DINO FINO FINANCE PLC

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Dino Fino Finance p.l.c. (the “Company”) bearing company registration number C100038 pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority

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Quote

The Company announces that the Financial Analysis Summary 2025 of the Company dated today, 30th June 2025, has been approved for publication and is available herewith. A copy of the said Financial Analysis Summary 2025 can also be viewed on the company's website https://dinofino.com/investor-relations/.

Unquote

By order of the Board

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Dr. Austin Gauci Maistre
Company Secretary

30th June, 2025

Ref: DFF20

Calamatta Cuschieri

The Directors
Dino Fino Finance p.l.c.
Dino Fino Home + Contract,
Msida Valley Road,
Birkirkara BKR 9025
Malta

Re: Financial Analysis Summary – 2025 30 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 Dino Fino Finance p.l.c. (the "**Issuer**"), Dino Fino Operations Limited (the "**Guarantor**") and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

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

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

(c) Our commentary on the Issuer's consolidated results and financial position has been 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) The principal relevant market players listed in Part 3 of the document have been identified by management. 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,

P. Mn

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2025

Dino Fino Finance p.l.c.

30 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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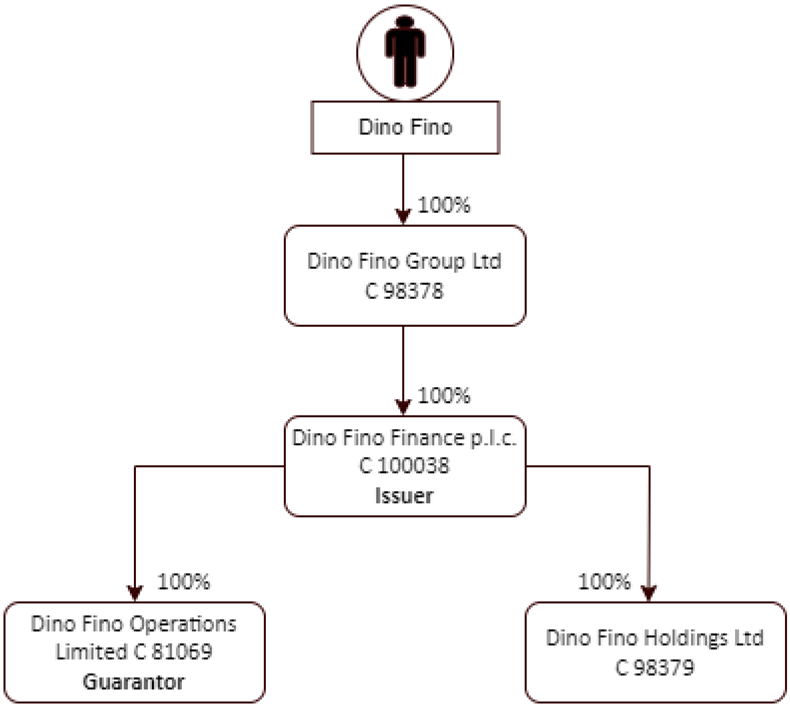
Part 1 - Information about the Group

1.1 Issuer and Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



Dino Fino Finance p.l.c. (the "**Issuer**" or "**DFF**") is a public limited liability company incorporated in Malta on 23 August 2021, bearing company registration number C 100038.

The Issuer was incorporated for the purpose of raising capital for the "**Group**", which is made up of the Issuer, Dino Fino Operations Limited (the "**Guarantor**" or "**DFO**") and Dino Fino Holdings Ltd ("**DFH**"). The Issuer is wholly-owned by Dino Fino Group Ltd (the "**Parent**" or "**DFG**"), while the Guarantor and DFH are its direct subsidiaries.

The Issuer's authorised share capital is of €5,000,000, divided into 4,999,999 Ordinary A Shares of €1 each and 1 Ordinary B Share of €1. The Issuer's issued share capital is of €3,620,000 divided into 3,619,999 Ordinary A Shares of €1 per share and 1 Ordinary B Share, all fully paid up.

The Guarantor is a private limited liability company incorporated in Malta on 13 June 2017, bearing company registration number C 81069. The Guarantor acts as the Group's operating company.

The Guarantor's authorised share capital is €650,000, made up of 650,000 ordinary shares of €1 each. The Guarantor's issued share capital is €100,100 of €1 each. The ordinary shares are the only authorised and issued class of shares in the Issuer. The Guarantor's sole shareholder is the Issuer.

Dino Fino Holdings Ltd is a private limited liability company incorporated in Malta on 8 March 2021, bearing company registration number C 98379. It is the investment property asset owner and operator, including conducting ongoing marketing endeavours as to protect and grow the value of the DINO FINO Brand (the "**Brand**").

1.2 Directors and Key Employees

Board of Directors - Issuer

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

Name	Office Designation
Mr Benjamin Muscat	Independent Non-Executive Director and Chairman
Mr Dino Fino	Executive Director
Mr Giuseppe Muscat	Executive Director
Dr Austin Gauci Maistre	Non-Executive Director
Mr Joseph Caruana	Independent Non-Executive Director

Dr Austin Gauci Maistre is the company secretary of the Issuer.

The board of the Issuer is composed of five (5) directors who are responsible for its overall direction and management. Two (2) executive directors are entrusted with the Issuer's day-to-day management whereas three non-executive directors, the majority of whom are independent of the Issuer, are to provide the Issuer with direction and strategy, monitoring and supervision of its performance, while ensuring that controls and risk management systems are adequately in place.

Board of Directors – Guarantor

As at the date of this Analysis, the Guarantor's board is constituted by the following person:

Name	Office Designation
Mr Dino Fino	Executive Director

Mr Dino Fino is the company secretary of the Guarantor.

1.3 Major Assets owned by the Group

The Group's principal assets include its investment property and brand value, specifically the DINO FINO brand and the Birkirkara showroom, which serves as the Group's flagship location.

Located on Valley Road in Birkirkara, the property benefits from a prime commercial position with strong demand for showroom and office space. Its central location, accessibility, and surrounding amenities make it highly attractive. The fully detached building comprises ground and intermediate-level showrooms, upper-floor office space, and internal parking accessible via a car lift. Built within the last decade, the property features modern architecture, high ceilings, and a spacious open-plan layout. It has been well maintained, with regular upkeep and recent refurbishments.

The Group completed the acquisition of the showroom in 2023 for €5.3m (including stamp duty), funded through bond proceeds as outlined in the 30 September 2021 Prospectus. A revaluation conducted in March 2024 by an independent architect using the comparative method estimated the property's value at €5.8m. As of 2025, one floor—approximately 25% of the property—is being rented out, contributing to the Group's income stream.

1.4. Operational developments

1.4.1 Group restructuring

The Guarantor was established by Mr Dino Fino and his then 50% business partner, Mr Abdulmajid Al Sadi, engaging in retail operations of home and office furniture and furnishings for domestic and commercial clients. In September 2020, Mr Fino acquired Mr Al Sadi's share in DFO, resulting in DFO being wholly owned and controlled by Mr Fino. This acquisition was partly funded through a bridge loan, subsequently refinanced via the bond issue.

The current Group structure emerged from a restructuring initiative by Mr Fino, aiming to integrate the Investment Property and associated brand license agreement into the group and consolidate his interests under a new financial entity, in preparation for the showroom acquisition and the 2021 bond issue.

1.4.2 Home Furniture Division

The Group sources, sells, and delivers a wide range of kitchens, home furniture, and decorative items. Its product offering includes kitchens, dining and living room furniture, bedroom sets, lighting fixtures, carpets, wooden flooring, internal and external apertures, wallpaper, fabrics, blinds, accessories, outdoor furniture (including pergolas), bathroom furniture, fixtures, and floor tiles.

The Group does not operate any manufacturing facilities and continues to procure all products from third-party suppliers, primarily based in Italy and Germany. It works exclusively with suppliers that can provide a reliable supply chain, brand exclusivity, and strong after-sales service. Through these relationships, the Group represents a broad portfolio of brands, including Aran World (Aran Cucine, Rastelli Design), Arclinea, LAGO, Ciao Cucine, B-Side Letti, Siloma, Orme, Quadrifoglio, Prolicht, Adriani & Rossi, Arketipo, Black Tie, Tonin Casa, Instabilelab, Pointhouse, Res Italia, Idea Group, Ceramiche Caesar, Giulini, Azzurra, Cora, Varaschin, EMU, Newform Ufficio, Samoa, Acrotexture, SCAB Design, KYMO, Edilgreen, Skema, Moss Trend, and VANK.

As part of ongoing cost-cutting initiatives, the Group has discontinued the sale of three brands: Cattelan Italia, Prandina Lighting, and Marinelli Home. It continues to explore new supplier relationships to diversify its product range and respond to evolving consumer trends.

1.4.3 Contract Division

The Group had previously launched a comprehensive contract division offering bespoke design, curation, supply, delivery, installation, and project management for various commercial installations. This division continues to serve the hospitality sector with tailored furniture solutions for hotels, restaurants, and cafes, while also addressing demand from other commercial segments such as offices, retail spaces, bathrooms, and outdoor areas.

Interest in custom-made furniture remains strong, following the initial uptake observed in the past years. Production continues to be outsourced, with growing demand highlighting long-term potential in this segment. The Group is still evaluating the feasibility of in-house manufacturing and has continued discussions with a Maltese enterprise regarding industrial space, which may also accommodate a future head office

Likewise, demand for outdoor furniture has remained steady since the creation of a dedicated showroom section. This has continued to partially offset slower activity in the home division.

1.4.4 HOLA Collection online shop

The HOLA Collection online shop was discontinued after falling short of sales expectations and in line with the Group's ongoing cost-cutting measures. The Group currently has no plans to pursue standalone e-commerce initiatives.

1.5 Impact of geopolitical and macroeconomic events on the Group's operations

The Group is currently not affected by geopolitical supply disruptions, with its supplier relationships remaining stable. However, macroeconomic conditions—particularly inflation—continue to weigh on consumer demand. Rising prices potentially erode purchasing power, leading many customers to defer or reduce discretionary spending, including on furniture and home décor. As a result, the Group's revenue remains sensitive to fluctuations in consumer sentiment driven by inflationary pressures.

While the overall operating environment has stabilised compared to prior years, inflation continues to be the most significant macroeconomic headwind facing the Group. Management remains focused on closely monitoring market trends and adjusting pricing, product mix, and promotional strategies to support sales volumes amid ongoing economic uncertainty.

Part 2 - Historical Performance and Forecasts

The Group's historical financial information for the year ended 31 December 2022, 2023 and 2024 in addition to the financial forecast for the year ending 31 December 2025, are set out below in sections 2.1 to 2.3 of this Analysis. Historical information is based on audited consolidated financial statements of the Issuer, while the forecast data for 2025 has been provided by management.

In analysing the financial commentary, one needs to factor in that FY22 spans a 16 month-period when compared to the standard 12-month period on which FY23 and FY24 projections are built.

2.1 Group's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	2022A	2023A	2024A	2025F
	16 months	12 months	12 months	12 months
	€000s	**€000s**	**€000s**	**€000s**
Revenue	5,402	3,337	3,235	3,422
Cost of sales	(4,025)	(2,010)	(2,223)	(1,773)
Gross profit	**1,377**	**1,327**	**1,012**	**1,649**
Direct costs	(1,087)	(818)	(656)	(587)
Contribution	**290**	**509**	**356**	**1,062**
Other income	292	148	120	110
Overheads	(1,438)	(1,214)	(1,015)	(814)
EBITDA	**(856)**	**(557)**	**(539)**	**358**
Depreciation and amortisation	(384)	(531)	(411)	(279)
EBIT	**(1,240)**	**(1,088)**	**(950)**	**79**
Finance costs	(460)	(421)	(385)	(450)
Impairment of goodwill	-	-	(342)	-
Profit / (loss) before tax	**(1,700)**	**(1,509)**	**(1,677)**	**(371)**
Income tax charge	522	360	384	65
Profit / (loss) after tax	**(1,178)**	**(1,149)**	**(1,293)**	**(306)**
Revaluation gain	-	-	664	-
Total Comprehensive loss	**(1,178)**	**(1,149)**	**(629)**	**(306)**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
Growth in Revenue (YoY Revenue Growth)	35.1%	-38.2%	-3.1%	5.8%
Gross Profit Margin (Gross Profit/ Revenue)	25.5%	39.8%	31.3%	48.2%
Contribution Margin (Contribution/ Revenue)	5.4%	15.3%	11.0%	31.0%
EBITDA Margin (EBITDA / Revenue)	-15.8%	-16.7%	-16.7%	10.5%
Operating (EBIT) Margin (EBIT / Revenue)	-23.0%	-32.6%	-29.4%	2.3%
Net Margin (Profit for the year / Revenue)	-21.8%	-34.4%	-40.0%	-8.9%
Return on Common Equity (Net Income / Average Equity)	-32.9%	-40.3%	-66.0%	-20.5%
Return on Assets (Net Income / Average Assets)	-7.6%	-7.2%	-8.5%	-2.0%

The Group operates with two primary revenue streams, being retail sales and contract sales. Retail sales are primarily derived from customer sales at the Group's showrooms. These sales are generated from individual retail customers who purchase furniture and other home décor items. Contract sales are derived from larger-scale projects where the Group is contracted to furnish establishments such as hotels and office blocks. Contract sales involve furnishing and providing customised solutions for these commercial projects.

The Group's revenue in FY24 was €3,235k, a slight decrease of 3% from €3,337k in FY23. Management notes that certain product categories underperformed expectations, and sales were also temporarily impacted by changes within the sales team. This issue has since been addressed through the hiring of new sales staff.

Gross profit for FY24 amounted to €1,012k, down from €1,327k in FY23, with the gross profit margin contracting to 31.3% from 39.8% the previous year. This deterioration was primarily due to a higher cost of sales, which included differences in stock valuation and a prior year adjustment (PYA) related to stock that affected the cost base. As a result, despite relatively stable revenue, the Group's gross profitability was negatively impacted.

The Group undertook cost containment measures during FY24. Other direct costs (selling and distribution expenses) were reduced to €656k (a 19.8% decrease from €818k in FY23), reflecting efficiencies in outsourcing and logistics.

Overhead expenses have also declined markedly to €1,015k in FY24 from €1,214k a year earlier (a 16.4% reduction), as management implemented restructuring and overhead rationalisation. These expense cuts helped mitigate the impact of the lower gross profit.

At the EBITDA level (operating profit before depreciation, amortisation, and one-off items), the Group remained in negative territory in FY24, although losses narrowed slightly. EBITDA was negative €539k in FY24 (FY23: negative €557k). The modest improvement was primarily due to cost-saving measures, although it was largely offset by the decline in gross profit. After accounting for depreciation and amortisation of €411k (FY23: €531k)—mainly due to certain assets becoming fully depreciated and a shorter lease amortisation as the store lease neared its end—the Group reported an operating loss (EBIT) of negative €950k for FY24. This reflects a slight improvement over the negative €1,088k operating loss in FY23, chiefly attributed to the implemented cost-cutting initiatives.

Net finance costs in FY24 were €385k, a small improvement compared to €421k in FY23, reflecting marginally lower average borrowings and interest expenses during the year. Importantly, in FY24 the Group recorded a €342k impairment of goodwill, writing down a portion of the goodwill that had been carried on the balance sheet from the 2021 Group reorganisation. This non-cash charge indicates that management reassessed the future cash flows of the business and chose to partially impair goodwill to reflect a more conservative outlook. There was no similar impairment charge in FY23.

As a result of the above, the Group's loss before tax widened to €1,677k in FY24, compared to a loss of €1,509k in FY23. The higher pre-tax loss was largely driven by the weaker gross profitability and the one-time goodwill impairment, despite improvements in operating expenses and finance costs.

The Group recognized an income tax credit of 384k for FY24 (FY23: €360k credit). The tax credit mainly arises from deferred tax assets related to the Group's losses and the recognition of deferred tax on the goodwill impairment and other temporary differences. This tax credit helped to cushion the net results for the year.

The net loss for FY24 amounted to €1,293k, a 12.5% increase compared to the €1,149k loss reported in FY23. This deterioration in bottom-line performance underscores the challenging year the Group faced, with cost-of-sales pressures and the one-off impairment outweighing the benefits of expense management efforts.

In FY24, the Group registered a positive movement in other comprehensive income of €664k, reflecting a revaluation gain on property (the Birkirkara showroom was revalued to fair value as of year-end 2024). This gain was recognized in a revaluation reserve (net of deferred tax) and did not affect the profit or loss for the year. As a result, the total comprehensive loss for FY24 was €629k, which is a substantial improvement compared to the total comprehensive loss of €1,149k in FY23. The revaluation surplus on the showroom property helped boost the Group's equity despite the increased net loss.

Looking ahead to FY25, the Group's revenue is projected to increase by approximately 5.8% to €3,422k (FY24: €3,235k). This moderate uptick reflects a recovering demand for home and contract furniture, supported by the Group's strategic initiatives such as the introduction of new product lines. The improved top-line indicates a cautious rebound in sales following the post-pandemic softness experienced in FY24.

Cost of sales is forecast to decline significantly to €1,773k in FY25 (from €2,223k in FY24), resulting in a notable increase in gross profit to €1,649k (versus €1,012k in FY24). The gross profit margin is expected to widen substantially to 48.2%, up from 31.3% the prior year, reflecting a more favourable cost-to-revenue mix. This sharp improvement is based on Q1 sales performance already recorded and suggests expectations of a stronger contribution from higher-margin sales—such as contract projects—and improved procurement efficiency leading to lower cost of sales.

The Group plans to continue its cost containment efforts into FY25. Other direct costs (primarily selling and distribution expenses) are projected at €587k, a further 10.5% reduction from the €656k incurred in FY24. This indicates additional efficiency gains in logistics, outsourcing, and marketing spend as the Group builds on the savings achieved in the prior year.

Administrative and overhead expenses are likewise expected to decrease substantially. In FY25 these are budgeted at €814k, nearly 19.8% lower than the €1,015k reported in FY24. This anticipated cut in overhead reflects ongoing rationalisation measures – including potential savings from the store lease (which is ending in 2025) and continued streamlining of back-office functions – aimed at aligning the cost base with the Group's leaner operations.

With a higher gross profit and leaner operating costs, the Group is forecast to achieve a positive EBITDA of €358k in FY25. This is a striking turnaround from the negative EBITDA of €539k recorded in FY24 and would mark the first year of positive operating earnings before depreciation in recent history. The swing to a positive EBITDA underscores the impact of the projected revenue growth and cost-saving initiatives, indicating that core operations should start generating cash profit again.

Depreciation and amortisation charges are expected to ease to €279k in FY25 (down from €411k in FY24). The decline is attributable to certain assets becoming fully depreciated (including the remaining leasehold improvements as the store lease term ends) and no significant new fixed assets needing amortisation.

As a result of the positive EBITDA and lower depreciation, the Group is anticipated to post a small operating profit (EBIT) of €79k for FY25, in stark contrast to the €950k operating loss of the previous year. Achieving a positive EBIT would be a noteworthy milestone, signifying a return to operating profitability.

Net finance costs, on the other hand, are projected to increase to €450k (FY24: €385k). This uptick reflects the additional interest expense expected from new debt financing obtained during FY25 (as evidenced by the forecast rise in borrowings). Despite the ongoing reduction in bank loans in FY24, the fresh funding in FY25 – while improving liquidity – comes with an interest cost that slightly outweighs the prior year's finance cost savings.

Importantly, no impairment of goodwill is forecast for FY25. In FY24 the Group incurred a one-time €342k goodwill write-down; the absence of such a charge in FY25 means the earnings will not be dragged by any further non-cash impairments. This clean-up of the balance sheet in the prior year positions FY25's results to reflect pure operational performance without extraordinary hits.

Overall, the loss before tax is expected to narrow dramatically in FY25 to €371k, a significant improvement from the €1,677k loss before tax reported in FY24. The substantial reduction (over 75% smaller loss) is a direct consequence of the higher operating profit and lack of impairment charges. Correspondingly, the income tax credit for FY25 is anticipated to be minimal at €65k (FY24 saw a €384k tax credit), since the much smaller pre-tax loss generates a smaller deferred tax benefit.

After accounting for taxation, the net loss for FY25 is projected at €306k, a vastly reduced loss compared to the €1,293k net loss recorded in FY24. In the absence of further projected revaluation gains, the total comprehensive loss for FY25 is likewise forecast at €306k, matching the net loss.

2.1.1. Group's Variance Analysis

Income statement	2024F	2024A	Variance
	€000s	**€000s**	**€000s**
Revenue	4,107	3,235	(872)
Cost of sales	(2,069)	(2,223)	(154)
Gross profit	**2,038**	**1,012**	**(1,026)**
Direct costs	(685)	(656)	29
Contribution	**1,353**	**356**	**(997)**
Other income	80	120	40
Overheads	(1,037)	(1,015)	22
EBITDA	**396**	**(539)**	**(935)**
Depreciation and amortisation	(394)	(411)	(17)
EBIT	**2**	**(950)**	**(952)**
Finance costs	(412)	(385)	27
Impairment of goodwill	-	(342)	(342)
Profit before tax	**(410)**	**(1,677)**	**(1,267)**
Income tax charge	-	384	384
Profit after tax	**(410)**	**(1,293)**	**(883)**

FY24 revenue was forecast at approximately €4,107k, but actual turnover reached only €3,235k. This shortfall of about €872k (a ~21% decline vs projections) is largely attributed to weakened consumer demand in an inflationary climate and increased competition from aggressively priced imports. The adverse market conditions curbed sales significantly below expectations, resulting in materially lower revenue than planned.

Cost of sales for FY24 was higher than anticipated. The forecast had cost of sales at €2,069k, while the actual cost of sales amounted to €2,223k, resulting in an adverse variance of about €0,154k (actual costs were 7.4% above forecast). This increase in cost of sales includes a one-time adverse stock adjustment (inventory write-down) that was not budgeted. This write-down drove up costs and put additional pressure on the gross profit margin for the year.

Gross profit for FY24 consequently came in well below expectations at roughly €1,012k, compared to the forecasted €2,038k. This €1,026k shortfall (around -50.3%) was directly due to the revenue miss and the higher cost of sales noted above. In particular, the unforeseen inventory adjustment and weaker sales eroded gross profitability for the year, despite management's efforts to improve margins.

Direct costs for FY24 were slightly lower than projected. Management had expected direct costs (excluding depreciation) to amount to €685k, but actual direct costs were €656k, a positive variance of €29k (about 4% under forecast). This was an anticipated outcome given the softer turnover – when sales targets are not met, certain variable direct costs (such as installation, commissions, and delivery expenses) naturally decrease because fewer items are sold, delivered, and installed.

As a result of the above, the contribution for FY24 was significantly below projections. The forecasted contribution was €1,353k, whereas the actual contribution (after direct costs) was only €356k, leading to an adverse variance of approximately €997k (a drop of about 73%). This sharp decline highlights the combined impact of lower-than-forecast revenue and the less-than-projected reduction in direct costs on the Group's intermediate profitability.

Other income for FY24 was higher than expected. The Group had projected €80k in other income, but actually generated about €120k, resulting in a favourable variance of €40k.

Overheads were largely in line with expectations, with actual administrative and selling expenses of €1,015k coming in just slightly below the €1,037k projected (a savings of €22k, ~2% under budget). Management managed to contain these overhead costs despite the adverse economic headwinds during the year. In fact, as noted in the audited financial statements, the Group achieved significant savings in both direct costs and administrative expenses. This cost discipline meant that overheads did not materially exceed what was planned, offering a small cushion to the year's results.

Reflecting the shortfall in revenue and the cost pressures noted, EBITDA for FY24 turned negative, missing the positive result that was forecast. The Group had anticipated an EBITDA of about €396k, but the actual EBITDA was negative €539k, resulting in an adverse variance of roughly €935k. The weaker top-line performance, combined with the extra costs (mostly the stock adjustment), pushed EBITDA into a loss position for the year.

Depreciation and amortisation for FY24 was marginally above expectations. The forecasted depreciation charge was €394k, while the actual expense was €411k – a slight adverse variance of €17k (around 4% higher than forecast). This small variance indicates that depreciation costs were largely in line with projections; the full impact of IFRS 16 (lease-related depreciation) had already been absorbed in prior periods, so only minor additional depreciation on new assets contributed to the difference in FY24.

Consequently, the Group's EBIT for FY24 was well below the forecast. The forecast had assumed a near break-even operating result, but the actual outcome was an operating loss of €952k. This represents an adverse variance, driven predominantly by the revenue shortfall and gross margin erosion explained above. In essence, the lack of anticipated revenue growth, coupled with higher costs, eliminated the expected operating profit and resulted in an operating loss.

Net finance costs for FY24 were slightly lower than projected. Forecast finance costs were €412k, whereas actual net finance costs came in at €385k, yielding a favourable variance of €27k (around 6.6% under forecast).

The FY24 results also include an impairment of goodwill that had not been forecasted. No impairment charge was projected for the year, but the actual results incorporate a one-time goodwill impairment of €342k, resulting in an adverse variance of the same amount. This write-down was triggered by the weaker-than-anticipated business performance (lower sales and gross profits relative to earlier projections), which led management to reassess and reduce the carrying value of goodwill on the balance sheet.

Profit before tax for FY24 was therefore much lower than expected. The forecast had anticipated a pre-tax loss of €410k, but the actual loss before tax widened to €1,677k, an adverse variance of roughly €1,267k. This outcome reflects the combined impact of the operational underperformance (including the revenue and margin shortfall) and the unplanned goodwill impairment, which together drove the loss before tax far above the level forecasted for the year.

The income tax outcome for FY24 was a net tax credit, in contrast to the neutral tax position assumed in the forecast. While no tax expense or benefit was projected (forecast had €0 for income tax), the Group recorded an income tax credit of €384k for FY24, creating a favourable variance of the same amount. This tax credit is largely attributable to the recognition of deferred tax assets (from tax losses carried forward and investment tax credits) in light of the FY24 loss, thereby reducing the net loss after tax compared to what it would have been without such a credit.

Consequently, the net loss after tax for FY24 was considerably higher than projected. The forecast had envisaged a loss of around €410k, whereas the actual loss after tax amounted to €1,293k. This represents an adverse variance of approximately €883k. The deeper post-tax loss was primarily driven by the shortfall in revenue and gross profit versus expectations, coupled with the unforeseen impairment charge – factors which more than offset the benefit of the tax credit – resulting in a much worse bottom-line outcome than management had forecast for the year.

2.2 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	5,731	5,544	6,369	6,385
Goodwill	3,031	3,031	2,688	2,688
Right of use assets	-	271	139	49
Deferred tax asset	791	1,040	1,424	1,489
Receivables	450	436	332	332
Intangible asset	1,853	1,773	1,693	1,613
Total non-current assets	**11,857**	**12,095**	**12,645**	**12,556**
Current assets				
Inventories	579	623	403	403
Trade and other receivables	3,559	2,376	1,511	1,869
Cash balance	536	427	243	504
Total current assets	**4,674**	**3,426**	**2,157**	2,776
Total assets	**16,531**	**15,521**	**14,802**	**15,332**
Equity				
Share capital	3,620	3,620	3,620	3,620
Shareholder's loan: Dino Fino Group	980	980	980	980
Revaluation reserve	-	-	664	664
Retained earnings	(1,178)	(2,326)	(3,619)	(3,925)
Total equity	**3,422**	**2,274**	**1,645**	**1,339**
Non-current liabilities				
Debt securities in issue	7,595	7,614	7,633	7,652
Other third-party debt	319	465	228	2,113
Lease liabilities	-	166	53	23
Other payable	-	-	16	16
Deferred tax liability	-	-	357	357
Total non-current liabilities	**7,914**	**8,245**	**8,287**	**10,161**
Current liabilities				
Borrowings	117	235	374	36
Trade and other payables	5,078	4,649	4,379	3,767
Lease liabilities	-	118	117	29
	-	-	9	-
Total current liabilities	**5,195**	**5,002**	**4,870**	**3,832**
Total liabilities	**13,109**	**13,247**	**13,157**	**13,993**
Total equity and liabilities	**16,531**	**15,521**	**14,802**	**15,332**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	68.3%	77.5%	83.0%	87.8%
Gearing 2 (Total Liabilities / Total Assets)	79.3%	85.3%	88.9%	91.3%
Gearing 3 (Net Debt / Total Equity)	215.6%	343.8%	489.0%	721.2%
Net Debt / EBITDA	(8.6)x	(14)x	(14.9)x	27.0x
Current Ratio (Current Assets / Current Liabilities)	0.9x	0.7x	0.4x	0.7x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.8x	0.6x	0.4x	0.6x
Interest Coverage level 1 (EBITDA / Cash interest paid)	(1.9)x	(1.4)x	(1.0)x	1.0x
Interest Coverage level 2 (EBITDA / finance costs)	(1.9)x	(1.3)x	(1.4)x	0.8x

The Group's total assets stood at €14.8m as at 31 December 2024, a reduction of €0.7m (–4.6%) from €15.5m in FY23. This decline is primarily attributable to lower current assets, as described below, while non-current assets actually increased year-on-year. The largest components of the balance sheet were the property plant and equipment, valued at €6.4m, trade and other receivables at €1.5m, and goodwill at €2.7m—representing 40.5%, 10.2%, and 18.2% of total assets, respectively.

Non-current assets were €12.6m at the end of 2024, up from €12.1m in FY23. The increase of €0.6m is largely due to the revaluation of the Birkirkara showroom property. In 2024, the Group adopted a revaluation model for its building: the carrying amount of property, plant and equipment rose by €0.9m (before deferred tax) upon revaluation, bringing the book value of the building to €6m. This uplift is reflected in the newly created revaluation reserve within equity.

As per the consolidated financial statements of the Group, the investment property that is located in Dino Fino Home is used as security in favour of holders of the Issuer's outstanding debt securities until such time that these are repaid in accordance with the Prospectus of the Issuer dated 30 October 2021.

Aside from the property revaluation, non-current assets movements include the goodwill write-down of circa €0.3m (goodwill decreased from €3m to €2.7m) and routine depreciation on plant and equipment.

The Group's intangible asset (brand and IP) was €1.7m in FY24, slightly lower than €1.8m in FY23, implying an amortisation charge of €80k during the year (no new intangibles were added).

The right-of-use assets (leased assets) fell to €0.1m (FY23: €0.3m) as the lease on the showroom moved closer to its term and depreciation on leasehold assets accrued.

The deferred tax asset increased to €1.4m (from €1m) mainly due to additional tax losses and temporary differences (including the recognition of deferred tax on the loss and on the property revaluation surplus).

Current assets totalled €2.2m at the end of 2024, down sharply from €3.4m a year prior. The inventories balance was €0.4m (FY23: €0.6m).

Trade and other receivables declined to €1.5m (FY23: €2.4m), as the Group collected on outstanding customer balances and also saw lower credit sales in line with the revenue drop. The focus on receivables management and a cautious approach to new credit sales resulted in this €0.9m decrease, which had a beneficial effect on cash flow.

Cash and cash equivalents were €0.2m (down from €0.4m in FY23), primarily due to financing outflows (discussed under cash flows).

The Group's total equity decreased from €2.3m in FY23 to €1.6m in FY24. This drop of €0.6m is explained by the loss for the year, net of the positive revaluation reserve movement. The accumulated losses widened to €3.6m (from €2.3m), reflecting the €1.3m net loss incurred in FY24.

Conversely, a revaluation reserve of €0.7m was created (FY23: nil) to account for the surplus on the property revaluation (this reserve is net of €0.4m in deferred tax liabilities on the revaluation).

Share capital remained unchanged at €3.6m, and the shareholder's other capital contribution of €1m (a shareholder's loan considered quasi-equity) also remained unchanged. No dividends were declared given the losses.

The decrease in equity underscores the impact of consecutive net losses, though it was partially mitigated by the property value gain. The equity ratio (Equity/Total

Assets) fell further, indicating higher leverage; this is discussed under gearing.

Non-current liabilities were €8.3m (FY23: €8.2m). The Group's outstanding bond (debt securities in issue) is carried at amortised cost of €7.6m (FY23: €7.6m); the small, €19k increase reflects the amortisation of bond issue costs and accrual of interest.

Borrowings due after one year fell to €0.2m from €0.5m as the Group repaid a portion of its term loans (some debt was reclassified to current as it matures within a year).

Lease liabilities (non-current portion) dropped to €53k (FY23: €166k), consistent with the lease on the showroom approaching expiry – most of the lease obligations are now short-term (within current liabilities) as 2024 was the final full year of the lease term.

A new deferred tax liability of €0.4m was recorded in FY24 (none in FY23), stemming from the revaluation surplus on the property (this represents the tax effect on the €0.9m gain). Additionally, another payable of €16k appears under non-current liabilities (FY23: nil).

Overall, non-current liabilities were relatively stable, with the reduction in bank debt roughly offset by the new deferred tax liability.

Current liabilities decreased to €4.9m at end-FY24 from €5m in FY23. Trade and other payables amounted to €4.4m (a slight reduction from €4.6m). The lower payables balance is consistent with reduced inventory purchases (aligning with lower sales and stock levels) and some payment of outstanding supplier invoices. It also reflects the Group's efforts to manage creditor terms carefully.

Current borrowings (the portion of bank loans and other short-term debt due within one year) rose to €0.4m (from €0.2m in FY23), as a bank loan approaches maturity and is now classified as short-term.

The current portion of lease liabilities was €117k (virtually unchanged from €118k in FY23).. There are no other major current liabilities noted.

The working capital ratio (current assets/current liabilities) stands at 0.44x for 2024, down from 0.68x in 2023, reflecting tighter liquidity.

The Group's leverage increased in 2024.. The net debt to net debt-plus-equity ratio (Gearing 1) climbed to 83% in FY24 (up from 77.5% in FY23 and 68.3% in FY22). This means that over four-fifths of the Group's capital structure is financed by debt. The debt-to-asset ratio (Total Liabilities/Total Assets) likewise edged up to 88.9% in FY24 (from 85.3% in FY23).

These indicators underscore the Group's high leverage: a result of bond financing and accumulated losses reducing equity. It is noted that a significant portion of the debt is long-term (the bond maturing 2033), which provides some stability. Management expects that improved operating results in FY25 and beyond (along with no dividend outflows) will gradually rebuild the equity buffer. Additionally, the revaluation reserve has helped strengthen equity in FY24.

The Group's total asset base is forecast to rise to €15.3m by end-FY25, up €0.5m (3.6%) from €14.8m in FY24. This modest increase reverses two years of decline and is driven mainly by growth in current assets, while non-current assets remain broadly stable.

Property, plant and equipment is expected to remain stable year-over-year at €6.4m. Other non-current assets show minor movements. Goodwill is projected to be unchanged at €2.7m, with no further impairments expected. Right-of-use assets is projected to fall to €49k as the store lease expires. Intangibles will decline slightly to €1.6m, reflecting amortisation, and the deferred tax asset is expected to edge up to €1.5m due to further loss carry forwards. In total, non-current assets will remain stable at €12.6m.

Current assets are projected to rise to €2.8m (FY24: €2.2m), mainly due to higher trade receivables of €1.9m, aligned with stronger forecast sales. Cash is also set to more than double to €504k, helped by incoming financing, while inventories are expected to remain flat at €403k. This increase supports higher working capital needs, without increasing inventory holdings.

Total equity is expected to decline from €1.6m to €1.3m, driven by the projected net loss for the year. Share capital (€3.6m), the quasi-equity loan (€1m), and the revaluation reserve (€0.7m) remain unchanged, but retained losses will deepen to negative €3.9m. The equity ratio is forecast to fall further to 8.7% (FY24: 11.1%), highlighting the Group's continued reliance on debt financing.

Non-current liabilities are expected to rise to €10.2m (FY24: €8.3m), primarily due to a projected increase in €1.9m in new long-term debt. Other third-party debt will increase to €2.1m, while bond liabilities remain stable at €7.7m. Lease liabilities will decline to just €23k as the store lease ends.

Deferred tax liabilities and other payables remain unchanged.

Current liabilities are projected to fall to €3.8m (FY24: €4.9m), driven by lower trade payables (€3.8m vs €4.4m), repayment of short-term borrowings (€36k vs €374k), and the near-completion of lease obligations (€29k vs €117k). This easing in short-term debt and payables reflects improved creditor management and reduced reliance on overdraft facilities.

Liquidity is set to improve. The current ratio is expected to rise to 0.7x (FY24: 0.4x), and the quick ratio to 0.6x. These gains are largely due to stronger expected cash and receivables balances combined with lower short-term liabilities.

Despite these improvements, leverage will remain elevated. Total liabilities will account for about 91% of assets. Although EBITDA is forecast to turn positive, interest cover is still below 1.0x, indicating that operating profits will not yet fully cover financing costs. Approximately 88% of the capital structure will consist of debt net of cash.

Management acknowledges these structural challenges but expects that the forecast operational improvement in FY25 – together with no dividend payments – will start to stabilise the balance sheet. The existing €0.7m revaluation reserve provides some equity support, but a return to profitability remains important. If projected trends continue, the Group could begin to strengthen its capital structure from FY26 onward.

2.3 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2022A	2023A	2024A	2025F
	16 months	12 months	12 months	12 months
	€000s	**€000s**	**€000s**	**€000s**
Net cash flows generated from / (used in) operating activities	(311)	157	519	(668)
Net cash flows generated used in investing activities	(10,899)	(64)	120	(125)
Net cash flows generated from / (used in) financing activities	11,746	(202)	(823)	1,054
Movement in cash and cash equivalents	**536**	**(109)**	**(184)**	**261**
Cash and cash equivalents at start of year	-	536	427	243
Cash and cash equivalents at end of year	**536**	**427**	**243**	**504**

Ratio Analysis	2022A	2023A	2024A	2025F
Cash Flow	**€000s**	**€000s**	**€000s**	**€000s**
Free Cash Flow (Net cash from operations + Interest - Capex)	(11,165)	127	702	(793)

Despite the larger loss in FY24, the Group generated net cash from operating activities of €519k, a substantial improvement compared to the €157k net cash inflow in FY23. This positive operating cash flow in FY24 was achieved through active working capital management: the significant reduction in receivables and inventories released cash, and the Group also benefited from the inflow of a €386k income tax credit. In addition, although the Group incurred a loss, it included non-cash charges like depreciation (€411k) and goodwill impairment (€342k) that did not affect cash. After adjusting for these non-cash items and working capital changes, operations provided €704k in cash, indicating that the business was able to self-finance its expenses through internal cash generation in FY24. This is a notable turnaround and reflects management's focus on cash conservation.

Net cash generated from investing activities in FY24 was €120k (whereas FY23 had a net outflow of €64k). The inflows in FY24 were driven by a couple of one-off items: the Group received €168k from a loan repayment and €16k as proceeds from a rental arrangement. These cash inflows were partially offset by a new loan of €60k granted to a third party and a modest capital expenditure of €4k on property, plant and equipment. No significant fixed asset purchases were made. In summary, investing activities contributed positively to cash in FY24, mainly due to non-recurring cash receipts, while the Group refrained from any major investments or acquisitions.

Net cash used in financing activities was €823k in FY24, a sharp increase in outflow compared to the €202k net outflow in FY23. The financing cash outflows in FY24 included the annual bond interest payment of €371k (similar to FY23), repayment of bank loans amounting to €108k (FY23: €106k), and lease payments totalling €329k (significantly higher than the €112k paid in FY23).

The net effect of the above movements was a decrease of €184k in cash during FY24. The Group's cash and cash equivalents declined from €427k at the start of the year to €243k at year-end FY24. While cash levels are low, the Group has thus far managed to meet its obligations by closely managing working capital and using available credit lines.

For FY25, the Group is forecasting a net operating cash outflow of €668k, compared to a €519k inflow in FY24. This shift is mainly driven by working capital movements and the absence of one-off inflows seen in the previous year. In FY24, cash was released from reductions in receivables and inventory, and boosted by a €386k tax refund and non-cash items like a €342k goodwill impairment. In contrast, FY25 will see a rise in receivables (absorbing €360k in cash) and lower trade payables, as the Group plans to settle supplier balances more promptly. While EBITDA is forecast to turn positive, it won't be enough to offset these working capital pressures, leading to a net operational cash drain.

Net investing cash flows are expected to be modestly negative at €125k, following a €120k inflow in FY24. Last year's inflow included a €168k loan repayment, which will not recur. FY25 outflows will relate to small capex—such as website upgrades or minor equipment—and potential operating-related deposits. With no major asset disposals or acquisitions planned, this reflects a cautious, capex-light strategy focused on consolidation and digital infrastructure support.

Financing activities are forecast to generate €1,054k in net cash inflows in FY25, reversing the €823k outflow in FY24. This turnaround reflects planned new borrowings. Unlike FY24, no large lease termination or related party outflows are anticipated. The result is a financing-driven cash surplus that will help plug operational deficits and strengthen the year-end cash position.

Overall, FY25 is projected to see a net cash increase of €261k, lifting the year-end balance to €504k (from €243k). While an improvement, this remains low relative to the Group's liabilities and reinforces the need for tight liquidity management.

The current ratio is expected to improve to 0.7x, but remains below ideal levels. Free cash flow is forecast at negative €793k, indicating continued reliance on external financing. Still, the return to EBITDA and EBIT profitability in FY25 signals progress. If operational gains continue, the Group could move toward self-financing in future years, reducing its dependence on debt and enhancing financial stability.

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

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

3.2 Malta Economic Update[1]

The Bank'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.

3.3 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 brisk growth in private consumption, while investment should also continue to recover. Furthermore, net exports are projected to retain a positive contribution over the forecast horizon, driven by trade in services, although the contribution is expected to be smaller 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 edge down slightly to 3.0% in 2025 and remain at this rate throughout the forecast horizon.

As tightness in the labour market is projected to dissipate over time and inflation continues to moderate, this should

[1] Central Bank of Malta – Quarterly Review 05/2025

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

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 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 spillover 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 between 2025 and 2027 is slightly higher compared with 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.

The furniture retail industry[3456]

The furniture market in Malta is a thriving sector, characterized by steady growth and evolving consumer preferences. In 2024, the market generated a revenue of US$223.50 million, with a projected annual growth rate of 1.28% (CAGR 2024-2029). In 2025, market revenues are expected to rise further to roughly US$227 million, with a CAGR of ~1.3% forecast for 2025–2029, indicating continued gradual expansion.

One of the notable trends shaping the market is the increasing demand for locally-made, artisanal furniture pieces that showcase the country's rich history and cultural heritage. Consumers in Malta appreciate unique designs that reflect their identity and resonate with their heritage, driving the popularity of locally crafted furniture.

Another significant factor influencing the market is the emergence of millennial buyers as a key growth driver. In the coming years, thousands of millennials in Malta are expected to be purchasing their first homes, which represents a considerable opportunity for furniture retailers. Millennials tend to prioritize functionality, sustainability, and affordability in their purchasing decisions. This creates demand for innovative, eco-friendly, and cost-effective furniture products. Retailers that can cater to these millennial preferences – for example, by offering multi-purpose furniture, green materials, or modular designs at accessible price points – are well positioned to capture this segment. Dino Fino's introduction of custom and contemporary lines, as well as its plans for in-house manufacturing, align with this trend towards personalised and sustainable solutions.

The Living Room Furniture segment continues to dominate Maltese furniture sales, reflecting consumer priorities in furnishing comfortable and stylish living spaces. This segment (sofas, TV/entertainment units, coffee tables, etc.) holds the largest share of the market, indicating that Maltese households invest significantly in their primary living areas. Retailers offering a broad range of living room furnishings – especially those that combine comfort with modern design – are likely to remain popular. The Group's portfolio, which includes high-quality sofas and modular living setups, is in line with this dominant market segment.

[3] https://www.statista.com/outlook/cmo/furniture/malta
[4] https://www.zoominfo.com/top-lists/top-10-companies-from-retail-furniture-industry-in-MT-by-revenue
[5] https://dari.mt/
[6] https://www.constructfurniture.com.mt/

In terms of leading companies in the Maltese furniture retail market, the landscape is relatively fragmented. According to industry data, the top companies by revenue are Vivendo Group (leading with approximately $17.3 million in annual revenue), OK Home (around $12.0 million), and Construct Furniture (about $10.8 million). These players operate multiple retail outlets or cater to both B2C and B2B clients and thus achieve higher sales volumes. Dino Fino, as a newer entrant with a bond-funded expansion strategy, is aiming to grow its share in this market by differentiating on design and service. While exact up-to-date figures are scant (many competitors are private companies), these revenues give a sense of scale: the largest local player's sales are roughly €15 million, indicating that Dino Fino (Group revenue €3.2 million in 2024) has room to capture more market share through its niche in premium/luxury segments and contract projects.

On a broader regional level, Southern Europe and the UK exhibit varied furniture market dynamics. Italy, as a key furniture manufacturing hub in Southern Europe, had an industry size of about $24.0 billion in 2024, and it is projected to grow at a healthy ~5.7% CAGR through 2032.[7] Italy's market is driven by strong export performance and design innovation. Indeed, Italian high-end brands set many of the global trends in furniture. For example, Moroso SpA – a renowned Italian designer furniture company with which Dino Fino is affiliating – reported an annual turnover of around €28 million recently, with roughly 70% of its sales coming from international markets.[8]. ARAN Cucine (part of Aran World), another Italian brand in Dino Fino's portfolio, is Italy's leader in kitchen exports and ranks among the top Italian kitchen manufacturers[9]. These brands exemplify the quality and creativity emanating from Southern Europe. By partnering with such brands (including Tonin Casa, a contemporary Italian furniture maker), Dino Fino is aligning itself with the "haute couture" of furniture design, which can elevate its product offering and appeal in Malta's market.

Meanwhile, in the United Kingdom, the furniture retail industry has been facing headwinds. Persistently high inflation and economic uncertainty have dampened consumer spending on big-ticket home items. The UK furniture market is forecast to contract by about 1.2% in 2024, with total furniture retail sales expected to reach around £20.75 billion (down slightly year-on-year)[10]. This weakness is attributed to households postponing furniture upgrades amid a cost-of-living squeeze and rising interest rates (which make financing purchases more expensive). The UK experience serves as a cautionary contrast – it underscores the importance of economic stability for furniture demand.

Malta's economy, fortunately, is still growing, and inflation is relatively under control, which should help the local furniture market avoid such declines. Nonetheless, Dino Fino remains vigilant: a significant downturn in Europe or the UK could indirectly affect Malta through reduced consumer confidence or tourism activity.

In summary, the Maltese furniture market is growing slowly but steadily, supported by cultural shifts and demographics (millennial home-buyers), and influenced by global design leaders predominantly from Italy. Dino Fino's strategy – adding revered international brands, enhancing online presence, and exploring in-house production – is tailored to these trends. The Group is positioning itself to capitalize on the desire for bespoke, quality furniture and the forthcoming wave of new home owners, while also differentiating via high-end Southern European design offerings.

3.4. Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Group 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.

More importantly, we have included different issuers with similar maturity to the Issuer. 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.

[7] Italy Furniture Market Size, Share, Trends, Growth & Forecast - https://www.verifiedmarketresearch.com/product/italy-furniture-market/#:~:text=Forecast%20www,69

[8] thepeakmagazine.com.sg- https://www.thepeakmagazine.com.sg/people/italian-brand-makes-chairs-double-art

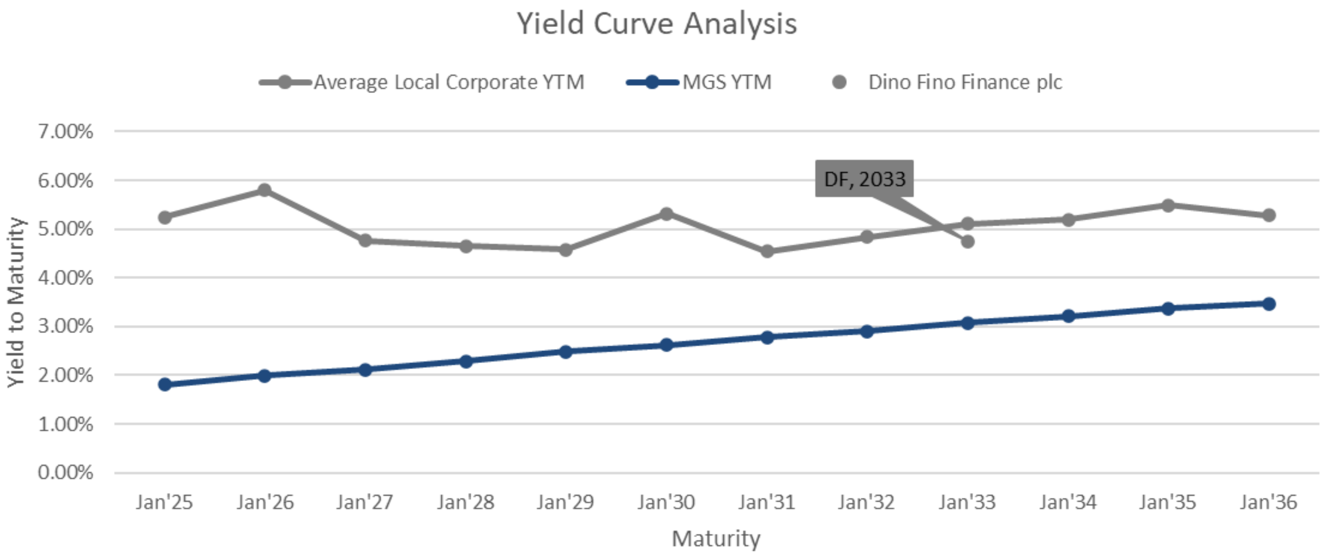
[9] arancucine.it - https://www.arancucine.it/en/by-the-numbers/#:~:text=By%20the%20numbers%20,ARAN%20kitchens%20are%20the

[10] store.mintel.com - https://store.mintel.com/report/uk-furniture-retailing-market-report#:~:text=The%20UK%20furniture%20retail%20market,to%20%C2%A320754%20million%20in%202024

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) (%)
3.9% Browns Pharma Holdings plc Unsec Call € 2027-2031	13,000	4.18%	3.2x	99.7	38.2	61.7%	40.7%	5.7x	1.0x	5.8%	4.4%	30.6%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1 (xd)	6,000	5.41%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.28%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	5.50%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.75%	(1.4)x	14.8	1.6	88.9%	83.0%	(14.9)x	0.4x	-66.0%	-40.0%	-3.1%
4% Eden Finance plc Unsecured € 2027	40,000	4.55%	7.3x	281.3	169.6	39.7%	28.6%	3.1x	0.8x	9.7%	32.5%	0.4%
4.5% Endo Finance plc Unsecured € 2029	13,500	4.53%	(1.8)x	60.8	17.6	71.0%	67.3%	7.1x	1.8x	2.5%	2.5%	82.7%
3.75% Bortex Group Finance plc Unsecured € 2027	12,750	5.03%	4.1x	89.0	48.2	45.9%	41.0%	6.2x	2.7x	15.1%	28.6%	5.0%
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000	4.50%	3.4x	38.1	12.9	66.0%	60.5%	5.8x	3.5x	35.3%	41.6%	89.9%
4% SP Finance plc Secured € 2029	12,000	4.56%	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	3.75%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	4.85%	5.8x	126.9	34.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
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	4.42%	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	4.92%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
3.5% AX Real Estate plc Unsecured € 2032	40,000	4.74%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4.55% St Anthony Co plc Secured € 2032	15,500	4.55%	3.3x	70.2	25.8	63.2%	55.6%	8.6x	0.9x	2.5%	4.5%	4.2%
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	4.18%	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	4.62%										

Source: Latest available audited financial statements

Last closing price as at 19/06/2025
*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 of the 4.75% Dino Fino Finance plc bond.

As at 19 June 2025, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 2-8 years was 203 basis points. The current 4.75% Dino Fino Finance plc 2033 bond is trading at a YTM of 4.75%, translating into a spread of 167 basis points over the corresponding MGS. This means that this bond is trading at a discount of 36 basis points in comparison to the market.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Issuer from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Issuer in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Issuer'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/Issuer 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/ Issuer 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/Issuer.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Issuer.
Capex	Represents the capital expenditure incurred by the Group/Issuer in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Issuer 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/ Issuer 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/Issuer 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/ Issuer 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.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Issuer 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/Issuer's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Issuer 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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