CAMILLERI FINANCE

14, M. Borg Gauci, Handaq, Qormi QRM 4000, Malta
Company Registration Number C80722
(the "Company")

Company Announcement

The following is a company announcement issued by Camilleri Finance plc (the 'Company') pursuant to Capital Markets Rules as issued by the Malta Financial Services Authority.

QUOTE

Camilleri Finance p.l.c. (the "Company") hereby announces that the Financial Analysis Summary, dated 25 June 2025, is attached herewith and is also available for viewing on the Company's website, via the following link: https://www.camillerifinance.mt/.

UNQUOTE

Pierre Grisceti
Company Secretary
25 June 2025

Calamatta Cuschieri

The Directors
Camilleri Finance p.l.c.
14, Manuel Borg Gauci Street
Qormi
QRM 4000

Re: Financial Analysis Summary – 2025

25 June 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 Camilleri Finance p.l.c. (the "**Issuer**") and Camilleri Holdings Limited (the "**Guarantor**") and its subsidiaries (collectively referred to as the "**Group**").

The data is derived from various sources or is based on our own computations as follows:

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

b) The forecast data for the financial year ending 31 December 2025 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 Issuer. 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

FINANCIAL ANALYSIS SUMMARY 2025

Camilleri Finance p.l.c.

25 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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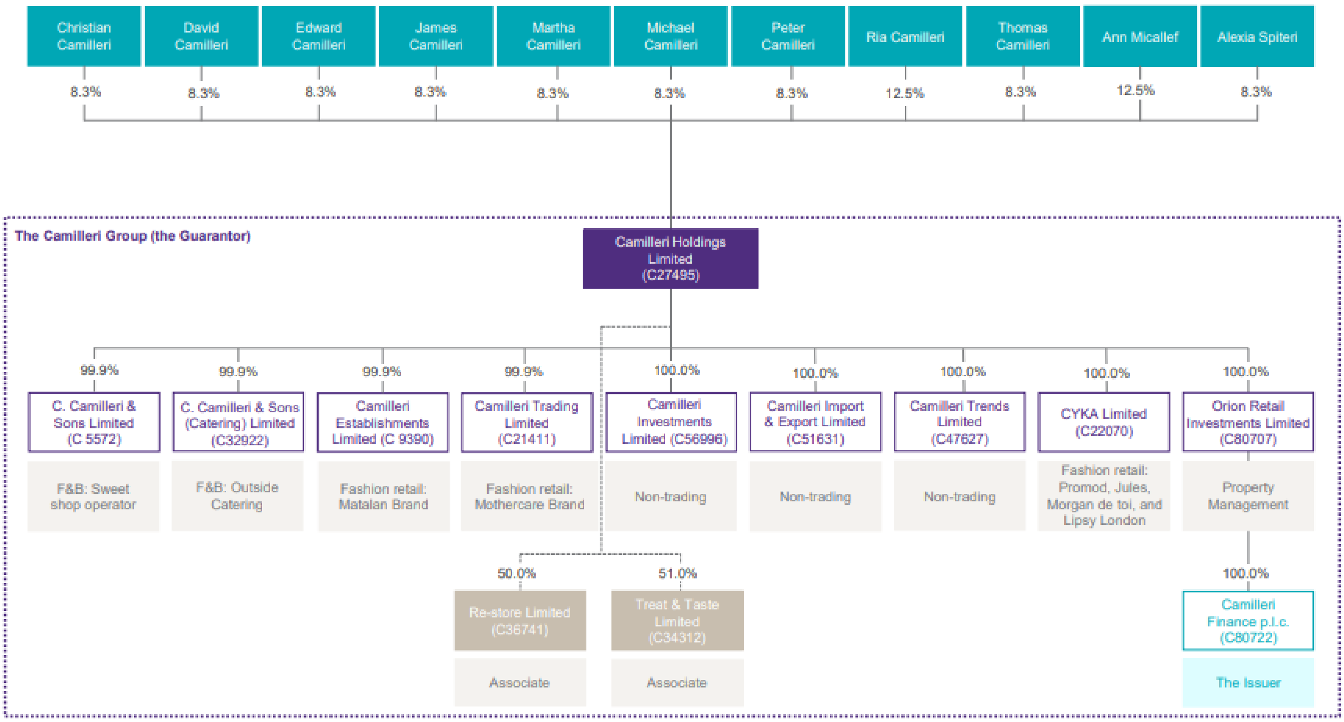
Part 1 - Information about the Group

Camilleri Finance p.l.c. (the "**Issuer**") has a bond issue of €15m 6.25% Unsecured Bonds 2034, of a nominal value of €100 per bond issued at par, pursuant to the prospectus published by the Issuer dated 19 December 2023 (the "**Prospectus**"). This Analysis has been prepared in line with the MFSA Listing Policies.

1.1 Group's key activities and Group Structure

The Group's complete organisation chart is set out below:



The Issuer was incorporated on 3 May 2017 as a public limited liability company, with company registration number C 80722 under the name Orion Finance p.l.c. On 11 October 2023 it changed its name to "**Camilleri Finance p.l.c.**". As of the date of this Analysis, the authorised and issued share capital of the Issuer is €250,000 divided into 250,000 ordinary shares having a nominal value of €1 each. The Issuer is a wholly owned subsidiary of Orion Retail Investments Limited, except for one ordinary share held by Mr Anthony Camilleri.

Camilleri Holdings Limited ("**Camilleri Holdings**", "**CHL**", or the "**Guarantor**"), was set up as the holding company of the Group. It was incorporated on 27 December 2000 with registration number C 27495. As of the date of this Analysis, the authorised and issued share capital of the Guarantor is €75,456 divided into 12,576 ordinary A shares, 12,576 ordinary B shares, and 12,576 ordinary C shares having a nominal value of €2 each.

The Issuer, originally established as a finance company, is committed to facilitating various aspects of business activities within related companies. This commitment involves lending or advancing money, extending credit to related entities, and managing funds as directed by its directors. The issuance of bonds aligns with the Issuer's overarching goals. Historically, up to FY22 the Issuer functioned as a financing entity for the Orion sub-group, consisting of the Issuer and its immediate parent Orion Retail Investments Limited ("**Orion Retail**"). However, with the bond issued in 2024, the Issuer strategically shifted its focus to raise funds for CHL and its subsidiaries (collectively referred to as the "**Group**"). The Issuer is thus dedicated to capital raising and fund advancement for the Group, abstaining from direct involvement in trading activities.

The Issuer assumes a crucial role as a financial vehicle for the Group's upcoming projects, particularly in the immediate future. Its economic reliance closely mirrors the financial and operational performance of the Group, engaged in the sale of fashion retail and food, as outlined in this Analysis.

The Group draws its origin from 1843 when it opened a confectionery shop in the heart of Valletta. For many years, the Camilleri Group was associated exclusively with the confectionery business in Malta, as a wholesaler and retailer, renowned as "Camilleri tal-Ħelu".

138 years later, in 1981, C. Camilleri & Sons became a limited liability company and set up C. Camilleri & Sons (Catering) Limited in 1983 to diversify and branch out into catering for all types of functions, receptions and parties by offering their services to wedding venues, gardens, museums and other

related venues. It is also the exclusive caterer at Olive Gardens in Mdina.

A few years later in 1988, Camilleri Establishments Limited was set up as the initial holder of the BHS franchise in Malta. In 2016, BHS filed for bankruptcy and as a result, the Group lost franchising rights for this brand. In 2017 licenses to sell Matalan products were obtained and all BHS stores were converted to Matalan outlets.

In 1997 Camilleri Trading Limited was established, which holds the Mothercare franchise in both Malta and Gozo. The first Mothercare store was opened in South Street, Valletta and has since been enlarged and refurbished. As at 31 December 2024, this company operated another 4 Mothercare stores in prominent locations such as Sliema, Birkirkara, Fgura and Victoria Gozo. In 2025, the Company ceased operations of the Mothercare Sliema outlet and is in the process of leasing the property to third parties as from June 2025.

Camilleri Investments Limited commenced operations for the M&Co brand in September 2013. As this franchise was discontinued internationally in FY20, the company is currently non-trading. The outlet in Valletta however, was converted into Jules / Morgan de toi.

In 2016 Camilleri Group announced the formation of a strategic partnership between C. Camilleri & Sons Limited and J. P. Caruana and, at the beginning of 2017, C. Camilleri & Sons Limited acquired the operational business of J. P. Caruana. Through this venture, the company became the sole contractual distributor of Haribo, Maoam, Glisten, Tilleys, Tangerine and Ashbury in Malta.

In the same year, Camilleri Holdings Limited acquired 100% of CYKA Limited, which held the licensees to import, retail and distribute George, Promod, Miss Selfridge, Morgan de toi and Jules brands.

In 2018, given that outside catering is a seasonal business depending principally on summer weddings, the Group, through C. Camilleri & Sons (Catering) Limited diversified its food and business division by adding private school canteens to its portfolio. The first school it offered this service to was San Andrea School in Mġarr which is a secondary school that caters for approximately 700 students. As at the date of this Analysis, the Group operates canteens in 3 private schools, with the 2 other schools being St Martins College in Msida, where it caters for around 600 secondary school students as well as its live-in students and foreign students during the summer, and St. Michael's Foundation in San Gwann where it caters for approximately 600 students.

In 2022 the Group did not renew its agreement with George and the three George outlets situated in Ħamrun, Paola and Victoria Gozo were converted to Matalan outlets. Later that year, the Miss Selfridge brand was sold internationally and rebranded as an exclusive online store operated by its new owners. Consequently, the store at the Plaza Mall was converted into a Jules outlet and the outlet at the Pama shopping complex was converted into a Lipsy London outlet. As of September 2024, Lipsy London was replaced by the ladies' fashion brand *Carrol Paris*.

Following the success of private school canteens, in 2023 C. Camilleri & Sons (Catering) Limited started catering for Evolution Gaming, one of the largest gaming companies in Malta. The Evolution Gaming canteen operates 24/7 and serves approximately 1.5k employees daily.

Since its establishment in 1843, the Group has evolved to encompass not only traditional confectionery but also expanded into the realms of outside catering and fashion retail. Furthermore, throughout its years of operation, the Group has built a portfolio of property with a current market value of *circa* €24.8m.

Despite these diversifications, the essence of the enterprise remains rooted in its familial foundations. Currently, the reins of the business are held firmly by the fifth generation, signifying an enduring commitment to its heritage and a testament to the enduring legacy of family ownership and management.

1.2 Board of Directors

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

Name	Designation
Anthony Camilleri	Non-executive Director and Chairman
John Soler	Independent, non-executive director
Michael Borg Costanzi	Independent, non-executive director
Christos Barmperis (resigned on 13/06/25)	Executive Director

The business address for all the directors of the Issuer is the registered office of the Issuer, which is located at 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta.

Pierre Griscti is the company secretary of the Issuer.

In the year under review, the board of the Issuer was composed of 4 directors who are entrusted with the overall direction and management of the Issuer. Christos Barmperis who held a senior executive position within the Group, relinquished his post effective 13th June 2025. John Soler, Michael Borg Costanzi and Anthony Camilleri serve on the board of the Issuer in a non-executive capacity, whose main functions are to monitor the operations and performance of the management as well as to review any proposals tabled by the executive director. John Soler and Michael Borg Costanzi are considered as independent directors since they are free of any business, family, or other relationship with the Issuer that could create a conflict of interest such as to impair their judgement.

1.3 Major Assets and Franchise Rights owned by the Group

1.3.1 Fashion Retail

The Group currently operates a total of 24 fashion retail outlets across Malta, including Valletta, Sliema, Birkirkara, Fgura, and Victoria Gozo. These outlets showcase a portfolio of 6 distinct brands: Mothercare, Matalan, Jules, Morgan de toi, Promod, and Caroll Paris. Fashion retail stands as a cornerstone, comprising over 81% of the FY24 revenue.

1.3.1.1 Matalan

Matalan specialises in offering a wide array of clothing for women, men, and children, as well as homeware. Recognised as a leading UK and international omni-channel retailer, Matalan boasts 8 locations, comprising 2 owned stores and 6 rented outlets.

1.3.1.2 Mothercare

Mothercare, a leading global brand, operates through a network of global franchise partners with approximately 700 stores in around 36 countries worldwide. The product range includes clothing for infants and children up to 10 years, maternity apparel, car seats, pushchair systems, bedding, soft furnishings and furniture, bathing products, and high chairs. Mothercare has a presence in four locations, with two owned stores and two rented outlets.

1.3.1.3 Promod

Promod is a French fashion brand. The women's wear collection encompasses a variety of styles, from casual to smart, with a focus on French feminine allure, audacious mixing and matching, and eco-friendly initiatives. Promod operates in 4 rented locations.

1.3.1.4 Jules

Jules offers a complete wardrobe ranging from Menswear formal to sportswear. With a commitment to sustainability, Jules introduces "in progress" products that are more environmentally friendly, including an expanding range of denim. Jules locally has a presence in 4 locations.

1.3.1.5 Morgan de toi

Morgan de toi, a Parisian brand with a legacy of around 40 years, has built a prominent image in France and internationally. Catering to a young, active, and urban customer base, the brand embraces values of femininity, originality, and freedom. Morgan de Toi currently operates in 4 rented locations.

1.3.1.6 Caroll Paris

Caroll Paris is a chic and contemporary French fashion brand known for its elegant, everyday wear designed to empower modern women. Offering a refined collection of tailored pieces, flowing dresses, and timeless staples, Caroll blends Parisian flair with practical sophistication. The brand operates from 1 rented location. Caroll Paris replaced Lipsy London as of September 2024.

1.3.2 Food and Beverage

The food and beverage segment of the Group comprises a mix of elements, featuring a historical sweet shop, a confectionery, an outside catering division, and strategically placed canteens.

The Group's historical sweet shop, situated at 49, 51 Merchant Street, Valletta, and the recent addition in the Duke's complex in Victoria Gozo, serve as local spots for various treats, from pick and mix sweets to chocolates, cakes, seasonal delights, and a selection of wines and spirits.

1.3.2.1 "Camilleri tal- Ħelu" Confectionary

The flagship store at 49,51 Merchants Street, Valletta, has a long-standing history dating back to 1843. Operating under C. Camilleri & Sons Limited, it holds the title of the oldest confectionery trader in the Maltese islands. A recent expansion to Victoria, Gozo in April 2022 further solidifies the brand's regional presence.

This confectionery outlet offers an array of sweets, featuring over 240 varieties of pick and mix sweets, chocolates, biscuits, artisan ice cream, local specialities, special diet confectionery, cakes, and traditional treats. The store has a diverse portfolio, including brands acquired through the 2017 J.P. Caruana confectionery acquisition, and serves as the distributor of Haribo, Moam, Glisten, Tilleys, Tangerine, and Ashbury.

Additionally, the confectionery plays a role in the distribution of a range of wines, representing brands such as Manfredi, Castelvecchio (Piemonte), and San Simone through various retail and wholesale channels.

1.3.2.2 Outside Catering

Camilleri Catering orchestrates outside catering events that vary in scales and forms, from casual to formal affairs, offering services at venues like Castello dei Baroni, Chateau Buskett, Cottage Gardens, Eden Lodge, Esplora, Gardjola Gardens, Hastings Gardens, and Lower Barrakka Gardens.

Olive Gardens, as an exclusive venue, provides versatile setups for standing receptions and seated dinners, both indoors and outdoors, capable of accommodating up to 1,000 standing guests.

1.3.2.3 Canteens

Recognising the seasonality inherent in outside catering, the Group diversified its food and business division by operating canteens. Currently, 3 canteens in private schools and an office canteen in Mrieħel provide fresh, warm, and cold food options daily, adding a stable dimension to the food and beverage segment.

1.3.3 Properties owned by the Group

In addition to the foundational components of the Group, Camilleri Holdings possesses four pivotal main street properties (the "**Properties**"). These properties serve as locations for Matalan Sliema, Mothercare Valletta, and Mothercare/Matalan Fgura. The Sliema premises, which previously operated under the Mothercare brand, ceased operations in 2025 and will be leased out to third parties. Additionally, the Group maintains a property in Ħandaq, serving as its head office and primary warehouse. While CHL facilitated the acquisition of these properties, the management responsibilities were subsequently transferred to Orion Retail through a property management agreement dated 5 May 2017. This agreement was terminated on 31 December 2024, with CHL regaining the property management rights.

1.3.3.1 Matalan Premises, Sliema

This establishment, situated at The Strand, Sliema, encompasses the premises housing the Matalan fashion retail outlet, along with a section occupied by Tony's Bar.

The commercial property boasts an approximate internal shop area of 837sqm, with Tony's Bar occupying an approximate floor area of 73sqm. Additionally, there is a shared access space of 44sqm, necessary for common entry to third-party residences located above these commercial properties, also serving as an entrance shop window. On the first floor, the premises feature a commercial frontage of 16.5m overlooking the main street, utilised entirely as a display window/balcony.

1.3.3.2 Ex-Mothercare Premises, Sliema

This venue, located at St. Anne's Square, Sliema, overlooking the Sliema ferries, previously operated as a retail outlet under the Mothercare brand. In 2025, the Company ceased operations of the Mothercare Sliema outlet. The premises are currently undergoing refurbishment and are subject to a Memorandum of Understanding to be leased out to third parties in the coming weeks. Accessible from 3 separate entrances (The Plaza Shopping Centre, St. Anne's Square, and Ġużè Fava Street) the commercial property spans 2 floors, with a total floor area of 328sqm. At the ground floor level, the property exhibits an 8m frontage on St. Anne's Square, while at the first-floor level, it features a 5.15m frontage on Guze Fava Street.

1.3.3.3 Mothercare Premises, Valletta

This property, situated at 14 South Street, Valletta, houses the retail outlet under the Mothercare brand. Originally consisting of 2 separate units beneath adjacent apartment blocks, connected by a main internal staircase, the premises boast 2 prominent main entrances from Ordnance Street and South Street. The site covers an area of approximately 559sqm, with 253sqm at the ground floor, 239sqm at the first floor, and 67sqm at the basement level.

1.3.3.4 Matalan/ Mothercare, Fgura

This outlet, accommodating the retail spaces of Matalan and Mothercare, is situated on the basement floor, ground floor, and front part of the first floor level. The property includes 12 car parking spaces and the contractual right of way over the plant room for utilising the fire escape at the back. With an approximate gross external area of 1,945sqm, the property features a frontage of 11.95m on the ground floor and 16.4m frontage on the first floor, overlooking Żabbar Road, Fgura.

This outlet comprises a building accessible from Żabbar Road and Mater Boni Consilii Street, constructed on a site formerly occupied by 4 properties numbered 248, 250, 252, and 254 on Żabbar Road, beneath a cluster of 11 garages accessible through a long driveway from Mater Boni Consilii Street located at the back of the development.

1.3.3.5 Qormi Plots

This plot is located at 49-51 Manuel Borg Gauci Street and 61-62 Luigi Maria Galea Street, and possesses two street frontages in a containment area. The total developable area measures 851sqm, allowing potential development into industrial warehouses or industrial uses in line with recent development trends in the Ħandaq area. Presently, the land serves as a car park, including a covered parking bay for the Group's commercial fleet.

1.3.3.6 Qormi Warehouse

Constructed approximately 32 years ago on plots 19 and 20, Manuel Borg Gauci Street, Qormi, this warehouse consists of a double plot construction.

Under Planning Authority permit PA00762/12, the Group added an additional floor to the building, designated for offices, archives, stores, and a canteen. The permit also included the change of use of part of the ground floor level from a metal works workshop to stores and the change of use of part of the first-floor level from offices to catering (food preparation).

1.4 Operational Developments

1.4.1 Diversification of Food and Business Division

Building on the 2018 initiative to diversify its food and business division through private school canteens, the Group continues to expand its presence in this sector. Notably, in 2023, the Group extended its catering services to Evolution Gaming, a prominent gaming company in Malta.

1.4.2 Acquisitions and Refurbishments

In 2016, the formation of a strategic partnership with J.P. Caruana led to the acquisition of its operational business in 2017. Concurrently, Camilleri Holdings Limited secured full ownership of CYKA Limited in the same year. In 2022, strategic decisions were made to discontinue agreements with specific brands. The transformation saw the conversion of 3 George outlets into Matalan stores, while the Miss Selfridge brand underwent an international sale, repositioning itself as an exclusive online store.

The Group is actively planning a comprehensive refurbishment initiative for its outlets housing the Matalan and Mothercare brands. This undertaking encompasses the introduction of innovative franchise concepts, the targeted acquisition of new brands, and a substantial investment in state of the art IT infrastructure. The refurbishment is slated to occur between 2024 and 2026, incurring an estimated cost of approximately €2.2m. In 2025, the Company ceased operations of the Mothercare Sliema outlet. The premises are currently undergoing refurbishment and are subject to a Memorandum of Understanding to be leased out to third parties in the coming weeks.

Part 2 - Historical Performance and Forecasts

The financial information in sections 2.1 to 2.6 is extracted from the audited financial statements of the Issuer and the Group for the financial years ended 31 December 2022, 2023 and 2024.

The projected financial information of the Issuer and the Group for the year ending 31 December 2025 have been provided by management. This financial information relates to events in the future and is based on assumptions that the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.

2.1 Issuer's Income Statement

Income Statement	2022A	2023A	2024A	2025F
	€'000s	€'000s	€'000s	€'000s
Finance income	326	304	1,069	1,194
Finance cost	(212)	(201)	(845)	(938)
Net interest income	**114**	**103**	**224**	**256**
Other income	-	0	-	
Administrative expenses	(81)	(86)	(129)	(132)
Amortisation of bond issue costs	(8)	(8)	(34)	(39)
Profit before tax	**25**	**9**	**62**	**85**
Tax	(11)	(6)	(22)	(30)
Profit for the year	**13**	**3**	**40**	**55**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
PBT Margin (PBT / Revenue)	21.9%	8.5%	27.6%	33.3%
Net Margin (Profit for the year / Finance Income)	4.0%	0.8%	3.8%	4.6%
Return on Common Equity (Net Income / Total Equity)	7.0%	1.0%	13.5%	15.7%
Return on Assets (Net Income / Total Assets)	0.3%	0.1%	0.3%	0.3%
Return on capital employed (PBT/ Total Assets - Current Liabilities)	0.5%	0.2%	0.4%	0.6%

The Issuer serves as the financial arm of the Group and primarily generates revenue through interest income derived from loans extended to CHL. In FY24, finance income increased by €765k due to an increase in loan receivable emanating from the advancement of €14.9m in bond proceeds to CHL at an interest rate of 8.0% per annum. Finance income is expected to stabilise at €1.2m in FY25 once a full year of interest income has been received.

Similarly, finance costs increased substantially from €201k in FY23 to €845k in FY24 driven by an increase in borrowings due to the bonds issued in 2024.

Administrative expenses covering professional fees, director fees, and auditor's remuneration increased by €43k in FY24 compared to FY23, mainly due to a €24k increase in directors' remuneration and a €27k one-off loss on bond extinguishment. Bond issue costs related to the new €15.0m bond amounted to €388k and will be initially capitalised and amortised over the ten-year term using the straight-line method, in line with IAS 38 – Intangible Assets.

After accounting for taxation, the Issuer realised a profit of €40k in FY24, and is expected to stabilise at €55k in FY25.

2.1.1 Issuer variance Analysis

Income Statement	2024P	2024A	Variance
	€'000s	€'000s	€'000s
Finance income	1,160	1,069	(91)
Finance cost	(945)	(845)	100
Net interest income	**215**	**224**	**9**
Administrative expenses	(132)	(129)	3
Amortisation of bond issue costs	(50)	(34)	16
Profit before tax	**33**	**62**	**29**
Tax	(12)	(22)	(10)
Profit for the year	**21**	**40**	**19**

Finance income and finance costs were both lower than anticipated as the forecasts were prepared assuming a full year of interest on the new bond issue and a full year of interest on the loan receivable from Camilleri Holdings Limited, while the bond was issued in February 2024. The amortisation of bond issue costs was lower than expected as the total bond issue costs were projected at EUR500k vs actual of EUR387k.

Administrative expenses in FY24 were in line with projections. Actual tax charge was higher due to a higher profit before tax.

As a result of the lower finance costs (partially offset by the lower finance income), profit before tax and net profit increased by €29k and €19k respectively, compared to forecasts.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position	2022A	2023A	2024A	2025F
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Loan receivable	3,550	3,400	14,920	14,920
Sinking fund	300	-	-	-
Total non-current assets	**3,850**	**3,400**	**14,920**	**14,920**
Current assets				
Loan receivable	500	150	-	
Trade and other receivables	8	123	1	1
Cash and cash equivalents	397	920	975	931
Total current assets	**905**	**1,193**	**976**	**932**
Total assets	**4,755**	**4,593**	**15,896**	**15,852**
Equity				
Share capital	50	250	250	250
Retained earnings	135	8	48	104
Total equity	**185**	**258**	**298**	**354**
Liabilities				
Non-current liabilities				
Borrowings	4,413	4,121	14,655	14,693
Total non-current liabilities	**4,413**	**4,121**	**14,655**	**14,693**
Current liabilities				
Trade and other payables	143	212	921	775
Current tax liability	13	1	23	30
Total current liabilities	**156**	**214**	**944**	**805**
Total liabilities	**4,569**	**4,335**	**15,598**	**15,498**
Total equity and liabilities	**4,755**	**4,593**	**15,896**	**15,852**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	95.6%	92.5%	97.9%	97.5%
Gearing 2 (Total Liabilities / Total Assets)	96.1%	94.4%	98.1%	97.8%
Gearing 3 (Net Debt / Total Equity)	2170.8%	1241.1%	4587.8%	3892.1%
Current Ratio (Current Assets / Current Liabilities)	5.8x	5.6x	1.0x	1.2x

In FY24, the Issuer's total assets amounted to €15.9m, primarily consisting of a €14.9m loan receivable from Camilleri Holdings Limited. Current assets in FY24 amounted to €976k, of which €975k relate to cash and cash equivalents.

The Issuer's share capital increased to €250k in FY23 through the capitalisation of €130k in retained earnings and the issue of an additional 70,000 shares at a nominal value of €1 each. As a result of the capitalisation, retained earnings decreased from €135k in FY22 to €8k in FY23.

Liabilities during FY24 mainly relate to the outstanding €15.0m bond.

Current liabilities include trade and other payables, comprising trade payables, amounts due to fellow subsidiaries, amounts due to ultimate parent and accrued interest on outstanding securities. Trade and other payables increased from €212k in FY23 to €921k in FY24 due to the *circa*11 months of accrued interest on the new bond.

The Issuers gearing ratio has been above 90% during the historical period and is expected to remain at this level in FY25 which is normal given the operations of the company as a finance company. No major movements are anticipated in the balance sheet for FY25.

2.3 Issuer's Statement of Cash Flows

Cash Flows Statement	2022A	2023A	2024A	2025F
	€'000s	€'000s	€'000s	€'000s
Operating activities				
Profit before income tax	25	9	62	85
Adjustments	(106)	(95)	(163)	(217)
Working capital changes	-	(86)	86	(169)
Cash generated from / (used in) operations	**(80)**	**(172)**	**(16)**	**(301)**
Interest received	326	304	1,069	1,194
Interest paid	(218)	(208)	(130)	(938)
Net cash flows generated from / (used in) operating activities	**28**	**(76)**	**924**	**(44)**
Financing activities				
Repayments to fellow subsidiary	-	-	46	-
Net repayments from / (to) parent company	300	529	(11,387)	-
Redemption of bonds	(250)	(300)	(4,140)	-
Proceeds from new bonds	-	-	15,000	-
Bond issue costs	-	-	(388)	-
Capitalisation of issued share capital	-	70	-	-
Movement in sinking fund	(50)	300	-	-
Net cash flows generated from / (used in) financing activities	**-**	**599**	**(868)**	**-**
Movement in cash and cash equivalents	**28**	**523**	**56**	**(44)**
Cash and cash equivalents at start of year	369	397	920	975
Cash and cash equivalents at end of year	**397**	**920**	**975**	**931**

Cash Flows Statement	2022A	2023A	2024A	2025F
Cash Flow	€'000s	€'000s	€'000s	€'000s
Free Cash Flow (Net cash from operations + Interest paid)	246	131	1,054	893

Considering its treasury management function, the Issuer's primary cash movements, aside from raising and repaying debt instruments, involves extending loans to related parties. The interest rate on these loan advances is set at a rate which is marginally higher than the cost of finance to the Issuer such that the Issuer will be in a position to cover administrative expenses incurred in managing the debt instrument on behalf of the Camilleri Group.

Net cash flows from operating activities increased significantly from an outflow of €76k in FY23 to €924k in FY24, as the Issuer received a full year of interest income from its loan to related party. In FY25 the Issue will make its first interest payment on the new bond and as a result, net operating cash flow in FY25 is projected to decrease to an outflow of €44k.

In FY23, the Issuer utilised its sinking fund balance to redeem €300k of its Prospects Bond and received a cash equity injection of €70k. In FY24, net cash generated used in financing activities related to proceeds from the new bond issue, early repayment of the Prospects Bonds, settlement of bond issue costs and loan advances to the Group from the proposed bond.

Cash and cash equivalents movement during FY23 amounted to €523k, surpassing the €28k movement in FY22. However, due to the new bond issue and related bond issue costs, net movement in cash and cash equivalents in FY24 decreased to €56k, which resulted in a positive year-end balance of €975k.

Free cash flow increased from €131k in FY23 to €1.1m in FY24. Free cash flow is expected to stabilise at €893k in FY25.

2.4 Group's Income Statement

Income Statement	2022A	2023A	2024A	2025F
	€'000s	€'000s	€'000s	€'000s
Revenue	18,396	19,049	18,209	20,478
Cost of sales	(11,019)	(10,599)	(9,956)	(10,542)
Gross profit	**7,377**	**8,450**	**8,253**	**9,936**
Other income	842	331	261	442
Operating expenses	(7,196)	(7,424)	(7,609)	(7,693)
EBITDA	**1,022**	**1,358**	**905**	**2,685**
Depreciation and amortisation	(1,369)	(1,351)	(1,278)	(1,405)
Finance costs	(856)	(1,039)	(1,373)	(1,560)
Profit / (loss) before tax	**(1,203)**	**(1,032)**	**(1,745)**	**(279)**
Tax income / (expense)	486	426	651	44
Profit / (loss) after tax	**(717)**	**(607)**	**(1,094)**	**(235)**
Other comprehensive income				
Revaluation of property plant and equipment	1,129	-	-	-
Tax effect on revaluation	(103)	-	-	-
Other comprehensive income	**1,026**	**-**	**-**	**-**
Comprehensive income / (loss)	**309**	**(607)**	**(1,094)**	**(235)**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
Growth in Revenue (YoY Revenue Growth)	13.0%	3.5%	-4.4%	12%
Gross Profit Margin (Gross Profit / Revenue)	40.1%	44.4%	45.3%	48.5%
EBITDA Margin (EBITDA / Revenue)	5.6%	7.1%	5.0%	13.1%
Net Profit Margin (Profit for the year / Revenue)	(3.9)%	(3.2)%	(6.0)%	(1.1)%
Return on Common Equity (Net Income / Average Equity)	(4.0)%	(3.4)%	(6.4)%	(1.4)%
Return on Assets (Net Income / Average Assets)	(1.6)%	(1.3)%	(2.3)%	(0.5)%
Return on capital employed (EBITDA / Total Assets - Current Liabilities)	3.1%	4.4%	2.4%	7.3%

Revenue decreased by 4.4% between FY23 and FY24. Management attributed this decline primarily to logistical issues related to the Matalan and Mothercare brands. Looking ahead, the Group is expected to generate €20.5 million in revenue in FY25, as it has largely resolved the logistical challenges.

The cost of sales reflects the inventory costs of goods sold in the fashion retail and F&B operations of the Group, which decreased in FY24. The gross profit margin increased steadily from 40.1% in FY22 to 45.3% in FY24, implying increased efficiencies from economies of scale and successful pass through of any inflationary increases. Management expects the gross profit margin to increase to 48.5% in FY25 as a result of the restructuring of cost and pricing strategies.

Other income, including rental income and various services, decreased by €70k between FY24 and FY23, primarily due to a reduction in income from ancillary services while rental income remained constant. Other income is projected to increase by €181k in FY25 mainly driven by the additional projected rental income from the ex-Mothercare Sliema property.

Operating expenses have shown a consistent marginal upward trend over the past two years with the increase from FY23 to FY24 primarily driven by higher costs related to outsourced labour. Operating expenses are expected to reach €7.7m in FY25.

Depreciation and amortisation remained stable over the historical period and is expected to remain so in the forecasted period. Depreciation and amortisation primarily consisted of the amortisation of right of use assets and depreciation of PPE. Finance costs increased significantly in FY24 to €1.4m (FY23: €1.0m), due to the interest incurred on the new €15.0m bond compared to the interest incurred on the smaller €5.0m Prospects bond. However, the increase was partially offset by a lower interest charge on bank borrowings as all bank loans were settled in the beginning of FY24 through the bond proceeds. Finance costs are expected to rise to €1.6m in FY25 reflecting a full year of bond interest and an increase in lease interest.

As a result of the loss before tax generated, the Group recognised a tax income of €651k in FY24. Loss after tax came in at €1.1m. In FY25, management projects that this loss will improve to €235k because of improved revenues and operational efficiencies.

2.4.1 Group variance analysis

Income Statement	2024P	2024A	Variance
	€'000s	€'000s	€'000s
Revenue	21,394	18,209	(3,185)
Cost of goods sold	(11,591)	(9,956)	1,635
Gross profit	**9,803**	**8,253**	**(1,550)**
Other income	214	261	47
Operating expenses	(7,311)	(7,575)	(264)
EBITDA	**2,706**	**939**	**(1,767)**
Depreciation and amortisation	(1,347)	(1,311)	36
Finance costs	(1,408)	(1,373)	35
Profit / (loss) before tax	**(49)**	**(1,745)**	**(1,696)**
Tax income / (expense)	17	651	634
Profit / (loss) after tax	**(32)**	**(1,094)**	**(1,062)**

Actual revenue in FY24 was €3.2m lower than budgeted due to logistical issues with the Matalan and Mothercare brands as well as outlets which required refurbishments which partly disrupted operations. The drop in revenue resulted in a €1.6m negative variance in gross profit.

The Group recorded an EBITDA of €0.9m in FY24, which was €1.8m lower than forecast, primarily due to the shortfall in gross profit. A positive variance of €47k in other income partially offset the €264k negative variance in operating expenses.

Depreciation and amortisation and finance costs were more or less in line with what was forecasted. The higher-than-expected loss before tax resulted in a positive tax income variance of €634k.

All this led to negative variances in loss before tax and loss after tax of €1.7m and €1.1m respectively.

2.5 Group's Statement of Financial Position

Statement of Financial Position	2022A	2023A	2024A	2025F
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Goodwill	3,610	3,610	3,610	3,610
Intangible assets	433	398	399	358
Property, plant and equipment	26,071	25,815	25,765	25,549
Right-of-use assets	5,108	4,327	5,230	4,121
Long-term financial assets	146	68	-	-
Investment property	16	16	16	16
Investment in associates	28	28	28	28
Deferred tax assets	2,566	3,008	3,919	3,963
Sinking fund	300	-	-	-
Total non-current assets	**38,279**	**37,270**	**38,968**	**37,646**
Current assets				
Inventories	4,098	4,612	5,191	4,679
Trade and other receivables	1,589	1,909	1,959	2,020
Cash and cash equivalents	2,249	3,005	3,594	4,224
Total current assets	**7,937**	**9,526**	**10,743**	**10,923**
Total assets	**46,217**	**46,796**	**49,711**	**48,569**
Equity				
Share capital	75	75	75	75
Retained earnings	3,974	3,367	2,273	2,038
Revaluation reserve	14,156	14,156	14,156	14,156
Total equity	**18,205**	**17,599**	**16,505**	**16,269**
Liabilities				
Non-current liabilities				
Bonds payable	4,413	4,121	14,655	14,693
Borrowings	4,094	3,038	-	-
Long-term financial liabilities	1	-	-	-
Trade and other payables	291	755	999	849
Lease liabilities	4,911	4,352	5,055	3,969
Deferred tax liabilities	1,009	1,025	1,001	1,001
Total non-current liabilities	**14,719**	**13,292**	**21,710**	**20,513**
Current liabilities				
Borrowings	5,031	6,343	2,734	2,734
Current tax liability	-	28	268	268
Trade and other payables	7,370	8,803	7,510	7,844
Lease liabilities	892	730	985	941
Total current liabilities	**13,293**	**15,905**	**11,497**	**11,787**
Total liabilities	**28,011**	**29,197**	**33,206**	**32,299**
Total equity and liabilities	**46,217**	**46,796**	**49,711**	**48,569**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	48.4%	47.0%	54.6%	52.7%
Gearing 2 (Total Liabilities / Total Assets)	60.6%	62.4%	66.8%	66.5%
Gearing 3 (Net Debt / Total Equity)	93.9%	88.5%	120.2%	111.3%
Net Debt / EBITDA	12.2x	7.6x	20.0x	6.1x
Current Ratio (Current Assets / Current Liabilities)	0.6x	0.6x	0.9x	0.9x
Interest Coverage 1 (EBITDA / Cash interest paid)	3.3x	1.7x	3.8x	2.3x
Interest Coverage 2 (EBITDA / Finance Costs)	1.2x	1.3x	0.7x	1.7x

Total assets as at December 2024 increased by 6.2% to €49.7m from €46.8m as at December 2023. The largest component of the Group's asset base remains property, plant and equipment (52% of total assets as at December 2024) which predominantly relates to the owned outlets the Group operates from.

Right-of-use assets which pertain to the Group's leased outlets acquired through new lease agreements in accordance with IFRS 16 increased by €0.9m in FY24 following a lease modification. Goodwill which amounted to €3.6m as at December 2024 has remained consistent over the historical period and originated from the Group's acquisition of J.P. Caruana Confectionery and Cyka Limited in FY17.

Deferred tax assets of €3.9m in FY24 relate to potential future benefits from tax losses once profitability is regained

Current assets, totalling €10.7m in FY24 (FY23: €9.5m), predominantly includes inventories, trade and other receivables and cash and cash equivalents.

Inventories, reflective of goods held for resale, rose from €4.6m in FY23 to €5.2m in FY24. Trade and other receivables amounted to €2.0m in FY24 (FY23: €1.9m), primarily comprised of trade receivables, amounts owed by related parties, shareholders, and third parties. CHL's asset base is estimated to drop to €48.6m mainly driven by a decrease in right of use assets.

Equity, represented by share capital, retained earnings, and revaluation reserve, amounted to €17.6m in FY23 and decreased to €16.5 in FY24 as a result of the loss after tax recognised in the same year while all other equity balances remained constant. Total equity is anticipated to decrease to €16.3m in FY25.

Total liabilities increased from €29.2m as at December 2023 to €33.2m as at December 2024, with the movement primarily related to the issuance of the new bond which was partially offset by the full settlement of the Prospects bond, the full repayment of bank loans and the partial settlement of bank overdrafts.

In FY24, lease liabilities increased in line with the increase in right-of-use assets. Deferred tax liabilities, which arise from temporary differences between taxable and accounting profits, remained stable between over the historical period and are expected to remain so moving forward.

Current trade and other payables decreased by €1.0m in FY24 primarily due to a reduction in amounts due to CIR and the VAT department. Trade and other payables are expected to be €7.8m in FY25.

The Group's liquidity position has improved in FY24 with current assets covering current liabilities by 0.9x compared to the 0.6x current ratio recorded in FY23.

In FY24, gearing increased to 54.6% (FY23: 47.0%) as a result of the loss generated during the year and increases in borrowings from the bond issue. Interest coverage 2 declined to 0.7x (vs 1.3x in FY23) as a result of the decrease in EBITDA and increase in interest costs. Interest coverage 2 is forecast to reach 1.7x in FY25 due to the projected improvement in EBITDA.

2.6 Group's Statement of Cash Flows

Cash Flows Statement	2022A	2023A	2024A	2025F
	€'000s	€'000s	€'000s	€'000s
EBITDA	1,022	1,358	905	2,685
Adjustments	434	(598)	(771)	-
Changes in inventories	(212)	(514)	(578)	512
Changes in trade and other receivables	81	(122)	(94)	(61)
Changes in trade and other payables	5	1,736	(1,050)	184
Cash generated from operations	**1,331**	**1,860**	**(1,588)**	**3,320**
Tax paid	-	(6)	-	-
Interest paid	(306)	(789)	(236)	(1,174)
Net cash flows generated from / (used in) operating activities	**1,025**	**1,065**	**(1,824)**	**2,146**
Payments to acquire intangible assets	-	(16)	(28)	-
Payments to acquire PPE	(185)	(81)	(211)	-
Movement of long-term financial assets	-	78	68	-
Net cash flows generated from / (used in) investing activities	**(185)**	**(19)**	**(171)**	-
Proceeds from / (payments of) bank loan	(1,203)	(766)	(4,397)	-
Amounts received from / (paid to) related parties	(29)	-	-	-
Payments of lease liabilities and lease interest	(1,419)	(1,153)	(1,231)	(1,516)
Movement of long-term financial liabilities	-	(1)		-
Proceeds from bond	-	-	14,612	-
Redemption of bonds	(250)	(300)	(4,150)	-
Movement in sinking fund	(50)	300	-	-
Net cash flows generated from / (used in) financing activities	**(2,951)**	**(1,919)**	**4,835**	**(1,516)**
Movement in cash and cash equivalents	**(2,111)**	**(267)**	**2,839**	**631**
Cash and cash equivalents at start of year	398	(1,713)	(1,980)	254
Cash and cash equivalents at end of year	**(1,713)**	**(1,980)**	**859**	**884**
Bank overdraft	3,962	4,985	2,734	2,734
Cash and cash equivalents after overdraft	**2,249**	**3,004**	**3,593**	**3,619**

Ratio Analysis	2022A	2023A	2024A	2025F
Cash Flow	**€'000s**	**€'000s**	**€'000s**	**€'000s**
Free Cash Flow (Net cash from operations + Interest - Capex)	1,146	2,363	(1,827)	3,320

After adjusting for both non-cash items and movements in net working capital, the net cash generated from operating activities decreased to a negative cash generation of €1.8m in FY24 compared to the positive cash movement of €1.1m realised in FY23. This was primarily attributed to a decrease in EBITDA and a negative movement in working capital of €1.7m as certain outstanding tax liabilities were settled. The cash generated from operating activities is projected to rebound to €2.1m in FY25, mainly driven by the projected increase in EBITDA.

The net cash used in investing activities increased in FY24 to €171k from €19k in FY23, as a direct result of €211k in payments to acquire property, plant and equipment. In FY25, the Group is not projecting any capital expenditure.

Net cash generated from financing activities increased to €4.8m in FY24 compared to the net cash used in financing activities of €1.9m in FY23, due to the drawdown of the €15.0m bond which was partially offset by the repayment of the Prospects Bond and bank borrowings. In FY25, the Group's only financing activity relates to the payment of lease liabilities amounting to €1.5m.

In FY24, the Group achieved a positive net cash movement of €2.8m, following two consecutive years of negative cash movements which were supported by the use of bank overdraft facilities. The Group is projected to have a positive €0.6m net cash movement in FY25.

The free cash flow of the Group decreased from €2.3m in FY23 to a cash shortfall of €1.8m in FY24. Nevertheless, it is projected to increase to €3.3m in FY25, indicating a healthy cash generation recovery from its operating activities after accounting for capital expenditure.

Part 3 - Key Market and Competitor Data

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 2025. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.1 Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) suggests that in April, annual growth in activity rose slightly, and continued to stand moderately above its long-term average estimated since January 2000.

The European Commission's confidence surveys show that sentiment in Malta decreased in April but remained above its long-term average, estimated since November 2002. In month-on-month terms, the largest deterioration was recorded in the services sector.

Meanwhile, the Bank's Economic Policy Uncertainty Index (EPU) rose further above its historical average estimated since 2004, indicating higher economic policy uncertainty. However, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty to make business decisions. The largest decrease was recorded in industry.

In March, industrial production rose at a faster pace compared to February, while annual growth in retail trade turned positive. In February, services production contracted on a year earlier for the first time since 2022.

In March, the unemployment rate remained the same at 2.8% as in the previous month but stood below that of 3.4% in March 2024.

In March, commercial building permits rose compared with February, as did residential permits. They were also higher on a year earlier. In April, the number of residential promise-of-sale agreements increased on a year earlier, while the number of final deeds of sale was lower.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) rose to 2.6% in April, from 2.1% in the previous month. HICP excluding energy and food in Malta stood at 2.5%. The latter stood below the euro area average. Inflation based on the Retail Price Index (RPI) rose to 2.4% in April, from 2.1% in March.

In March, the Consolidated Fund registered a larger deficit than that registered a year earlier. This was due to a rise in government expenditure which offset a smaller increase in government revenue.

The annual rate of change of Maltese residents' deposits edged up compared to February, while the annual growth of credit remained unchanged.

3.2 Economic Outlook[2]

According to the Central Bank's latest forecasts, Malta's real GDP growth should 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, GDP growth is being revised up by 0.1 p.p.in 2025 and is revised down by 0.1 p.p. in 2027.

The marginal upward revision in GDP growth in 2025 reflects a higher contribution from both domestic demand and net exports. The downward revision in 2027 is driven by net exports. Growth over the projection horizon is expected to be driven by domestic demand, reflecting continued brisk growth in private consumption, in part driven by a reduction in the income tax burden, and a gradual recovery in private investment.

The contribution of net exports is also expected to be positive but smaller than that of domestic demand. Employment growth is set to moderate, albeit from high rates, driven by the projected easing in economic growth and an assumed recovery in productivity. The unemployment rate is projected to converge to 3% by the end of the projection 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 thus expected to moderate from almost 6% in 2024 to 3.6% in 2025 and 2026, and further to 3.5% in 2027. Annual inflation based on the Harmonised Index of Consumer Prices is, in fact, projected to drop further in the projection horizon, from 2.4% in 2024, before falling gradually to 2.0% by 2027. Compared to the Central Bank's previous forecast publication, overall HICP inflation is being revised down by 0.1 percentage point in 2025, while it remains unchanged in 2026 and 2027.

The downward revision for this year reflects recent negative surprises in unprocessed food inflation and NEIG inflation. The general government deficit-to-GDP ratio is set to narrow to 3.4% in 2025, and to decline below 3.0% of GDP in subsequent years. By 2027, the deficit is forecast to reach 2.6% of GDP. The government debt-to-GDP ratio is set to

[1] Central Bank of Malta – Economic update – 05/2025

[2] Central Bank of Malta – Economic projections – 2025 - 2027

increase, reaching 50.1% by 2026 before levelling off in 2027.

The forecast deficit-to-GDP ratio between 2025 and 2027 is mostly unchanged compared with the Central Bank's December 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 related to geopolitical tensions, higher new US tariffs beyond those included in the baseline, and the possibility of retaliatory measures. A prolongation of the current elevated economic and geopolitical uncertainty could also dampen activity.

On the other hand, the labour market could exhibit even stronger dynamics than envisaged in this projection round, both in terms of employment and wages. This could then result in stronger private consumption growth and thus stronger output growth than envisaged. Investment could also grow faster than projected. Another upside risk could stem from a stronger consumption response to the widening of the income tax bands.

Risks to inflation are balanced over the projection horizon. Upside risks to inflation could stem from renewed supply-side bottlenecks that could be triggered by ongoing geopolitical conflicts as well as higher input costs arising from changes in global trade policy, especially in the event of retaliation to higher US tariffs. Having said that, such risks could also be counterbalanced by the subsequent monetary policy response and heightened competitive pressures in markets targeted by tariffs. Furthermore, from the domestic side, there is a risk that higher fees charged to producers and importers with respect to beverages' containers could be passed on to consumers.

On the downside, imported inflation could fall more rapidly than expected if economic growth in the euro area is weaker than expected due to the adverse effects of barriers to trade on global growth. On the fiscal side, risks are mostly tilted to the downside (deficit-increasing). These mainly reflect the likelihood of slippages in current expenditure, including higher-than-expected outlays on energy support measures if commodity prices are higher than assumed. They also reflect the likelihood of additional increases in pensions and wages in the outer years.

3.3 The European apparel retail market[3]

The European apparel retail market remains a vital component of the region's consumer economy, with a total market value estimated at approximately €483 billion in 2023. Apparel consumption across Europe varies significantly, with countries like Luxembourg and Austria recording annual per capita clothing expenditures of €1,777 and €1,398 respectively, while Romania and Hungary spend less than €400 per person. The European Union is also a global leader in fashion trade, importing €176.9 billion worth of clothing in 2023—mainly from Bangladesh, China, and Turkey—while exporting €140.3 billion globally, driven by the dominance of fashion hubs such as Italy, Germany, and Spain.

E-commerce has been a key growth driver, with online fashion sales reaching around €213 billion in 2023, representing roughly 29% of total apparel purchases. Consumer preferences are evolving toward sustainability and affordability, as shown by the growth of second-hand and circular fashion. The resale, rental, and repair sub-segment was valued at €20 billion in 2024 and is projected to reach €31.3 billion by 2030. Meanwhile, fast fashion continues to expand, although increasing scrutiny over environmental and labour practices has led to shifts toward more ethical brands and slow fashion alternatives.

3.4 The European Food and Beverage Market[4]

The European food and beverage industry is the largest manufacturing sector in the EU, generating approximately €1.2 trillion in annual turnover and contributing €250 billion in value added to the economy as of 2023. Employing 4.7 million people, the sector is a significant source of both economic output and jobs, especially in countries like France, Germany, and Italy. The market is forecast to grow steadily at a 5% compound annual growth rate (CAGR) through 2029, fuelled by rising consumer demand for convenience, health-conscious products, and digital food retail solutions.

E-commerce and organic consumption are transforming the market landscape. The food and beverage e-commerce segment in Europe was valued at approximately €597 billion in 2024 and is expected to surpass €696 billion by 2025, driven by online grocery and meal delivery services. Simultaneously, the organic food and beverage market reached €126 billion in 2024 and is projected to more than double to €317 billion by 2033, supported by consumer interest in sustainability and wellness. Online food delivery, another booming segment, is expected to grow from €28.9 billion in 2024 to €64.8 billion by 2033.

[3] Eurostat, 2024; Statista, 2024; CBI, 2024

[4] FoodDrinkEurope, 2024; Statista, 2024; Precedence Research, 2024.

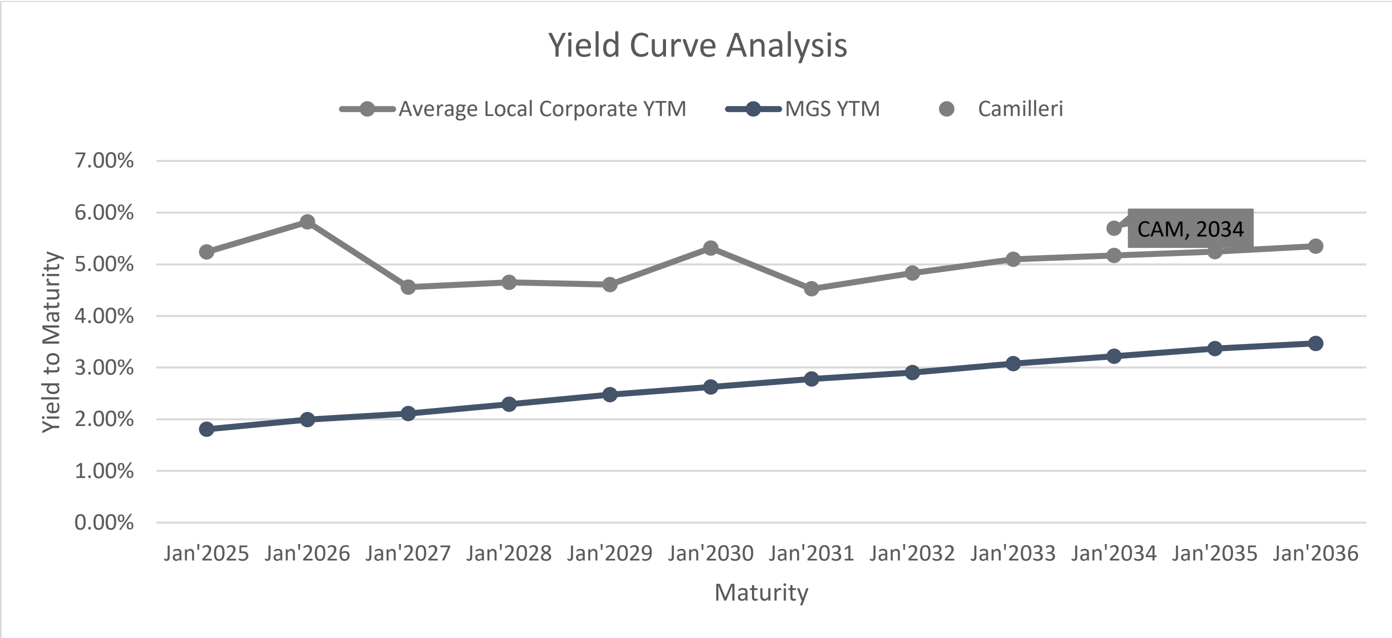
3.5 Comparative Analysis

The purpose of the table below compares the Bond issued by the Issuer to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
6.25% Camilleri Finance plc € Unsecured Bonds 2034	15,000	5.70%	1.1x	49.7	16.5	66.8%	54.6%	20.0x	0.9x	-6.4%	-6.0%	-4.4%
5.85% Burmarrad Group Assets plc € Secured Bonds 2034	16,000	5.67%	(3.7)x	38.5	21.5	44.2%	42.3%	29.3x	4.0x	-1.4%	-44.7%	9055.3%
4.50% The Ona plc Secured € 2028-2034	16,000	4.50%	(2.3)x	38.9	8.0	79.6%	77.3%	12.8x	1.4x	-9.7%	-10.6%	110.3%
5.3% Mercury Projects Finance plc Secured € Bonds 2034	20,000	5.16%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
5.2% VBL plc Secured € Bonds 2030-2034	10,000	5.13%	9.0x	95.4	67.7	29.0%	21.0%	4.9x	2.7x	3.7%	37.5%	25.3%
5.2% TUM Finance plc Secured Callable € Bonds 2031 -2034	12,000	4.93%	1.3x	137.8	40.0	71.0%	54.5%	46.8x	0.8x	-3.6%	-79.0%	-49.4%
	Average	5.08%										

Source: Latest Available Audited Financial Statements

* Average figures do not capture the financial analysis of the Issuer



Source: Central Bank of Malta and Malta Stock Exchange (MSE)

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 standalone basis, the yield on the Issuer's proposed bonds.

As at 20 June 2025, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 9 years (2034) was 186 basis points. Meanwhile, the Camilleri Finance p.l.c. bond has a spread of 248 basis points over the equivalent MGSs. Therefore, as at this same date, the Bond was trading at a premium of 62 basis points in comparison to the market of comparable corporate bonds. The above analysis is based on a similar maturity basis.

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.

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 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.

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