smartcare
FINANCE PLC

Smartcare Finance P L C
326, Mdina Road, Qormi, Malta
Co. Reg. No. C 90123
The “**Company**”

COMPANY ANNOUNCEMENT

The following is a company announcement issued by the Company pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Publication of Financial Analysis Summary

QUOTE

The Company announces that, the Financial Analysis Summary for 2025 is now available, and is attached to this announcment and can be accessed from the Company’s website: https://smartcaremalta.com/smartcare-finance-plc/

UNQUOTE

Dr Katia Cachia
Company Secretary

23 June 2025

Calamatta Cuschieri

The Directors
Smartcare Finance p.l.c.
326, Mdina Road,
Qormi
Malta

23 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 Smartcare Finance p.l.c. (the "**Issuer**"), and the joint "**Guarantors**" Smartcare Pinto Ltd and Smartcare Holdings Ltd, where the latter acts as the parent company of the companies forming part of (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 years ended 31 December 2022, 2023 and 2024 have been extracted from the audited financial statements of the Issuer and the Guarantors.

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

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

d) The ratios quoted in the 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 competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours sincerely,

Patrick Mangion
Head of Capital Markets

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FINANCIAL ANALYSIS SUMMARY 2025

smartcare FINANCE PLC

23 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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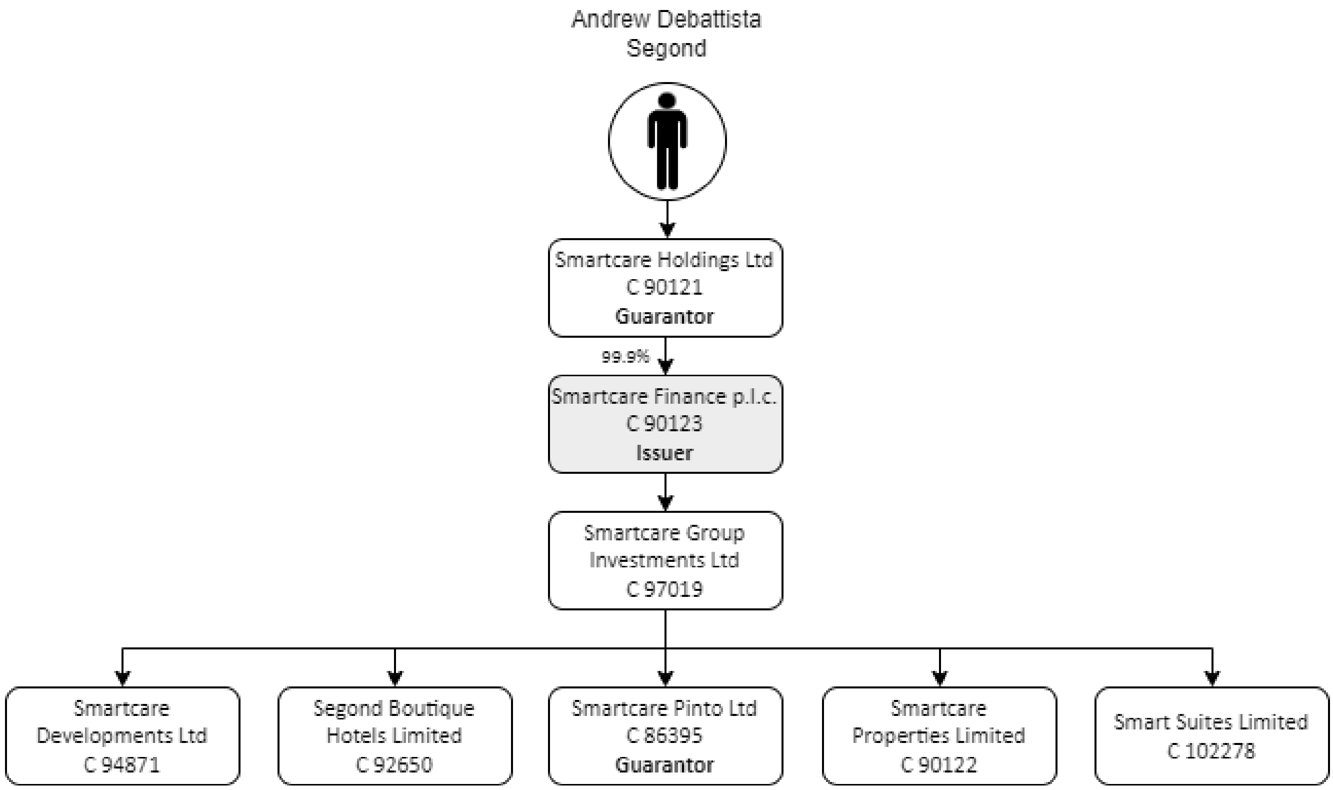
Part 1 Information about the Group

1.1 Group's Key Activities and Structure

The Group structure is as follows:



**Unless indicated otherwise, 100% ownership is assumed*

The "**Group**" of companies consists of Smartcare Finance p.l.c. being the Issuer of the bonds, Smartcare Holdings Ltd ("**SHL**"), and Smartcare Pinto Ltd ("**SPL**") both being the **Guarantors**, with Smartcare Holdings Ltd also being the holding company of the Group, Smartcare Group Investments Ltd ("**SGIL**"), Smartcare Developments Ltd ("**SDL**"), Segond Boutique Hotels Limited ("**SBH**"), Smartcare Properties Limited ("**SP**"), and Smart Suites Ltd ("**SSL**").

The principal activities of the Group include the management and operation of a private healthcare residence, leasing out of a hotel and the development of residential and commercial real estate.

Smartcare Finance p.l.c., having company registration number C 90123, is a public limited liability company registered in Malta on 7 January 2019. The Issuer is, except for one ordinary share, directly held by Andrew Debattista Segond, a wholly owned subsidiary of SHL. As at the date of the Analysis, the Issuer, which was set up and established to act as a finance vehicle, has an authorised and issued share capital of €250,000 made up of 250,000 ordinary shares of €1 each, all fully paid up.

Smartcare Holdings Ltd, a private limited liability company with company registration number C 90121, incorporated on 7 January 2019 and acts as the holding company of the Group. As of the date of the Analysis, SHL has an authorised and issued share capital of €2,374,526 made up of 2,374,526 ordinary shares of €1 each, fully paid up. The ultimate beneficial owner of the Group is Mr. Andrew Debattista Segond, who has 100% ownership of SHL.

Smartcare Group Investments Ltd, with company registration number C 97019 is a private limited liability company registered in Malta on 23 October 2020. SGIL acts as a holding company of the five wholly owned operating subsidiaries SPL, SDL, SBH, SP and SSL.

Smartcare Pinto Ltd is a fully owned subsidiary of SGIL, which is in turn fully owned by Smartcare Finance p.l.c., and eventually fully owned by SHL. SPL, company registration number C 86395, is a private limited liability company registered in Malta on 21 May 2018. As at the date of the Analysis, SPL has an authorised and issued share capital of €1,200 made up of 1,200 ordinary shares of €1 each, all fully paid up. SPL is principally involved in the owning, managing, and operating of a private healthcare residence, including the provision of all equipment, facilities, and caregiving in connection with and ancillary to the running of the residence. It owns and operates a care home, "**Dar Pinto**", situated in Qormi.

Smartcare Developments Ltd with company registration number C 94871 is a private limited liability company registered in Malta on 13 February 2020. SDL was incorporated to own, develop and/or manage real estate properties owned by the Group. For clarity, Smarthomes Developments Limited is also owned by Mr Andrew Debattista Segond, however, is not considered as part of the bond group.

Segond Boutique Hotels Limited, with company registration number C 92650, is a private limited liability company registered in Malta on 22 July 2019. SBH was set up to acquire land in Xagħra, Gozo, and develop it into a 51-room boutique hotel (the "**Boutique Hotel**").

Smartcare Properties Limited, with company registration number C 90122, is a private limited liability company registered in Malta on 7 January 2019. SP was incorporated to own, develop and manage other real estate properties owned by the Group.

Smart Suites Limited C 102278 is a private limited liability company registered in Malta on 12 May 2022. SS acquired a 65-year temporary emphyteusis agreement on a house located in Tower Road, Sliema on 26th August 2022 with the intention to develop it into a hotel.

1.2 Directors and Key Employees

Board of Directors - Issuer
As of the date of the Analysis, the Issuer is constituted by the following persons:

Name	Office Designation
Mr Andrew Debattista Segond	Executive Director
Mr William Wait	Executive Director and Chairman
Mr Arthur Gauci	Independent, Non-Executive Director
Mr Sandro Grech	Independent, Non-Executive Director
Dr Ian Joseph Stafrace	Independent, Non-Executive Director

Dr Katia Cachia is the company secretary of the Issuer.

The Issuer is currently managed by a board of five directors who are responsible for the overall direction and management of the Issuer. The board currently consists of two executive directors, who are entrusted with the Issuer's day-to-day management, and three non-executive directors, all of whom are independent of the Issuer, whose main functions are to monitor the operations of the executive directors and their performance, as well as to review any proposals tabled by the executive directors.

This practice goes in accordance with the generally accepted principles of sound corporate governance, where at least one of the directors shall be a person independent of a group of companies. The Issuer does not have any employees of its own and thus is dependent on the resources within the Group entities.

Board of Directors – Guarantors
As at the date of this Analysis, the board of both Smartcare Holdings Ltd and Smartcare Pinto Ltd is constituted by the following person:

Name	Office Designation
Mr Andrew Debattista Segond	Executive Director

The business address of the sole director is the registered office of the Issuer. Mr Andrew Debattista Segond is the company secretary of both of the Guarantors. As of the date of this Analysis, the Group has a total of 104 employees.

1.3 Major Assets owned by the Group

The Issuer does not have any substantial assets other than the investments it holds in its subsidiaries since it is essentially a special purpose vehicle set up to act as a financing company. The material assets are owned by other companies of the Group, hence in the following section, we will focus on the assets owned by the Group.

Dar Pinto, Qormi
Dar Pinto, situated in Qormi, Malta, is a long-term care facility for the elderly owned and operated by the group through its operating company, SPL. The care home is established under a private-public partnership agreement with the Government of Malta, wherein all beds are sold to the government for a fixed period of five years, with the possibility of renewal. Currently, the main customer of Dar Pinto is the Government of Malta but there are also a few short-term private residents, constituting less than 0.1% of the customer base.

The care home is housed within a six-storey property located between two parallel streets in Qormi, spanning from Triq Guze' Duca to Triq l-Imdina. It initially operated 178 beds and has since undergone an extension project of an additional 47 beds. This extension project was completed in 2023 and involved the acquisition of adjacent apartments and subsequent development.

Dar Pinto provides a range of amenities and facilities to meet the diverse needs of its residents, offering accommodation, care, and support services tailored to the needs of the elderly population, including those with low, medium, and high dependency levels. The facility aims to ensure the well-being and comfort of its residents while promoting active ageing and community engagement, playing a vital role in addressing the demand for elderly care services in Malta.

Segond Boutique Hotel, Xagħra – Gozo

The Group owns land in Xagħra, Gozo, on which it developed a 51-room boutique hotel which commenced operations in January 2022. The Boutique Hotel's facilities include 2 reception areas, a bar area, a restaurant and bar which doubles up as a breakfast room, a seating area, a luggage room, and a roof-top pool. The hotel has 14 large suites with private pools and 37 double rooms.

Residential Apartments

Smartcare Properties Limited ("**SP**") oversees the management of the Group's residential properties. The Group owns two apartments within a block named "Eddie's Flats" in Gzira, with a combined value of €0.5m. As of the date of this FAS the Msida property is under a Promise of Sale (**"POS"**) between SDL and a third party.

SP is also still involved in several new development projects, including residential unit conversions in Birżebbugia and Sliema, and townhouse constructions in Pieta' and Żejtun. Further details regarding these projects can be found in section 1.4 below.

Ħamrun Project

Following the bond issue, on 16 December 2021 the Group, through SDL, acquired a block of buildings forming part of the Roxy Home Furnishings complex situated in Saint Joseph High Road, Ħamrun with intentions of redeveloping it into a mixed-use complex consisting of residences, retail outlets, offices and garages. Further details regarding this project are found below in section 1.4 below.

Xagħra Project

On 9 November 2020, the Group acquired, through SDL, a 1,142sqm plot of land in Xagħra, Gozo, referred to as Ta' Germinda' or 'Ta' Karaviza'. The intention is to develop this site into a residential block for resale, accessible from Triq ta' Karkar in Xagħra. Further details regarding this project are found below in section 1.4 below.

1.4 Operational Developments

Dar Pinto

A second extension project to Dar Pinto had been proposed, aiming to add an additional 28 beds to Dar Pinto's capacity for roughly €2.5m. As at the publication of this Analysis, demolition works on this extension have been done. Management has indicated that the second extension, initially scheduled for 2023, is expected to be completed in March 2026.

The Group had a previous agreement with the Government of Malta that came to an end on 31 May 2024. As explained in the previous FAS dated 24 June 2024 the Group was in negotiations for new agreements. The outcome of said agreements is that as of June 2024 SPL has extended the agreement for an additional five (5) years making it valid until May 2029.

Ħamrun Project

Smarthomes Developments Limited entered into a contract of works agreement with Santa Katerina Construction Limited ("**Santa Katerina**") to demolish parts of the existing properties and construct the site for a fixed price of €1.2m. As per management, Smarthomes Developments Limited transferred the rights acquired from Santa Katerina to SDL. SDL also entered into two promise of sale agreements with Santa Katerina for the sale of a divided share of the Ħamrun property and the development thereof – of which €0.9m worth of properties were transferred through a contract in 2022.

As at the publication of this Analysis, Smartcare Developments Ltd has sold eleven apartments, has eight under promise of sale, and one available for sale. Additionally, SDL has sold seven penthouses and has two masionettes available for sale. It has also sold two parking spaces and fourteen garages, with two additional garages available for sale. In Block A, four apartments and two penthouses have been sold. In Block B, one apartment has been sold, with ten under promise of sale. Furthermore, Smartcare Developments Ltd has sold three penthouses and currently has two masionettes on promise of sale in Block B. In Block C, the company has sold six apartments and two penthouses, with two masionettes available for sale.

Currently all contracts have been completed with a total value of €3.5m, and €1.9m are units under POS. As mentioned in the previous financial analysis summary dated 24 June 2024, SPL had an outstanding debt of €0.7m to Neriku Limited for catering services. These properties have now been transferred and balances were offset. New barter agreements with Neriku have now been made.

Works on the development commenced in 2021, and the estimated completion timeline for the Ħamrun Project remains on track for 2025. The aim is that the re-developed building will include 7 penthouses, 4 maisonettes, 21 apartments on the upper floors, and 5 commercial units, both retail Class 4B and office Class 4A units on the ground floor level, and 16 garages as well as 2 parking spaces on the underground level, with the residential part of the development offering a mix of 1 bedroom, 2 bedroom, and penthouse units.

Xagħra Project

The development of the residential property will offer a mix of 1, 2, and 3 bedroom and penthouse units which will be available in three different blocks. The whole project will have 24 residential units, along with 8 underlying garages and 3 parking spaces.

The development plan includes three blocks with 10, 9, and 5 residential units planned. During 2023, Smartcare Developments Ltd sold three garages, seven apartments and the aforementioned one block amounting to €1.6m. Cumulatively, since 2022 a total of €1.8m worth of contracts have been completed. The remaining units and plot with an estimated value of €1.1m, are currently under promise of sale agreements, with one apartment available for sale for €230k.

As at the date of this Analysis, the project is still ongoing, with the completion of the remaining block initially scheduled for December 2023 being delayed to 2025.

Residential Apartments

Birżebbugia Development Project

In 2022, Smartcare Properties Ltd embarked on the Birżebbugia Development Project. The company acquired the utile dominium temporanium for the remaining period of 150 years, which had started on 19 June 1918. This acquisition includes two penthouses, their respective roof, and overlying airspace situated on the fourth-floor level of the residential complex formerly known as 'Block A' and 'Block B,' now referred to as 'Bush' and 'Gorbachev,' respectively. The intention is to demolish the penthouses and construct nine residential units in their place. Delays in this project occurred due to the financial insolvency of the original building contractor. Nonetheless, as at the date of this Analysis, the contracts for 7 units have been finalised, with the ones relating to the remaining 2 units expected to be finalised shortly.

Pieta' Development Project

In 2022, Smartcare Properties Ltd initiated the Pieta' Development Project. The company acquired a Farmhouse named 'Ir-Razzett ta' Gauci,' situated at the corner of Triq id-Duluri and Triq Santa Monica in Pieta'. This property includes the surrounding gardens, structures, overlying roofs, and underlying terrain, occupying a superficial area of approximately 770m2. The objective of the project is to demolish the existing farmhouse and construct five townhouses on the site.

Currently, the project is in the construction phase, with an estimated completion date set for October 2026.

Żejtun Development Project

In 2022, Smartcare Properties Ltd initiated the Żejtun Development Project. The company acquired a former factory known as "Winner Mineral Water". This project aims to demolish and regenerate 1,000sqm of this abandoned factory, aligning with the company's environmental policies. By replacing the hazards and eyesores of the abandoned factory within the Urban Conservation Area, the project contributes to revitalising its surroundings. The new residences will replace the fully developed abandoned concrete area with two aesthetically pleasing townhouses and underground parking garages while retaining approximately 50% of the land as an outdoor space or garden area.

The Żejtun Development Project is currently in the construction phase. Management estimates this to be completed by December 2025

Tower Road Project

Smart Suites Ltd acquired a 65-year temporary emphyteusis agreement on a house located in Tower Road, Sliema, on 26 August 2022. The Group intends to develop the newly acquired property owned by the company into a hotel with 12 standard rooms, 1 suite, and 1 penthouse. The Group will be utilising €1.3m of the net proceeds of the €7.5m 4.65% Secured Bonds 2032 for financing the development and finishing of this hotel. This project is currently in its construction phase with an estimated completion date of November 2025 rather than as originally projected in July 2024.

Msida Project

The Msida Project entails the development of a portion of land, situated in Triq il-Wied in Msida, into a guesthouse establishment. The planned facilities include a mix of a small shop, office, reception area, food preparation space, storage area, and 11 guest rooms, each of which are to be equipped with a private bathroom. The property is currently undergoing construction and is under a promise of sale agreement with operations expected to commence by December 2025.

Sliema Project

SP developed seven units within an apartment complex located in Sliema, situated within walking distance to Qui-Si-Sana seafront promenade on Hughes Hallet Street, offering a side sea view from the front terrace.

The seven units consist of six 3-bedroom apartments and one 2-bedroom penthouse, all of which have been designed with internal bathrooms and doors. The layout of each unit includes a spacious open-plan kitchen, dining, and living area leading to a large front terrace, 3 or 2 bedrooms, a main bathroom, and a rear terrace.

As at the date of this Analysis, the contracts for 6 units have been done, whilst the ones relating to the remaining 1 unit is expected to be done shortly.

1.5 Subsequent events after the reporting period

On 22 January 2025 the Segond Hotel was leased to a third party for a minimum of two years and is therefore expected to generate improved financial performance.

1.6 Current Bond Issues

Security	ISIN	€
4.65% Smartcare Finance plc Secured € 2031	MT0002251214	13.0m
4.65% Smartcare Finance plc Secured € 2032	MT0002251222	7.5m

Part 2 Historical Performance and Forecasts

The Issuer was incorporated on 7 January 2019. Furthermore, the Issuer itself is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of the investments it holds in its subsidiaries. The Issuer's audited historical financial performance for the year ended 31 December 2022 to 31 December 2024, together with the projections for the year 2025, are set out in sub-sections 2.1 to 2.3.

For the purpose of this Analysis, the focus is a review of the consolidated performance of the Group as captured by Smartcare Holdings Ltd, which captures the financial performance of Smartcare Pinto Ltd (being the second Guarantor) as well as the other subsidiaries of the Group, namely: Smartcare Developments Ltd, Segond Boutique Hotels Ltd, Smartcare Properties Ltd and Smart Suites Ltd. The Group's audited financial performance for the years ended 31 December 2022, 2023, and 2024 as well as the Group's projections for the year ending 31 December 2025, are set out in sections 2.4 to 2.6. The Group's forecasts are based on management projections.

2.1 Issuer's Income Statement

Income Statement for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Revenue	1,170	1,192	1,200	1,199
Total finance income	**1,170**	**1,192**	**1,200**	**1,199**
Finance costs	(842)	(1,052)	(1,053)	(1,043)
Net finance income	**328**	**140**	**147**	**246**
Administrative expenses	(146)	(105)	(120)	(118)
Profit / (loss) before tax	**182**	**35**	**27**	**33**
Income tax	-	-	-	-
Profit / (loss) after tax	**182**	**35**	**27**	**33**

Ratio Analysis	2022A	2023A	2024A	2025F
Net Interest Margin (Net finance income / Finance income)	28.0%	11.7%	12.2%	20.5%
Net Margin (Profit for the year / Finance income)	15.6%	2.9%	2.2%	2.8%

The Issuer's principal activity is to act as a finance and investment company for the Group. The primary revenue sources are the dividend income it receives from SGIL which amounted to €930k during FY24, management fee income of €120k, and €150k interest income from subsidiary. Revenue is expected to remain stable at €1.2m in FY25.

The expenses incurred by the issuer are predominantly finance costs which remained at FY23 levels in FY24. This led to a Net Interest Margin of 12.2%. Administrative expenses on the other hand increased slightly to €120k from €105k in FY23. In 2025, finance costs and administrative expenses are expected to remain in line with the previous year.

In FY24 the Group generated a profit after tax of €27k with this expected to increase slightly to €33k in FY25. As mentioned, it is important to note that this is a finance company and as such its operations and profitability reflect this fact.

2.2 Issuer'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				
Investment in subsidiary	20,101	20,101	20,101	20,101
Loans receivable	2,789	3,012	1,122	1,122
Total non-current assets	**22,890**	**23,113**	**21,223**	**21,223**
Current assets				
Trade and other receivables	16	281	239	637
Loan Receivable	-	-	2,025	2,259
Current tax asset	256	307	632	-
Cash and cash equivalents	65	1	1	70
Total current assets	**337**	**589**	**2,897**	**2,966**
Total assets	**23,227**	**23,702**	**24,120**	**24,190**
Equity and liabilities				
Share capital	250	250	250	250
Retained earnings	203	237	264	297
Total equity	**453**	**487**	**514**	**547**
Non-current liabilities				
Debt securities in issue	19,666	19,764	19,864	19,955
Loans payable	2,479	2,587	2,552	2,621
Total non-current liabilities	**22,145**	**22,351**	**22,415**	**22,576**
Current liabilities				
Trade and other payables	630	864	1,191	1,066
Total current liabilities	**630**	**864**	**1,191**	**1,066**
Total liabilities	**22,775**	**23,215**	**23,606**	**23,642**
Total equity & liabilities	**23,227**	**23,702**	**24,120**	**24,190**

The Issuer's total assets are made up of mostly investments in the subsidiary of €20.1m and the loans receivable totaling €3.1m. The investment in subsidiary represents the company's 100% ownership of 20,101,200 shares at €1 each in SGIL. €2.0m worth of non-current loan receivables were also reclassified from non-current to current assets.

Current assets have increased to €2.9m in FY24 from €589k in FY23. This is mainly related to the aforementioned reclassification of the loan receivables from non-current to current assets but also includes an increase in current tax assets (FY24: €632k, FY23: €307k).

The Issuer has two bond issues outstanding totaling €20.5m, with an annual interest rate of 4.65%, redeemable in 2031 and 2032. These bonds net of issue costs make up the majority of the Issuer's total liabilities.

The remainder of the liabilities are the non-current loans payable of €2.5m, which consist of internal group financing such as loans from group companies and the parent and current trade and other payables of €1.2m consisting of amounts due to group companies, and accruals.

The Issuer's equity remained unchanged. The only movement within this account is the increased retained earnings, corresponding to the Issuer's profit in FY24.

The Issuer does not expect any material changes in the balance sheet for FY25.

2.3 Issuer's Statement of Cash Flows

Cash Flows Statement for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Operating Activities				
Cash flows from operations	78	(115)	(76)	1,026
Taxation paid	(45)	-	-	-
Interest paid	(765)	(953)	(953)	(953)
Net cash generated from/ (used in) operating activities	**(732)**	**(1,068)**	**(1,029)**	**73**
Investing Activities				
Repayment of the loan receivable from related parties	-	-	-	-
Investment in subsidiary	(7,100)	-	-	-
Interest received	-	-	-	-
(Repayment) / issuance of loan receivable to related parties	(1,875)	896	1,065	-
Net cash generated from/ (used in) investing activities	**(8,975)**	**896**	**1,065**	**-**
Financing Activities				
Advances from related parties	2,479	108	(36)	-
Proceeds from the issue of debt securities	7,500	-	-	-
Redemption of bonds	-	-	-	(4)
Bond issue costs	(209)	-	-	-
Net cash flows generated from / (used in) financing activities	**9,770**	**108**	**(36)**	**(4)**
Net movement in cash and cash equivalents	**63**	**(63)**	**-**	**69**
Cash and cash equivalents at the beginning of the year	**1**	**64**	**1**	**1**
Cash and cash equivalents at the end of the year	**64**	**1**	**1**	**70**

Net cash used in operating activities amounted to €1.0m during the year. This includes a €76k outflow from operation and interest paid of €953k which was at FY23 levels. The cash inflow from investing activities was solely due to the issuance of additional loans receivable to related parties in the group totaling €1.1m (FY23: €896k). The sole item in financing activities for FY24 relates to the advances to related parties of €36k.

The Issuer's cash outflows and inflows mostly netted out and resulted in no movement in closing cash balance over FY23.

The Issuer expects to generate €73k from operating activities in FY25. No investing activities and minimal financing outflows are expected in FY25 resulting in positive cash movement of €69k leading to an expected closing cash balance of €70k.

2.4 Group's Income Statement

Income Statement for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Revenue	5,477	6,621	5,541	15,751
Cost of sales	(3,067)	(4,608)	(2,937)	(10,574)
Gross profit	**2,410**	**2,013**	**2,604**	**5,177**
Other income	33	16	4	-
Administrative expenses	(1,374)	(1,575)	(1,880)	(1,560)
EBITDA	**1,069**	**454**	**728**	**3,618**
Depreciation and amortisation	(552)	(498)	(428)	(182)
EBIT	**517**	**(44)**	**301**	**3,435**
Fair value gain/(loss) of investment property	-	-	-	1,018
Finance costs	(952)	(1,119)	(1,188)	(1,166)
Impairment of financial assets	(10)	-	-	-
Profit / (loss) before tax	**(445)**	**(1,163)**	**(888)**	**3,287**
Taxation	(110)	(132)	(160)	(802)
Profit / (loss) after tax	**(556)**	**(1,295)**	**(1,047)**	**2,485**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
Growth in Revenue (YoY Revenue Growth)	94.3%	20.9%	-16.3%	184.3%
Gross Profit Margin (Gross Profit / Revenue)	44.0%	30.4%	47.0%	32.9%
EBITDA Margin (EBITDA / Revenue)	19.5%	6.9%	13.1%	23.0%
Operating (EBIT) Margin (EBIT / Revenue)	9.4%	-0.7%	5.4%	21.8%
Net Margin (Profit for the year / Revenue)	-10.2%	-19.6%	-18.9%	15.8%
Return on Common Equity (Net Income / Total Equity)	-4.9%	-11.4%	-9.2%	21.9%
Return on Assets (Net Income / Total Assets)	-1.5%	-2.9%	-2.3%	5.3%

In FY24, the Group recorded a revenue of €5.5m, meaning a decline of 16.3%. The Group generates revenue from three sources: Dar Pinto (care homes), Segond Hotel and property sales. Dar Pinto generated €4.4m in revenue, which is 80% of the total of the Group for FY24. Revenue in this segment increased by 26.1% year on year. The Segond Hotel, on the other hand, generated €607k in revenue, meaning a decrease of 30.2% from FY23. Property sales came in at just €0.5m due to delays in relation to the completion of property projects.

Management is projecting a substantial increase in revenue of 184.3% in FY25, reaching €15.7m. This growth is expected to come from the sale of various properties with the main contributors being the Birżebbuġa, Hamrun, Sliema, and Pieta properties. Dar Pinto's revenue is also forecast to remain stable in FY25. Management also expects lower revenue generated from the Segond Hotel due to it being leased out to a third party as mentioned in section 1.5. This lower revenue will however come at no associated cost of sales and therefore lead to increased profitability.

The cost of sales, which includes property development costs, salaries of nurses and carers, food and beverage expenses, medical expenses, and consumables, decreased to €2.9m in FY24 in line with the lower revenue. This led to a higher gross profit margin of 47.0% (FY23: 30.4%) mainly due to higher margins from both Dar Pinto and the property sales segment. In line with the projected increase in revenue, cost of sales are expected to increase to €10.6m in FY25.

Administrative expenses increased by €0.3m to €1.9m in FY24. For FY25, management does not expect to generate any other income whilst administrative expenses are forecast to decrease by *circa* €0.3m back to FY23 levels. For FY25, the Group expects to recognize a fair value gain of €1.0 million on investment property, attributable to the Segond Hotel.

Finance costs remained relatively stable at €1.1m and are expected to remain at this level going forward in line with existing loan and bond terms.

The €1.0m loss generated during the year was mainly attributable to the delay in finalising major projects. In FY25, management is expecting a net income of €2.5m, mainly from the sale of properties and the fair value gain, leading to a net income margin of 5.3%.

2.4.1 Group's Variance Analysis

Income Statement for the year ended 31 December	2024F	2024A	Variance
	€000s	€000s	€000s
Revenue	12,304	5,541	(6,763)
Cost of sales	(7,746)	(2,937)	4,809
Gross profit	**4,558**	**2,604**	**(1,954)**
Other income	-	4	4
Administrative expenses	(1,575)	(1,880)	(305)
EBITDA	**2,983**	**728**	**(2,255)**
Depreciation and amortisation	(421)	(428)	(6)
EBIT	**2,562**	**301**	**(2,261)**
Finance costs	(1,177)	(1,188)	(11)
Impairment of financial assets	-	-	-
Profit / (loss) before tax	**1,384**	**(888)**	**(2,272)**
Taxation	(475)	(160)	316
Profit / (loss) after tax	**909**	**(1,047)**	**(1,956)**

The Group generated a total revenue of €5.5m, meaning a negative variance of €6.8m in comparison to what was forecast in the previous Analysis. Of the three segments that the Group operates in, revenue coming from the care home was the only one that managed to exceed forecasts, coming in at €4.4m, which was 3.6% higher than projections.

The Segond Hotel generated €0.6m in revenue which was 22.4% lower than last year's forecasts whilst the property segment managed just €0.5m compared to the €7.2m forecasted. This variance was related to the aforementioned delays, and it is important to note that the majority of the projects have since been completed and have either been sold or are on a POS.

Also related to the delays in the property projects, the Group incurred much lower costs of sales resulting in a positive variance of €4.8m.

Overall, this led to a gross profit which was €2.0m lower than initially forecast. Administrative expenses also came in at €305k higher than last year's projections.

This lower realised profitability led to lower taxation expenses and led to a loss after tax of €1.1m compared to the forecasted profit of €909k.

2.5 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	25,749	25,496	25,161	22,628
Investment property	-	-	-	6,500
Intangible assets	321	317	314	311
Loans receivable	4,336	4,906	5,082	4,709
Total non-current assets	**30,406**	**30,719**	**30,557**	**34,148**
Current assets				
Inventories	5,622	8,136	10,447	6,303
Trade and other receivables	4,593	5,394	5,326	5,293
Cash and cash equivalents	2,470	1,088	374	1,751
Other assets	232	257	7	-
Total current assets	**12,917**	**14,875**	**16,155**	**13,347**
Total assets	**43,323**	**45,594**	**46,712**	**47,496**
Equity and liabilities				
Capital and reserves				
Share capital	2,375	2,375	2,375	2,375
Retained earnings	(1,286)	(2,582)	(3,629)	(1,144)
Revaluation reserve	11,325	11,325	11,325	11,325
Total equity	**12,413**	**11,118**	**10,071**	**12,555**
Non-current liabilities				
Debt securities in issue	19,666	19,764	19,864	19,955
Long-term borrowings	2,550	3,919	3,648	481
Deferred tax liabilities	1,292	1,283	1,409	1,929
Payables	464	283	172	-
Loans payable	52	1,047	967	862
Finance lease liability	1,684	1,749	1,882	1,828
Total non-current liabilities	**25,708**	**28,045**	**27,941**	**25,055**
Current liabilities				
Trade and other payables	4,935	6,110	6,947	6,507
Tax payable	-	-	-	-
Short-term borrowings	200	251	1,749	3,313
Finance lease liability	67	69	5	65
Total current liabilities	**5,202**	**6,430**	**8,701**	**9,886**
Total liabilities	**30,910**	**34,475**	**36,642**	**34,940**
Total equity and liabilities	**43,323**	**45,593**	**46,713**	**47,496**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	61.7%	67.3%	71.2%	63.7%
Gearing 2 (Total Liabilities / Total Assets)	71.3%	75.6%	78.4%	73.6%
Gearing 3 (Net Debt / Total Equity)	161.2%	206.1%	247.2%	175.7%
Net Debt / EBITDA	18.7x	50.5x	34.2x	6.1x
Current Ratio (Current Assets / Current Liabilities)	2.5x	2.3x	1.9x	1.4x
Interest Coverage level 1 (EBITDA / Cash interest paid)	1.3x	0.4x	0.7x	3.6x
Interest Coverage level 2 (EBITDA / finance costs)	1.1x	0.4x	0.6x	3.1x

The Group's total assets are primarily composed of 65% non-current assets, with property, plant, and equipment (“**PPE**”) being the largest contributor standing at €25.1m. In FY25, PPE is expected to decrease albeit €3.1m in additions. This is mainly due to the forecasted reclassification of the Segond Hotel as investment property due to it being leased to a third party. The €5.1m loans receivable make up 17% of non-current assets and are expected to come down slightly in FY25.

The current assets make up the remaining 35% of total assets and are mainly made up of €10.5m in inventory, which includes the properties held for resale by the Group. Management anticipates that in FY25 these will decrease by €4.1m due to the sale of properties. Another major contributor to the current assets is the €5.3m trade and other receivables, which are expected to remain stable in FY25. The Group’s cash and cash equivalents in FY24 amounted to €0.4m which was €0.7m lower when compared to FY23 but is expected to increase to €1.8m in FY25.

Non-current liabilities make up 76% of the total liabilities, with the largest contribution coming from the issued debt securities, amounting to €19.9m. Long-term bank loans amounted to €3.6m, slightly lower than FY23 due to a reclassification to short-term loans. These borrowings are secured by general and special hypothecs over the assets of Segond Boutique Hotels Limited, Smartcare Pinto Ltd and Smartcare Developments Ltd.

Loans payable make up 3.5% of the non-current liabilities and have remained unchanged at €1.0m. Finance lease liabilities of €1.9m are associated with a lease agreement relating to the Tower Road project and are reported in line with IFRS16.

The current liabilities make up 23.7% of the total liabilities and have increased by €2.3m. Current liabilities are mainly composed of trade and other payables and short-term borrowings. The main movement in FY24 came from short-term borrowings which increased by €1.5m due to aforementioned reclassification. Management anticipates a further increase of €1.1m in the current liabilities mainly due to further reclassifications.

The Group’s equity primarily comprises share capital, the revaluation reserve, and accumulated losses. The equity base declined in line with the losses incurred during the year, while the share capital and revaluation reserve remained unchanged. However, in FY25, total equity is expected to increase to €12.6m, driven by the anticipated net income which is projected to improve retained earnings.

The gearing level increased to 72.3% and is expected to decrease to 65.6% in FY25 with the fluctuations being mainly related to the equity base. Additionally, in FY24 the current ratio came in at 1.9x, indicating an acceptable short-term liquidity position.

The interest coverage ratio has increased to 0.7x in FY24 and is expected to increase to above 3.0x in FY25 in line with the Groups forecasted increase in profitability.

2.6 Group's Statement of Cash Flows

Income Statement for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Operating Activities				
Cash flows from operations	607	(1,708)	(417)	7,213
Income tax paid	(164)	(141)	(145)	(446)
Rent paid	-	-	-	(65)
Interest paid	(765)	(1,020)	(1,089)	(1,001)
Net cash flows generated from / (used in) operating activities	**(322)**	**(2,869)**	**(1,651)**	**5,701**
Investing Activities				
Goodwill at acquisition	(3)	-	-	-
Acquisition of property, plant, and equipment	(3,454)	(176)	(20)	(3,129)
Proceeds from disposal of property, plant and equipment	3	-	-	-
Net cash flows generated from / (used in) investing activities	**(3,454)**	**(176)**	**(20)**	**(3,129)**
Financing Activities				
Movement in bank loans	1,285	1,619	1,227	(1,603)
Debt securities issue	7,165	-	-	(4)
Loans granted to related parties	(2,102)	(751)	(270)	411
Loan proceeds from related parties	52	995	-	-
Finance lease interest charges	22	-	-	-
Net cash flows generated from / (used in) financing activities	**6,421**	**1,863**	**957**	**(1,196)**
Movement in cash and cash equivalents	**2,645**	**(1,182)**	**(713)**	**1,377**
Cash and cash equivalents at the start of the year	(376)	2,269	1,087	374
Cash and cash equivalents at end of the year	**2,269**	**1,087**	**374**	**1,751**

Ratio Analysis	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	3,900	(2,025)	(582)	9,831

The €417k cash outflow from operations is a result of the Group's loss before tax adjusting for depreciation and amortization charges and changes in working capital. The Group also paid interest expenses of €1.1m and taxes of €145k, resulting in a net cash used in operating activities of €1.7m. The Group is anticipating to generate €5.7m in net cash from operating activities in FY25 mainly due to the sales of various properties.

The Group recorded minimal investing activity in FY24. Going forward, however, the Group anticipates a €3.1m investment in PPE. This consists of the development of the Dar Pinto second extension and the Tower road project amongst other projects.

The financing activities of the Group mainly composed movements in bank loans of €1.2m and loans granted to related parties of €270k, which resulted in a net cash generated from financing activities of €957k. The Group expects to repay €1.6m worth of their bank loans in FY25 whilst also receiving a portion of the loans granted to related parties. These movements are forecasted to lead to a net cash outflow of €1.2m in investing activities in FY25.

All this led to a negative cash movement of €713k resulting in a closing balance of €374k in FY24. In FY25, however, the Group is expecting a positive cash movement of €1.4m resulting in a closing balance of €1.8m.

Part 3 Key Market and Competitor Data

At the time of publication of this Analysis, the Group considers that overall business should be normal with the industries in which the Group companies are involved and operate and, bar unforeseen circumstances, management does not anticipate any divergence in trends outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of Group companies and their respective businesses. Nonetheless, inevitably risks surrounding the business model are still possible and to this end, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.1 Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2025, annual growth in business activity increased marginally, and remained slightly above its long-term historical average as estimated since January 2000.

The European Commission confidence surveys show that sentiment in Malta decreased in April, but nevertheless remained above its long-term average, estimated since November 2002. The latest deterioration was mostly driven by the services sector.

In terms of economic uncertainty, the Central Bank of Malta's Economic Policy Uncertainty Index (EPU) continued its increase above its historical average estimated since 2004, indicating elevated levels of uncertainty. However, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty and a potential trend reversal, predominantly driven by industry.

In March, industrial production rose at an accelerating pace whilst retail trade turned positive on a year-on-year basis. In February, the services sector recorded its first year-on-year contraction in activity since 2022.

The unemployment rate remained unchanged at 2.8% in March but stood below that of 3.4% in March 2024.

Commercial and residential building permits in March were higher than a month earlier. In April, the number of residential promise-of-sale agreements rose on a year earlier, whilst the number of final deeds of sale decreased.

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

3.2 Economic Outlook[2]

According to the Central Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to moderate from 6.0% in 2024 to 4.0% in 2025. Growth is then projected to ease further to 3.3% by 2027. Despite the impact of potential US tariffs, the Bank's forecasts remain broadly unchanged driven by an uptick in expected government consumption and investment plans.

The abovementioned growth is expected to be driven by domestic demand predominantly in private consumption and the continued recovery in investment. Net exports are also expected to retain a positive contribution over the projection period, albeit a smaller contribution when compared to domestic demand.

Employment growth is set to moderate, albeit from a high rate of 5.1% in 2024, to 2.3% by 2026 and 2027. The unemployment rate is expected at 3.0% for 2025 and remain at this rate throughout the forecast period. In line with the decrease in inflation pressures and labour market tightness, growth in the average wage is expected to ease from 5.9% in 2024 to 4.4% in 2025, and is then expected to moderate further in the forecast years that follow.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to continue its decrease from 2.4% in 2024 to 2.3% in 2025 and reaching 2.0% by 2027. Compared to previous projections, inflation has been revised up by 0.2 and 0.1 percentage points in 2025 and 2026 respectively, largely reflecting recent outcomes in services inflation.

The general government deficit-to-GDP ratio is set to decline to 3.5% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 2.7% by 2027. The general government debt-to-GDP ratio is set to increase throughout the forecast horizon, stabilising at 48.6% by 2026. When compared with the previous projection round, the projected deficit ratio is higher, while the debt ratio has been revised slightly lower.

Risks to activity are broadly balanced. Downside risks largely relate to possible negative effects on foreign demand arising from geopolitical tensions, additional US tariffs, and any potential additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics than expected, which could result in stronger than expected consumption and investment growth.

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

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

Risks to inflation are also broadly balanced over the forecast period and mainly related to external factors. Upside risks to inflation in the short term are also linked to global trade policy and potential retaliatory measures. 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.

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

3.3 Care home industry[3]

Between 2013 and 2023, Malta experienced a substantial population increase of 31.6%, rising from 428,156 to 563,443 residents. This growth was predominantly driven by a significant rise in the foreign population, which increased four times from 29,291 to 158,368. In contrast, the Maltese population saw a modest increase of 1.6%, from 398,865 to 405,075.

The median age remained constant at 39 years over the decade. However, the age distribution shifted, with the proportion of residents aged 65 and over increasing from 17.1% to 18.6%, while the share of children aged 14 or under declined from 14.6% to 12.7%. Additionally, there was a reversal in the gender ratio, with males constituting 52.5% of the population in 2022, up from 49.8% in 2012.

The population density in Malta increased from 1,337 residents per km² in 2012 to 1,721 residents per km² in 2022. The Northern Harbour district was the most densely populated, with 7,019 residents per km², whereas Gozo and Comino was the least densely populated district, with 585 residents per km². Tas-Sliema became the most densely populated locality, with a density of 16,287 residents per km² in 2022.

According to the '2024 Ageing Report' [4] the EU population is projected to decline from 449 million in 2022 to 432 million by 2070, reflecting a 4% decrease. During this period, the demographic landscape will shift significantly due to varying fertility, mortality, and migration rates. The median age is expected to increase by four years, rising from 44.4 years in 2022 to 48.8 years in 2070. This ageing trend will result in a higher proportion of older individuals, with those aged 65 and above increasing from 21% to 30% of the population. The old-age dependency ratio, indicating the number of people aged 65 or over per working-age individual, is anticipated to rise substantially, highlighting the growing economic burden on the working population.

Country-level projections reveal heterogeneous trends: 13 Member States and Norway are expected to see population growth, while 14 Member States will experience declines, with Latvia, Lithuania, Greece, Bulgaria, Croatia, and Romania facing the steepest reductions. Conversely, Malta, Luxembourg, Sweden, and Ireland are projected to have significant population increases, primarily in the initial part of the period.

The population of major EU countries such as Germany, France, Italy, Spain, and Poland will undergo slight changes, with Germany maintaining its status as the most populous state, followed by France. Italy and Poland will see declines, while Germany, France, and Spain will experience limited growth. These demographic shifts underscore the increasing dependency ratios and the resultant socio-economic challenges for the EU in the coming decades

Similarly, according to the '2021 Ageing Report' prepared by the European Commission and the Economic Policy Committee, the EU-27's median age is projected to increase by 5 years to reach 47.3 years for men and 50.3 years for women by 2070. This phenomenon is projected to be universal across all EU Member States, including Malta.

3.4 Hospitality and property development industries

The tourism sector in Malta

Comparison between the data of 2023 and 2024 provides valuable insights into the trajectory of the local tourism industry over the span of a single year, reflecting the pace and direction of recovery following the disruptions caused by the pandemic.

Inbound tourist arrivals experienced a notable surge from 2,976k in 2023 to 3,564k in 2024, marking an impressive increase of 19.7%. This significant uptick underscores the industry's robust recovery momentum and highlights the successful implementation of strategic initiatives aimed at rejuvenating tourism demand and stimulating visitor traffic.

Correspondingly, the metric of tourist guest nights witnessed a substantial growth, escalating from 20,242k in 2023 to 22,900k in 2024, reflecting a noteworthy increase of 13.1%. This surge in guest nights not only indicates a resurgence in tourist engagement but also underscores the sustained interest and participation in the local tourism offerings, contributing to the overall vibrancy of the sector.

However, amidst the recovery, there was a notable decline in the average length of stay, dropping from 6.8 days in 2023

[3] National Statistics Office: 015/2025

[4] European Commission – 2024 Ageing Report 257

to 6.4 days in 2024, representing a significant decrease of 5.9%. This decline may raise concerns regarding visitor engagement and expenditure patterns, necessitating a deeper examination into the underlying factors driving this trend and potential strategies to address it.

On the economic front, tourist expenditure exhibited a remarkable increase from €2,671m in 2023 to €3,300m in 2024, depicting a substantial surge of 23.5%. This surge in spending reflects the revitalization of tourism-related economic activities and underscores the sector's pivotal role in driving economic growth and employment.

Furthermore, the metric of tourist expenditure per capita demonstrated a modest increase, rising from €898 in 2023 to €924 in 2024, representing a marginal increment of 2.9%. While this increase reflects improved spending capacity and propensity among tourists, further analysis is required to discern the underlying factors influencing spending behaviour and patterns. The trends are also summarised in the following table, illustrating the number of tourist arrivals over the last four years:

Category[5]	2021	2022	2023	2024	2023 vs. 2024
Inbound tourists*	968	2,287	2,976	3,564	19.7%
Tourist guest nights*	8,390	16,600	20,424	22,900	13.1%
Avg. length /stay	8.7	7.3	6.8	6.4	-5.9%
Tourist expenditure**	871	2,013	2,671	3,300	23.5%
Tourist exp. per capita (€)	899	880	898	924	2.9%

*in thousands
**in € millions

January – April 2025[6]

Inbound tourists for the first four months of 2025 amounted to 1,044,657, an increase of 17.4% over the same period in 2024. Total nights spent by inbound tourists went up by 17.1%, almost reaching 6.0 million nights.

Total tourist expenditure was estimated at €804.7m, 24.2% higher than that recorded for the same period in 2024. Total expenditure per capita increased to €770 from €728 for the same period in 2024.

The number of tourists visiting Gozo and Comino, including both same-day and overnight visitors, totaled 526,752, or 50.4% of total tourists.

The construction sector in Malta

In April, the European Commission's ESI for Malta stood at 108.0, higher than the 96.3 level observed a year earlier, and stood above its long-term average of around 100.0 estimated since November 2002.

However, it stood above the euro area average of 95.6. In month-on-month terms, sentiment appreciated in the construction sector –remaining in positive territory – and to a lesser extent among consumers and in industry.

By contrast, sentiment turned more positive among retailers and in the services sector. Demeaned data – which account for the variation in weights assigned to each sector in the overall index – show that the decrease in the overall sentiment in April was largely driven by developments in industry and in the construction sector. Sentiment in industry, and to a lesser extent the services sector, explain why the ESI stood below its long-term average in April.

In April, the sentiment indicator for the construction sector decreased to 3.2, from 29.1 in March, thus remaining well above its long-term average of -7.7. Contrary to March, employment expectations decreased significantly – though remaining positive. Additionally, fewer respondents assessed their overall order books to be above normal levels.

Consumer confidence stood more negative in the month under review. It averaged -3.6, down from -2.4 in March, but remained above its long-term average of -9.9. The more negative sentiment in April reflected a deterioration across all sub-components of the indicator. Sentiment in industry averaged ,18.5 up from 15.5 in March, thus remaining above its long-term average of -4.4. On balance, the net share of respondents assessing their stocks of finished products to be above normal levels increased.

This was partly offset by an improvement in production expectations for the months ahead. At the same time, less firms assessed their order book levels to be below normal levels. The confidence indicator for the retail sector increased to -7.1, from -8.8 in the previous month. It thus remained well above its long-term average of 0.0. The recent rise in sentiment was largely driven by an increase in participants' expectations of business activity over the next three months. These developments offset a deterioration in the respondents' assessment of sales over the past three months and of stock levels.

5 National Statistics Office, Malta - Tourism

6 National Statistics Office, Malta NR 103/2024

Malta Development Association[7]

Promises of sales for property in Malta increased by 9% in 2024, according to records kept by the Malta Development Association. In a statement, the MDA said that the number of promises of sale had grown to 16,739 by the end of last year. The total value of these agreements reached €5.1 billion, they added.

This represented an increase of 10.8%, up from €4.6 billion in 2023 surpassing the all time high of €4.8 billion in 2021 by 6.25%.

According to data from the National Office Statistics, in May of 2025 there were 1,378 POS agreements made in relation to residential property, which is an increase of 9.7% (1, in comparison to May 2024. Looking into more detail there were 13,585 POS agreements in 2024 which is a 3% increase year on year.

The MDA compiles its own statistics separately and does not provide information about its methodology.

3.5 Comparative Analysis

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

[7] mda.com.mt

Smartcare Finance p.l.c.

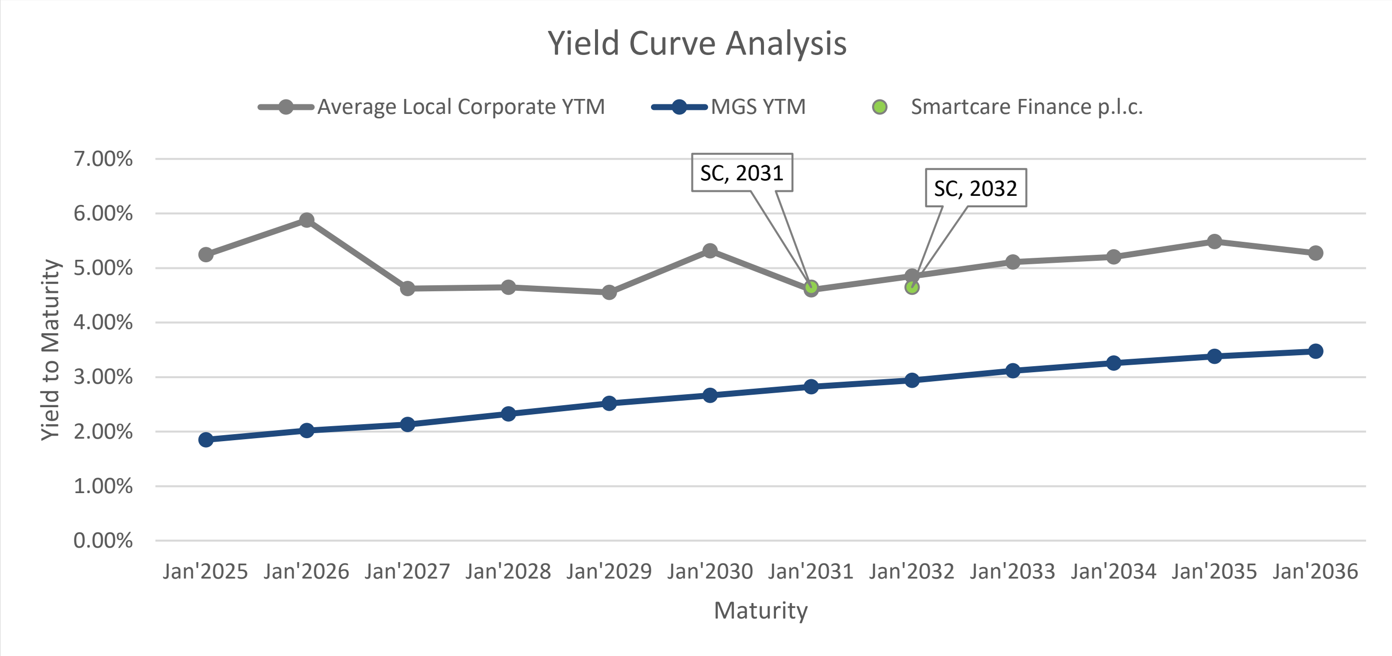
FINANCIAL ANALYSIS SUMMARY 2025

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) (%)
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.86%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
4.65% Smartcare Finance plc Secured € 2031	13,000	4.65%	0.6x	46.7	10.1	78.4%	73.5%	38.4x	1.9x	-9.9%	-18.9%	-16.3%
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%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.43%	2.1x	308.6	95.8	69.0%	55.2%	11.4x	0.8x	0.7%	0.4%	3.7%
3.65% IHI plc Unsecured € 2031	80,000	4.75%	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	4.76%	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%	2.3x	70.2	25.8	63.2%	57.3%	8.5x	0.8x	2.6%	4.8%	28.4%
4.5% G3 Finance plc Secured € 2032	12,500	4.51%	2.2x	0.1	0.0	63.6%	54.4%	13.8x	0.3x	3.3%	4.9%	23.1%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	5.09%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1 (xd)	25,000	4.25%	(2.6)x	99.4	57.5	42.2%	33.2%	7.2x	2.2x	4.5%	44.6%	13.5%
4.5% Shoreline Mall plc Secured € 2032	26,000	4.84%	3.1x	0.1	0.0	78.2%	68.2%	22.4x	0.6x	8.4%	15.1%	0.0%
4.65% Smartcare Finance plc Secured € 2032	7,500	4.65%	0.6x	46.7	10.1	78.4%	73.5%	38.4x	1.9x	-9.9%	-18.9%	-16.3%
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%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.16%	0.7x	154.2	29.4	80.9%	78.4%	75.6x	0.3x	-10.1%	-20.4%	-8.5%
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.16%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
6% Pharmacare Finance plc Unsecured € 2033	17,000	5.58%	(1.2)x	46.4	11.4	75.4%	66.2%	11.6x	1.6x	-13.5%	-14.0%	41.3%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.93%	2.1x	39.8	17.9	54.9%	43.3%	10.0x	0.4x	5.1%	61.4%	26.4%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.53%	5.8x	0.1	0.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
5.85% AX Group plc Unsecured € 2033	40,000	5.53%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.29%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
6% International Hotel Investments plc 2033	60,000	5.52%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.16%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
	Average*	**4.87%**										

Source: Latest available audited financial statements

Last price as at 18/06/2025

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



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

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of Malta Government Stocks (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 of 18 June 2025, the average spread over the MGS for corporates with a maturity range of 6-7 (2031-2032) years was 173 basis points. The 4.65% Smartcare Finance PLC Bonds 2031 are currently trading at a YTM of 465 basis points, meaning a spread of 183 basis points over the equivalent MGS. This means that this bond is trading at a premium of 10 basis points in comparison to the market.

As of 18 June 2025, the average spread over the MGS for corporates with a maturity range of 6-8 (2031-2033) years was 195 basis points. The 4.65% Smartcare Finance PLC Bonds 2032 are currently trading at a YTM of 465 basis points, meaning a spread of 171 basis points over the equivalent MGS. This means that this bond is trading at a discount of 25 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.

Calamatta Cuschieri

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