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The Board of Directors
Tumas Investments plc
Level 3,
Portomaso Business Tower,
Portomaso
St. Julian's STJ4011

24 June 2026

Dear Sirs,

Tumas Investments plc – Financial Analysis Summary Update 2026 (the **"Update FAS"**)

In accordance with your instructions and in line with the requirements of the Malta Financial Services Authority Listing Policies, we have compiled the Update FAS set out on the following pages, and which is being forwarded to you together with this letter.

The purpose of the Update FAS is that of summarising key financial data appertaining to Tumas Investments plc (the "**Company**" or "**TI**") and Spinola Development Company Limited (the "**Guarantor**", or "**SDC**"). The data is derived from various sources or is based on our own computations as follows:

(a) historic financial data for the three years ended 31 December 2023 to 2025 extracted from both the Company's and the Guarantor's audited statutory financial statements for the three years in question;
(b) the forecast data for the financial year ending 31 December 2026 has been extracted from the forecast financial information provided by the management of the Company and the Guarantor;
(c) our commentary on the results of the Company and Guarantor and on the respective financial positions has been based on the explanations provided by the Company and Guarantor;
(d) the ratios quoted in the Update FAS have been computed by us, applying the definitions as set out and defined within the Update FAS; and
(e) relevant financial data in respect of competitors as analysed in Part D has been extracted from public sources such as the web sites of the companies concerned, or financial statements filed with the Registrar of Companies.

The Update FAS is meant to assist potential investors by summarising the more important financial data of the Company and the Guarantor. The Update FAS does not contain all data that is relevant to potential investors and is meant to complement, and not replace, financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the securities of the Company and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,



Doreanne Caruana
Head of Corporate Advisory

FINANCIAL ANALYSIS SUMMARY

UPDATE 2026



Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as revised on 13 August 2021.

24 June 2026

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Important Information

Purpose of the Document

Tumas Investments plc (the "**Company**", "**TI**" or the "**Tumas Investments plc**") issued €25 million 3.75% Unsecured Bonds 2027 pursuant to a prospectus dated 10 July 2017.

The prospectus included a Financial Analysis Summary ("**FAS**") in line with the requirements of the Listing Policies dated 5 March 2013 and last revised on 13 August 2021. The purpose of this report is to provide an update to the FAS (the "**Update FAS**") on the performance and on the financial position of the Company and Spinola Development Company Limited (the "**Guarantor**" or "**SDC**").

Sources of Information

The information that is presented has been collated from a number of sources, including the Company's website (www.tumas.com), the audited Financial Statements for the years ended 31 December 2023, 2024 and 2025, and forecasts for financial year ending 31 December 2026 for both the Company and the Guarantor.

Forecasts that are included in this document have been prepared and approved for publication by the directors of the Company and Guarantor, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of euros, unless otherwise stated, and has been rounded to the nearest thousand.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

FAS dated 7 July 2014 (appended to the prospectus)

FAS dated 30 June 2015

FAS dated 28 June 2016

FAS dated 29 May 2017 (appended to the prospectus)

FAS dated 26 June 2018

FAS dated 28 June 2019

FAS dated 19 August 2020

FAS dated 30 June 2021

FAS dated 30 June 2022

FAS dated 28 June 2023

FAS dated 25 June 2024

FAS dated 26 June 2025

List of Abbreviations and Definitions

F&B	Food and beverages
Halland Developments Company Limited or HDCL	A subsidiary of Spinola Development Company Limited which owns the freehold title of the Halland site and adjoining land.
Halland site	The site in Ibragg (formerly Halland Aparthotel) earmarked for development.
Laguna Project	An extension to the Portomaso Complex on its east side which will include the building of 44 residential units.
Portomaso Complex or Portomaso or Complex	The Complex located in St Julian's set on a site owned by SDC comprising the Hilton Malta and its convention centre, the Portomaso Business Tower, residential apartments, a car park, a marina and commercial outlets.
Portomaso Leasing Company Limited or PLCL	A subsidiary of Spinola Development Company Limited which manages the leasing of the long-term commercial and office components the Portomaso Complex.
Premium Real Estate Investments Limited or PREIL	A subsidiary of Spinola Development Company Limited entrusted with acquiring property for investment purposes.
Tumas Group Company Limited or Tumas Group	A group of companies involved in various sectors including hospitality, leisure, tourism, property, automotive and port operations.

PART A BUSINESS & MARKET OVERVIEW UPDATE

1. INTRODUCTION

TUMAS INVESTMENTS PLC – THE ISSUER

Tumas Investments plc is a public limited liability company incorporated in Malta on 17 November 2000 to act as the financing arm of SDC. Given the Company's nature of activities, i.e. raising finance for on-lending to SDC, there is an inherent dependence on SDC's cash flows and operations.

Since 2000, the Issuer has tapped the local bond market six times. The first five bonds, issued in 2000, 2002, 2009, 2010 and 2014 respectively, have to date been redeemed. Meanwhile, the Issuer today has one outstanding bond, namely the €25 million 3.75% bonds maturing in 2027.

SPINOLA DEVELOPMENT COMPANY LTD – THE GUARANTOR

SDC was set up as a limited liability company in Malta on 10 May 1966 and was acquired by the Tumas Group in 1986 through Spinola Investments Limited. The business of SDC Group has, to date, comprised primarily of the development, management and operation of the Portomaso Complex situated in St Julian's and, as of recently, was undertaking the development of the ex-Halland site.

In 1994, the then Malta Hilton Hotel was completely demolished and rebuilt while also making way for the development of the Portomaso Complex. The land title was acquired by SDC from the Government of Malta and today the Guarantor benefits from freehold title of the site. For the purpose of management and administration of Portomaso, in 2004 SDC set up PLCL (a Maltese fully-owned subsidiary) to focus on the leasing activities within the Complex.

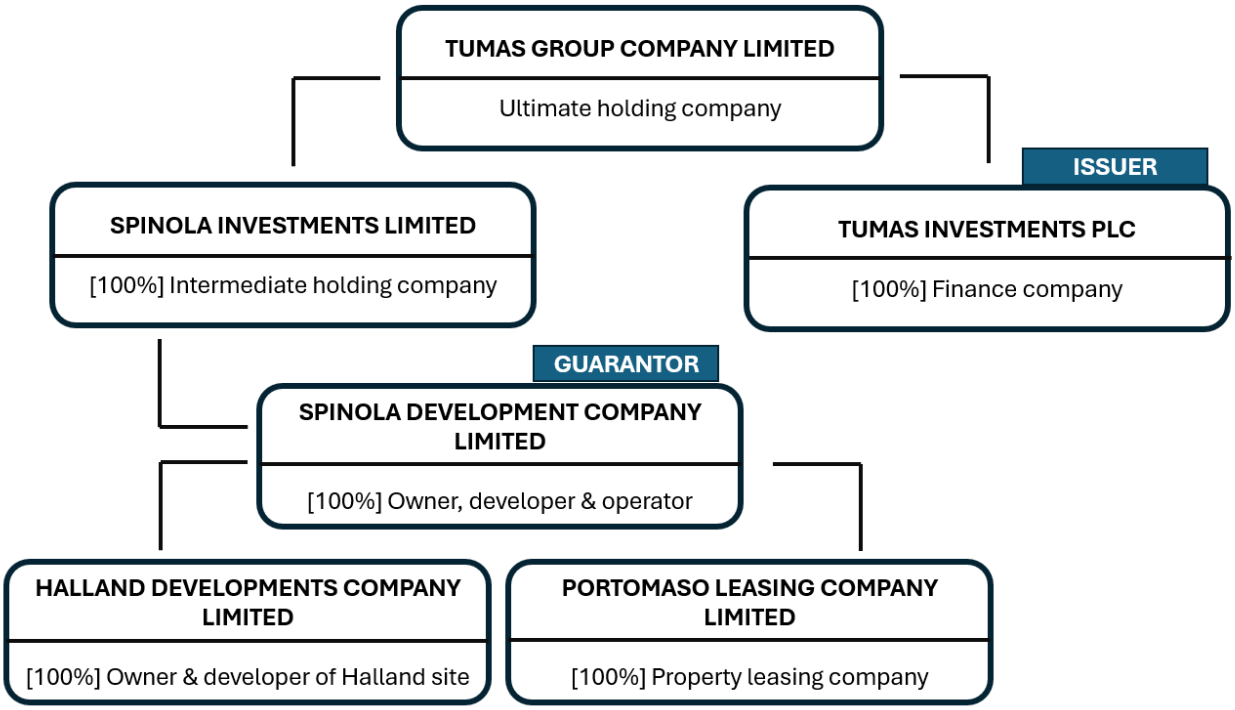
In 2024, PREIL was merged within SDC, and as such, the *dominium directum* on a sizeable portion of Portomaso properties is now held at SDC.

In 2009, HDCL (a Maltese fully-owned subsidiary) was set up with the main objective being that of acquiring the freehold title of the Halland site and the adjoining land from St Andrews Hotels Limited – a sister company within the Tumas Group. Construction works related with the development of the high-end residential complex were well underway in FY2025, although the company was forced to halt such works following a court judgement that revoked the

permits held – additional detail was communicated to the market in a Company Announcement – TUM140.

2. GROUP STRUCTURE

Both TI and SDC are wholly-owned subsidiaries of Tumas Group Company Limited – one of the largest and diversified private business groups in Malta. The Group, which is ultimately owned by members of the Fenech family, is primarily active in property development and leasing, hospitality, leisure gaming and energy. The position of the Issuer and the Guarantor within the Group is as per below:



SDC and its subsidiaries, as included above, are referred to as the "**SDC Group**" or "**Group**" hereinafter. In 2024, Premium Real Estates Limited (PREIL), which was a fully-owned subsidiary of SDC, was merged into SDC.

3. Directors and Senior Management

Directors of the Issuer

The directors of the Company are:

Mr Raymond Fenech	Chairman & Chief Executive Officer
Mr Raymond Sladden	Executive Director
Dr Michael Grech	Independent, Non-Executive Director
Mr Joseph Schembri	Independent, Non-Executive Director
Mr John Zarb	Independent, Non-Executive Director

The Company Secretary is Dr Katia Cachia.

Directors of the Guarantor

The directors of SDC are:

Mr Raymond Fenech	Chairman & Chief Executive Officer
Mr Emmanuel Fenech	Executive Director
Mr Raymond Sladden	Executive Director

The Company Secretary role is undertaken by Onyx Trustees Limited.

Senior Management of the Issuer

No employees are directly engaged by the Issuer as it entirely relies on the employees of the Guarantor and of the Tumas Group for its management and administration.

Senior Management of the Guarantor

The senior management of the Guarantor are the following:

Mr Raymond Fenech	Group - Chief Executive Officer
Mr Ian Bonello	Group - Chief Financial Officer
Mr Raymond Sladden	Head - Tumas Group Treasury
Mr Maurice Tabone	Sales and Marketing Director of SDC
Mr Richard Cuello	General Manager - Hilton Malta
Mr Gerald Debono	Tumas Group Architect
Mr Kevin Spiteri	Tumas Group Engineer
Ms Deborah Ciappara	Financial Controller
Mr Mark Caruana	Property Administrator

4. Update on Operations and Major Assets

4.1 The Issuer

As the financing arm of SDC, the Issuer's operations are inherently limited to that of raising finance for capital projects, advancing such funds to SDC. The borrowings of the Issuer are on-lent to SDC and are regulated through loan agreements that mirror the characteristics of the borrowings taken by TI, with an additional interest margin intended to cover the costs of the Company.

Major Assets - Issuer

TI's major asset is the outstanding loan receivable from SDC following the €25 million bond issue of 2017 which is due to mature in 2027.

In line with the Company's treasury management function for SDC, the Issuer employs any excess liquidity from the SDC Group to acquire financial assets on the local capital market in order to efficiently manage liquidity in times when interest rates (and thus returns on financial investments) were increasing.

MATERIAL CONTRACTS - ISSUER

As at the date of this FAS, the Company has one bond outstanding, with funds having been on-lent to SDC through the two contracts below:

Date of Agreement / Addendum	Amount	Maturity	Purpose	Interest Rate % p.a.	Financed by TI through
10 July 2017	€24,765,154	10 July 2027	Refinancing of existing borrowings	3.85	Bond Proceeds
6 September 2017	€234,846	10 July 2027	Refinancing of existing borrowings	3.85	Bond Proceeds

4.2 THE GUARANTOR

The principal activities of the Guarantor have to date been the development and operation of the Portomaso Complex and adjacent areas situated in St. Julian's. The Complex includes the Hilton Malta hotel and its conference centre, the Portomaso Business Tower, other office units, residential apartments, a marina, a car park and a number of commercial and catering outlets.

The operations of SDC are divided into four segments:

A. the hotel and its ancillary operations;

B. property development;

C. rental operations; and

D. complex management operations.

MAJOR ASSETS AND RECENT DEVELOPMENTS

Until May 2024, the Portomaso Marina was operated by the Group and formed part of the Hotel and Ancillary Operations (HAO) segment. As from June 2024, the Marina operations were rented out to a third party and as such, FY2025 reflected a full year with the Marina income forming part of the Rental Operations segment of the Group.

A. THE HOTEL AND ITS ANCILLARY OPERATIONS

This segment comprises the Hilton Malta, the conference centre and ancillary operations including the underground car park and the Twenty Two Club (a lounge bar on the twenty-second floor of the Portomaso Business Tower). As at the end of FY2025, the Guarantor's property, plant and equipment (PPE) had a carrying value of €143.2 million (FY2024: €143.7 million).

I) HILTON MALTA

The Hilton Malta is a five-star 413-room hotel, with modern conference facilities, a health centre, themed restaurants, a large indoor pool and a number of outside pools and beach club facilities. SDC has an operating agreement with Hilton International for the operation of the hotel under the Hilton brand, whereby Hilton International markets and manages the hotel and its adjacent conference centre as an integral part of its world-wide chain. This agreement, which had an initial term of 15 years was renewed for a further 20 years in 2013, effective from 1 January 2012.

During FY2025, SDC invested *circa* €4 million at the Hilton, covering upgrades in the plant-room, air-handling units, events areas, catering equipment and the conference centre.

II) PORTOMASO CAR PARK

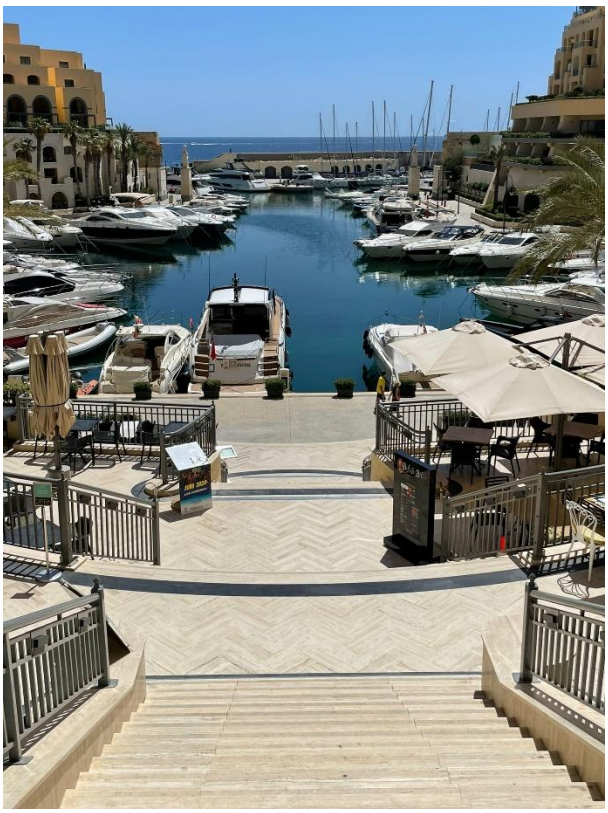
SDC operates underground public car parking facilities of *circa* 1,114 car spaces (excluded those sold for private use) with residents and tenants of the Business Tower having reserved areas for their exclusive use. This structure is ancillary to the hotel and contributes to this segment's returns, albeit to a much smaller scale. In FY2025, SDC concluded a number of small upgrade projects for a value of €2.8 million in some areas at the car park which were eventually leased out and now form part of the rental segment.

III) PORTOMASO MARINA

The Portomaso Marina has been in operation since 1999 and has a total capacity of approximately 130 berths. It offers a number of ancillary services to its tenants including

mooring assistance which is constantly provided on the quayside; security around the whole perimeter; water and electricity facilities and pump out facilities for wastewater and used oil.

As from June FY2024, the operations of the Portomaso Marina are being conducted by a third party under a management agreement and as such, has been moved out of the HAO segment and now form part of the Rental segment.



IV) TWENTY TWO CLUB

Twenty Two Club is a lounge bar located on the twenty-second floor of the Portomaso Business Tower. It opened its doors during the summer of 2006, providing evening entertainment attracting an exclusive customer base.

B. PROPERTY DEVELOPMENT

SDC has to date completed the development of *circa* 500 apartments within the Portomaso Complex including the Laguna units. Currently only two units remain in stock for sale, with one

of them being now subject to a promise of sale agreement, with the deed of sale expected to be entered into during the later part of FY2026.

In 2021, SDC's subsidiary, Halland Developments Co Ltd ("**HDCL**"), embarked on development works at the ex-Halland site. The Halland project was permitted to develop *circa* 68 residential units, parking facilities, other amenities and open landscaped areas, delivered in a sustainable state-of-the-art design that aims to meet the expectations of clients and stakeholders. Construction works progressed substantially during 2024 and 2025, however, earlier this year, the permit was revoked (as detailed in a company announcement issued by the Company on 17 February 2026 – TUM140), so works had to be halted. Subsequent to this, on the 30th of March 2026, Halland Developments Company Limited, as owner of the Halland Site and fully owned subsidiary of the Guarantor, entered into a promise of sale agreement with Tumas Group Company Limited for the transfer of the Halland Site at an amount that ensures that SDC will not incur any adverse financial impact as a result of the judgement. As also announced by the Issuer on 17 February 2026, the completion and sale of the Halland development do not feature in the Company's plans for the redemption of the bonds falling due in July 2027.

C. Rental Operations

SDC, through its subsidiary PLCL, leases out areas within the Business Tower (*circa* 3,313 square metres), the Marina (as from June 2024) and other commercial and office areas within the Complex (*circa* 11,800 square metres). At present, practically the entire leasable area within the Portomaso Complex is rented out. An area of 1,000 sqm which was refurbished into meeting and co-working facilities and has been put on the market in mid-2023 and is progressing satisfactorily.



D. Complex Management Operations

SDC has retained responsibility for the management and administration of the Portomaso Complex, and as such, this segment encompasses the management of the Portomaso Complex, including the landscaping, repairs and maintenance, cleaning and security of the common areas and the agency agreement relating to utilities. SDC receives a management fee in return for the performance of its functions and shares in some of the upkeep expenses as a tenant in its own right. All expenses approved by the condominium general meeting incurred by this segment were recharged to residential apartment owners, Portomaso's own operating units and commercial as well as office space owners. Certain individual cost items are exceptionally shared by SDC with the residents and tenants, primarily relating to certain upgrades necessary for the upkeep of the complex thus reflecting the Group's commitment towards Portomaso in order to retain the complex as a first class location.

MATERIAL CONTRACTS OF THE GUARANTOR

The following are considered to be material contracts that the Guarantor has in place:

I. HOTEL MANAGEMENT AGREEMENT WITH HILTON INTERNATIONAL

The management agreement that SDC has in place with Hilton International until 2031 did not change since the last FAS update of 2025.

II. LEASE AGREEMENTS

Most of SDC Group lease agreements with office and commercial tenants have a term of between one and five years. The lease agreements provide for renewal terms and periodic inflationary increments which are reflected in the FY2025 increase in leasing income. In addition, as from FY2024, within the lease commitments there is included the Marina management agreement. The minimum lease payments, which exclude inter-Group leases, were as per below over the historic financial period under review:

	FY2023 (A)	*FY2024 (A)*	*FY2025 (A)*
	€'000	*€'000*	*€'000*
Not Later than 1 year	2,148	4,855	5,063
Between 1 and 5 years	5,115	14,437	16,045
More than 5 years	3,724	7,987	11,332
Total	**10,987**	**27,279**	**32,439**

III. CAPITAL COMMITMENTS & CONTINGENCIES

The Guarantor is party to commitments of a capital nature in relation to contracted or upcoming works. As of 31 December 2025, the value of these commitments was €2.1 million (FY2024: €1.3 million). These commitments relate to the property development projects mainly at the Halland already referred to above.

As at the end of FY2025, the SDC Group had guarantees of €17.8 million (FY2024: €20.3 million) issued on behalf of other fellow subsidiaries' bank facilities. The guarantees are supported by general and special hypothecs over the Group's assets.

5. Market Overview

The Property Market

The construction and real estate sectors remain important contributors to the Maltese economy and continue to play a significant role in overall economic activity. The close correlation between economic growth, population expansion, and real estate demand has remained evident throughout recent years.

Commercial Property

Malta's commercial real estate market continued to evolve throughout 2025 amid changing workplace practices, sustained tourism growth and increasing focus on sustainability and operational efficiency.

- **Office Space:** Demand for high-quality office space in core commercial locations such as Valletta, Sliema, Gżira and St. Julian's remained relatively resilient, particularly for Grade A and refurbished office spaces offering modern amenities and energy-efficient features. Hybrid working arrangements, however, continue to moderate demand for older suburban office stock and secondary locations.
- **Retail Property:** Retail property performance continued to benefit from record tourism activity and increased consumer spending. Prime retail zones within Valletta, St. Julian's and key waterfront areas maintained relatively strong occupancy levels, while secondary suburban retail locations continued to face competitive pressures and higher vacancy levels.
- **Industrial and Logistics:** Industrial and logistics properties remain constrained by limited land availability and persistent demand from logistics, importation and distribution operators. Demand for warehousing and modern logistics facilities continues to support rental growth, particularly in established industrial zones such as Ħal Far and Marsa.
- **Hospitality:** The hospitality property segment continued to benefit strongly from record tourism arrivals during 2025. Investor interest in hotels, serviced apartments and tourism-related real estate remained robust, particularly in coastal and urban tourism centres. Sustainability-focused and experience-oriented hospitality concepts are also gaining increased market attention.

Sustainability and environmental performance are gradually becoming more prominent considerations within the local commercial real estate market. Developers and investors are increasingly incorporating energy efficiency, green building practices and ESG-related considerations into both new developments and refurbishment projects.

Sources:

Central Bank of Malta – Property Prices Index [link]

NSO – Residential Property Price Index (RPPI) – Q4 2025 [link]

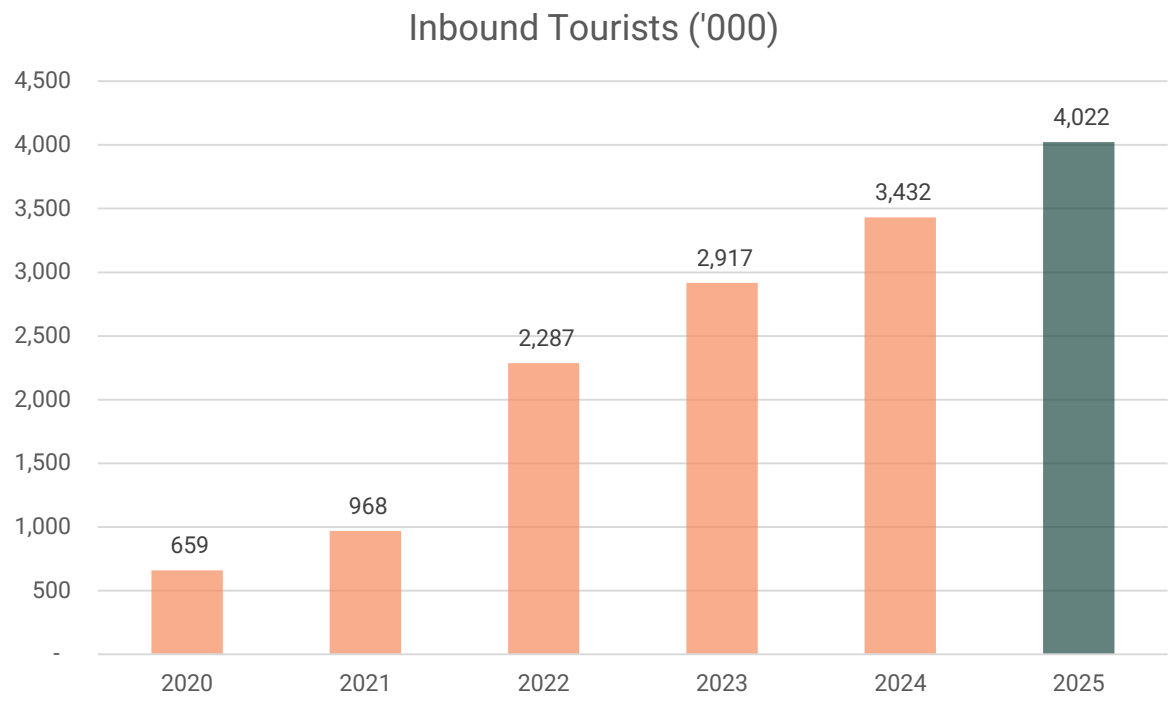
NSO – Residential Property Transactions – December 2025 [link]

QLC Real Estate Blog - "Malta Commercial Real Estate Market Update 2024 vs 2026" [link]

The Tourism Industry

Tourism remains one of the principal pillars of the Maltese economy and continues to register sustained growth, supported by increased air connectivity, strong demand from European markets, and Malta's expanding accommodation sector. The industry has now moved well beyond its post-pandemic recovery phase and entered a period of structural expansion, albeit with increasing concerns relating to infrastructure capacity, congestion and sustainability.

Inbound tourism continued to set new records during 2025. According to the National Statistics Office (NSO), Malta welcomed more than 4.0 million inbound tourists during 2025, representing an increase of 12.9% over 2024 levels. Total tourist expenditure during the year reached approximately €3.9 billion, while nights spent exceeded 25 million.



The strong momentum observed during 2025 has continued into 2026. During the first quarter of 2026, inbound tourism figures remained above prior-year levels, driven primarily by leisure travel from core European markets and continued demand for short-stay city and sun-and-sea breaks. Malta's tourism sector continues to benefit from year-round connectivity and the continued expansion of the short-let and serviced accommodation market.

At the same time, growing tourism volumes are increasingly placing pressure on transport infrastructure, utilities, waste management systems and popular tourism zones, particularly during peak summer months. Sustainability and carrying-capacity considerations are therefore becoming more prominent within public and industry discussions surrounding the future development of the sector.

Source: https://nso.gov.mt/tourism/

PART B FINANCIAL REVIEW

The following sections provide an overview of the historic financial information of the Company and the Guarantor over the past three financial periods ending 31 December 2025 and an outlook for financial year 2026.

All figures referred to in the following sections of the report have been extracted from the audited financial statements of the Issuer and/or Guarantor, as applicable, for the respective years and supported by management information as necessary, with the exception of ratios which have been calculated by Rizzo, Farrugia & Co (Stockbrokers) Limited. FYXXXX refers to the financial year ended 31 December XXXX.

6. COMPANY'S FINANCIAL REVIEW & FORECASTS

INCOME STATEMENT

	FY2023 (A)	FY2024 (A)	FY2025 (A)	FY2026 (F)
	€'000	*€'000*	*€'000*	*€'000*
Finance Income	2,884	2,006	1,089	1,111
Finance Costs	(2,605)	(1,801)	(961)	(981)
Net Interest Income	**279**	**205**	**128**	**130**
Administrative expenses	(149)	(138)	(115)	(125)
Profit before tax	**130**	**68**	**12**	**5**
Tax expense	(41)	(29)	(4)	(2)
Profit for the financial year	**89**	**39**	**8**	**3**

KEY RATIOS - ISSUER

	FY2023 (A)	FY2024 (A)	FY2024 (A)	FY2026 (F)
Net Income Margin *(Net interest income / finance income)*	9.67%	10.24%	11.72%	11.71%
Interest Cover *(Finance income / finance costs)*	1.11x	1.11x	1.13x	1.13x

Statement of Financial Position

	FY2023 (A)	FY2024 (A)	FY2025 (A)	FY2026 (F)
	€'000	*€'000*	*€'000*	*€'000*
Assets				
Non-Current Assets				
Loans and Receivables	25,000	25,000	25,000	-
Total Non-Current Assets	**25,000**	**25,000**	**25,000**	**-**
Current Assets				
Loans and Receivables	25,000	-	-	25,000
Trade and Other Receivables	1,186	1,764	1,696	1,735
Other Financial Assets at Amortised Cost	17,213	-	-	
Current Tax Assets	-	22	-	-
Cash and Cash Equivalents	1,341	-	2	5
Total Current Assets	**44,739**	**1,786**	**1,698**	**26,740**
Total Assets	**69,739**	**26,786**	**26,698**	**26,740**
Equity and Liabilities				
Capital and Reserves				
Share Capital	250	250	250	250
Retained Earnings	511	550	558	561
Total Equity	**761**	**800**	**808**	**811**
Non-Current Liabilities				
Borrowings	24,904	24,926	24,950	-
Total Non-Current Liabilities	**24,904**	**24,926**	**24,950**	**-**
Current Liabilities				
Borrowings	24,982	-	-	24,950
Trade and Other Payables	19,057	999	940	978
Current Tax Liability	37	61	-	-
Total Current Liabilities	**44,075**	**1,060**	**940**	**25,928**
Total Liabilities	**68,979**	**25,986**	**25,890**	**25,928**
Total Equity and Liabilities	**69,740**	**26,786**	**26,698**	**26,740**

Statement of Cash Flows

	FY2023 (A)	FY2024 (A)	FY2025 (A)	FY2026 (F)
	€'000	*€'000*	*€'000*	*€'000*
Net cash generated from / (used in) operating activities	252	360	(120)	46
Net cash (used in) / generated from investing activities	(5,873)	17,213	-	-
Net cash generated from / (used in) financing activities	3,042	(18,892)	100	(43)
	(2,578)	**(1,320)**	**(20)**	**3**
Cash and cash equivalents at beginning of year	3,920	1,341	22	2
Cash and cash equivalents at end of year	**1,341**	**22**	**2**	**5**

Analysis- FY2025

The objective of the Company is to serve as the Group's finance vehicle when raising funds through the capital market. While over the years, the Company has tapped the capital markets six times, there is only one bond that remains outstanding, of €25 million, which is redeemable in FY2027.

The statements presented above reflect this position, whereby the interest generated throughout FY2025 on the on-lent bond proceeds to SDC were used to pay bondholders and cover the administrative costs associated with running the Issuer as a public limited liability company.

The above is also reflected in the cash flows statement, given the limited objectives of the Company.

The statement of financial position shows an asset representing the receivables of the bond funds on-lent to SDC, and the bond as a liability, along with the accrued interests thereon (receivable and payable).

OUTLOOK - FY2026

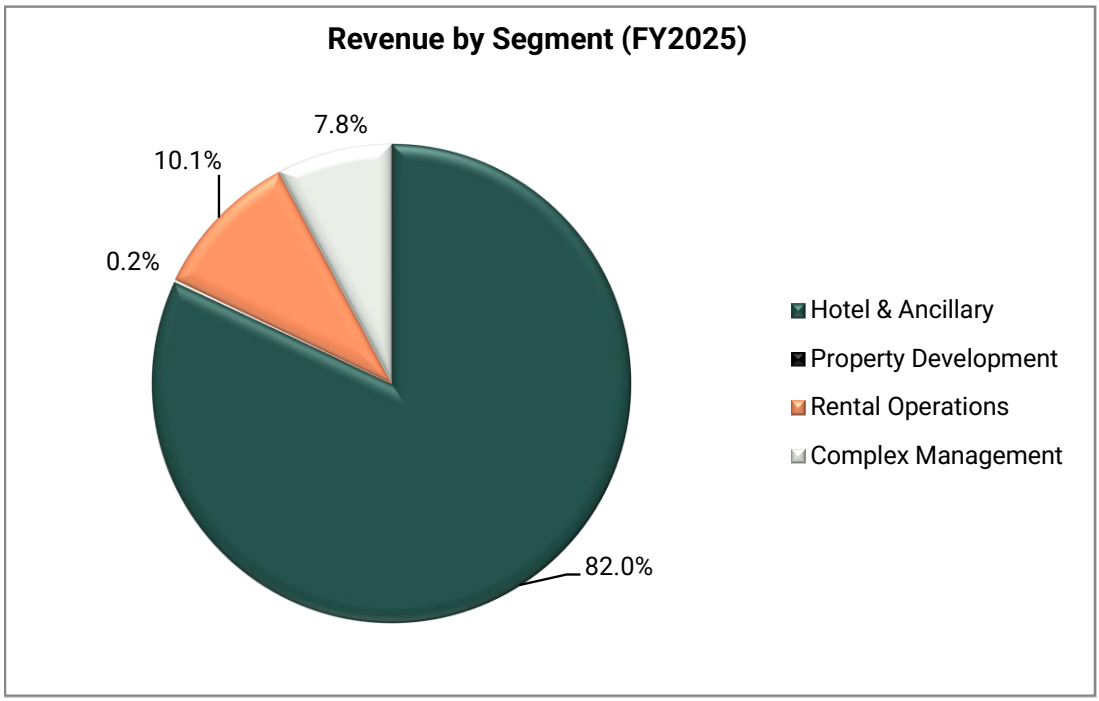
In FY2026, the objectives of the Company are not expected to change. The income statement will once again reflect the receipt and payment of interests related to the bond (and the loan given to SDC as explained above), as will the cash flows.

The statement of financial position for FY2026 will see a shift of the outstanding bond from non-current to current liabilities. Similarly, the receivable from SDC becomes a current asset in the statements of the Company as the bond approaches its redemption date in July 2027 in terms of the prospectus issued and dated 29 May 2017.

7. GUARANTOR'S FINANCIAL REVIEW & FORECASTS

SEGMENTAL ANALYSIS

As described in further detail in section 4.2 of this report, the operations of SDC are split into four main segments: hotel and ancillary operations, rental operations, property development and complex management.

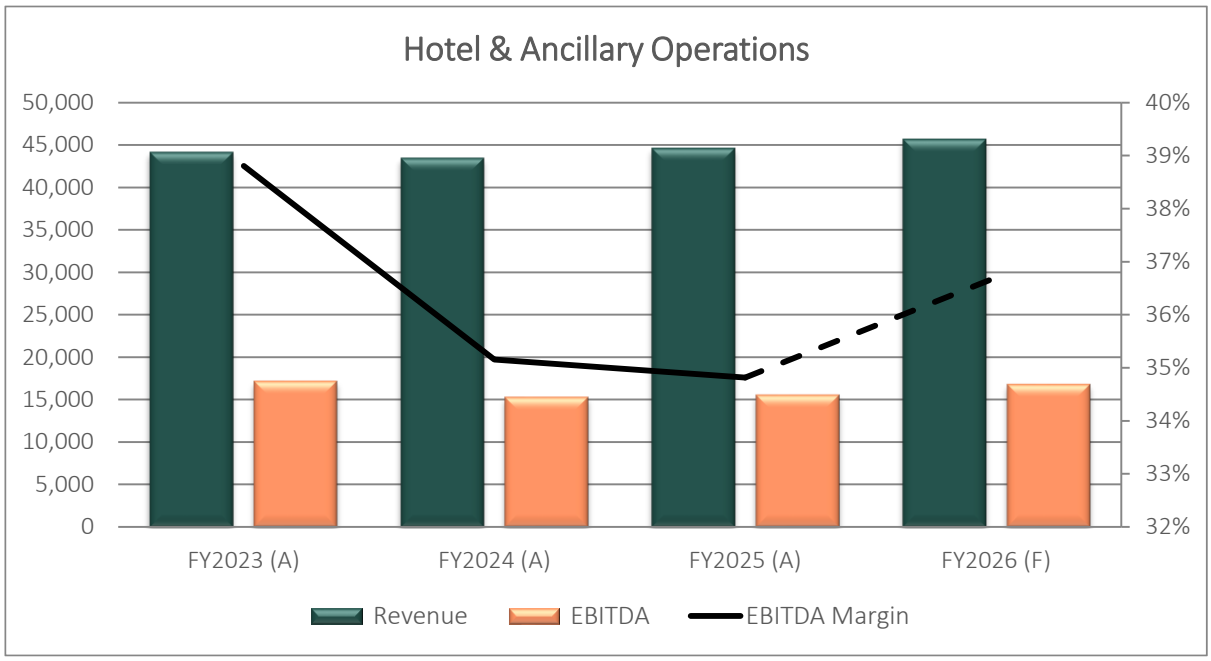


A. HOTEL AND ANCILLARY OPERATIONS (HAO)

The HAO segment remained the primary contributor to the Guarantor's revenue streams, accounting for approximately 82% of total revenue in FY2025. Revenue generated from hotel operations amounted to €44.6 million, representing a 2.7% increase compared to FY2024, reflecting sustained demand within Malta's tourism sector and continued operational resilience.

Hotel and Ancillary Operations	FY2025 (A)	FY2025 (F)	Variances *(% / p.p.)*	FY2026 (F)	Comparison to FY2025 (A) *(% / p.p.)*
Revenue	44,603	43,986	1.4%	45,672	2.4%
EBITDA	15,527	15,197	2.2%	16,781	8.1%
EBIDTA Margin	34.8%	34.5%		36.7%	+1.9 p.p.

The segment's performance remained broadly in line with expectations, with the Group benefiting from healthy occupancy levels and stable pricing dynamics.



Ancillary operations are reflective of the transfer of the Marina operations to a third party, with the related revenues being recognised under the Rental segment instead of HAO from June 2024 onwards. As such, comparisons with prior periods are affected by the change in revenue classification. Excluding this reclassification impact, the underlying performance of the HAO segment remained consistent with the forecast included in the previous FAS update.

Average annual occupancy levels continued to reflect the recovery achieved following the pandemic period, with FY2025 occupancy remaining supported by favourable tourism trends. The Maltese tourism industry continued to demonstrate resilience, supported by strong visitor arrivals and sustained demand for accommodation services. This provides a supportive backdrop for the Group's strategy of maintaining the Hilton hotel's positioning as one of Malta's leading hospitality offerings.

EBITDA for the HAO segment reached €15.5 million in FY2025, exceeding the previous forecast of €15.2 million by 2.2%, while the EBITDA margin improved marginally to 34.8% compared to the forecasted 34.5%. The improvement was mainly attributable to continued cost discipline and operational efficiencies, which partially offset ongoing inflationary pressures affecting the hospitality sector.

For FY2026, the Group is forecasting revenue of €45.7 million, representing a 2.4% increase over FY2025, with EBITDA expected to increase by 8.1% to €16.7 million. The EBITDA margin is projected to improve further to 36.7%, representing an increase of 1.9 percentage points compared to FY2025, reflecting expectations of continued operational efficiencies and improved cost management. Occupancy levels are forecast at approximately 80%, reflecting a normalisation following the strong recovery period while remaining supportive of stable hotel performance.

B. Rental Operations

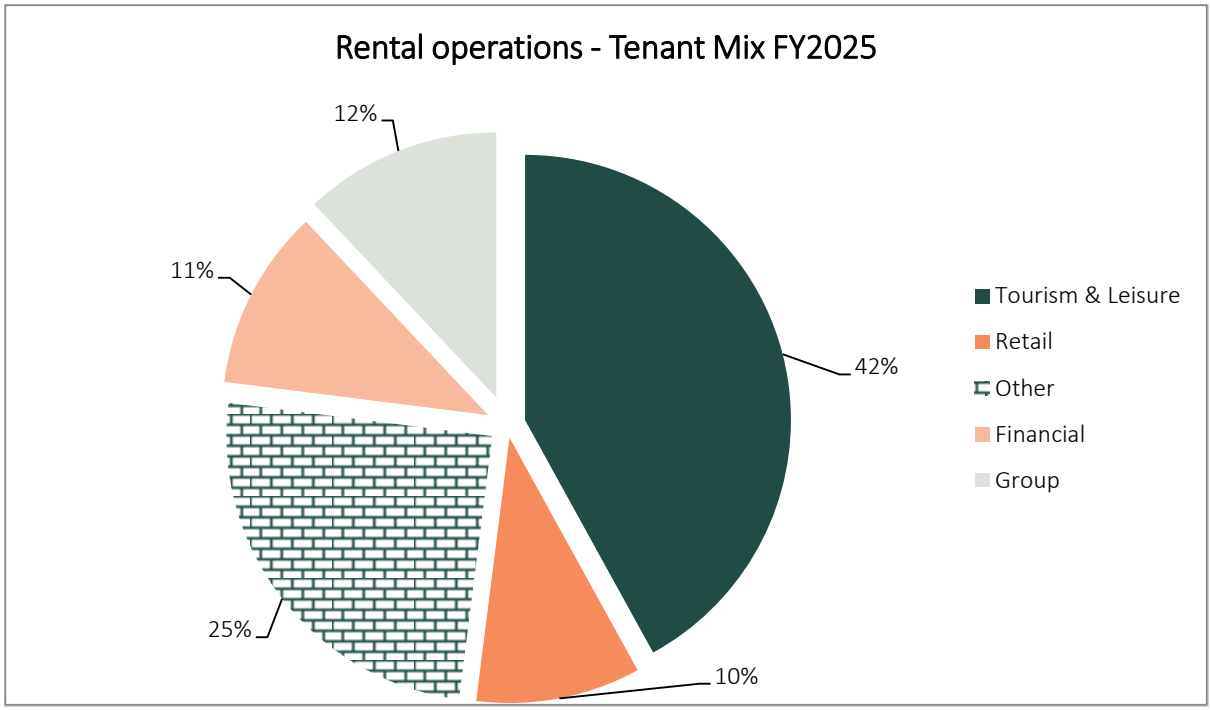
The segment continues to operate under a lean cost structure and remains a significant contributor to the Guarantor's profitability, consistently achieving high EBITDA margins. Following the transfer of the Marina operations to a third party in June 2024, the related income streams have been recognised under this segment through the marina management agreement.

Rental Operations	**FY2025 (A)**	**FY2025 (F)**	**Variances** *(% / p.p.)*	**FY2026 (F)**	**Comparison to FY2025 (A)** *(% / p.p.)*
Revenue	5,492	5,820	-5.6%	6,311	14.9%
EBITDA	4,883	5,090	-4.1%	5,549	13.6%
EBIDTA Margin	88.9%	87.5%		87.9%	-1.0 p.p.

Revenue generated by the Rental segment amounted to €5.5 million in FY2025, representing a marginal decrease of 4% compared to FY2024. The slight decline follows the strong growth achieved in FY2024, which benefited from the reclassification of Marina-related income and contracted inflationary increases in rental rates. Despite the marginal revenue decline, the segment continued to demonstrate strong operational performance, generating EBITDA of €4.9 million and maintaining a robust EBITDA margin of 88.9%.

Compared to the previous FAS forecast, FY2025 revenue and EBITDA were lower by 5.6% and 4.1%, respectively, mainly due to the delay of certain projects which came to fruition later than expected, as well as higher sales and marketing costs whose benefit will materialise in FY2026. Nevertheless, profitability remained strong, with margins broadly in line with expectations.

The tenant mix remained broadly diversified, comprising tourism and leisure operators, financial services, retail operators and intra-group users. The segment continues to benefit from the strategic positioning and attractiveness of the Portomaso Complex, supporting stable occupancy levels and resilient rental income generation.



For FY2026, the Group forecasts further growth in the Rental segment, with revenue expected to increase to €6.3 million, representing a 14.9% increase compared to FY2025. EBITDA is projected to reach €5.5 million, translating into an EBITDA margin of 87.9%, supported by the high-margin nature of the segment and expectations of improved operating efficiencies.

C. Complex Management

Revenue generated from Complex Management increased to €4.2 million in FY2025, representing a 13% increase compared to FY2024. The growth reflects higher condominium-

related charges associated with additional works undertaken across the complex. EBITDA remained modest at €0.4 million, with an EBITDA margin of 9.7%, consistent with the nature of the segment, where costs incurred are largely recharged to users of the complex.

Complex Management	**FY2025 (A)**	**FY2025 (F)**	**Variances** *(% / p.p.)*	**FY2026 (F)**	**Comparison to FY2025 (A)** *(% / p.p.)*
Revenue	4,225	5,224	-19.1%	5,148	21.8%
EBITDA	410	411	-0.3%	460	12.3%
EBIDTA Margin	9.7%	7.9%	-	8.9%	-0.8 p.p.

FY2025 performance was below the previous forecast, with revenue 19.1% lower than anticipated, mainly due to timing differences in planned works and related recharges. However, EBITDA remained broadly aligned with expectations, reflecting the pass-through nature of the segment's cost structure.

For FY2026, revenue is forecast to remain broadly stable at €5.1 million, representing a 21.8% increase compared to FY2025, while EBITDA is expected to improve to €0.5 million. The EBITDA margin is projected at 8.9%, reflecting the continued focus of the segment on maintaining and enhancing the Portomaso Complex rather than generating significant standalone profitability.

D. Property Development

The Property Development segment has historically generated revenue through the sale of residential and commercial units within Portomaso. Performance in this segment remains inherently volatile due to the timing of property sales, availability of stock and completion of new developments and at present the Group has limited stock available for sale within Portomaso.

Minimal revenue of €0.1 million was generated in FY2025 relating to the sale of some parking spaces, leading to an EBITDA loss of €0.03 million, primarily reflecting the limited revenue generated against ongoing costs.

Nevertheless, performance was ahead of the previous forecast, which had assumed no revenue during FY2025, although the contribution remained immaterial.

Property Development	FY2025 (A)	FY2025 (F)	Variances *(% / p.p.)*	FY2026 (F)	Comparison to FY2025 (A) *(% / p.p.)*
Revenue	95	-	n/a	1,100	1057.9%
EBITDA	(27)	(139)	-80.6%	258	-1053.6%
EBIDTA Margin	-28.5%	n/a	-	23.5%	n/a

For FY2026, revenue is forecast at €1.1 million, reflecting the sale of one of the two remaining apartments, which as at the date of this Update FAS, is under a promise of sale agreement. EBITDA is projected at €0.3 million, resulting in an EBITDA margin of 23.5%.

7.1 Income Statement - Consolidated Analysis

	FY2023 (A)	*FY2024 (A)*	*FY2025 (A)*	*FY2026 (F)*
	€'000	*€'000*	*€'000*	*€'000*
Revenue	52,097	52,903	54,416	58,231
HAO	*44,112*	*43,431*	*44,603*	*45,672*
Property Development	*198*	*-*	*95*	*1,100*
Rental	*4,517*	*5,740*	*5,492*	*6,311*
Complex Mgmt	*3,270*	*3,732*	*4,225*	*5,148*
Direct Costs and Administrative Expenses	(30,751)	(32,074)	(33,633)	(35,183)
EBITDA	**21,346**	**20,830**	**20,783**	**23,048**
Depreciation	(5,419)	(5,572)	(5,492)	(6,266)
EBIT (Operating Profit)	**15,927**	**15,258**	**15,290**	**16,781**
Finance Income	518	862	548	244
Finance Costs	(2,840)	(2,566)	(1,834)	(1,323)
Profit before Tax	**13,605**	**13,554**	**14,005**	**15,702**
Tax Expense	(4,161)	(4,075)	(4,390)	(4,479)
Profit for the Year	**9,444**	**9,479**	**9,615**	**11,223**

FY2025 was a year of normal operations for the Guarantor.

SDC's total revenue for FY2025 amounted to €54.4 million, representing a 3% increase compared to FY2024 and 4% growth compared to FY2023. The increase was primarily driven by the hotel and ancillary operations (HAO) segment, which recorded a 3% year-on-year increase to €44.6 million, supported by continued recovery in tourism activity and improved operational performance. Revenue from the complex management segment was also higher, at €4.2 million, while the rental segment remained broadly stable at €5.5 million. The performance of the property development segment reflected the limited availability of properties for sale.

Profitability remained broadly stable, with EBITDA amounting to €20.8 million, marginally below the €20.9 million recorded in FY2024, as revenue growth was offset by higher direct costs and administrative expenses. Consequently, EBIT remained largely unchanged at €15.3 million. However, the reduction in finance costs, reflecting lower debt servicing requirements, supported a stronger bottom-line performance, with profit for the year increasing to €9.6 million compared to €9.5 million in FY2024.

FORECAST - FY2026

For FY2026, the Group is forecasting continued growth in its financial performance, with total revenue expected to reach €58.2 million, representing an increase of approximately 7% compared to FY2025. Growth is expected to be supported primarily by the HAO segment, together with higher contributions from the Rental and Property Development segments.

The HAO segment is expected to remain the Group's main revenue contributor, generating €45.7 million in revenue, which assume an average hotel occupancy level of approximately 80%. The forecast also incorporates expected growth from ancillary operations, including an increase in car park tariffs and continued contribution from Twenty Two Club operations based on FY2025 performance. The segment is expected to maintain its resilience, supported by continued demand within Malta's hospitality sector.

The Rental segment is forecast to generate €6.3 million in revenue, reflecting growth of approximately 15% compared to FY2025. The increase is expected to be driven by contracted rental increases, contribution from newly leased areas, as well as a marginal contractual increase in the Marina management fee. The segment is expected to continue benefiting from its low operating cost base and strong margin profile.

Revenue from Complex Management is forecast at €5.1 million, reflecting continued activity related to the upkeep and enhancement of the Portomaso Complex. The forecast includes several planned projects and improvements, acquisition of operational equipment and other maintenance-related initiatives. While these projects support the continued positioning of Portomaso as a premium development, this segment remains primarily focused on cost recovery rather than profitability generation.

As mentioned earlier, the Property Development segment is expected to contribute €1.1 million in FY2026, mainly reflecting the sale of one of the two remaining apartments.

Overall profitability is expected to remain strong, with EBITDA forecast at €23.0 million, representing an improvement compared to FY2025, supported by revenue growth and operational efficiencies. Direct costs and administrative expenses are forecast to increase to €35.2 million, broadly in line with the increase in business activity and revenue generation. After depreciation of €6.3 million, reflecting the impact of capital additions and projects, EBIT is expected to amount to €16.8 million.

Finance costs are projected to reduce further to €1.3 million, reflecting the Group's current financing structure while finance income is expected at €0.2 million, based on returns

generated from the Group's investment initiatives. Consequently, profit before tax is forecast at €15.7 million, with profit for the year expected to reach €11.2 million.

VARIANCES FY2025

A variance analysis of the respective segments has been included in the section below. The majority of the figures that were forecast in last year's FAS were largely aligned with what was achieved in FY2025, and as such the variances were minimal, either in percentage terms or in absolute terms.

	FY2025 (F) *€'000*	***FY2025 (A)*** *€'000*	*Variance*
Revenue	55,030	54,416	*-1.1%*
HAO	*43,986*	44,603	*1.4%*
Property Development	*-*	95	*n/a*
Rental	*5,820*	5,492	*-5.6%*
Complex Mgmt	*5,224*	4,225	*-19.1%*
Direct Costs and Administrative Expenses	(34,471)	(33,633)	*-2.4%*
EBITDA	**20,559**	20,783	*1.1%*
Depreciation	(6,123)	(5,492)	*-10.3%*
EBIT (Operating Profit)	**14,436**	15,290	*5.9%*
Finance Income	1,004	548	*-45.4%*
Finance Costs	(1,335)	(1,834)	*37.3%*
Profit before Tax	**14,105**	14,005	*-0.7%*
Tax Expense	(4,106)	(4,390)	*6.9%*
Profit for the Year	**9,998**	9,615	*-3.8%*

During FY2025, SDC recorded revenue of €54.4 million, which was just 1.1% below the forecast included in the previous FAS update. Direct costs and administrative expenses were lower than forecast by €0.8 million, contributing positively to EBITDA, which reached €20.8 million compared to the forecast of €20.6 million. Depreciation was also lower than anticipated, mainly due to the timing of capital additions, resulting in EBIT exceeding forecast by €0.9 million.

Despite the slight shortfall at revenue level, operational performance remained resilient.

Finance income was lower than forecast by €0.5 million, reflecting an overestimation of revenue at budget stage. Conversely, finance costs were €0.5 million higher than forecast, primarily due to unbudgeted facility fees and higher bank charges mainly related to the hospitality operation.

At the bottom-line level, profit before tax was broadly in line with forecast, with the actual result of €14.0 million being €0.1 million lower than anticipated. However, profit after tax was below expectations by €0.4 million, mainly due to a higher tax charge compared to the assumption included in the previous report.

7.2 Statement of Cash Flows

	FY2023 (A) *€'000*	*FY2024 (A)* *€'000*	*FY2025 (A)* *€'000*	*FY2026 (F)* *€'000*
Net cash generated from operating activities	6,659	24,924	7,911	11,033
Net cash used in investing activities	(11,588)	(14,787)	(3,700)	(11,456)
Free Cash Flow	**(4,929)**	**10,138**	**4,211**	**(423)**
Net cash used in financing activities	(3,215)	(13,908)	(430)	(474)
Net movements in cash and cash equivalents	**(8,143)**	**(3,770)**	**3,780**	**(897)**
Cash and cash equivalents at beginning of year	15,471	7,328	3,557	7,338
Cash and cash equivalents at end of year	**7,328**	**3,557**	**7,338**	**6,441**

FY2025 Review

The Group generated €7.9 million in net cash from operating activities during FY2025, reflecting the continued resilience of the underlying operations and the positive financial performance achieved during the year. The cash generation from operations was supported by the strong contribution from the HAO segment, together with the stable cash flows generated from the Rental and Complex Management segments.

Cash outflows attributable to investing activities amounted to €3.7 million against outflows of €14.8 million in 2024 which translates into a favourable movement of €11.1 million, mainly reflecting a €13.6 million movement in the investment of treasury bills whereby €3.2 million were sold in 2025 compared to the purchase of €10.5 million in FY2024. Purchases of property, plant, equipment and investment property resulted in an adverse variance of €2.5 million as €6.9 million were invested during FY2025 against €4.3 million in FY2024.

Financing activities resulted in a net cash outflow of €0.4 million, primarily relating to scheduled debt repayments, dividend payments and the recovery of funds from other group entities. As a result, the Group recorded a net increase in cash and cash equivalents of €3.8 million during the year, with cash balances increasing from €3.6 million at the beginning of FY2025 to €7.3 million at year end.

Forecast - FY2026

For FY2026, the Group is expected to continue generating positive cash flows from operations, with net cash generated from operating activities forecast at €11.0 million. Operating cash generation is expected to be supported by the Group's forecast profitability, including the continued contribution from the HAO and Rental segments, together with cash flows generated from property development activity. This is after taking into account interest and tax payments of €5.8 million.

Cash flows from investing activities are forecast to result in a net outflow of €11.5 million, primarily reflecting continued investment in PPE, and improvements and planned capital expenditure. The Group also expects to continue managing its excess liquidity through investments in treasury bills.

Financing activities are expected to remain broadly neutral, with a net cash outflow of €0.5 million mainly relating to scheduled repayments of bank borrowings and preference dividend payments. No additional bank borrowings are assumed at SDC level.

Overall, FY2026 is expected to result in a modest net decrease in cash and cash equivalents of approximately €0.9 million, following the planned investment programme and treasury bill allocations. Cash balances are therefore forecast to remain at a healthy level of approximately €6.4 million at year end, supporting the Group's ongoing operational requirements and investment commitments.

7.3 Statement of Financial Position

	FY2023 (A)	*FY2024 (A)*	*FY2025 (A)*	*FY2026 (F)*
	€'000	*€'000*	*€'000*	*€'000*
Assets				
Non-Current Assets				
Property, Plant & Equipment	147,367	143,709	143,210	148,206
Investment Property	14,778	17,113	18,982	19,126
Trade & Other Receivables	2,550	1,947	2,765	2,202
Total Non-Current Assets	**164,696**	**162,769**	**164,956**	**169,534**
Current Assets				
Inventories	31,452	36,398	37,403	38,223
Trade & Other Receivables	25,429	10,191	14,684	15,247
Other Financial Assets at Amortised Costs	11,766	22,212	19,049	23,543
Current Tax Assets				-
Cash & Cash Equivalents	7,328	3,858	7,466	6,441
Total Current Assets	**75,975**	**72,659**	**78,601**	**83,454**
Total Assets	**240,671**	**235,428**	**243,557**	**252,988**
Equity & Liabilities				
Capital & Reserves				
Share Capital	13,653	13,653	13,653	13,653
Revaluation Reserve	86,234	85,409	84,583	83,758
Retained Earnings	47,021	55,111	61,338	71,520
Total Equity	**146,909**	**154,173**	**159,574**	**168,931**
Non-Current Liabilities				
Borrowings	24,941	35,362	33,761	8,413
Trade & Other Payables	-	1,250	7,305	879
Deferred Tax Liabilities	25,765	25,121	24,164	24,557
Total Non-Current Liabilities	**50,706**	**61,733**	**65,230**	**33,849**

Current Liabilities				
Borrowings	24,986	1,347	1,336	26,407
Trade & Other Payables	14,129	16,397	17,340	23,187
Current Taxation	3,942	1,778	77	615
Total Current Liabilities	**43,057**	**19,522**	**18,753**	**50,209**
Total Liabilities	**93,762**	**81,255**	**83,983**	**84,057**
Total Equity & Liabilities	**240,671**	**235,428**	**243,557**	**252,988**

FY2025 Review

SDC's total assets increased from €235.4 million in FY2024 to €243.6 million in FY2025, driven mainly by growth in current assets and continued development activity across the Group's property portfolio.

Non-current assets remained broadly stable at €165.0 million, with PPE holding steady at €143.2 million – this includes a €4 million capex at the Hilton in relation to upgrades at the plant room, air-handling units, events areas, catering equipment and the conference centre, net of depreciation charge. The Group also invested a further €2.8 million in refurbishment of its investment property which is leased out.

Current assets increased over the year, with inventories rising to €37.4 million, driven by capitalisation of construction works at the Halland site. Trade and other receivables increased to €14.7 million, reflecting mainly an increase of amounts owed by the parent and fellow companies. Financial assets at amortised cost together with cash and cash equivalents remained relatively stable as these stood at €26.5 million at the end of FY2025 against €26.1 at the end of FY2024.

Total liabilities remained broadly flat at €84.0 million, with no significant shift in the composition thereof. While borrowings were lower, as explained in further detail below, current trade and other payables increased to €17.3 million, in line with higher business activity and ongoing projects.

Equity increased to €159.6 million (FY2024: €154.2 million), driven by retained earnings growth from FY2025 profitability, net of dividend distributions.

SDC's Funding Analysis

SDC's total borrowings decreased from €36.7 million in FY2024 to €35.1 million in FY2025, reflecting continued repayments, with no material change in the Group's overall debt structure.

	FY2023 (A) *€'000*	*FY2024 (A)* *€'000*	*FY2025 (A)* *€'000*	*FY2026 (F)* *€'000*
Total Borrowings	49,927	36,708	35,097	34,820
Less Cash & Cash Equivalents	(7,328)	(3,858)	(7,466)	(6,441)
Less T-Bills*	(11,766)	(22,212)	(19,049)	(23,543)
Less SDC Group Treasury Funds**	(19,142)	1,090	(4,565)	935
Net Borrowings (A)	**11,691**	**11,728**	**4,017**	**5,771**
Reported Equity (B)	146,909	154,173	159,574	168,931
Gearing Ratio (A / A+B)	**7.4%**	**7.1%**	**2.5%**	**3.3%**
FV Adjusted Equity (C)	173,368	187,342	195,704	204,931
Adjusted Gearing Ratio (A / A+C)	**6.3%**	**5.9%**	**2.0%**	**2.7%**

**These are T-bills and other A-rated government debt securities outstanding at the end of the financial year, which are liquid and very short-term in nature, and which as such, can be considered as cash equivalents.*

***The amounts quoted for SDC Treasury Funds relate to funds extended by the SDC Group to companies outside the said Group (where the amount is negative) or received (where the amount is positive).*

Financial assets at amortised cost together with cash and cash equivalents remained relatively stable as these stood at €26.5 million at the end of FY2025 against €26.1 million at the end of FY2024. The Group maintains an active treasury function through holdings in short-term government securities (T-bills and other A-rated sovereign instruments) reflecting periodic reinvestment and partial utilisation of liquidity in line with business requirements.

Overall, net borrowings declined significantly from €11.7 million in FY2024 to €4.0 million by the end of FY2025.

Taking into account the financial assets held by SDC in its treasury management function and the level of cash balances held and expected to be held by the end of FY2026, SDC continues to be well positioned to meet the €25 million bond redemption due in FY2027. The Group's portfolio of T-bills, together with cash balances, provides a strong and readily realisable liquidity buffer, with total liquid resources broadly aligned with the redemption requirement. Given the short-term nature and high credit quality of these instruments, these balances are considered highly transferable and capable of being mobilised efficiently within the Group's treasury structure, ensuring that the Group retains sufficient financial capacity to meet the bond maturity in an orderly manner.

Forecast - FY2026

Further to the above assessment of the Group's borrowing structure and liquidity position for FY2026, total assets are expected to increase further to €253.0 million driven by continued business activity.

Equity is forecast to increase to €168.9 million, driven by continued earnings accumulation.

7.4 Related Party Transactions

All companies forming part of the Tumas Group are considered related parties in view of the common controlling party. Related party transactions are carried out at arm's length between TI and SDC, as well as transactions between SDC and other companies within the Tumas Group.

Starting from FY2023 but more prominently in FY2024 and FY2025, SDC played a key role in the management of the treasury function for the SDC Group, as it aimed to maximise the use of available funds within the group and minimise (external) financing costs. It had arrangements with a number of fellow companies within the SDC Group and Tumas Group, as explained above, whereby any excess funds available at SDC were on-lent to said companies, thereby reducing the finance costs for the overall Tumas Group accordingly.

Furthermore, SDC regularly enters into trading transactions with fellow subsidiaries and associates within the Tumas Group in its normal course of business. Such transactions being conducted include rental charges, management fees, recharging of expenses and financing charges.

	FY2025 (A)	**FY2024 (A)**
	€'000	*€'000*
Amounts owed to related parties	2,703	2,720
Amounts owed by related parties	9,851	2,828

7.5 Ratio Analysis

The below are key ratios applicable to the SDC Group:

	FY2023 (A)	*FY2024 (A)*	*FY2025 (A)*	*FY2026 (F)*
Net Profit Margin *(Net Profit / Revenue)*	18.1%	17.9%	17.7%	19.3%
EBITDA Margin *(EBITDA / Revenue)*	41.0%	39.4%	38.2%	39.6%
Return on Assets *(Profit before Tax / Average Assets)*	5.8%	5.7%	5.8%	6.3%
Return on Equity *(Profit for the Period / Average Equity)*	6.6%	6.3%	6.1%	6.8%
Return on Capital Employed *(Profit for the Period / Average Capital Employed)*	4.9%	4.9%	5.0%	5.6%
Net Debt / EBITDA	0.5x	0.6x	0.2x	0.3x
Gearing Ratio *(Total Borrowings / Equity + Borrowings)*	25.8%	19.6%	18.3%	17.5%
Gearing Ratio (2) *(Net Borrowings / Equity + Net Borrowings)*	0.08x	0.07x	0.02x	0.03x
Gearing Ratio (3) *(Net Borrowings / Average FV adjusted Equity + Net Borrowings)*	6.3%	5.9%	2.0%	2.7%
Current Ratio *(Current Assets / Current Liabilities)*	1.8x	3.7x	4.2x	1.7x
Cash Ratio *(Cash & Equivalents / Current Liabilities)*	0.2x	0.2x	0.4x	0.1x
Interest Cover Ratio *(EBITDA / Net Finance Cost)*	9.2x	12.2x	16.2x	21.4x

** The figure for Net Borrowings (also referred to as Net Borrowings) includes SDC Group Treasury Funds and funds invested by SDC in liquid money market instruments, as explained above.*

*** Excluding the Group treasury funds*

In FY2025, SDC continued to demonstrate a stable operating performance profile, with profitability ratios remaining broadly resilient reflecting the normalised level of operations experienced in FY2025.

Net profit margin and EBITDA margin remained broadly stable in FY2025, with only a slight moderation to 17.7% and 38.2% respectively (FY2024: 17.9% and 39.4%), reflecting minor fluctuations in cost absorption while overall profitability remained resilient.

Return on assets was stable at 5.8%, while return on equity eased slightly to 6.1% (FY2024: 6.3%), reflecting marginally lower margins and a higher equity base. Return on capital employed remained broadly unchanged at 5.0%, indicating stable capital efficiency.

Gearing indicators improved further during the year, with net debt to EBITDA reducing to 0.2x (FY2024: 0.6x), reflecting lower net borrowings and steady earnings. The gearing ratio declined slightly to 18.3%, while net gearing reduced materially to 2.0%, supported by strong liquidity buffers.

Liquidity ratios strengthened modestly, with the current ratio increasing to 4.2x (FY2024: 3.7x) and the cash ratio improving to 0.4x, driven by higher liquid assets and a stable short-term liability profile.

Interest cover continued to improve to 16.2x (FY2024: 12.2x), reflecting stable operating performance and lower finance costs.

In FY2026, SDC's key financial ratios are expected to remain broadly stable to slightly improving overall, with profitability indicators showing a modest recovery as margins and returns trend higher on the back of normalised operating performance and continued earnings generation. Leverage metrics are projected to remain very low, reflecting stable borrowings and a strengthening equity base, while liquidity ratios are reflective of the utilisation of cash and financial assets within ongoing treasury activities rather than any deterioration in underlying liquidity strength. At the same time, interest coverage is expected to strengthen further, supported by resilient EBITDA and contained finance costs, reinforcing the Group's continued strong debt servicing capacity and conservative overall financial risk profile.

PART C COMPARATIVES

The table below compares the outstanding bond of TI and SDC's financial metrics (as the guarantor to the TI bond) to those of a few other companies which have debt securities listed on the Malta Stock Exchange and maturing in the same years as the TI bond (or their respective guarantors). It is to be noted, however, that there are significant differences in the business models of each of the listed companies being compared below and an exact match to the operations and business of the Issuer and Guarantor is not available. Thus, while the metrics below can be used as a gauge of SDC's financial standing when compared to other issuers listed locally, they do not capture the qualitative factors such as the different business models of each issuer, their competitive position in the market, KPIs, etc. The list below compares the outstanding bond of TI to a few other issuers which have comparable maturities. Such list is not exhaustive.

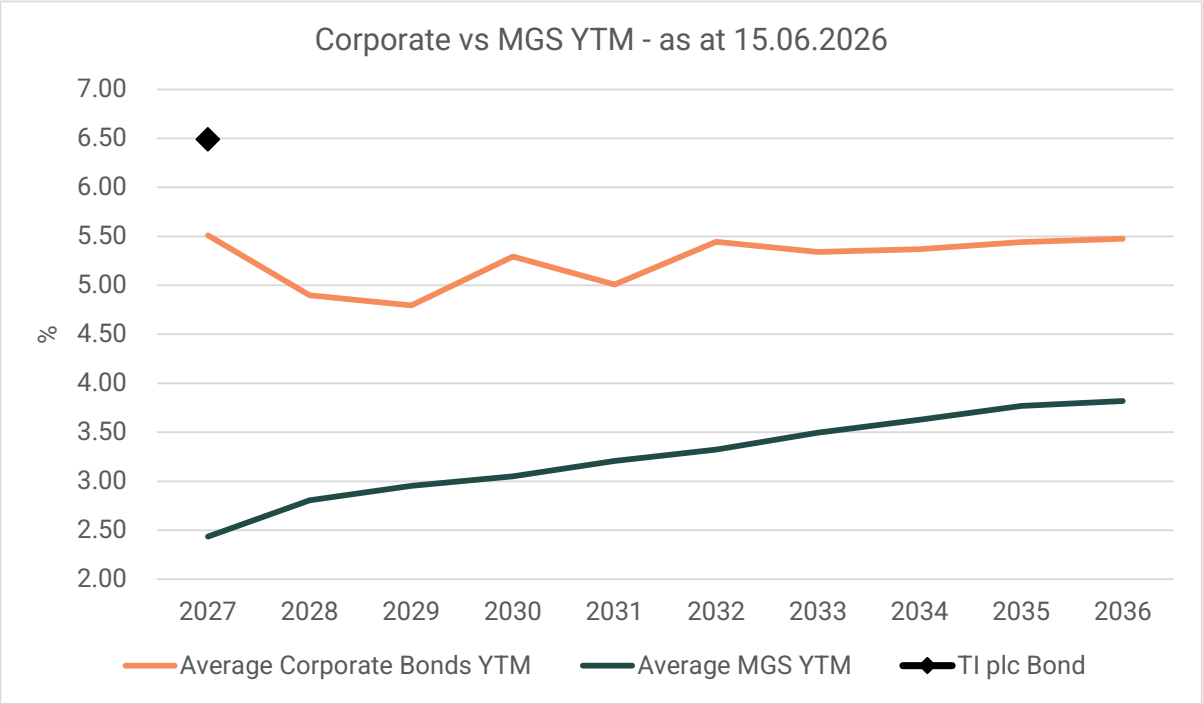
	Outstanding Amounts *(€)*	**Gearing Ratio** *(%)^*	**Net Debt to EBIDTA** *(times)*	**Interest Cover** *(times)*	**YTM (as at 15.06.2026)** *%*
3.75% Tumas Investments plc 2027	**25,000,000**	**14.8%^^**	**1.3x^^**	**16.2x**	**6.49%**
3.50% Simonds Farsons Cisk plc 2027	20,000,000	10.2%	0.7x	29.0x	4.12%
4.00% Eden Finance plc 2027	40,000,000	26.3%	5.7x	4.0x	4.58%
3.75% Virtu Finance plc 2027	25,000,000	31.0%	1.1x	9.4x	4.97%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 15 June 2026. Ratio workings and financial information quoted have been based on the issuers' and their guarantors where applicable, from published financial data for the financial year 2025.

^Gearing: Net Debt / (Net Debt + Total Equity)

*^^ Excludes SDC Group Treasury Funds. If SDC Group Treasury Funds are included the Gearing Ratio would be **2.0%** and Net Debt to EBITDA would amount to **0.2 times.***

The chart below shows the average yield to maturity of the TI 2027 bonds compared to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as of 15 June 2026.



The Company's 2027 bond is currently yielding 6.49% representing a 97-basis points premium to the equivalent average corporate bonds' yield to maturity for 2027 maturities and at a 405-basis points premium over the average MGS yield to maturity for 2027 maturities.

PART D GLOSSARY

Income Statement Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
EBIT	Earnings before interest and tax.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.

Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-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.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Free Cash Flow (FCF)	FCF represent the amount of cash remaining from operations after deducting capital expenditure requirements.

Profitability Ratios

EBITDA Margin	EBITDA as a percentage of total revenue.

Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing net profit by capital employed.
Return on Assets	Return on assets (ROA) measures the rate of return on the assets of the company. This is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.

Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

Other Definitions

Yield to Maturity	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.