MERCURY TOWERS
by Zaha Hadid Architects

MERCURY PROJECTS FINANCE p.l.c.

Mercury Towers, J Portelli Offices, Triq San Gorg, San Giljan STJ 3202, Malta
Co. Reg. No. C89117

COMPANY ANNOUNCEMENT

Publication of Financial Analysis Summary

It is being announced that the Financial Analysis Summary prepared by the Sponsor and dated 30th June 2026, has been approved for publication by the Board of Directors and is attached herewith.

It is also available for viewing on the Company's website: https://mercury.com.mt/.

By Order of the Board

Dr. Joseph Saliba
Company Secretary

30th June 2026

Directors

Joseph Portelli Mario Vella Peter Portelli Stephen Muscat

www.mercury.com.mt

Calamatta Cuschieri | moneybase

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Registered in Malta No. C 13729 - VAT No. MT13219224

The Directors
Mercury Projects Finance p.l.c.
1400, Block 14,
Portomaso,
St. Julian's, Malta

30 June 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Mercury Projects Finance p.l.c. (the "**Issuer**") and Mercury Towers Ltd (the "**Guarantor**"), where the latter is the parent company of the "**Group**". The data is derived from various sources, including the prospectus dated 25 July 2024 published by the Issuer (the "**Prospectus**") for the bonds issued on 10 September 2024 (the "**Bond Issue**"), or is based on our own computations as follows:

a) Historical financial data for the three years ended 31 December 2023, 2024 and 2025 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question.

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

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

d) The ratios quoted in the Financial Analysis Summary 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 comparatives 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. Mangion

Patrick Mangion
Head of Capital Markets

SUMMARY 2026

Mercury Projects Finance p.l.c.

30 June 2026

Prepared by Calamatta Cuschieri Investment Services Limited

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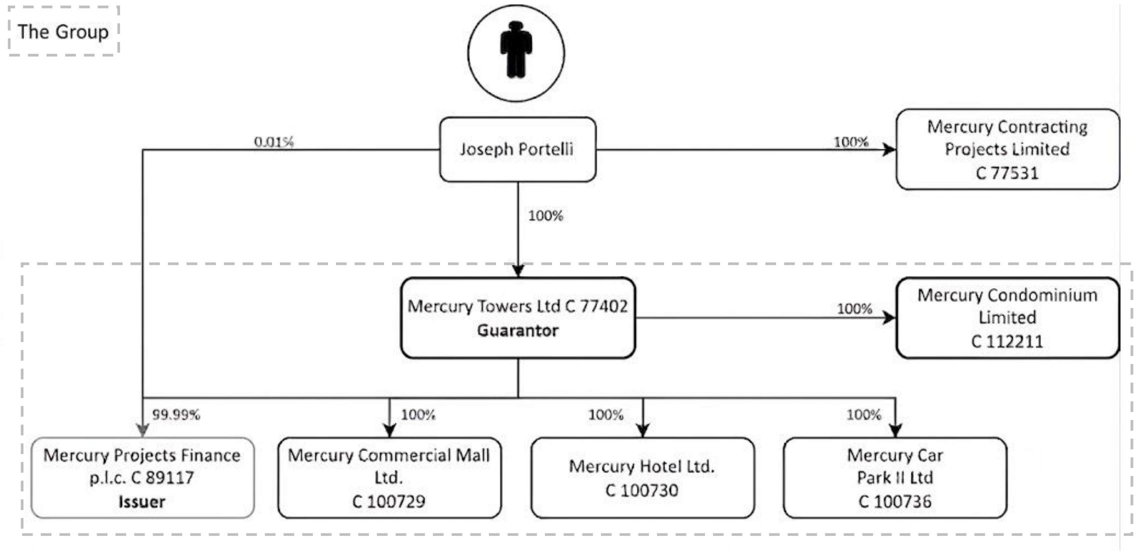
Part 1 Information about the Group

1.1 The Group's Key Activities and Structure

The Group structure is as follows:



The "**Group**" of companies (or the "**Mercury Group**") comprises Mercury Projects Finance p.l.c. (the "**Issuer**"), Mercury Towers Ltd, acting as the Guarantor of the outstanding bonds of the Issuer, Mercury Car Park II Ltd, Mercury Hotel Ltd., Mercury Commercial Mall Ltd Mercury Condominium Limited and Mercury Entertainment Limited, the latter being a non-operational company.

The key activities of the Group consist of the operation of a mixed-use project (the "**Mercury Tower Complex**") that *inter alia* includes a 34-floor tower (including serviced apartments), a 5-star luxury hotel spanning over the podium area, retail and commercial spaces spanning across the entire complex, a commercial mall, a rooftop bar, as well as an underlying car park. As at the date of this Analysis, the Mercury Tower Complex in operation.

The Issuer, with company registration number C 89117, is a public limited liability company registered in Malta on 16 January 2019. .The Issuer is, except for one share that is directly held by Mr Joseph Portelli, a wholly-owned subsidiary of Mercury Towers Ltd, which is the parent company of the Group. The Issuer, which was set up and established to act as a finance vehicle has, as at the date hereof, an authorised share capital of €500,000 divided into 500,000 ordinary shares of €1 each and has an issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

The Guarantor, Mercury Towers Ltd ("**MTL**"), is a private limited liability company incorporated and registered in Malta on 28 September 2016, with company registration number C 77402. The Guarantor owns land in St. Julian's on which the Complex has been built. The Guarantor, has as at the date hereof an authorised share capital of €75,000,000 divided into 75,000,000 ordinary shares of €1 each and an issued share capital of €30,000,000 divided into 30,000,000 ordinary shares of €1 each, all fully paid up. Mr Joseph Portelli is the sole shareholder of the Guarantor.

Mercury Car Park II Ltd owns the car park underlying the entire Complex as further detailed in section 1.4 below.

Mercury Hotel Ltd. ("**MHL**"), a wholly owned subsidiary of MTL, owns and operates the hotel, as explained in more detail in section 1.4 of this Analysis.

Mercury Commercial Mall Ltd., also a subsidiary of MTL, is the proprietor and operator of the commercial mall. The retail outlets were rented to third parties in shell form internally whilst the common areas of the mall and the outlets' exterior (where applicable) were fully finished.

Mercury Condominium Limited ('MCL'), a wholly owned subsidiary of MTL, was incorporated on 3rd June 2025 and acts as the administrator and administer condominium management services.

Mercury Entertainment Limited ('MEL'), a wholly owned subsidiary of MTL, was also incorporated on 3rd June 2025 and acts as in dormant and non-operational.

1.2 Directors and Key Employees

Board of Directors - Issuer
As of the date of this Analysis, the board of directors of the Issuer is composed as follows:

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

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

Board of Directors - Guarantor
As of the date of this Analysis, the board of directors of the Guarantor is composed as follows:

Name	Office Designation
Mr Joseph Portelli	Executive Director
Ms Chloe Portelli	Executive Director
Mr Tristen Portelli	Executive Director

The business address of the directors of the Guarantor is the registered office of the Issuer. Dr Ian Stafrace is the company secretary of the Guarantor.

The management team are entrusted to oversee the Group companies' day-to-day management and are responsible for the general executive management, sales and business development, as well as for hotel operations.

Management team members are:

Name	Office Designation
Mr Marcel Bonnici	Chief Executive Officer
Mr Neal Debono	Chief Operating Officer
Ms Margaret Buhagiar	Chief Financial Officer

As of the date of this Analysis, the Group employs 258 employees (FY2024: 104).

1.3 Major Assets owned by the Group

As a special purpose vehicle set up to act as the financing company for the Project, the Issuer does not have any substantial assets other than the loans receivable from the Guarantor. The major assets of the Group are the underlying land and building on which the Project is constructed.

The Guarantor owns land in St. Julian's measuring *circa* 9,648m^2, which it acquired on a freehold title over two phases. 7,701.8m^2 of said land was acquired in two stages, in December 2016 and June 2017, for a total price of *circa* €24.3m. A plot of land measuring 1,964m^2 was then acquired in August 2021 for €14m.

The land, the constructed portion of the Project, and the airspace have been classified as "*property, plant, and equipment*", "*investment property*" and "*inventory*" in the financial statements of the Group.

- *Property, plant, and equipment ("**PPE**")*: €222.2m, as at 31 December 2025 (2024: €175.8m) consisting of property which was retained by the Group to be used in the supply of services (operated as a hotel and car park) as well as Mercury House, serviced apartments on Level 31 of Mercury Tower and levels 0 to 2 of the Mercury Tower. Further explanation on the value of PPE in sub-section 2.5. of this Analysis.
- *Investment property*: €43.2m, as at 31 December 2025 (2024: €83.4m) which comprises the retained property which is leased out to third parties. As at 31 December 2025, this primarily consisted of the rooftop bar on Level 33, the Pavilion and other commercial outlets.
- *Inventory*: €1.4m as at 31 December 2025 (2024: €1.9m) includes the Group's inventory which consists of apartments available for sale.

As at the date of this Analysis, the majority of the Project is completed and is in operation with some minor elements still being finished by the respective tenants..

1.4 Operational Developments

The Group was set up in view and for the purpose of the Mercury Tower Complex. The ultimate beneficial owner of the Group, Mr Joseph Portelli, has a long trading history in the acquisition, development, management, and operation of real estate developments, including hotels, residential, office, retail property, and entertainment projects.

The most recent developments of the Group are described hereunder:

Mercury Towers Complex

The Mercury Complex comprises the retail area now known as the Mercury Shopping District housing 30 retail shops and various dining spaces, a 140-room 5-star luxury hotel supplemented with a further thirty-five residences within the main tower, several other food and beverage outlets across the Complex, other operating establishments and an underlying a 638-car parking area.

Other operating establishments include Odyssey, an initiative that seamlessly integrates immersive storytelling and informative scene-setting shows with a historical, story-driven flying theatre ride and the Museum of Illusions, an intriguing visual, sensory and educational experience.

Mercury Tower

The Mercury Tower (the "**Tower**") is a 34-storey building above ground level, and also includes 6 storeys underground, four of which are designated as parking spaces. The gross floor area of the units within the tower (excluding parking spaces) is 20,591m^2. The Tower consists of 291 branded serviced apartments the majority of which were sold to third parties (279 apartments), with the remaining 12 apartments retained by the Guarantor.

Apart from the serviced apartments, the Mercury Tower also includes:

- A commercial area at level 11 (the Twist), which incorporates an outdoor pool, is a unique and versatile event space and has been rented out to third parties and is being operated as a restaurant;
- A rooftop bar at level 33 with a viewing gallery that is accessible to guests and patrons alike, which is also rented out to third parties;
- Three levels of commercial space (level B01 to level 1) form part of the commercial offering and are connected to other commercial parts of the Complex. ;
- Office space situated on level 2 and
- Levels 10, 12, and (part of) level 32 of the Mercury Tower include plant rooms and storage facilities.

Peripheral Block

The peripheral residential block is an adjacent 9-storey block and includes a total of 170 serviced apartments across seven levels (levels 2 to 8). The serviced apartments have an average net internal area of *circa* 60m^2. As at the date of this Analysis, 168 apartments have been sold while 2 remain available for sale.

Management confirmed that finishing works on the Peripheral Block have been completed.

Three levels of commercial space (levels B01 to level 1) of the peripheral residential block form part of the Commercial Mall. The peripheral block also houses 2 outdoor pools for hotel guests and residents.

Another branch of the Project comprises a 20-storey 5-star branded hotel, consisting of 140 rooms (the "**Hotel**"). Its accommodation capacity extends by virtue of the serviced apartments whose owners sign up for a hotel accommodation pooling arrangement.

The Hotel is being operated by MHL through a hotel management agreement with the internationally renowned hotel chain Meliá, in particular with Meliá Hotels International S.A. (as manager) and Prodigios Interactivos S.A. (as provider). The Hotel opened its doors in November 2024.

Commercial Outlets

The Project comprises of a mix of retail and catering outlets, distributed on levels B01, the ground floor, and level 1 of the tower, podium, and in the peripheral building. The commercial outlets consist of a number of shops with a total floor area exceeding 12,348m^2. The commercial shopping mall and entertainment arena is mainly located over four floors across Mercury House, Mercury Tower, the Hotel, and the Peripheral Block (underlying Mercury Suites).

The Complex also includes the Flying Theatre and Museum of Illusions, both of which are situated within the Mercury House.

Ancillary components

The Project also includes a number of ancillary components.

- The Mercury House, a restored 19th century building comprises an element of food and beverage activity. It also comprises part of the Mercury Experience (described hereunder)
- The Mercury Experience, an attraction with audio-visual presentations of various historical eras

and/or points of interest in Malta, and ending in the admission to the flying theatre, is a type of entertainment-themed simulator ride, consisting of rigged-seats and virtual reality/projection to create the illusion of flight.

- The Pavilion, a stand-alone building situated next to Mercury House intended to be operated by an anchor tenant as a flagship store.
- The rooftop bar and viewing gallery located in the uppermost two floors of the Tower, offering a 360º view from what is so far the highest building in Malta, accessible to guests and patrons alike.

Car Park

The Project also comprises a sub-structure car park, underneath all the sites spanning from levels B07 to B03. The car park now includes a total of 638 car spaces. None of the 638 car spaces will be sold and will be used as a public car park to complement the commercial offering.

Management noted that, out of the aforementioned 638 car spaces, 28 are owned by a third-party.

1.5 Listed Debt Securities of the Issuer

Mercury Projects Finance p.l.c. currently has the following outstanding debt securities:

	ISIN	€m
3.75% Mercury Projects Finance plc Secured € 2027	MT0002191204	11.5
4.25% Mercury Projects Finance plc Secured € 2031	MT0002191212	11.0
4.3% Mercury Projects Finance plc Secured € 2032	MT0002191220	50.0
5.3% Mercury Projects Finance plc Secured € 2034	MT0002191238	20.0

Part 2 Historical Performance and Forecasts

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

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

2.1 Issuer's Income Statement

Income Statement for the year ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Finance income	3,371	3,775	4,471	4,474
Finance costs	(3,049)	(3,438)	(4,109)	(4,109)
Net finance income	**322**	**337**	**362**	**365**
Administrative expenses	(195)	(230)	(222)	(228)
Profit before taxation	**127**	**106**	**140**	**137**
Taxation	(44)	(37)	(49)	(48)
Profit after taxation	**83**	69	**91**	**89**

Given its role as the finance vehicle of the Group, the Issuer generates income from the differential in interest rates between the coupon on its listed bonds and the interest income charged to the Guarantor on the funds advanced.

Finance income and finance costs both increased from FY24 to FY25, as a result of the full year of finance income on the loan to parent and a full year's finance cost on the bonds issued in 2024. In FY26, net finance income is expected to remain consistent with FY25.

Administrative expenses have decreased marginally from FY24 due to a decrease in professional fees. These expenses are assumed to remain stable in FY26.

In terms of taxation, the Issuer reported a higher tax charge than in the previous year as a result of the higher profit before taxation.

Profit for the year increased slightly, in line with the changes mentioned herein, and is forecast to remain at similar levels in FY26.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Loans and receivables	72,444	92,444	92,444	80,944
Total non-current assets	**72,444**	**92,444**	**92,444**	**80,944**
Current assets				
Other receivables	2,565	3,234	2,935	2,935
Loan and receivables	-	-	-	11,500
Tax recoverable	29	42	-	-
Cash and cash equivalents	235	13	715	659
Total current assets	**2,829**	**3,289**	**3,650**	**15,094**
Total assets	**75,273**	**95,734**	**96,094**	**96,038**
Equity and liabilities				
Capital and reserves				
Share capital	250	250	250	250
Retained earnings	325	395	485	575
Total equity	**575**	**645**	**735**	**825**
Non-current liabilities				
Interest bearing borrowings	72,500	92,500	92,500	81,000
Total non-current liabilities	**72,500**	**92,500**	**92,500**	**81,000**
Current liabilities				
Interest bearing borrowings	-	-	-	11,500
Other payables	2,198	2,589	2,845	2,698
Current tax liability	-	-	14	15
Total current liabilities	**2,198**	**2,589**	**2,859**	**14,213**
Total liabilities	**74,698**	**95,089**	**95,359**	**95,213**
Total equity and liabilities	**75,273**	**95,734**	**96,094**	**96,038**

The Issuer's assets are mostly made up of loans advanced to the Guarantor, in line with the sole function of the Issuer. As at 31 December 2025, these loans represented *circa* 96% of total assets. The value of these loans increased by €20m in FY24 following the issue of bonds by the Issuer, proceeds of which were all loaned out to the Guarantor. Looking forward into FY26, the Issuer is not forecasting any further increases in loans to the Guarantor.

Current assets are mainly made up of accrued interest on the aforementioned loans, loans/amounts due from related parties and cash and cash equivalents. A €303k reduction in receivables from the parent company drove the overall decrease in other receivables, while the rise in cash and cash equivalents was fueled by advances received from the parent entity.

Total equity in FY25 amounted to €735k . This consists of the Issuer's share capital of €250k and retained earnings of €485k. Total equity is expected to increase to €825k in FY26 driven by the profit after tax generated during the year.

The non-current liabilities of the Issuer are its listed securities, as listed in sub-section 1.5. of this Analysis. These increased by €20m in FY24 as a result of the bond issue in the same year. A loan from Issuer to Guarantor, is due for repayment in March 2027, and these funds will be used to

repay the Bondholders of the 3.75% Mercury Projects Finance plc Secured 2027.
The only other liabilities of the Issuer are the accrued interest commitments and an amount due to the parent company, the latter of which, increased by €314k in FY25.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the years ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit before tax	127	106	140	137
Movement in working capital:				
Movement in finance income	-	(404)	-	3
Movement in finance expense	-	389	(64)	-
Movement in other receivables	-	(5)	(4)	-
Movement in other payables	2	1	6	9
Taxes paid	(119)	(50)	7	(48)
Net cash generated from / (used in) operating activities	**10**	**38**	**85**	**101**
Cash flows from investing activities				
Loans advanced to related parties	-	(20,000)	-	-
Net cash generated used in investing activities	**-**	**(20,000)**	-	**-**
Cash flows from financing activities				
Proceeds from Bond Issue	-	20,000	-	-
Movement on parent company account	(141)	(260)	617	(157)
Net cash generated from / (used in) financing activities	**(141)**	**19,740**	**617**	**(157)**
Net movements in cash and cash equivalents	**(131)**	**(222)**	**702**	**(56)**
Opening cash and cash equivalents	366	235	13	715
Closing cash and cash equivalents	**235**	**13**	**715**	**659**

The Issuer's main cash movements, other than that of raising and repaying debt instruments, is to advance loans to the Guarantor against an annual interest charge ranging between 4.50% and 5.5% *per annum*.

There were no major cash movements from operating activities during FY25. The reported positive tax paid figure reflects a €29k tax refund. Management are not expecting any major movement in FY26.

The Issuer ended the year under review with a cash balance of €715k, and is projecting to close FY26 with €659k.

2.4 Group's Income Statement

Income Statement for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Revenue	24,807	9,887	25,115	28,204
Cost of sales	(18,696)	(6,308)	(15,433)	(16,477)
Gross profit	**6,111**	**3,579**	**9,681**	**11,727**
Other income / (expenditure)	(478)	64	23	-
Total operating costs	(2,379)	(5,714)	(5,756)	(6,469)
EBITDA	**3,254**	**(2,070)**	**3,949**	**5,258**
Depreciation	(1,238)	(3,940)	(9,466)	(10,065)
Provision for expected credit losses	0	253	55	-
EBIT	**2,016**	**(5,757)**	**(5,462)**	**(4,807)**
Net finance costs	(3,462)	(6,476)	(8,736)	(7,945)
Revaluation of investment property	13,140	-	-	-
Profit / (loss) before tax	**11,694**	**(12,234)**	**(14,197)**	**(12,752)**
Taxation	(5,957)	(510)	(321)	(48)
Profit / (loss) after tax	**5,737**	**(12,744)**	**(14,519)**	**(12,800)**
Revaluation of property, plant and equipment	43,306	-	-	-
Revalued deferred tax asset	(7,468)	-	-	-
Other comprehensive income/(expense) for the year	**35,838**	**-**	**-**	**-**
Total comprehensive income/(expense) for the year	**41,575**	**(12,744)**	**(14,519)**	**(12,800)**

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
Profitability				
Growth in Total Revenue (YoY Revenue Growth)	-34.4%	-58.8%	154.0%	12.3%
Gross Profit Margin (Gross Profit / Revenue)	24.6%	35.0%	38.5%	41.6%
EBITDA Margin (EBITDA / Revenue)	13.1%	-20.3%	15.7%	18.6%
Operating (EBIT) Margin (EBIT / Revenue)	8.1%	-56.4%	-21.7%	-16.7%
Net Margin (Profit after taxation / Revenue)	23.1%	-124.8%	-57.8%	-45.0%
Return on Common Equity (Profit after taxation / Average Equity)	9.9%	-17.6%	-21.9%	-18.4%
Return on Assets (Profit after taxation / Average Assets)	2.6%	-4.6%	-5.2%	-4.5%

During FY25, the Group generated €25.1m in revenue (FY24: €9.9m), of which 19.4% was related to property sales while the remaining amount is related to commercial and hospitality operations. Revenue inceased by €15.2m (+154%) between FY24 and FY25 due to the commencement of commercial and hospitality operations in late FY24, as explained in section 1.4.

Indeed, revenue from the hotel increased by €7.4m, revenue from operations (incl. food and beverage operations) increased by €5.3m and revenue from the commercial mall increased by €1.6m. Revenue is projected to expand to €28.2m in FY26. This growth will be fueled by a full year of hotel operations, additional operational F&B outlets, and the complete utilisation of the commercial mall area.

After accounting for cost of sales of €15.4m, the Group reported a gross profit of €9.7m during FY25, with gross profit margin increasing from 35.0% to 38.5%. The increase in gross profit margin is primarily attributable to the fact that the new revenue streams are of a higher-margin nature compared to property development for resale, which was a significant component of total FY24 revenue. The gross profit margin is expected to increase to 41.6% in FY26 due to the re-allocation of incentive fees and basic fees related to the ME Hotel from cost of sales to operating costs.

Operating costs, which primarily consist of wages and salaries, professional fees, bank charges, insurance, audit fees, and other fees which stood at €5.7m in FY25. These costs are predominantly fixed in nature and remained consistent with the prior year. Operating costs are projected to increase by €713k in FY26, driven by the aforementioned re-allocation of costs.

In line with the explained increase in revenue, EBITDA rose to €3.9m in FY24 from a negative EBITDA of €2.1m in FY24, as the commercial and hospitality operations had a longer period of operation. As a result of the increase in revenue and contraction in operating expenditure, EBITDA is forecasted to increase to €5.3m in FY25 while the EBITDA margin is expected to rise from 15.7% in FY25 to 18.6% in FY26.

The depreciation charge increased substantially in FY25, following the completion and commissioning of assets held for rental or operations, which subsequently began depreciating.

Finance costs amounted to €8.7m in FY25. These figures reflect the interest incurred on the Issuer's bonds as well as on bank overdrafts and loans. The increase in financing costs during the year was primarily driven by the recognition of a full year of interest on the €20.0m bond issued in FY24 and the cessation of interest capitalisation on certain bank borrowings, as the related projects have transitioned out of the constrction phase. Net finance costs are expected to decrease to €7.9m in FY26 due to a decrease in bank borrowings.

The tax charge refers to tax on property sales (€143k) and deferred taxation originating from temporary differences (€130k).

The Group reported a loss after tax of €14.5m for FY25, as a result of the aforementioned increases in the depreciation charge and finance costs. The Group is expected to diminish the losses after tax to €12.7m in FY26.

2.4.1 Group's Variance Analysis

Income Statement	2025F	2025A	Variance
	€000s	€000s	€000s
Revenue	25,348	25,115	(234)
Cost of sales	(4,445)	(15,433)	(10,988)
Gross profit	**20,903**	**9,681**	**(11,221)**
Other income / (expenditure)	-	23	23
Total operating costs	(12,659)	(5,756)	6,903
EBITDA	**8,244**	**3,949**	**(4,295)**
Depreciation and amortisation	(4,547)	(9,466)	(4,919)
Provision for expected credit losses	-	55	55
EBIT	**3,697**	**(5,462)**	**(9,159)**
Net finance costs	(7,775)	(8,736)	(961)
Profit before taxation	**(4,077)**	**(14,197)**	**(10,120)**
Taxation	1,537	(321)	(1,858)
Profit after taxation	**(2,540)**	**(14,519)**	**(11,978)**

While FY25 revenue finished in line with forecasts, noting a negative variance of only €234k, total operating expenditure (Cost of sales & operating costs) saw a net increase of €4.1m.This rise in spending was largely driven by a significant €11.0m increase in cost of sales, which was partially offset by administrative expenses coming in €6.9m under budget.

This shift was primarily due to the reclassification of certain costs between these two categories. The remaining increase in costs stems from the company's decision to take over food and beverage operations internally after a third-party leasing agreement fell through. Consequently, the Company absorbed a full year of F&B operational expenses despite the outlet only commencing operations toward the end of the fiscal year. Furthermore, the Company incurred €2.0m in unbudgeted pre-operating expenses and utility costs that were not captured in the original forecast.

The Group reported an EBITDA of €3.9m for FY25, falling €4.3m short of the projected €8.2m due to the increased overheads associated with the F&B operations. Additionally, the depreciation charge exceeded forecasts (+€4.9m) because the Group applied a full year's depreciation to specific properties, despite those assets only becoming operational during the final quarter of the year.

Finance costs were higher than forecasted as all interest costs were expensed following the project's completion, while the budget assumed that a portion of interest costs would be capitalised.

The variance in taxation is due to deferred tax that was not recognised during the year. After consideiring all above factors, the Group reported a negative profit after tax variance of €12m.

2.5 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	143,187	175,836	222,199	216,091
Intangible assets	300	300	300	200
Investment property	80,595	83,432	43,226	42,395
Investment in associate	2	2	2	2
Other receivables	252	1,590	-	-
Restricted cash	20	-	-	-
Total non-current assets	**224,356**	**261,160**	**265,727**	**258,688**
Current assets				
Inventories	2,081	1,872	1,377	1,377
Trade and other receivables	39,413	15,094	10,371	11,736
Tax recoverable	31	43	-	-
Cash and cash equivalents	3,702	787	4,296	6,140
Total current assets	**45,227**	**17,796**	**16,045**	**19,253**
Total assets	**269,582**	**278,956**	**281,771**	**277,941**
Equity and liabilities				
Capital and reserves				
Share capital	15,000	15,000	30,000	48,000
Revaluation reserve	35,838	35,838	55,307	55,307
Investment property reserve	26,106	26,106	6,637	6,637
Retained earnings	1,858	(10,886)	(25,405)	(38,205)
Total equity	**78,802**	**66,058**	**66,539**	**71,739**
Non-current liabilities				
Non-interest bearing borrowings	-	5,856	7,715	1,815
Borrowings	73,450	72,248	75,073	73,729
Bonds payable	72,500	92,500	92,500	81,000
Trade and other payables	-	892	1,709	2,343
Deferred tax liability	14,120	14,246	14,376	14,376
Total non-current liabilities	**160,069**	**185,742**	**191,374**	**173,263**
Current liabilities				
Borrowings	13,223	16,063	7,122	6,957
Trade and other payables	17,488	11,092	16,722	14,467
Bonds payable	-	-	-	11,500
Taxation payable	-	-	14	15
Total current liabilities	**30,711**	**27,155**	**23,858**	**32,939**
Total liabilities	**190,780**	**212,897**	**215,232**	**206,202**
Total equity & liabilities	**269,582**	**278,956**	**281,771**	**277,941**

Ratio Analysis	2023A	2024A	2025A	2026F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	66.4%	73.2%	71.9%	70.0%
Gearing 2 (Total Liabilities / Total Assets)	70.8%	76.3%	76.4%	74.2%
Gearing 3 (Net Debt / Total Equity)	197.3%	272.5%	256.1%	232.9%
Net Debt / EBITDA	35.5x	(87.0)x	43.2x	31.8x
Current Ratio (Current Assets / Current Liabilities)	1.5x	0.7x	0.7x	0.6x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.4x	0.6x	0.6x	0.5x
Interest Coverage (EBITDA / Cash interest paid)	0.9x	(0.3)x	0.5x	0.7x

The Group's assets are principally PPE, investment property, inventories, trade and other receivables and cash and cash equivalents. As at 31 December 2025, the Group's total assets stood at €281.8m (FY24: €279m).

As at 31 December 2025, the Group's PPE amounted to €222.2m, representing 79% of total assets . PPE of the Group includes the cost of the airspace of the Mercury Project, along with the construction and development of the components that are operated by the Group. PPE increased by €46.4m between December 2024 and December 2025, mainly due to the reclassification of property and the respective mechanical and engineering works from investment property to PPE following the take-over of the food and beverage operations and the completion of certain components within the Complex. The value of the Group's PPE is expected to decrease slightly in FY26 as a result of the depreciation incurred, which is expected to be partially offset by certain additions.

Investment property, which represents 15% of total assets, was reported at €43.2m in FY25 (FY24: €83.4m). Investment property is made up of the cost of the airspace of the Mercury Project, along with its construction and development of the components that are leased out to, and operated by third parties. The decrease in the value of investment property was a result of the aforementioned reclassification between investment property and PPE. Intangible assets relate to amortised licence fees.

The current assets of the Group are mainly its inventories, trade and other receivables, and cash and cash equivalents (the latter will be explained in sub-section 2.6. below).

Inventories, comprising the apartments within Mercury Tower available for sale decreased year-on-year. As at December 2025, the Group held 2 units in inventory. The value of inventories at the end of FY26 is expected to remain the same as prior year.

Trade and other receivables amounted to €10.4m as at the end of FY25, of which €3.2m represents an amount due from an associate. The decrease in trade and other receivables between FY24 and FY25 is primarily due to movements in the amount due from related contractor (-€5.4m) and refundable capital costs (-€1.6m) which was partially offset by a €1.4m increase in trade payables. Trade and other receivables are forecast to increase to €11.7m due to movements in related party balances.

As at 31 December 2025, the Group's share capital amounted to €30m. During 2026 the Group passed a resolution to increase the authorised share capital to €75m. The reclassification of assets between investment property and property, plant, and equipment (PPE) led to a €19.5m increase in the revaluation reserve, offset by an identical decrease in the investment property reserve. Consequently, this adjustment had no net impact on total equity. Moreover the equity base of the Group's equity base is projected to be further strengthened by a capital contribution of €18.0m in FY26.

The liabilities of the Group mainly consist of financial debt, advances from shareholder (€7.7m as at December 2025), trade and other payables and deferred tax liabilities. Financial debt is made up of the Issuer's €92.5m bonds and total bank borrowings amounting to €82.2m, made up of bank loans and a temporary overdraft. The Group expects its interest bearing debt to decrease to €173.2m (€92.5m bonds and €80.7m bank borrowings), by the end of FY26, as a result of principal repayments on bank borrowings.

Deferred tax liability at the end of FY25 was reported at €14.4m, marginally higher when compared to FY24.

Trade and other payables amounted to €18.4m as at end of FY25. This shows a rise of €6.4m from the prior year, with the major contributor to said increase being movement in amounts due to related contractor (+€4.4m), trade payables (+€2.9m) and increases in other taxes due, which was partially offset by a €3.0m decrease in contract liability. Going forward, trade and other payables are expected to decrease to €14.4m, due to movements in related party balances.

The Group's gearing decreased marginally between FY24 and FY25 going from 73.2% to 71.9%. This is expected to decrease to 70.0% by the end of FY26, mainly driven by the capital injection and reduction of bank borrowings. The Group expects to meet all its financing obligations through a combination of capital injections and cash generated from operations.

During the first quarter of 2027 the shareholder and ultimate beneficial owner is committed to inject a further €6 million into the Group. The shareholder of Mercury Tower Complex is committing further risk capital from own funds to be injected in the Group as he has done since 2025 when the Complex started to roll out and eventually commenced fully its operations and generated revenue.

2.6 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	**€000s**	**€000s**	**€000s**
Cash flows from operating activities				
Operating profit / (loss) before working capital movements	3,254	(2,070)	3,941	5,258
Movement in working capital:				
Movement in inventory	13,076	210	495	-
Movement in trade and other receivables	8,211	27	906	(1,365)
Movement in trade and other payables	(7,363)	(961)	5,699	(1,621)
Contract liability	1,076	745	(2,991)	-
Tax paid	(2,019)	(396)	(134)	(48)
Net cash generated from / (used in) operating activities	**16,235**	**(2,445)**	**7,915**	**2,224**
Cash flows from investing activities				
Acquisition of investment property	(25,921)	(2,837)	(2,313)	-
Acquisition of property, plant and equipment	(46,990)	(36,590)	(13,329)	(3,026)
Acquisition of intangible assets	(300)	-	-	-
Proceeds from disposal of plant and equipment	-	-	27	-
Net cash generated from / (used in) investing activities	**(73,211)**	**(39,427)**	**(15,615)**	**(3,026)**
Cash flows from financing activities				
Issue of share capital	4,500	-	15,000	18,000
Loan advanced by ultimate beneficial owner	-	5,856	1,860	1,775
Net movements in borrowings	39,081	3,894	(5,984)	(1,529)
Movements from loans from related parties	(252)	17,939	9,201	(5,734)
Movements in advances from associates	-	-	0	-
Dividends paid	(4,500)	-	-	-
Interest paid	(3,049)	(3,438)	(4,109)	(4,109)
Bank interest paid	(413)	(3,038)	(4,627)	(3,836)
Net proceeds of bond	-	20,000	-	-
Net cash generated from / (used in) financing activities	**35,367**	**41,212**	**11,341**	**4,567**
Net movements in cash and cash equivalents	**(21,609)**	**(660)**	**3,642**	**3,765**
Cash and cash equivalents at start of year	21,001	(607)	(1,267)	2,374
Cash and cash equivalents at end of year	**(607)**	**(1,267)**	**2,374**	**6,140**

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
Cash Flow				
Free Cash Flow (Net cash from operations + interest - Capex)	(56,676)	(41,872)	(7,727)	(802)

The Group reported a loss after tax of *circa* €14.5m in FY25. After adjusting for working capital movements, non-cash items and the payment of tax, the Group reported an inflow of €7.9m in cash generated from operating activities. This inflow was mainly a result of the operating profit recognised during the year, as explained in sub-section 2.4 above, and a positive movement in trade and other payables. In FY26, net cash generated from operating activites is expected to decrease to €2.2m, impacted by adverse working capital movements.

Investing activities of the Group resulted in an outflow of €15.6m. As explained throughout this Analysis, the development of components within the Mercury Project was still ongoing in FY25, requiring a substantial amount of investment. Management is expecting to use less cash in investing activities during FY26.

The Group reported an inflow from financing activities of €11.3m in FY25. The major financing activity affecting year-end cash was the €15.0m cash injection, closely followed by the movement in advances to related parties. Interest paid during the year amounted to €8.7m (vs €6.5m in FY24). Similarly, an €18.0m cash injection in FY26 is expected to drive net cash generated from financing activities to €4.6m, providing the necessary liquidity to service the Group's outstanding debt obligations.

The Group had a net cash inflow of €3.6m during FY25 which, after taking into consideration the negative cash balance of €1.3m at the beginning of FY25, resulted in a year-end cash balance of €2.4m.

The Group is projected to record a positive cash flow movement of €3.8 million in FY26, driven by improved operating cash flows as more project components become operational and by a capital injection from shareholders.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

The Issuer Group is subject to general market and economic risks that may have a significant impact on its current and future operations . These include factors such as changes in the tourisim sector, inflation and fluctuations in interest rates, exchange rates, and rental rates. In the event that general economic 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 Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2026, annual growth in business activity moderated towards its long-term average. Despite remaining above its long-term average, economic sentiment softened due to dipping confidence in the industry and services sectors.

In terms of economic uncertainty, Malta's Economic Uncertainty Indicator (EUI) showed rising uncertainty in the retail and services sectors, with retail facing the most unpredictable outlook. Conversely, the construction sector grew more confident about its future. The European Commission's Economic Uncertainty Indicator reveals that business decisions in April were made under less certain economic conditions.

Malta's production indicators showed mixed results. Following a brief period of growth, industrial production dropped 3.6% year-on-year in March, driven by manufacturing declines in sectors like electronics, beverages, and medical equipment. Conversely, the services sector rebounded in February with a 1.5% increase after three months of decline. Retail trade grew by a more moderate 7.5% in March (down from 13.0% in February), though overall retail growth remains strong, reflecting resilient domestic demand.

Malta's tourism sector continued to expand, albeit at a more moderate pace. Total tourist spending rose by 6.9% in March, driven by gains in non-package and miscellaneous expenditures. This overall increase was fueled primarily by a higher volume of inbound arrivals, which offset declines in both the average length of stay and spending per capita.

The unemployment rate remained unchanged at 3.5% in March but stood higher than that of 3.1% in March 2025.

Commercial building permits in April were higher than a month earlier while residential building permits were lower. Final deeds and promise-of-sale agreements signed in April rose, which suggests that demand has continued to increase further.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.5% in April, up from 2.3% in the previous month. HICP excluding energy and food in Malta clocked in at 2.4%, which was above the euro area average of 2.2%. Inflation based on the Retail Price Index (RPI) increased to 2.8%, up from 2.7% in March.

3.3 Economic outlook[2]

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

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

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

[1] Central Bank of Malta – Economic update – 5/2026

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

expected to decline further from 46.4% in 2025 to 46.0% in 2026 and subsequently to 44.1% by 2028. Risks to growth are tilted to the downside.

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

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

3.4 Tourism update[3]

According to the National Statistics Office (NSO), Malta's tourism sector experienced robust growth in 2025, with increases in tourist arrivals, guest nights and expenditure compared to the previous year.

Such growth appears to be continuing in 2026 with inbound tourists for the first three months of 2026 amounting to 815,317, an increase of 16.3% compared to the corresponding period in 2025. Similarly, total nights spent during the January – March 2026 period rose by 11.9%, reaching 4,451,453 nights from 3,976,580 nights over the same period in 2025.

Total tourist expenditure was estimated at €584.7 million during the first three months of 2026 compared to the €508.5 million estimated in 2025, equivalent to a 15.0% increase. Total expenditure per capita decreased from €733 in 2025 to €725 in 2026.

According to the European Travel Commission Q4 2025 report[4], European tourism remained strong in 2025, amid signs of shifting preferences and resilient spending. Rising travel costs have triggered contrasting behaviours. While some travellers are prioritising value by choosing off-peak periods and lesser-known destinations, others are opting for shorter trip durations. Despite these shifting patterns, international arrivals are projected to climb by 6.2% year-on-year in 2026. This growth is increasingly fuelled by long-haul travel, specifically from the Asia-Pacific region, to the benefit of European markets catering to these high-exposure demographics.

[3] National Statistics Office – Inbound Tourism (NR 074/2026)

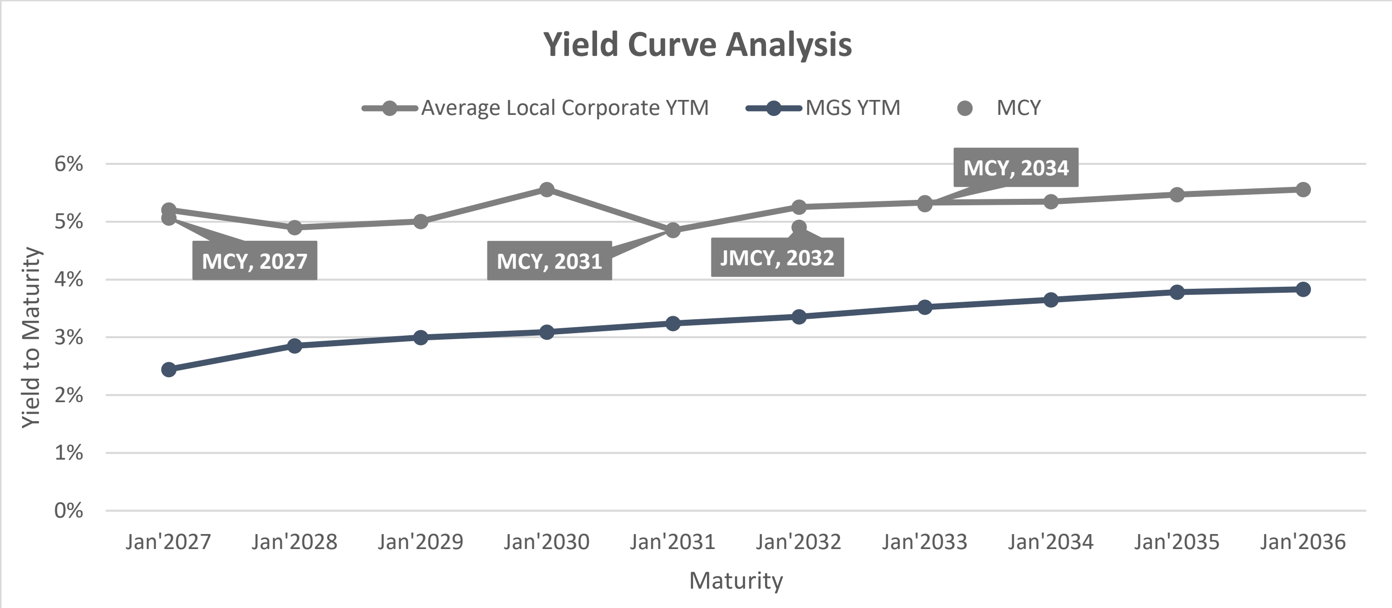
[4] European Travel Commission - European Tourism: Trends & Prospects (Q4/2025)

3.5 Comparative Analysis

The purpose of the table below compares the debt issuance of the Group to other debt instruments. 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.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
3.75% Mercury Projects Finance plc Secured € 2027	11,500	5.06%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
4% Eden Finance plc Unsecured € 2027	40,000	4.83%	4.1x	318.3	197.2	38.0%	25.3%	5.5x	0.2x	5.4%	19.7%	19.2%
3.75% Tumas Investments plc Unsecured € 2027	25,000	4.75%	1.9x	40.2	0.8	31.6%	75.5%	1.4x	0.5x	472.7%	176.3%	12.9%
3.75% Virtu Finance plc Unsecured € 2027	25,000	4.47%	6.5x	184.5	52.7	71.4%	31.0%	1.5x	1.1x	26.1%	23.1%	-15.0%
3.75% Bortex Group Finance plc Unsecured € 2027	12,750	5.20%	4.5x	111.4	56.4	49.4%	42.2%	5.9x	1.9x	4.1%	8.2%	17.1%
4.75% Gap Group plc Secured € 2025 - 2027	12,355	4.73%	6.1x	74.0	57.7	22.1%	4.3%	0.3x	4.0x	11.9%	27.8%	-48.7%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.86%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
4.65% Smartcare Finance plc Secured € 2031	13,000	4.69%	3.9x	57.6	18.2	68.4%	54.7%	5.7x	2.1x	12.8%	19.0%	121.9%
3.5% GO plc Unsecured € 2031	60,000	4.64%	15.0x	469.9	88.9	81.1%	70.9%	2.4x	0.6x	23.2%	8.1%	3.9%
5.50% MM Triton Malta Finance plc € Sec 2032	45,000	5.20%	1.4x	79.6	48.0	39.8%	22.0%	4.0x	0.7x	5.3%	25.2%	N/A
4.5% G3 Finance plc Secured € 2032	12,500	4.52%	6.7x	66.9	24.3	63.7%	55.1%	4.9x	0.3x	8.0%	9.8%	31.1%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.90%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1	25,000	4.19%	(.8)x	349.0	199.7	42.8%	28.8%	N/A	0.4x	1.0%	13.5%	-46.7%
4.65% Smartcare Finance plc Secured € 2032	7,500	4.74%	3.9x	57.6	18.2	68.4%	54.7%	5.7x	2.1x	12.8%	19.0%	121.9%
4.50% The Ona plc Secured € 2028-2034	16,000	5.11%	4.0x	39.5	9.0	77.3%	73.3%	7.6x	1.3x	-12.5%	-9.9%	47.3%
5.35% Hal Mann Vella Group plc Secured € 2031-2034	23,000	5.12%	3.4x	132.0	57.4	56.5%	48.2%	7.0x	1.4x	6.1%	10.9%	18.2%
5.3% Mercury Projects Finance plc Secured € 2034	20,000	5.30%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5.2% VBL plc Secured € 2030-2034	10,000	5.17%	16.6x	96.5	69.1	28.3%	22.3%	6.3x	3.5x	2.3%	33.5%	15.4%
5.2% TUM Finance plc Secured Callable € 2031 -2034	12,000	5.27%	6.4x	183.9	65.2	64.5%	49.2%	7.0x	8.2x	19.5%	519.7%	31.1%

Source: Latest available audited financial statements
Last closing price as at 19/06/2026
*Average figures do not capture the financial analysis of the Issuer



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

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 Issuer's existing yields of its outstanding bonds.

As at 19 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with maturity of 2 years was 235 basis points. The 3.75% MCY PLC Secured Bonds 2027 is currently trading at a YTM of 506 basis points, meaning a spread of 262 basis points over the equivalent MGS. This means that this bond is trading at a premium of 27 basis points in comparison to the market.

As at 19 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with maturity of 5 years was 142 basis points. The 4.25% MCY PLC Secured Bonds 2031 is currently trading at a YTM of 486 basis points, meaning a spread of 162 basis points over the equivalent MGS. This means that this bond is trading at a premium of 19 basis points in comparison to the market.

Meanwhile, as at 19 June 2026, the 4.3% MCY PLC Secured Bonds 2032 is currently trading at a YTM of 490 basis points, meaning a spread of 154 basis points over the equivalent MGSs. This means that the bond is trading at a premium of 24 basis points in comparison to the market.

As at 19 June 2026, the 5.3% MCY PLC Secured Bonds 2034 is currently trading at a YTM of 530 basis points, meaning a spread of 165 basis points over the equivalent MGSs. This means that the bond is trading at a premium of 13 basis points in comparison to the market.

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 cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

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

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