



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.

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**Publication of Financial Analysis Summary**

*QUOTE*

The Company announces that, the Financial Analysis Summary for 2026 is now available, and can be accessed from the Company's website: <https://smartcaremalta.com/smartcare-finance-plc/>

*UNQUOTE*

A handwritten signature in blue ink, appearing to be "K Cachia".

Dr Katia Cachia  
Company Secretary

30 June 2026

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

30 June 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 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 2023, 2024, and 2025 have been extracted from the audited financial statements of the Issuer and the Guarantors.
- b) The forecast data for the financial year 2026 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

**FINANCIAL ANALYSIS  
SUMMARY 2026**

**smartcare**  
**FINANCE PLC**

**30 June 2026**

**Prepared by Calamatta Cuschieri  
Investment Services Limited**

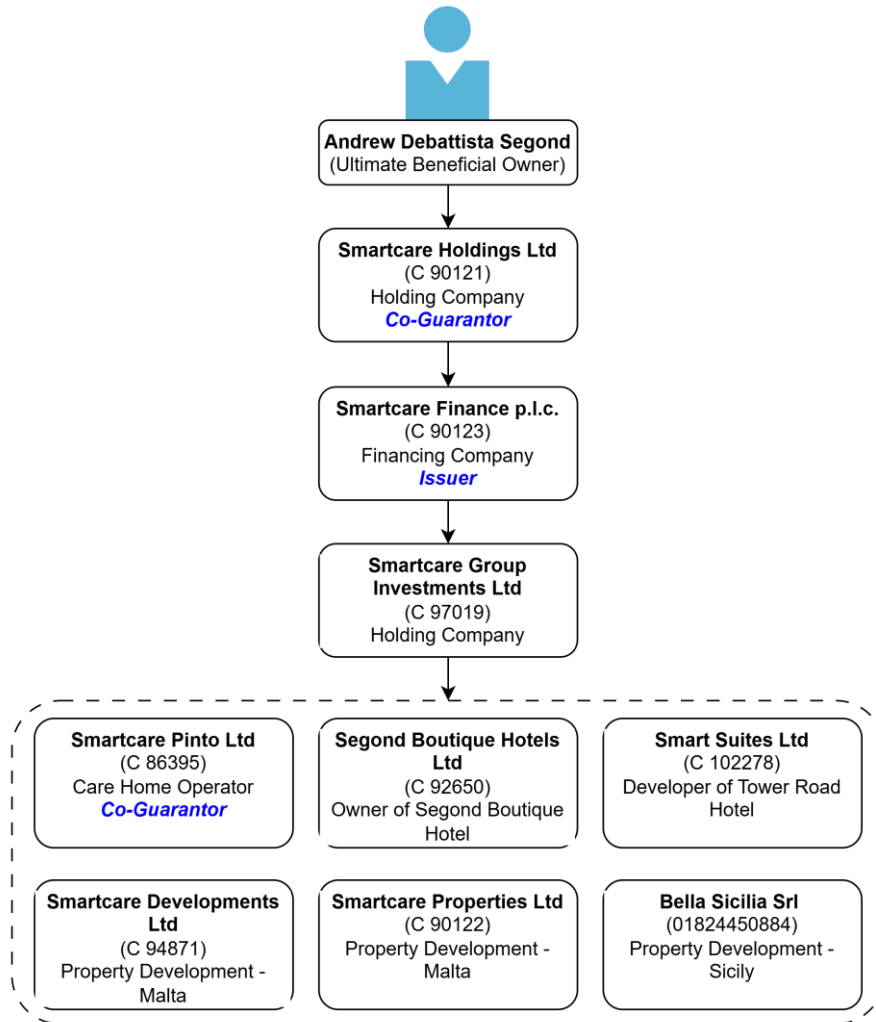
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## Part 1 Information about the Group

### 1.1 Group's Key Activities and Structure

The Group structure is as follows:



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

The "Group" 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 joint Guarantors, with Smartcare Holdings Ltd acting as the parent company of the Group. The wider Group also includes Smartcare Group Investment Ltd ("SGIL"), Smartcare Developments Ltd ("SDL"), Segond Boutique Hotels Limited ("SBH"), Smartcare Properties Limited ("SP"), Smart Suites Limited ("SSL") and, as at 31 December 2025, Bella Sicilia S.r.l. ("BSS"), which was acquired on 29 December 2025 under common control.

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 €4,072,833 made up of 4,072,833 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 six wholly owned operating subsidiaries SPL, SDL, SBH, SP, SSL, and Bella Sicilia S.r.l.

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.

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.

Bella Sicilia S.r.l., a private limited liability company incorporated in Italy on 10 November 2023, with its registered office at Via Variante S.S. 115 1/B, CAP 97015, Modica (RG), operates as a real estate development company focused on high-end villas and premium apartments in Sicily. The company has an issued and fully paid-up share capital of €125,000. With effect from 22 December 2025, all shares in Bella Sicilia S.r.l. were transferred to SGIL from Mr. Andrew Debattista Segond in consideration for the allotment of 3,822,833 ordinary shares of €1 each in SGIL, issued at par. Subsequently incorporated into the Group on 24 December 2025, Bella Sicilia S.r.l. is now a wholly owned subsidiary forming part of the Smartcare Group.

## 1.2 Directors and Key Employees

### Board of Directors – Issuer

During FY2025, the board of the Issuer comprised Mr Andrew Debattista Segond, Mr William Wait, Mr Ian Joseph Stafrace, Mr Sandro Grech and Mr Arthur Gauci up to 23 December 2025, following which Dr Adrian Sciberras, Dr Saverio Lauretta and Ms Isabella Vella were appointed on the same date, while Mr Ian Joseph Stafrace and Mr Arthur Gauci resigned.

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 Sandro Grech	Independent, Non-Executive Director
Dr Adrian Sciberras	Independent, Non-Executive Director
Dr Saverio Lauretta	Independent, Non-Executive Director
Ms Isabella Vella	Independent, Non-Executive Director

Dr Katia Cachia is the company secretary of the Issuer.

The Issuer is currently managed by a board of six 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 four 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 110 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, remained the Group’s core operating asset and principal recurring income generator. It is a long-term care facility for the elderly owned and operated through SPL under a public private partnership agreement with the Government of Malta, whereby all beds are sold to Government for a fixed period of five years with the possibility of renewal. The care home is housed within a six storey property connecting Triq Guže’ Duca and Triq I Imdina and was originally configured for 132 beds, with a first extension of 47 additional beds completed in 2023 following the acquisition and development of adjacent apartments. The facility offers a range of accommodation, care and support services for residents with low, medium and high dependency needs, and plays an important role in addressing the demand for elderly care services in Malta.

**Segond Boutique Hotel, Xagħra – Gozo**

The Segond Hotel in Xagħra, Gozo, is another key Group asset. The property comprises a 51-room boutique hotel with 14 large suites, each with a private pool, and 37 double rooms, supported by two reception areas, a bar, a restaurant and breakfast area, a seating and luggage area and a rooftop pool. The hotel commenced operations in January 2022 and, following the lease of the property to a third party on 22 January 2025, was reclassified as investment property in the FY2025 consolidated financial statements. At 31 December 2025, investment property amounted to €5.8m, and the Group recognised a fair value gain of €1.2m on the Segond Hotel on reclassification.

**Residential Property Developments**

The Group’s property development activities in Malta are carried out through SP or SDL. Both entities have completed and sold multiple residential units and generated an aggregate revenue of €10.2 million over the period 2023 to 2025. As at 31 December 2025, the Group had active developments comprising apartments, maisonettes, penthouses, and townhouses located in Ħamrun, Żebbuġ, Xagħra, Żurrieq, Żejtun, Pietà, and Sliema. The majority of these units have been sold either by deed or under promise of sale agreements.

**Bella Sicilia S.r.l. – Sicily, Italy**

On 10 November 2023, Bella Sicilia S.r.l. was established in Italy as a property development company with the objective of developing and selling high-end villas and premium apartments in the Modica–Ragusa region. The company was subsequently integrated into the Smartcare Group in December 2025 following the transfer of its entire shareholding to SGIL. Since acquisition, Bella Sicilia has been building a pipeline of residential and mixed-use developments across south-eastern Sicily, holding a portfolio of development sites and land parcels, including assets under promise of sale agreements. As at 31 December 2025, Bella Sicilia’s development portfolio is recognised within the Group’s inventories at a value of €13.6 million, making it a significant asset contributor and a key growth driver within the Group’s expanding real estate segment.

## 1.4 Operational Developments

### Dar Pinto

In the care home segment, Dar Pinto continued to provide a stable and predictable income stream. The agreement with Government, which had previously been due to expire on 31 May 2024, was successfully renegotiated and extended in June 2024 for a further five-year period to May 2029, thereby underpinning medium-term revenue visibility in this core business line. A second extension project at Dar Pinto, aimed at adding a further 34 beds, progressed significantly during the period; excavation and demolition works have been completed and civil works have commenced. The project is expected to be completed by June 2027, with estimated remaining development costs of €1.4 million as at 31 December 2025. This extension is intended to enhance capacity and support incremental revenue generation once fully operational.

### Tower Road Project

The Tower Road hotel project in Sliema, held within SSL under a 65-year temporary emphyteusis acquired in August 2022, continues to be developed as a boutique hotel comprising 12 standard rooms, one suite, and one penthouse. Approximately €1.3 million of the net proceeds from the €7.5 million 4.65% Secured Bonds 2032 were allocated to this project. The development remains in its construction phase, with an estimated completion date in Q3 2026.

### Residential Apartments

#### Hamrun Project

SDL 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. SDL also entered into two promise of sale agreements with Santa Katerina for the sale of a divided share of the Hamrun property and the development thereof – of which all the related properties were transferred through contracts as at the date of this report.

The Hamrun project comprises a mixed-use development including residential units (apartments, maisonettes and penthouses), commercial outlets at ground-floor level, and underlying garages and parking spaces. Construction works commenced in 2021 and were completed in 2025, with the development now largely transitioned into its final sales and handover phase.

During the course of the development, certain units were transferred through barter arrangements to settle outstanding obligations, including liabilities related to catering services, and further similar arrangements remain in place in respect of construction and related costs. This approach has enabled the Group to optimise liquidity while progressing its development pipeline and realising value from completed units.

#### Xagħra Project

The Xagħra development comprises a residential project consisting of 24 residential units across three blocks (comprising 10, 9, and 5 units respectively), together with 8 underlying garages and 3 parking spaces. The project offers a mix of 1-bedroom, 2-bedroom and 3-bedroom apartments, as well as penthouse units.

As at 31 December 2025, the project was substantially completed, with the majority of units either sold by deed or subject to promise of sale agreements. Across the development, a significant portion of the units had already been disposed of, contributing to cumulative contracted sales of approximately €1.8 million, with further units under promise of sale agreements. The remaining inventory is limited, with only a small number of units still available for sale.

Construction works, which commenced in 2021, reached completion in 2025, with the project transitioning into its final sales and handover phase. Overall, the Xagħra project has generated strong sales traction, with the majority of revenue either realised or contractually secured, thereby reducing residual inventory risk and supporting near-term cash flow visibility.

#### Pieta' Development Project

In 2022, Smartcare Properties Ltd initiated the Pieta' Development Project. The company acquired a Farmhouse named 'Ir-Razzetta' 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 770m<sup>2</sup>. 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 later in 2026.

### Żebbuġ Project

On 25 August 2025, SDL acquired properties Nos. 81 and 83, Triq is-Siġġiewi, Żebbuġ, with a combined site area of 720 sqm. The site is being developed into two residential units and is currently under construction, with completion expected in January 2027. Both units are subject to promise of sale agreements and are expected to be transferred in 2027.

### Żurrieq Project

This development comprises a townhouse with garages and a pool, currently under construction and subject to a promise of sale agreement.

### Sliema Project

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

The development comprises a mix of residential units designed with modern layouts, including internal bathrooms and open-plan kitchen, dining and living areas leading to spacious front terraces. Each unit also includes multiple bedrooms, a main bathroom, and a rear terrace.

As at the date of this Analysis, the project has been substantially completed, with five residential units sold by deed and the remaining unit subject to a promise of sale agreement, reflecting the near full disposal of the development.

### Bella Sicilia S.r.l. – Sicily Developments

Bella Sicilia S.r.l. continues to advance a portfolio of residential developments across south-eastern Sicily, comprising a mix of apartments, villas and lifestyle-oriented projects located primarily in the Modica–Ragusa region. The portfolio includes developments such as San Andrea Residences, Laguna Residences, Del Borgho Albaccara, Spiaggia D'Oro and Mare D'Oro, each positioned within the mid- to high-end segment of the local property market.

As at 31 December 2025, these projects were at varying stages of development, ranging from early construction to near completion, with a number of units already sold or subject to promise of sale agreements. This has supported a growing level of contracted revenue and provides visibility over future cash inflows as projects progress toward completion.

Development activity remains ongoing, with the Group continuing to deploy capital across these projects while advancing construction works and securing further pre-sales. Overall, Bella Sicilia's development pipeline represents a key contributor to the Group's medium-term growth strategy, with the scale and geographic diversification of the portfolio expected to support earnings generation in the coming years, albeit subject to typical development and execution risks.

## 1.5 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 years ended 31 December 2023 to 31 December 2025, together with the projections for the year 2026, 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 2023, 2024, and 2025 as well as the Group's projections for the year ending 31 December 2026, 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	FY23A	FY24A	FY25A	FY26F
	€000s	€000s	€000s	€000s
<b>Revenue</b>	<b>1,192</b>	<b>1,200</b>	<b>1,196</b>	<b>1,246</b>
<b>Total Finance Income</b>	<b>1,192</b>	<b>1,200</b>	<b>1,196</b>	<b>1,246</b>
Finance costs	(1,052)	(1,053)	(1,052)	(1,052)
<b>Net finance income</b>	<b>140</b>	<b>147</b>	<b>144</b>	<b>194</b>
Administrative expenses	(105)	(120)	(106)	(120)
<b>Profit before tax</b>	<b>35</b>	<b>27</b>	<b>38</b>	<b>74</b>
Income tax	-	-	-	(26)
<b>Profit after tax</b>	<b>35</b>	<b>27</b>	<b>38</b>	<b>48</b>

Ratio Analysis	FY23A	FY24A	FY25A	FY26F
Net Interest Margin (Net finance income / Finance income)	11.7%	12.2%	12.0%	15.6%
Net Margin (Profit for the year / Finance income)	2.9%	2.2%	3.2%	3.8%

In FY2025, the Issuer generated revenue of €1.2m, which remained broadly in line with the €1.2m reported in FY2024. This reflects the stable income profile of the Issuer and the fact that its operations are limited to financing and investment activity rather than trading operations. For FY2025, revenue was generated from dividends received, compared to FY2024 when revenue had included dividends, recharge of expenses to subsidiary and interest income from the subsidiary.

Finance costs remained stable at €1.05m, reflecting the fixed coupon obligations on the bond issues. This led to a Net Interest Margin of 12.0%, a slight decline from 12.2% in FY2024.

As a result, the Issuer reported a profit before tax of €38k and a profit after tax of €38k due to a nil tax charge, compared to €27k in FY2024. This modest uplift in profitability is due to the slight reduction in administrative expenses from €120k in FY2024 to €106k in FY2025.

Based on management forecasts, revenue is expected to increase slightly to €1.246m in FY2026, with profit after tax projected at €48k.

## 2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	Dec-23A	Dec-24A	Dec-25A	Dec-26F
	€000s	€000s	€000s	€000s
<b>Assets</b>				
<b>Non-current assets</b>				
Investment in subsidiary	20,101	20,101	20,101	23,924
Loan receivable	3,012	1,122	1,121	1,121
<b>Total non-current assets</b>	<b>23,113</b>	<b>21,223</b>	<b>21,222</b>	<b>25,045</b>
<b>Current assets</b>				
Trade and other receivables	281	239	260	260
Loan Receivable	-	2,025	1,875	-
Current tax asset	307	632	963	963
Cash and cash equivalents	1	1	7	2,041
<b>Total current assets</b>	<b>589</b>	<b>2,897</b>	<b>3,105</b>	<b>3,264</b>
<b>Total assets</b>	<b>23,702</b>	<b>24,120</b>	<b>24,327</b>	<b>28,309</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital	250	250	250	4,073
Retained earnings	237	264	283	331
<b>Total equity</b>	<b>487</b>	<b>514</b>	<b>533</b>	<b>4,404</b>
<b>Non-current liabilities</b>				
Debt securities in issue	19,764	19,864	19,951	20,062
Loan payable	2,587	2,552	2,571	2,571
<b>Total non-current liabilities</b>	<b>22,351</b>	<b>22,415</b>	<b>22,522</b>	<b>22,633</b>
<b>Current liabilities</b>				
Trade and other payables	864	1,191	1,273	1,272
<b>Total current liabilities</b>	<b>864</b>	<b>1,191</b>	<b>1,273</b>	<b>1,272</b>
<b>Total liabilities</b>	<b>23,215</b>	<b>23,606</b>	<b>23,794</b>	<b>23,905</b>
<b>Total equity &amp; Liabilities</b>	<b>23,702</b>	<b>24,120</b>	<b>24,327</b>	<b>28,309</b>

As at 31 December 2025, the Issuer's total assets stood at €24.3m, compared to €24.1m as at 31 December 2024. Non-current assets amounted to €21.2m and consisted mainly of the €20.1m investment in subsidiary (this represents the company's 100% ownership of 20,101,200 shares at €1 each in SGIL) and a non-current loan receivable of €1.1m. Current assets of €3.1m were made up principally of current loan receivables of €1.9m, current tax assets of €963k and trade and other receivables of €260k.

Equity increased modestly to €533k from €514k as at 31 December 2024, reflecting retained profits for the year. The transfer of the SGIL shares to the Issuer resulted in an increase in both the investment in subsidiary and equity in FY2026.

The Issuer's liabilities remained heavily concentrated in debt funding. Debt securities in issue amounted to €19.95m, while non-current loans payable stood at €2.6m and current trade and other payables amounted to €1.3m.

**2.3 Issuer's Statement of Cash Flows**

Cash Flow Statement for the year ended 31 December	FY23A	FY24A	FY25A	FY26F
	€000s	€000s	€000s	€000s
<b>Cash flows from operating activities</b>				
Profit before tax	35	27	38	74
Adjustments	(68)	(147)	(204)	(182)
Net changes in working capital	(82)	44	(222)	-
Taxation paid	-	-	-	(26)
<b>Net cash generated / used in operating activities</b>	<b>(115)</b>	<b>(76)</b>	<b>(387)</b>	<b>(134)</b>
<b>Cash flows from investing activities</b>				
Dividend received	-	-	-	1,246
Repayment / (issuance) of loan receivable to related parties	896	1,065	1,347	1,875
<b>Net cash generated from investing activities</b>	<b>896</b>	<b>1,065</b>	<b>1,347</b>	<b>3,121</b>
<b>Cash flows from financing activities</b>				
Advances from related parties	108	(36)	-	-
Interest paid	(953)	(953)	(953)	(953)
<b>Net cash used in financing activities</b>	<b>(845)</b>	<b>(989)</b>	<b>(953)</b>	<b>(953)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(64)</b>	<b>(0)</b>	<b>6</b>	<b>2,034</b>
Cash and cash equivalents at the beginning of year	65	1	1	7
<b>Cash and cash equivalents at the end of year</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>2,041</b>

The Issuer used net cash from operating activities of €387k in FY2025, compared to €76k in FY2024. It also generated €1.3m from investing activities through repayments of loans from related parties, while financing cash outflows of €953k reflected interest paid on debt securities in issue. The resulting net increase in cash was limited, with year-end cash balances standing at €7k compared to €1k in FY2024.

The Issuer's cash flow profile remains characteristic of a financing company, with operating performance being largely offset by recurring bond interest obligations. Management forecasts indicate a stronger cash position in FY2026, with cash and cash equivalents projected to increase to €2.04m, mainly on the back of dividend receipts together with further loan repayments from related parties.

## 2.4 Group's Income Statement

Consolidated Income Statement for the year ended 31 December	FY23A	FY24A	FY25A	FY26F
	€000s	€000s	€000s	€000s
Revenue	6,621	5,541	12,295	19,516
Cost of sales	(4,608)	(2,937)	(8,061)	(13,733)
<b>Gross profit</b>	<b>2,013</b>	<b>2,604</b>	<b>4,233</b>	<b>5,783</b>
Other income	16	4	19	3
Administrative expenses	(1,575)	(1,880)	(1,583)	(1,820)
<b>EBITDA</b>	<b>454</b>	<b>728</b>	<b>2,670</b>	<b>3,966</b>
Depreciation and amortisation	(498)	(428)	(336)	(374)
<b>EBIT</b>	<b>(44)</b>	<b>301</b>	<b>2,334</b>	<b>3,592</b>
Fair value gain on investment property	-	-	1,176	-
Finance costs	(1,119)	(1,188)	(1,097)	(1,448)
<b>Profit/(loss) before tax</b>	<b>(1,163)</b>	<b>(888)</b>	<b>2,413</b>	<b>2,144</b>
Taxation	(132)	(160)	(80)	(1,308)
<b>Profit/(loss) after tax</b>	<b>(1,295)</b>	<b>(1,047)</b>	<b>2,333</b>	<b>836</b>

Ratio Analysis	FY23A	FY24A	FY25A	FY26F
<b>Profitability</b>				
Growth in Revenue (YoY Revenue Growth)	20.9%	-16.3%	121.9%	58.7%
Gross Profit Margin (Gross Profit / Revenue)	30.4%	47.0%	34.4%	29.6%
EBITDA Margin (EBITDA / Revenue)	6.9%	13.1%	21.7%	20.3%
Operating (EBIT) Margin (EBIT / Revenue)	-0.7%	5.4%	19.0%	18.4%
Net Margin (Profit for the year / Revenue)	-19.6%	-18.9%	19.0%	4.3%
Return on Common Equity (Net Income / Average Equity)	-11.0%	-9.9%	16.5%	4.5%
Return on Assets (Net Income / Average Assets)	-2.9%	-2.3%	4.5%	1.4%

In FY2025 the Group delivered a marked improvement in operating performance, with consolidated revenue increasing to €12.3m from €5.5m in FY2024. The audited financial statements explain that this revenue was generated mainly from the care home in Qormi, the leasing out of hotel premises and the sale of properties.

Cost of sales rose to €8.1m from €2.9m in FY2024, reflecting the higher level of property sales and activity, yet gross profit still increased to €4.2m from €2.6m in FY2024. Administrative expenses decreased slightly to €1.6m from €1.9m in FY2024, and together with other income of €19k, this resulted in EBITDA improving sharply to €2.7m compared to €728k in the previous year.

Depreciation and amortisation declined to €336k from €428k in FY2024, and the Group also recognised a fair value gain of €1.2m on investment property following the reclassification of the Boutique Hotel. After finance costs of €1.1m, profit before tax reached €2.4m, a significant turnaround from the loss before tax of €888k recorded in FY2024, while profit after tax amounted to €2.3m versus a loss of €1.05m in the prior year.

The improved outturn reflects a combination of factors: a stronger contribution from property sales, continued stable earnings from Dar Pinto under the renewed agreement with Government, and the move to a rental model for the hotel asset which generated a fair value uplift on reclassification. Overall, FY2025 represents a return to profitability and a much stronger earnings base compared to FY2024.

## 2.4.1 Group's Variance Analysis

Consolidated Income Statement for the year ended 31 December	FY25F	FY25A	Variance
	€000s	€'000s	€'000s
Revenue	15,751	12,295	(3,457)
Cost of sales	(10,574)	(8,061)	2,512
<b>Gross profit</b>	<b>5,177</b>	<b>4,233</b>	<b>(944)</b>
Other income	-	19	19
Administrative expenses	(1,560)	(1,583)	(23)
<b>EBITDA</b>	<b>3,618</b>	<b>2,670</b>	<b>(948)</b>
Depreciation and amortisation	(182)	(336)	(153)
<b>EBIT</b>	<b>3,435</b>	<b>2,334</b>	<b>(1,101)</b>
Finance costs	(1,166)	(1,097)	69
Fair value gain of investment property	1,018	1,176	158
<b>Profit before tax</b>	<b>3,287</b>	<b>2,413</b>	<b>(874)</b>
Taxation	(802)	(80)	722
<b>Profit after tax</b>	<b>2,485</b>	<b>2,333</b>	<b>(152)</b>

The financial projections prepared in the prior year envisaged FY2025 as a key monetisation year for a number of development projects, with forecast revenue of €15.8m, cost of sales of €10.6m, EBITDA of €3.6m and profit after tax of €2.5m. The audited FY2025 results were below expectations at an operational level, with revenue of €12.3m, cost of sales of €8.1m, EBITDA of €2.7m and profit after tax of €2.3m.

The €3.5m (-22%) revenue shortfall relative to forecast is primarily attributable to delays in the completion and transfer of property units, with a number of sales originally expected in FY2025 deferred into FY2026. This timing variance also resulted in cost of sales being €2.5m (-24%) below forecast, reflecting the postponement of related development costs. Consequently, gross profit and EBITDA were lower than projected by €944k (-18%) and €948k (-26%), respectively. Administrative expenses remained broadly in line with expectations, while other income of €19k had not been previously forecast.

Depreciation exceeded projections by €153k (+84%), as movable assets relating to SBH continued to be depreciated as property, plant and equipment despite the transfer to investment property, an effect not factored into the forecasts. This contributed to a more pronounced variance at EBIT level of €1.1m (-32%) relative to expectations.

Partially offsetting these shortfalls, finance costs were marginally lower than expected by €69k (-6%), while the fair value gain on investment property exceeded forecast by €158k (+16%).

Profit before tax amounted to €2.4m, €874k (-27%) below projections. However, the impact at net profit level was mitigated by a significantly lower tax charge of €80k (vs. €802k forecast), mainly due to the recognition of a deferred tax asset relating to the Dar Pinto tax credit. As a result, profit after tax of €2.3m was only €152k (-6%) below forecast, with the overall variance largely driven by project timing differences expected to reverse in FY2026.

## 2.5 Group's Statement of Financial Position

Consolidated Statement of Financial Position as at 31 December	Dec-23A	Dec-24A	Dec-25A	Dec-26F
	€000s	€000s	€000s	€000s
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	25,496	25,161	21,968	23,090
Investment property	-	-	5,776	6,142
Intangible assets	6	3	3	2
Goodwill	311	311	311	311
Loans receivable	4,906	5,083	691	691
<b>Total non-current assets</b>	<b>30,719</b>	<b>30,558</b>	<b>28,749</b>	<b>30,236</b>
<b>Current assets</b>				
Inventories	8,136	10,447	22,873	13,856
Trade and other receivables	5,394	5,326	4,459	432
Cash and cash equivalents	1,088	374	1,533	15,261
Other asset	257	7	-	-
<b>Total current assets</b>	<b>14,874</b>	<b>16,155</b>	<b>28,866</b>	<b>29,549</b>
<b>Total assets</b>	<b>45,593</b>	<b>46,713</b>	<b>57,615</b>	<b>59,785</b>
<b>Equity</b>				
Share capital	2,375	2,375	6,197	6,197
Revaluation reserves	11,325	11,325	13,330	13,330
Accumulated losses	(2,582)	(3,629)	(1,296)	(461)
<b>Total equity</b>	<b>11,118</b>	<b>10,071</b>	<b>18,231</b>	<b>19,066</b>
<b>Non-current liabilities</b>				
Non-current borrowings	3,919	3,648	1,328	10,620
Loans payable	1,047	967	-	-
Finance lease liability (non-current)	1,749	1,882	1,892	1,898
Debt securities in issue	19,765	19,864	19,951	20,062
Deferred tax liabilities	1,283	1,409	1,015	1,228
Trade and other payables	283	172	1,124	609
<b>Total non-current liabilities</b>	<b>28,045</b>	<b>27,941</b>	<b>25,310</b>	<b>34,417</b>
<b>Current liabilities</b>				
Current borrowings	251	1,749	2,288	1,567
Finance lease liability (current)	69	5	-	-
Trade and other payables	6,110	6,947	11,786	4,734
<b>Total current liabilities</b>	<b>6,430</b>	<b>8,701</b>	<b>14,074</b>	<b>6,301</b>
<b>Total liabilities</b>	<b>34,475</b>	<b>36,642</b>	<b>39,384</b>	<b>40,719</b>
<b>Total equity and liabilities</b>	<b>45,593</b>	<b>46,713</b>	<b>57,615</b>	<b>59,785</b>

Ratio Analysis	Dec-23A	Dec-24A	Dec-25A	Dec-26F
<b>Financial Strength</b>				
Gearing 1 (Net Debt / Net Debt and Total Equity)	67.3%	71.2%	54.7%	49.8%
Gearing 2 (Total Liabilities / Total Assets)	75.6%	78.4%	68.4%	68.1%
Gearing 3 (Net Debt / Total Equity)	205.5%	247.1%	120.9%	99.1%
Net Debt / EBITDA	50.3x	34.2x	8.3x	4.8x
Current Ratio (Current Assets / Current Liabilities)	2.3x	1.9x	2.1x	4.7x
Interest Coverage level 1 (EBITDA / Cash interest paid)	0.4x	0.7x	2.7x	4.1x
Interest Coverage level 2 (EBITDA / Finance Costs)	0.4x	0.6x	2.4x	2.7x

Total Group assets increased to €57.6m as at 31 December 2025 from €46.7m in FY2024. Non-current assets stood at €28.7m and included property, plant and equipment of €22.0m, investment property of €5.8m, goodwill of €311k and loans receivable of €0.7m. Current assets amounted to €28.9m and were mainly composed of inventories of €22.9m, trade and other receivables of €4.5m and cash of €1.5m.

The expansion in the asset base was driven primarily by higher inventories and improved cash balances, reflecting the continued investment in property developments and the progression of projects across Malta and Sicily. The increase in development inventory has resulted in a greater concentration of assets within working capital, although this is consistent with the Group's business model. Notwithstanding this, liquidity remained adequate, with the current ratio improving to 2.1x (FY2024: 1.9x), indicating sufficient short-term coverage despite the relatively high inventory component.

Total equity increased materially to €18.2m (Dec-24: €10.1m), supported by a €3.8m non-cash capital injection arising from the acquisition of Bella Sicilia from the UBO via a share-for-share exchange, alongside retained earnings and a €2.0m revaluation uplift. Total liabilities rose moderately to €39.4m (Dec-24: €36.6m), reflecting a rise in trade and other payables to €12.9m (Dec-24: €7.1m), with debt securities broadly stable at €20.0m, and partially offset by a marginal decline in bank borrowings at €3.6m (Dec-24: €5.4m).

The strengthened equity base translated into a notable improvement in leverage metrics, with Gearing 1 declining to 54.7% (FY2024: 71.2%), Gearing 2 to 68.4% (FY2024: 78.4%), and Gearing 3 (Net Debt/Total Equity) to 120.9% (FY2024: 247.1%). Similarly, Net Debt to EBITDA improved significantly to 8.3x (FY2024: 34.2x), reflecting both deleveraging and stronger operating performance. Interest coverage (EBITDA/Finance Costs) also improved to 2.4x (FY2024: 0.6x), indicating a stronger capacity to service debt, although cash-based coverage remains weak.

Looking ahead to FY2026, management forecasts total assets to increase to €59.8m, alongside a projected expansion in total equity to €19.0m. Deleveraging efforts are also expected to persist, with the Gearing 1 ratio further decreasing to 49.8%, and the Gearing 3 ratio (Net Debt/Total Equity) contracting to 99.1%, driven primarily by an improvement in cash balances.

## 2.6 Group's Statement of Cash Flows

Consolidated Statement of Cash Flows for the year ended 31 December	FY23A	FY24A	FY25A	FY26F
	€000s	€000s	€000s	€000s
<b><u>Operating activities</u></b>				
Profit (loss) before tax	(1,163)	(888)	2,413	2,144
Adjustments	1,618	1,616	344	1,834
Net changes in working capital	(2,163)	(1,145)	2,462	3,719
Taxes paid	(141)	(145)	(486)	(1,095)
<b>Net cash generated from (used in) operating activities</b>	<b>(1,850)</b>	<b>(562)</b>	<b>4,733</b>	<b>6,602</b>
<b><u>Investing activities</u></b>				
Acquisition of property, plant and equipment	(176)	(20)	(792)	(387)
Acquisition of intangible assets	-	-	(3)	-
<b>Net cash used in investing activities</b>	<b>(176)</b>	<b>(20)</b>	<b>(795)</b>	<b>(387)</b>
<b><u>Financing activities</u></b>				
Proceeds from bank borrowings / loans	2,101	1,478	299	11,320
Loans granted to related parties	(751)	(270)	-	-
Loan proceeds from related parties	995	-	-	-
Lease payments	-	-	-	(65)
Payment of bank borrowings / loans	(482)	(251)	(2,081)	(2,769)
Interest paid	(1,020)	(1,089)	(998)	(973)
<b>Net cash (used in) generated from financing activities</b>	<b>843</b>	<b>(132)</b>	<b>(2,780)</b>	<b>7,513</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,182)</b>	<b>(713)</b>	<b>1,159</b>	<b>13,728</b>
Cash and cash equivalents, beginning of the year	2,270	1,088	374	1,533
<b>Cash and cash equivalents, end of the year</b>	<b>1,088</b>	<b>374</b>	<b>1,533</b>	<b>15,261</b>
<b>Ratio Analysis</b>	<b>FY23A</b>	<b>FY24A</b>	<b>FY25A</b>	<b>FY26F</b>
<b><u>Cash Flow</u></b>				
Free Cash Flow (Net cash from operations – Capex)	(2,025)	(582)	3,941	6,215

The Group generated net cash from operating activities of €4.7m in FY2025, compared to an outflow of €562k in FY2024. This marked increase was driven by the return to profitability, favourable working capital movements of €2.5m and the operating cash contribution from the Group's property and care home activities, partly offset by taxation paid of €486k.

Investing cash outflows amounted to €795k and were mainly related to acquisitions of property, plant and equipment and intangible assets. Financing activities resulted in a net cash outflow of €2.8m, reflecting bank loan repayments of €2.1m and interest payment of €998k, partially offset by €299k of new bank borrowings. Overall, the Group's cash and cash equivalents increased by €1.2m during the year to €1.5m as at 31 December 2025.

Management forecasts a further improvement in liquidity during FY2026, with closing cash balances projected at €15.3m due to increased borrowings.

## 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<sup>1</sup>

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 fuelled 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.

### 3.2 Economic Outlook<sup>2</sup>

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.

<sup>1</sup> [Central Bank of Malta – Economic Update \(05/2026\)](#)

<sup>2</sup> [Central Bank of Malta – Forecast 2026-2028](#)

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 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.

### 3.3 Population Dynamics

#### Malta Population<sup>3</sup>

Between 2013 and 2024, Malta experienced sustained population growth, increasing from 428,156 residents to an estimated 574,250 by end-2024, representing overall growth of over 34%. This expansion continues to be largely driven by migration, particularly among foreign nationals. By 2024, non-Maltese citizens accounted for 29.4% of the total population, compared to significantly lower levels a decade earlier. In contrast, growth among Maltese nationals remained comparatively modest, reinforcing the increasing role of foreign workers in supporting population and labour force expansion.

Demographic trends indicate gradual ageing, although at a slower pace than in many EU countries. By 2024, 18.4% of the population was aged 65 and over, while 14.5% were under the age of 18, pointing to a continued shift towards an older population structure. The median age stood at approximately 39.8 years in 2024, remaining relatively stable over the past decade and below the EU average, reflecting the inflow of younger working-age migrants.<sup>4</sup>

Gender composition has also shifted, with males accounting for 53.1% of the total population in 2024, compared to a near-balanced distribution a decade earlier. This change is closely linked to migration dynamics, as a larger share of incoming workers are male.

Population density has continued to rise in line with population growth, reaching approximately 1,686 residents per km<sup>2</sup> in 2024, up from significantly lower levels a decade ago. The Northern Harbour district remains the most densely populated region, while Gozo and Comino continue to exhibit the lowest population density. At the locality level, urban areas such as Sliema, Pietà and Gżira remain among the most densely populated, reflecting strong urban concentration and housing demand.

#### European Context and Long-Term Outlook<sup>5</sup>

According to the European Commission's 2024 Ageing Report, the EU's demographic outlook is characterised by population stagnation followed by decline. The EU population is projected to increase slightly from 449 million to 453 million by 2026, before falling to approximately 432 million by 2070. This trend reflects declining fertility rates and increasing longevity across Member States.

<sup>3</sup> [NSO Malta | World Population Day: 11 July 2025 - NSO Malta](#)

<sup>4</sup> [Malta's median age is decreasing, bucking EU trend \(2025\)](#)

<sup>5</sup> [2024 Ageing Report. Economic and budgetary projections for the EU Member States \(2022-2070\)](#)

The report highlights a pronounced ageing trend, with the proportion of older individuals rising significantly over time. The old-age dependency ratio is expected to increase sharply, meaning fewer working-age individuals will support a growing elderly population. This demographic shift is expected to place sustained pressure on public finances, particularly in relation to pensions, healthcare, and long-term care systems.

Population trends are expected to vary across Member States. While several countries – particularly in Eastern and Southern Europe – are projected to experience population declines, others, including Malta, Luxembourg, Sweden, and Ireland, are expected to record population growth, especially in the earlier part of the projection period, largely driven by migration.

Overall, these developments highlight a key divergence between Malta and broader EU trends. While Malta faces similar structural challenges related to ageing and low fertility, continued reliance on migration is expected to remain a central factor sustaining population growth and labour supply, mitigating some of the more severe demographic pressures observed elsewhere in the EU.

### 3.4 Residential Property<sup>6</sup>

#### Residential Property Transactions – May 2026

In May 2026, residential property market activity remained broadly stable in volume terms but showed growth in overall value. A total of 1,157 final deeds of sale were registered, representing a 3.7% decrease compared to May 2025. Despite this decline, the total value of final deeds increased by 2.5% to €342.3 million, indicating higher average transaction values.

The majority of transactions continued to be driven by households, with 91.0% of final deeds involving individual buyers. These accounted for €282.3 million, or 82.5% of the total transaction value.

In terms of geographic distribution, the highest number of final deeds was recorded in San Pawl il-Baħar (98), followed by Birkirkara (68) and Marsaskala (51).

A total of 1,261 properties were transacted through final deeds during the month. Apartments (37.0%) and garages (23.3%) constituted the largest shares of properties sold.

#### Promise of Sale Agreements

The number of promise of sale agreements registered in May 2026 reached 1,316, marking a 4.4% decline compared to the same month in 2025. However, the total value of these agreements increased significantly by 29.2% to €604.0 million, suggesting stronger pre-contract pricing or higher-value properties entering the pipeline.

Individual prospective buyers accounted for 89.4% of promise of sale agreements, with the remainder largely involving companies.

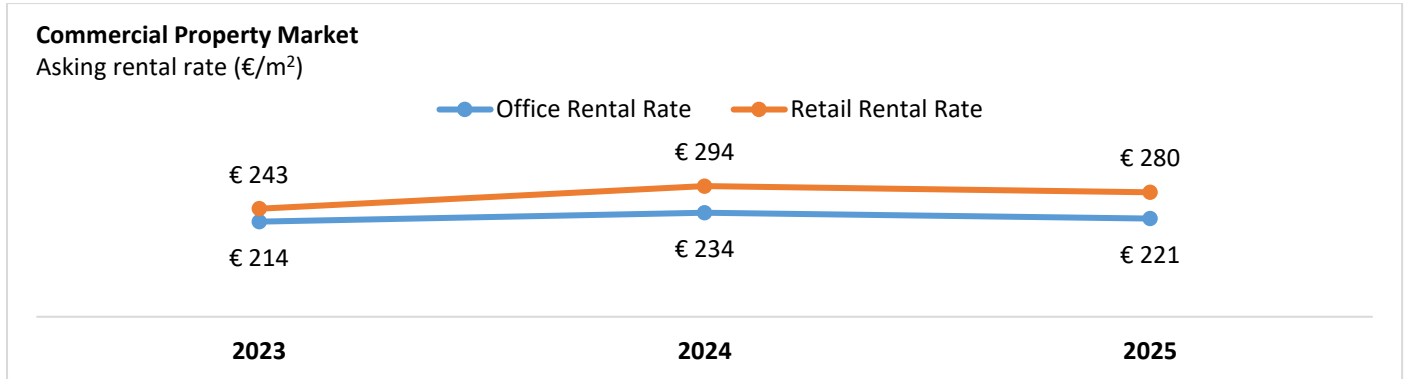
At the locality level, the highest numbers of agreements were recorded in San Pawl il-Baħar (88), Birkirkara (70), and Marsaskala (50).

Overall, while transaction volumes for both final deeds and promise of sale agreements showed moderate declines, the increase in total values points to a continued upward trend in property prices and market value.

<sup>6</sup> [NSO Malta | Residential Property Transactions: May 2026 \(release June 2026\)](#)

### 3.5 Commercial Property<sup>7</sup>

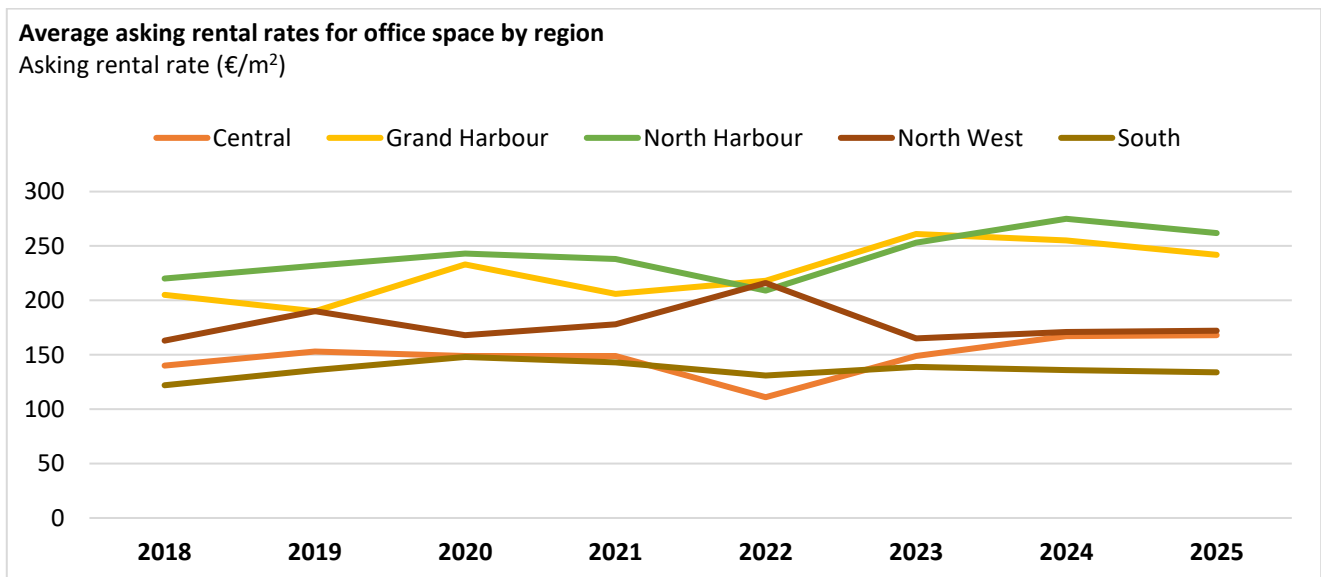
KPMG’s latest Construction Industry and Property Market Report 2025 reported that the majority of commercial property on the market is available on a rental basis rather than being offered for sale. In 2025, the average asking rental rates for office space was €221/m<sup>2</sup> in 2025, slightly down from €234/m<sup>2</sup> in 2024, while average asking rental rates for retail properties stood at €280/m<sup>2</sup>, down from €294/m<sup>2</sup> in 2024.



#### Office Space

KPMG noted that rental data for office space was consistent with the generally sluggish commercial environment highlighted by market participants during stakeholder consultations. Feedback suggested that market activity remained subdued, characterised by weak demand and limited transactional momentum, while also noting that advertised asking rents may not fully reflect the extent of negotiation that takes place in actual transactions, which given these market conditions may be expected to be substantial.

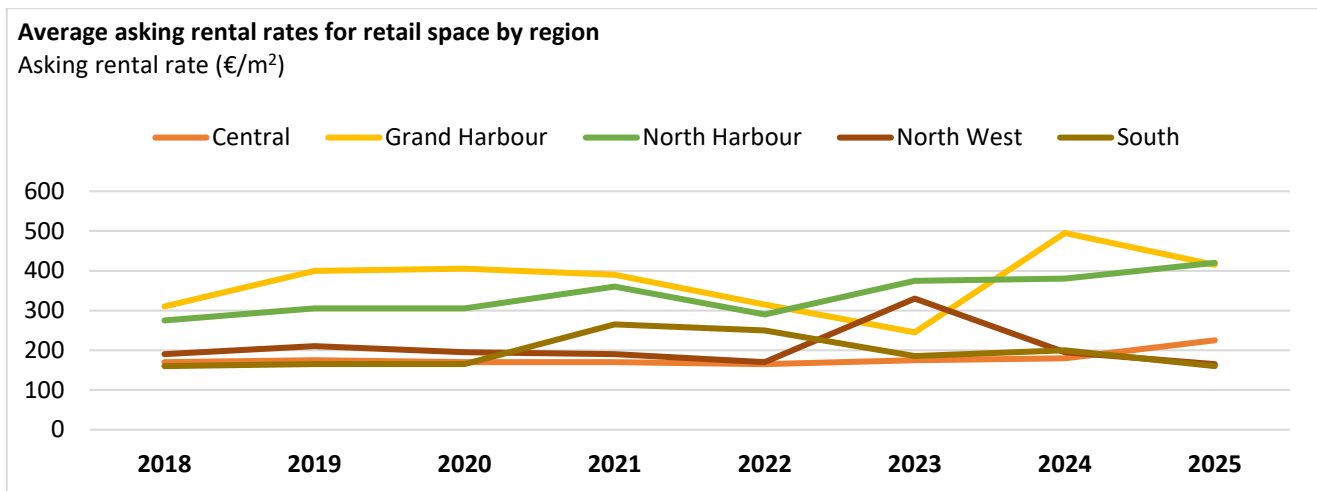
At regional level, office rental rates continued to vary materially. KPMG reported that the Central region recorded modest growth, reaching €168/m<sup>2</sup> (2024: €167), while the North Harbour region remained the highest-priced office location at €263/m<sup>2</sup>, while the Southern region remains the most affordable, with an average rate of €134/m<sup>2</sup>. Data for the Grand Harbour, North Harbour, and Southern regions resulted in declines in office rental rates of 5.7%, 4.2%, and 1.5%, respectively. Gozo has been excluded from this analysis due to an insufficient sample size to produce statistically meaningful results.



<sup>7</sup> KPMG – Construction Industry and Property Market Report 2025

## Retail Properties

Regarding retail properties for rent, the most pronounced increase in average rental rates was recorded in the North Harbour region, where average asking prices for retail space rose by 10.9% in 2025, reaching €422/m<sup>2</sup>. This development positions the North Harbour as the most expensive retail location. The Grand Harbour region ranks second, with an average rate of €414/m<sup>2</sup>, despite experiencing a decline of 16.1% compared to 2024. The North West and Southern regions remain the least expensive areas for retail space, at €164/m<sup>2</sup> and €161/m<sup>2</sup> respectively, both registering modest growth over the prior year. The declines observed across several regions are likely attributable to sample limitations within the previous year's dataset. As with earlier analyses, Gozo has been excluded due to an insufficient sample size to derive meaningful insights.



KPMG's analysis of property locations within its 2025 database indicates that the Northern Harbour region accounts for the highest proportion of office properties, representing 51.1% of all listings, followed by the Central region at 30.2%. In the case of retail properties, the North Harbour and Central regions similarly dominate the market, comprising 29.7% and 32.4% of total listings, respectively.

## 3.6 Tourism Update<sup>8</sup>

### Inbound Tourism – April 2026

Inbound tourism in April 2026 remained strong, with total arrivals estimated at 409,403, representing a 16.6% increase compared to April 2025. The vast majority of visitors travelled for leisure, with 383,664 tourists visiting for holiday purposes, while 20,724 arrivals were for business.

The largest proportion of tourists fell within the 25–44 age group (35%), followed closely by those aged 45–64 (34%). In terms of source markets, British, Italian, and Polish visitors collectively accounted for 45.9% of total arrivals.

Tourist activity also strengthened in terms of duration and accommodation. Total nights spent reached 2.1 million, up by 6.1% year-on-year, with 89.2% of stays occurring in rented accommodation establishments. The average length of stay stood at 5.2 nights.

Tourism expenditure continued to rise, with total spending estimated at €335.0 million, marking a 13.1% increase over April 2025. Average expenditure per night reached €157.2.

<sup>8</sup> [NSO Malta | Inbound Tourism: April 2026 \(release June 2026\)](#)

Additionally, 227,162 tourists visited Gozo and Comino, including both day-trippers and overnight visitors, accounting for 55.5% of total inbound tourists.

### **January–April 2026 Overview**

During the first four months of 2026, inbound tourism maintained a positive trajectory. Total arrivals reached 1,215,966, reflecting a 16.4% increase compared to the same period in 2025.

Total nights spent rose by 10.0% to 6.6 million, indicating sustained growth in tourism activity. Total expenditure amounted to €919.7 million, up 14.3% year-on-year, although per capita expenditure declined slightly to €756 from €770 in 2025, suggesting marginally lower spending per visitor.

Visits to Gozo and Comino remained significant, with 577,358 tourists, representing 47.5% of total inbound tourists, including both same-day and overnight visitors.

### 3.7 Comparative Analysis

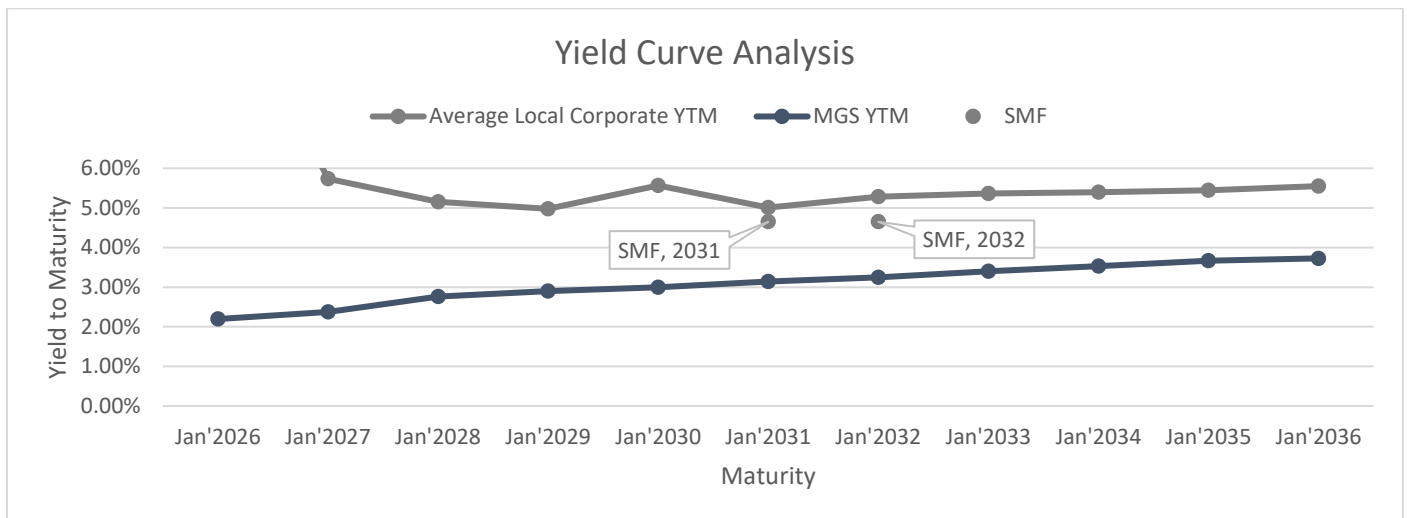
The purpose of the table below is to compare the debt issuance of the Issuer to other debt instruments. We have included different securities with a similar maturity as the debt securities of the Issuer. One must note that, given the material differences in profiles and industries, the risks associated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

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)	(%)	(%)	(%)
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%	2.7x	57.6	18.2	68.4%	54.7%	8.3x	2.1x	16.5%	19.0%	121.9%
3.65% IHI plc Unsecured € 2031	80,000	5.60%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
3.5% AX Real Estate plc Unsecured € 2032	40,000	4.63%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4.55% St Anthony Co plc Secured € 2032	15,500	5.06%	4.0x	69.7	26.8	61.6%	55.4%	7.2x	1.1x	3.6%	6.3%	9.1%
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	5.08%	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	4.21%	(.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	4.65%	2.7x	57.6	18.2	68.4%	54.7%	8.3x	2.1x	16.5%	19.0%	121.9%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	5.22%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.94%	0.3x	141.7	20.1	85.8%	83.8%	99.6x	0.5x	-58.3%	-143.4%	4.5%
6% Pharmicare Finance plc Unsecured € 2033	17,000	5.53%	0.9x	46.6	14.2	69.5%	61.2%	17.9x	1.5x	-14.0%	-17.1%	-1.4%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	5.25%	2.3x	41.8	18.2	56.4%	43.1%	9.5x	0.3x	1.4%	15.5%	17.4%
6% JD Capital plc Secured 2033 S2 T1	11,000	5.91%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5.85% AX Group plc Unsecured € 2033	40,000	5.34%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
6% International Hotel Investments plc 2033	60,000	5.90%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
<b>Average*</b>		<b>5.15%</b>										

Source: Latest available audited financial statements

Last price as at 26/06/2026

\*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 26 June 2026, the average spread over the MGS for corporates with a maturity range of 5-7 (2031-2033) years was 187 basis points. The 4.65% Smartcare Finance PLC Bonds 2031 are currently trading at a YTM of 469 basis points, meaning a spread of 155 basis points over the equivalent MGS. This means that this bond is trading at a discount of 46 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 140 basis points over the equivalent MGS. This means that this bond is trading at a discount of 50 basis points in comparison to the market.

## Part 4 Glossary and Definitions

<i>Income Statement</i>	
<b>Revenue</b>	Total revenue generated by the Group/Company from its principal business activities during the financial year.
<b>Costs</b>	Costs are expenses incurred by the Group/Company in the production of its revenue.
<b>EBITDA</b>	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
<b>EBIT (Operating Profit)</b>	EBIT is an abbreviation for earnings before interest and tax.
<b>Depreciation and Amortisation</b>	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.
<b>Net Finance Costs</b>	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
<b>Profit After Taxation</b>	The profit made by the Group/Company during the financial year net of any income taxes incurred.
<i>Profitability Ratios</i>	
<b>Growth in Revenue (YoY)</b>	This represents the growth in revenue when compared with previous financial year.
<b>Gross Profit Margin</b>	Gross profit as a percentage of total revenue.
<b>EBITDA Margin</b>	EBITDA as a percentage of total revenue.
<b>Operating (EBIT) Margin</b>	Operating margin is the EBIT as a percentage of total revenue.
<b>Net Margin</b>	Net income expressed as a percentage of total revenue.
<b>Return on Common Equity</b>	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).
<b>Return on Assets</b>	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
<i>Cash Flow Statement</i>	
<b>Cash Flow from Operating Activities (CFO)</b>	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
<b>Cash Flow from Investing Activities</b>	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
<b>Cash Flow from Financing Activities</b>	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
<b>Capex</b>	Represents the capital expenditure incurred by the Group/Company in a financial year.
<b>Free Cash Flows (FCF)</b>	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

<b>Total Assets</b>	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
<b>Non-Current Assets</b>	Assets, full value of which will not be realised within the forthcoming accounting year
<b>Current Assets</b>	Assets which are realisable within one year from the statement of financial position date.
<b>Inventory</b>	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
<b>Total Equity</b>	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
<b>Total Liabilities</b>	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
<b>Non-Current Liabilities</b>	Obligations which are due after more than one financial year.
<b>Current Liabilities</b>	Obligations which are due within one financial year.
<b>Total Debt</b>	All interest-bearing debt obligations inclusive of long and short-term debt.
<b>Net Debt</b>	Total debt of a Group/Company less any cash and cash equivalents.

### Financial Strength Ratios

<b>Current Ratio</b>	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.
<b>Quick Ratio (Acid Test Ratio)</b>	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.
<b>Interest Coverage Ratio</b>	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
<b>Gearing Ratio</b>	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
<b>Gearing Ratio Level 1</b>	Is calculated by dividing Net Debt by Net Debt and Total Equity.
<b>Gearing Ratio Level 2</b>	Is calculated by dividing Total Liabilities by Total Assets.
<b>Gearing Ratio Level 3</b>	Is calculated by dividing Net Debt by Total Equity.
<b>Net Debt / EBITDA</b>	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

### Other Definitions

<b>Yield to Maturity (YTM)</b>	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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