivables and cash and cash equivalents. In FY2024 inventories increased by 5.7m and are projected to decrease by €8.3 million during FY2025, in line with the Group's expectations to conclude property sales currently under development or held for sale. Trade and other receivables have remained relatively stable since FY2023 and are expected to remain so in FY2025.

➔ Liabilities, Equity and Capital Structure

Non-current borrowings are expected to decrease from €56.9m in FY2025 to €32.6m in FY2024 primarily relating to the repayment of bank borrowings initially used for the acquisition of land, as well as the construction and finishing of various development projects.

Current borrowings are expected to increase to €6.4m in FY2025, this reflects financial facilities and loan commitments scheduled for settlement in 2026. These encompass the closing balance related to the Qrendi site, the Mellieħa–Sienja facility, and the Fgura–Corner site loan, which is anticipated to be fully repaid upon the realization of project revenues within that year.

Trade and other payables mainly include trade payables, accruals, other payables and deposits from customers. The increase in FY2024 over FY2023 is mainly due to an increase in other payables and deposits from customers which together increased by *circa* €4.5m.

The Group's equity position strengthened during the year, supported by the net profit generated in FY2024. Share capital and revaluation reserves remained unchanged, while retained earnings contributed to the overall growth in equity.

Management anticipates further improvements in the Group's capital structure, with debt-to-EBITDA expected to improve to 3.48x by the end of FY2025, reflecting a return to more stable and normalised levels of operation and profitability.

➔ Working Capital and Gearing Ratios

The delays encountered in the completion and delivery of property development projects resulted in the deferral of associated revenues and profits to FY2025. As a result, certain key gearing ratios in FY2024 were adversely impacted, particularly due to lower-than-projected retained earnings. Management expects a recovery in these ratios during FY2025 as the deferred profits are recognised.

2.3 Group's Statement of Cash Flows

Group's Statement of Cash Flows for the year ended 31 December	2022A	2023A	2024A	2025F
	(6 months)	(12 months)	(12 months)	(12 months)
	€000s	**€000s**	**€000s**	**€000s**
Cash flows from operating activities				
Profit before tax	729	785	3,190	8,360
Adjustments for:				
Depreciation and amortisation	1,428	555	927	852
Interest expense on bank borrowings	383	-	195	195
Interest expense on lease arrangements	33	27	22	22
Interest expense on bank overdrafts	9	20	17	17
Interest expense on bonds	-	1,545	1,653	1,653
Increase in fair value of investment property	(2,071)	-	-	-
Increase in fair value of property, plant and equipment	(5,996)	-	-	-
Consolidation adjustments	1,916	-	1,761	(252)
Movement in working capital:				
Movement in inventories	(24,090)	(5,936)	(6,670)	8,298
Movement in trade and other receivables	(6,127)	(2,343)	(1,367)	1,065
Movement in trade and other payables	16,696	(2,122)	2,893	60
Cash flow from operations	**(17,090)**	**(7,469)**	**2,621**	**20,270**
Taxation paid	(66)	(1,246)	(2,322)	(2,790)
Net cash flows generated from / (used in) operating activities	**(17,156)**	**(8,715)**	**299**	**17,480**
Cash flows from investing activities				
Payments to acquire property, plant and equipment	(10,051)	(9,713)	(2,690)	-
Payments to acquire investment property	(11,617)	-	(32)	-
Payments to acquire intangible asset	(6)	-	45	-
Net cash flows generated from / (used in) investing activities	**(21,674)**	**(9,713)**	**(2,677)**	**-**
Cash flows from financing activities				
Proceeds on issuance of shares upon incorporation	6,308	-	-	-
Net proceeds from issue of secured notes	-	-	4,400	-
Net proceeds from bank borrowings	32,698	20,423	1,929	(22,344)
Interest paid on bank borrowings	(391)	(20)	(212)	-
Interest paid on finance lease	(33)	(27)	(22)	-
Movement in lease liabilities	652	(230)	(196)	-
Long-term deposits received from customers	116	92	13	-
Net cash flows generated from / (used in) financing activities	**39,350**	**20,238**	**5,912**	**(22,344)**
Movement in cash and cash equivalents	**520**	**1,810**	**3,534**	**(4,864)**
Cash and cash equivalents at start of year	-	520	2,330	5,864
Cash and cash equivalents at end of year	**520**	**2,330**	**5,864**	**1,000**

Ratio Analysis	2022A	2023A	2024A	2025F
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	€(38,406)	€(18,381)	€(2,144)	€17,480

Following adjustments to profit before tax for non-cash items and changes in working capital, the Group generated €299k in cash flows from operating activities during FY2024. In FY2025, cash generated from operating activities is expected to increase significantly to €17.5 million. This increase is primarily driven by the anticipated rise in profit before tax and a substantial reduction in inventory, which reflects the monetisation of previously capitalised development costs.

In terms of investing activities, the Group utilised €2.7 million during FY2024, largely attributable to the acquisition of property, plant and equipment. No material cash outflows are projected under investing activities for FY2025, as the Group does not anticipate further significant capital expenditure within the year.

Financing activities for the fiscal year 2025 are expected to result in a net cash outflow of €22.3 million, primarily attributable to the repayment of bank borrowings essentially undertaken by CF Homes Limited. These borrowings were originally contracted to finance the acquisition of land, as well as the construction and finishing of various development projects. The repayments are contingent upon the execution of the respective promise of sale (POS) agreements, specifically those relating to the Regent/Baetha, Artemis & Hestia, Dovecote, Mqabba and Marigold developments. Remaining undrawn borrowing facilities will be carried forward and are scheduled for repayment in FY2026. This planned deleveraging initiative forms an integral part of the Group’s broader strategy to optimise its capital structure and enhance overall gearing ratios.

Following two years of elevated investment in inventory to support project development, the Group expects to achieve a more sustainable balance between sales execution and inventory replenishment in FY2025. As a result, free cash flow is projected to turn positive during the review period—marking a key inflection point in the Group’s liquidity and cash management strategy.

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2024.

3.2 Economic Update[1]

The Bank's Business Conditions Index (BCI) indicates that in April 2025, annual growth in business activity improved marginally and remained moderately above its historical average, estimated since January 2000. The European Commission confidence surveys show that sentiment in Malta decreased in April, and remained above its long-term average, estimated since November 2004. The latest deterioration was mostly recorded in the services sector.

Additional data show that in month-on-month terms, price expectations increased among consumers, and to a lesser extent in the retail and services sectors, but decreased significantly in the construction sector and, to a lesser extent in industry. In April, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty. Uncertainty declined in all sectors except construction.

In March, both industrial production and retail trade contracted on a year-on-year basis. The unemployment rate remained unchanged at 2.8% in March, but stood below the 3.4% rate recorded in March 2024. Commercial and residential building permits in March were higher than a month earlier. In April, the number of residential promise-of-sale agreements rose on a year earlier, while the number of final deeds of sale decreased. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.6% in April, higher than 2.1% in the previous month. HICP excluding energy and food in Malta Stood at 2.5%, remaining below the euro area average. Inflation based on the Retail Price Index (RPI) rose to 2.4% from 2.1% in March. In March, the Consolidated Fund recorded a lower deficit compared to a year earlier. This reflects a decline in expenditure coupled with an increase in revenue.

3.3 Economic Outlook[2]

According to the Bank's latest forecasts, Malta's real GDP growth is set to ease from 6.0% in 2024 to 4.0% in 2025. Growth is set to moderate further in the following two years, reaching 3.3% in 2027. Compared to the Bank's previous projections, the outlook for GDP growth is broadly unchanged as some small downward revisions related to the effects of additional US tariffs announced since the previous projections exercise are counterbalanced by a reassessment for government consumption and investment.

Growth over the projection horizon is expected to be driven by domestic demand, reflecting continued robust growth in private consumption, while investment is also expected to continue recovering. Furthermore, net exports are projected to retain a positive contribution over the forecast horizon, driven by trade in services. However, the contribution is expected to be lower than that of domestic demand.

Together with GDP, employment growth is expected to moderate gradually from 5.1% in 2024 to 2.3% by 2026 and 2027. The unemployment rate is forecast to decline slightly to 3.0% in 2025 and remain at this level throughout the forecast horizon.

As tightness in the labour market is projected to dissipate over time and inflation continues to moderate, this should dampen upward pressure on wages. Wage growth is expected to moderate to 4.4% in 2025 from 5.9% in the previous year, and is then expected to decelerate further in the following years.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate further, falling from 2.4% in 2024 to 2.3% this year and further to 2.0% by 2027. Compared to the Bank's previous forecast

[1] Central Bank of Malta – Economic update – 5/2025
[2] Central Bank of Malta – Economic projections 2025-2027

publication, overall HICP inflation has been revised up by 0.2 percentage points in 2025 and 0.1 percentage points in 2026, while it remains unchanged in 2027. In 2025, the upward revision mostly reflects recent outcomes. The upward revision for 2026 reflects an upward revision in services inflation due to some spill over from the upward revisions in 2025.

The general government deficit-to-GDP ratio is set to narrow to 3.4% in 2025, to 3.0% in 2026 and to 2.7% in 2027. The government debt-to-GDP ratio is to reach 48.6% by 2026 and remain around this level in 2027. The forecast deficit-to-GDP ratio for 2025-2027 is slightly higher the Bank's March projections. Meanwhile, the debt-to -GDP ratio was revised slightly downwards, largely due to revisions in national accounts data.

Risks to activity are broadly balanced. Downside risks largely emanate from possible adverse effects on foreign demand arising from geopolitical tensions, US tariffs higher than those included in the baseline, and the possibility of additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics than envisaged, which could result in stronger private consumption and investment growth than envisaged.

Risks to inflation are broadly balanced over the projection horizon and mainly related to external factors. Upside risks to inflation in the short term could arise from developments in global trade policy. Retaliatory measures by the EU, would also have an immediate upward impact on inflation in the near term. Such risks could also be counterbalanced by the rerouting of exports from competitor countries to the EU and heightened competitive pressures in markets targeted by tariffs. On the downside, imported inflation could fall more rapidly than expected if the adverse effects of trade barriers on global demand turn out stronger than expected.

Fiscal risks are mostly tilted to the downside (deficit increasing). These mainly reflect the possibility of slippages in current expenditure. They also reflect the possibility of additional increases in pensions and wages in the outer years.

3.4 Residential Property Development[3]

In May 2025, Malta's residential property market demonstrated significant growth. The number of final deeds of sale reached 1,199, marking an 11.6% increase compared to May 2024. The total value of these transactions was €321.6 million, up 3.9% from the previous year. The majority of these deeds (90.0%) involved individual buyers, with the value of these transactions amounting to €269.5 million, representing 83.8% of the total value.

Geographically, the highest activity was recorded in the Northern Harbour and Southern Harbour districts, with 356 and 200 deeds respectively. Localities such as San Pawl Il-Baħar, Birkirkara, and Il-Mosta saw the most transactions, accounting for 15.8% of the total final deeds of sale.

Regarding property types, apartments and garages were the most transacted, comprising 34.8% and 21.8% of the total properties, respectively.

Additionally, there were 1,378 promise of sale agreements, reflecting a 9.7% increase from May 2024. Individual buyers accounted for 88.9% of these agreements. The Northern Harbour district recorded the highest number of these agreements, followed by the Northern district. The top localities for promise of sale agreements were San Pawl Il-Baħar, il-Mosta and Birkirkara, making up 17.9% of the total agreements.

3.5 Tourism

According to the National Statistics Office (NSO), Malta's tourism sector experienced robust growth in 2024, with increases in tourist arrivals, guest nights and expenditure compared to the previous year.

Such growth appears to be continuing in 2025 with inbound tourists for the first four months of 2025 amounted to 1,044,657, an increase of 17.4% compared to the corresponding period in 2024. Similarly, total nights spent during the January – April 2025 period rose by 17.1%, reaching 5,985,257 nights from 5,109,521 nights over the same period in 2024.

Total tourist expenditure was estimated at €804.7 million during the first four months of 2025 compared to the €647.7 million estimated in 2024, equivalent to a 24.2% increase. Total expenditure per capita increased from €728 in 2024 to €770 in 2025.
According to the European Travel Commission Q4 2024 report[4], European tourism remained strong in 2024, despite geopolitical pressures and economic pressures, which are expected to continue into 2025. Indeed, inflationary pressures (which have impacted travel costs) have pushed tourists to seek value-for-money destinations, with Malta ranking among the top 5 countries in the EU that received the highest sentiment scores in terms of value for money.

[3] National Statistics Office – News Release – 104/2025

[4] National Statistics Office – News Release – 101/2025

3.6 Comparative Analysis

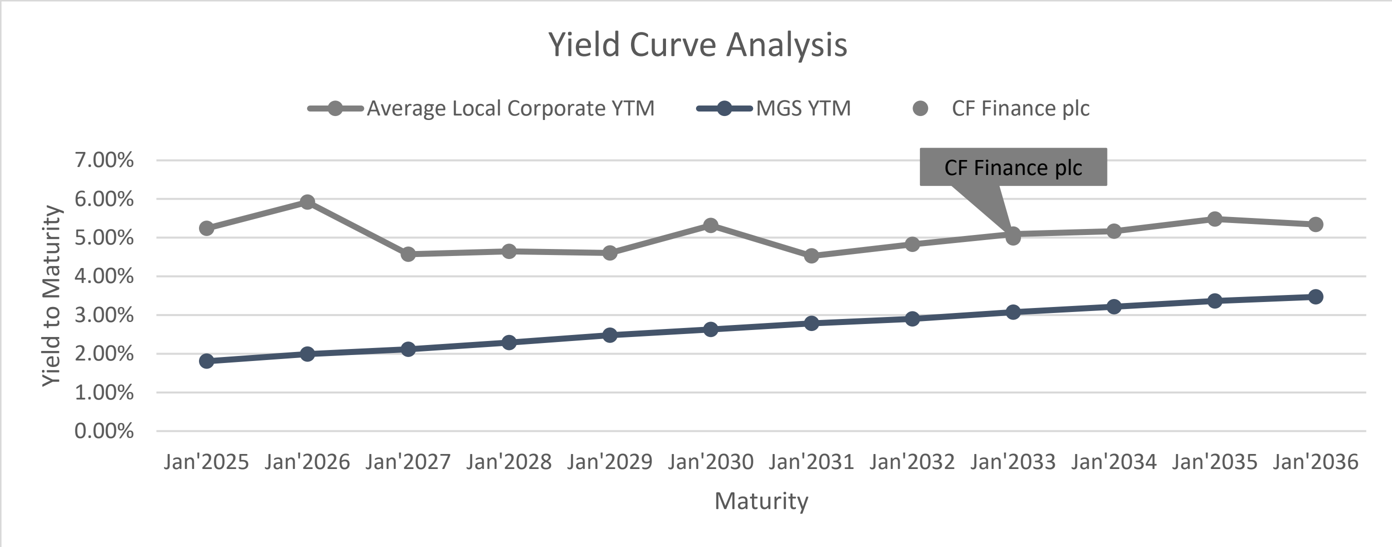
The purpose of the table below compares the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with different maturities.

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)	(%)	(%)	(%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	2.63x	92.2	8.3	91.03%	86.66%	9.18x	2.44x	9.55%	1.83%	78.26%
4% Eden Finance plc Unsecured € 2027	40,000	4,57%	7.3x	281.3	169.6	39.7%	28.6%	3.1x	0.8x	9.7%	32.5%	0.4%
4% SP Finance plc Secured € 2029	12,000	4.57%	4.0x	44.8	19.1	57.3%	48.0%	7.2x	0.6x	5.6%	10.8%	0.0%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.99%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.46%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.43%	2.1x	308.6	95.8	69.0%	55.2%	11.4x	0.8x	0.7%	0.4%	3.7%
3.65% IHI plc Unsecured € 2031	80,000	4.94%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.82%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.43%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
6% International Hotel Investments plc 2033	60,000	5.52%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
4% Stivala Group Finance plc Secured € 2027	45,000	3,99%	22.9x	510.6	358.9	29.7%	22.0%	1.9x	0.9x	14.0%	170.8%	-10.7%
3.65% Stivala Group Finance plc Secured € 2029	15,000	4.19%	22.9x	510.6	358.9	29.7%	22.0%	1.9x	0.9x	14.0%	170.8%	-10.7%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.24%	0.7x	154.2	29.4	80.9%	78.4%	75.6x	0.3x	-10.1%	-20.4%	-8.5%
	Average*	4.70%										

Source: Latest available audited financial statements

Last price as at 20/06/2025

*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 illustrates on a stand-alone basis, the yield on the Issuer's proposed bonds.

As at 20 June 2025, the average spread over the Malta Government Stocks (MGS) for comparable issuers with a maturity range of 2-8 years was 271 basis points. The CF Estates Finance p.l.c bond is currently trading at a YTM of 5% which implies a spread of 192 basis points over the equivalent MGS, and therefore at a discount to the average on the market of 5 basis points.

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.
Operating Profit (EBIT)	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.
Net Income	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 be 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.
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 be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than 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.
Current Liabilities	Obligations which are due within one financial year.

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 Finance costs 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.

Calamatta Cuschieri

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