Annex III · **Financial Analysis Summary**

The Directors
AGB Finance p.l.c.
Hacienda Office, Nathalie Poutiatin Tabone Street,
Sliema, SLM 1870,
Malta

29 August 2025

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to the Issuer and the Guarantor.

The data is derived from various sources or is based on our own computations as follows:

a) Historical financial data for the three years ending 31 December 2022, 2023 and 2024 has been extracted from the audited financial statements of the Guarantor.

b) The forecast data for the financial years 2025 to 2026 has been provided by management.

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

d) 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 websites of the companies concerned or financial statements filed with the Registrar of Companies.

e) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Company and is meant to complement, and not replace, the contents of the full prospectus.

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,

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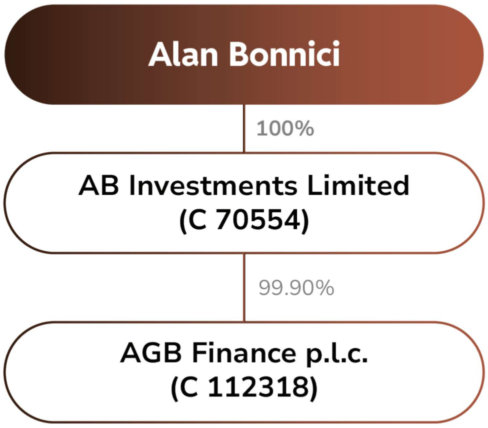
Part 1 · **Information about the Group**

1.1 Group's Key Activities and Structure



The company intends to issue secured bonds amounting to approximately €25 million (the "**Bond**"). The Bond will be issued through AGB Finance p.l.c. (the "**Issuer**"), a Special Purpose Vehicle ("SPV") that will be wholly owned by AB Investments.

AB Investments Limited (the "Guarantor"), bearing company registration number C 70554, was incorporated on 13 May 2015. The Guarantor's registered office is situated Hacienda Office, Nathalie Poutiatin Tabone Street, Sliema, SLM 1870, Malta. Together, AB Investments Limited and AGB Finance p.l.c. shall be referred to as (the "**Bond Group**" or the "**Group**").

The issued share capital of AB Investments comprises 10,183,526 ordinary shares of €1 each, all of which are issued and fully paid up. Mr. Alan Bonnici, the ultimate beneficial owner ("**UBO**"), holds 100% of the shareholding and also serves as both Director and Company Secretary of the Guarantor.

RESTRUCTURING :

Strategic Overview

In anticipation of the Bond issue, the Bond Group undertook a comprehensive corporate restructuring aimed at streamlining asset ownership, improving liquidity, and optimising the Group's capital structure. The restructuring involved the transfer of selected assets from AGB Holdings Limited — a company incorporated under the laws of Malta with registration number C 76725 — to AB Investments. Simultaneously, non-core assets held by AB Investments were transferred to AGB Holdings Limited.

This reorganisation was designed to align the ownership framework with the Group's long-term strategic objectives and to better support its funding requirements for ongoing and future real estate developments.

Post-Restructuring Group Structure

Following the restructuring process, the Group is composed of the following entities:

i. The Guarantor: Serves as the parent company and holds the Group's key property assets. It also acts as a holding company with full ownership and control over the Issuer. The Guarantor is a single-member entity, entirely owned and controlled by the Group's ultimate beneficial owner, Mr. Alan Bonnici.
ii. The Issuer: A special purpose vehicle with no significant operating assets, established solely for the purpose of raising finance on behalf of the Group. The Issuer will serve as the vehicle through which the Group will fund existing and future property-related investments, enabling it to capitalise on emerging market opportunities.

The Group's primary business activity, conducted through the Guarantor, is the acquisition, development, and leasing of immovable property across multiple sectors, including the hospitality and tourism industry, as well as the commercial and residential markets.

Capitalisation

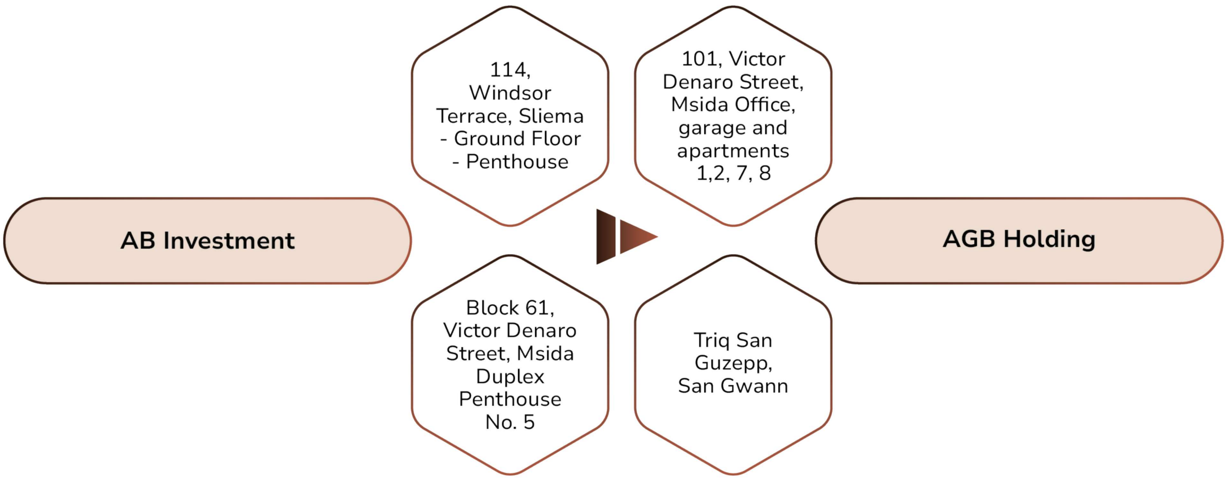
As part of the restructuring exercise:

The properties transferred by AGB Holdings Limited to AB Investments were assigned a total value of €12,780,000.

In parallel, AB Investments transferred certain non-core properties to AGB Holdings Limited at an aggregate adjusted value of €3,820,000.

Subsequently, AB Investments, AGB Holdings Limited, and Mr. Alan Bonnici entered into an assignment agreement whereby each company transferred its receivables from the other to Mr. Bonnici in consideration of the respective amounts owed. The parties further agreed to a mutual set-off of receivables to the extent of the lower balance. As a result, the outstanding debt of €8,182,326 due by AB Investments to Mr. Bonnici was capitalised through the issuance of 8,182,326 fully paid-up ordinary shares of €1 each by AB Investments in favour of Mr. Bonnici.

Transfer of Non-Core Assets from AB Investments to the AGB Holdings Limited



Transfer of Core Assets from AGB Holdings Limited to the Bond Group

1.2 Major Assets owned by the Group Post-Restructuring

The primary business operations of the Group are anticipated to revolve around the acquisition, development, and long-term retention of immovable property, with the objective of generating recurring rental income. These activities are principally focused within the commercial and residential real estate sectors.

The Guarantor's current portfolio of principal investments and ongoing development projects includes the following assets:

G HOTEL – ST. JULIANS

The G Hotel is a completed three-star hotel situated at 52, Triq San Ġorġ, St. Julian's, constructed on a site measuring approximately 110 square metres. The property spans 11 floors and comprises 25 guest rooms. The ground and first floors accommodate the entrance lobby, reception area, and an eatery, while the remaining nine floors house the guest rooms—typically three rooms per floor, with the top level featuring additional terracing.

The development was granted planning approval under permit PA/6765/16 in 2017. The hotel is currently leased to third-party operators pursuant to a lease agreement dated 1 June 2022. Originally executed by AGB Holdings Limited as lessor, the agreement was subsequently assigned to the Guarantor following its acquisition of the property from AGB Holdings Limited.

- Valuation as at date of restructuring: €6,800,000.

CORKS HOTEL – ST. JULIANS

Corks Hotel is a planned three-star hotel development to be constructed on a site measuring approximately 142 square metres at 56, Triq San Ġorġ, St. Julian's, directly adjacent to the G Hotel. The finished development will comprise 34 rooms across 11 floors. The ground and first floors will feature a reception area and an eatery, while the remaining levels will accommodate guest rooms—primarily four per floor, with the uppermost level also including terrace space.

The project received planning approval in 2021 through permit PA/1466/19. In 2024, a subsequent permit (PA/05611/24) was obtained for the demolition and reconstruction of a Class 4D restaurant situated at basement and ground floor levels, which will lie beneath the hotel. This restaurant—currently leased under temporary emphyteusis to third parties—will be operated independently of the hotel. The demolition and rebuilding are intended to provide the necessary structural foundations for the hotel development above.

- Valuation as at date of restructuring: €3,500,000.

GZIRA HOTEL – GZIRA

This development project involves the construction of a three-star hotel over a site measuring approximately 270 square metres, located at 14, 15, 16, 17, and 17A, Msida Road, Gżira. The hotel is currently under construction and, once completed, will consist of 34 rooms spread across nine floors. The ground floor will host a reception and an eatery, while the upper floors will accommodate guest rooms. The top level will include a multi-purpose hall, terracing, and a rooftop pool.

Planning permission for the project was granted in 2021 through permit PA/01139/19.

- Valuation as at date of restructuring: €6,400,000

GZIRA COMMERCIAL OUTLETS – GZIRA

This property comprises two adjacent, fully completed commercial outlets with a combined footprint of approximately 300 square metres. The outlets have frontage on two different roads—one located at 'Jungle Joy', Msida Road, Gżira, and the other at 'Chef Choice', Triq ix-Xatt, Gżira.

These outlets were developed on the former site of the "Auto Sales Showroom" and underwent substantial alterations, including the establishment of a new Class 4D outlet, approved under planning permit PA/03603/15 in 2016. Currently:

The 'Jungle Joy' premises are leased to third parties and operated as a restaurant.

The 'Chef Choice' premises are also leased to third parties and operated as a butcher-style retail shop.

- Valuation as at date of restructuring: €2,480,000

SLIEMA DEVELOPMENT – SLIEMA

This project concerns a proposed real estate development over a site measuring approximately 141 square metres, located at 80 and 80A, Sqaq il-Fawwara, Sliema. The site, including the existing buildings, is still legally owned by third parties. However, the Guarantor has entered into a promise of sale agreement dated 5 August 2024 for the conditional purchase of the site, subject to the successful granting of full development permits and other stipulated terms.

- Agreed purchase price: €1,900,000
- Permit application submitted: PA/8500/24 (currently under review)
- Promise of sale valid until: 30 November 2025

MISRAH IL-BARRIERI MSIDA DEVELOPMENT – MSIDA

This completed residential development, situated at 'Cantera Mansions', Misraħ il-Barrieri Street, Msida, stands on a site measuring approximately 260 square metres. The block consists of a ground-floor garage accommodating five car spaces and 12 overlying residential units, including two penthouses spread across six upper levels.

The development was approved under planning permit PA/04848/21 in 2021. It is nearing completion, with units already subject to preliminary sale agreements with third-party buyers.

The underlying site was acquired via a notarial deed executed on 20 September 2022. Ownership of the development is held in equal undivided shares by the Guarantor and DMC Holdings Limited (C 97511), a third-party entity unrelated to the Group.

- Acquisition price of the property: €750,560

1.3 Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the following persons constitute the board of directors of the Issuer:

Name	Office Designation
Mr Alan Bonnici	Executive Director and Group CEO
Dr Sam Abela	Non-executive Director and Chairman
Dr Michael Sciriha	Independent non-executive Director
Mr Arthur Gauci	Independent non-executive Director

The business address of the Directors is at the registered office of the Issuer.

The board of the Issuer is composed of four directors who are entrusted with its overall direction and management. The executive directors are in charge of the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

Board of Directors - Guarantor

Name	Office Designation
Mr Alan Bonnici	Executive Director and Group CEO
Mr Colin Bowman	Non-Executive Director
Dr Sam Abela	Non-Executive Director

The business address of the directors of the Guarantor is at the registered office of the Guarantor.

1.4 Use of Proceeds

The prospective secured Bond programme is structured to be issued in two tranches, with Tranche I targeting proceeds of €16.3 million, and Tranche II aiming to raise a further €8.7 million, for an aggregate total of €25.0 million. The primary objective of this funding initiative is to support the Bond Group's broader strategic goals, including expansion, financial restructuring, and the advancement of corporate growth initiatives.

This Financial Analysis Summary has been prepared specifically in relation to Tranche I of the proposed Bond issuance. The net proceeds from the issue of Tranche I Bonds—estimated at €15,975,000 after deducting expenses—will be on-lent by the Issuer to the Guarantor through a loan facility denominated Issuer–Guarantor Loan / Tranche I, Series I.

The Guarantor will utilise the proceeds of this loan in accordance with the priorities and estimated allocations outlined below:

- **Re-financing of Existing Bank Facilities:**

  An amount of approximately **€3,300,000** will be allocated to refinance existing bank loans owed by the Guarantor to **APS Bank p.l.c.** These bank loans were originally obtained to fund the acquisition and/or development of the Guarantor's property portfolio. The facilities being refinanced are secured, in part, by **Bank Security Interests** over the same **Secured Assets** that will secure the Bonds;

- **Development and Finishing of Corks Hotel:**

  Approximately **€3,500,000** will be applied towards the development and completion of the **Corks Hotel** project in St. Julian's, a key asset owned by the Guarantor.

- **Completion of Gżira Hotel (Phase I)**

  An estimated **€3,800,000** will be used to finance the finishing works of the **first phase of the Gżira Hotel**, which currently comprises nine completed structural levels in shell form.

- **General Corporate Purposes**

  The remaining balance—approximately **€5,375,000**, will be allocated towards the **general corporate funding requirements** of the Group. These may include working capital needs, operational expenses, or investment in future development opportunities aligned with the Group's long-term strategy;

Part 2 · **Historical Performance and Forecasts**

The Issuer was recently incorporated for the purposes of the proposed bond issuance and, as such, does not have any historical financial information available. Accordingly, the financial analysis presented herein is based solely on projected figures.

In sub-sections 2.1. To 2.6. of this Analysis include the financial performance of the Guarantor for the Historical period ending 31 December 2022, 2023 and 2024 as well as the forecasted performance during the projected period ending 31 December 2025 and 2026.

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

2.1 Issuer's Income Statement

Income Statements	2025F	2026F
	€000s	€000s
Finance Income	613	1,593
Finance Costs	(481)	(1,250)
Net Finance Income	**132**	**343**
Administrative expenses	(50)	(99)
Amortisation of bond issue costs	(19)	(51)
Profit before taxation	**63**	**193**
Taxation	(22)	(67)
Profit/(Loss) after taxation	**41**	**126**

The Issuer is a newly incorporated special purpose vehicle established for the sole purpose of acting as the financing arm of the Group. The Issuer does not carry out any trading activities of its own and is therefore entirely dependent on the operational and financial performance of its parent company, the Guarantor, to which it will on-lend the net proceeds of the Bond.

The Group, through the Guarantor, is principally engaged in the acquisition, development, and retention of immovable property for long-term investment purposes, generating rental income across the hospitality, commercial, and residential sectors.

The Issuer is expected to raise €25 million in debt capital through a secured bond issuance, to be drawn in two tranches:

- Tranche I: €16.3 million
- Tranche II: €8.7 million

The Bond issuance is forecasted to take place in full during the financial year ending 31 December 2025, and the financial projections accordingly reflect the impact of the full €25 million issue.

The Issuer is projected to earn finance income from the interest charged on the intercompany loan advanced to the Guarantor. This loan accrues interest at a fixed rate of 6.4% per annum, applied to the total principal of €24.5 million (net of issue costs), and recognised on a pro-rata basis in line with the expected drawdown and timing of the Bond tranches.

Finance costs primarily reflect interest payable to Bondholders. As the Bond proceeds are expected to be fully drawn in 2025, both interest income and interest expense are projected to scale accordingly from 2025 to 2026.

- The Issuer is expected to generate net finance income of €132k in 2025, increasing to €343k in 2026, reflecting the full-year impact of the Bond's interest differential.

Administrative costs, projected at €50kin 2025 and increasing to €99k in 2026, comprise recurring overheads including audit fees, directors' remuneration, listing and supervisory fees. These are assumed to increase annually by 5% and are calculated proportionately to the period during which the Bond is outstanding.

The total Bond issue costs of €500k are amortised over the term of the Bond, with projected amortisation expenses of €19k in 2025 and €51k in 2026.

The Issuer is forecasted to remain profitable throughout the projection period, with profit before tax of €63k in 2025 and €193k in 2026. After accounting for taxation at an effective rate of 35%, net profit is projected to amount to €41k in 2025 and €126k in 2026.

The Issuer's revenue model—based on the spread between interest income and costs—ensures that its administrative and financing expenses are fully covered by the margin generated from the intercompany loan. This structure is designed to maintain stability and predictability in the Issuer's financial performance, provided that the Guarantor continues to meet its obligations under the loan agreement.

2.2 Issuer's Statement of Financial Position

Balance Sheet	2025F	2026F
	€000s	€000s
Assets		
Non-current assets		
Intercompany loan receivable	24,500	24,500
Total non-current assets	**24,500**	**24,500**
Current assets		
Accrued intercompany interest income	613	796
Deferred expenditure	481	430
Cash and cash equivalents	1,950	2,154
Total current assets	**3,044**	**3,380**
Total assets	**27,544**	**27,880**
Equity and liabilities		
Equity		
Share capital	250	250
Retained earnings	41	166
Total equity	**291**	**416**
Liabilities		
Non-current liabilities		
Debt securities in issue	25,000	25,000
Intercompany loan payable	1,772	1,839
Total non-current liabilities	**26,772**	**26,839**
Current liabilities		
Accrued bond Interest	481	625
Total current liabilities	**481**	**625**
Total liabilities	**27,253**	**27,464**
Total equity and liabilities	**27,544**	**27,880**

The Issuer's projected balance sheet demonstrates a clearly defined and disciplined structure consistent with its role as a non-operating, special purpose financing vehicle within the Group. As at 31 December 2025 and 2026, total assets are forecasted to amount to €27.5 million and €27.9 million, respectively. The balance sheet remains fully funded by a single bond issuance, with proceeds structured to support long-term intercompany lending to the Guarantor. The overall financial position of the Issuer reflects minimal operational risk, strong asset-to-liability matching, and a stable capital base.

The Issuer's assets are straightforward and closely aligned with its financing mandate. The asset base is projected to comprise the following:

- Intercompany Loan Receivable: The principal asset of the Issuer is the €24.5 million loan receivable from the Guarantor, representing the on-lending of net Bond proceeds.

- Accrued Interest Income: Interest income on the intercompany loan is accrued annually and is projected at €613k in FY2025 and €796k in FY2026, reflecting the growing annual interest revenue as both Bond tranches become fully active.

- Deferred Expenditure: This represents the unamortised portion of Bond issue costs, totalling €481k in 2025 and reducing to €430k by end-2026 as amortisation is recognised in line with the Bond's term.

- Cash and Cash Equivalents: Projected to amount to €1.95 million in 2025 and €2.15 million in 2026, cash balances reflect interest income collections less administrative and finance costs, and provide a liquidity buffer for the Issuer.

- Total liabilities are forecasted at €27.3 million in FY2025, increasing slightly to €27.5 million in FY2026. These liabilities are composed as follows:

- Debt Securities in Issue: Representing the full €25.0 million bond issuance. This constitutes the Issuer's primary source of funding.

- Intercompany Loan Payable: An internal liability arising due to the structural relationship between the Issuer and the Guarantor. This is projected at €1.77 million in 2025, increasing modestly to €1.84 million in 2026, in line with accruals related to the Guarantor's obligations.

- Accrued Bond Interest: Reflecting the year-end accrual of coupon interest payable to Bondholders, this item increases from €481k in 2025 to €625k in 2026, as a full year's interest becomes payable on both tranches of the Bond.

The Issuer's equity base is composed of €250k in fully paid-up ordinary share capital, representing the initial shareholder contribution. Retained earnings are projected to increase steadily in line with annual profitability, rising from €41k in FY2025 to €166k in FY2026. As a result, total equity is expected to grow from €291k to €416k over the projection period. This gradual build-up in reserves reflects the accumulation of retained profits from the positive net interest margin and supports a stable solvency profile.

The Issuer's financial structure is intentionally conservative and efficiently designed to mirror the mechanics of the Bond programme. Assets are entirely matched by liabilities, with no trading or operational exposure, ensuring that risks are limited to credit risk on the intercompany loan and the Guarantor's financial performance. The projected equity buffer, while modest, is sufficient given the simplicity of the structure and the limited operational demands. The forecasted increase in retained earnings enhances the Issuer's capital adequacy and further supports investor confidence in the creditworthiness of the Bond.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows	2025F	2026F
	€000s	€000s
Profit before Tax	63	193
Finance Income	(613)	(1,593)
Finance Costs	481	1,250
Amortisation of bond issue costs	19	51
Net Cash used in operating activities	**(50)**	**(99)**
Proceeds from Bond Issue	25,000	-
Bond Issue costs	(500)	-
Cash movement in intercompany loan receivable	(24,500)	-
Cash movement in intercompany loan payable	1,750	-
Injection of Share Capital	250	-
Intercompany Interest Received	-	1,409
Bond Interest Paid	-	(1,106)
Net Cash used in financing activities	**2,000**	**303**
Movement in cash and cash equivalents	**1,950**	**204**
Cash and cash equivalents at start of year	-	1,950
Cash and cash equivalents at end of year	**1,950**	**2,154**

The Issuer's cash flows reflect its specialised role as the Group's financing vehicle, focused predominantly on managing interest receipts and payments associated with the Bond and the related intercompany financing arrangements.

Cash flows from operating activities primarily comprise interest movements, including interest receivable from AB Investments and interest payable to bondholders. The net cash used in operating activities €50k in 2025, increasing to €99k in 2026 mainly relates to administrative expenses paid on a cash basis and the amortisation of bond issue costs, with no working capital movements anticipated.

Following the Bond issuance, the Issuer advances the net proceeds (€24.5 million) to AB Investments through an intercompany loan receivable. This loan represents the primary asset on the Issuer's balance sheet and corresponds with the funding of the Group's property development and investment projects.

To ensure liquidity for coupon interest payments, particularly in the early years of the Bond, AB Investments is projected to provide funding to the Issuer through an intercompany loan payable. This funding, amounting to €1.75 million in 2025, will be sourced from AB Investments' own resources, including equity injections from the ultimate beneficial owner, rental income, investment income, and proceeds from asset disposals. Notably, this funding will exclude any direct use of Bond proceeds, ensuring clear segregation of funds.

In 2025, the Issuer's financing cash flows are characterised by the €25 million gross proceeds from the Bond issuance, less issue costs, which are immediately transferred to AB Investments via the intercompany loan receivable. This makes the overall cash flow impact of the Bond issuance effectively neutral for the Issuer. Consequently, the net cash inflow from financing activities in 2025 mainly arises from the initial €250k share capital injection and the €1.75 million loan from AB Investments to support coupon payments. This latter funding is itself financed by a combination of share capital cash injections (€1.35 million) and operational cash flows from AB Investments.

In 2026, financing cash inflows moderate, with interest receipts and payments largely balancing out, resulting in a modest net positive cash flow of approximately €303k.

The Issuer's cash and cash equivalents reaches €1.95 million by 2025, reflecting the initial capital injection and intercompany loan funding. This balance grows further to €2.15 million by the end of 2026, providing sufficient liquidity to meet the Issuer's ongoing operational and financing obligations.

2.4 Guarantor's Income Statement

i. **Pre-Restructuring:**

Income Statements	2022A	2023A	2024A
	€000s	€000s	€000s
Revenue	-	59	57
Administrative expenses	(3)	(17)	(20)
Operating income/(loss)	**(3)**	**41**	**36**
Net finance costs	(23)	(18)	(29)
Profit / (loss) before taxation	**(26)**	**23**	**8**
Taxation	-	(9)	(8)
Profit / (loss) for the year	**(26)**	**14**	**(1)**

Ratio Analysis	2023A	2024A
Profitability		
Growth in Revenue (YoY Revenue Growth)	n/a	(3.5%)
Operating Margin (Operating Profit / Revenue)	69.5%	63.2%
Net Margin (Profit for the year / Revenue)	23.7%	0.0%
Return on Common Equity (Net Income / Average Equity)	2.1%	0.0%
Return on Assets (Net Income / Average Assets)	0.4%	0.0%
Return on capital employed (Operating Profit/ Total Assets - Current Liabilities)	1.4%	0.4%

AB Investments' financial performance over the period FY2022 to FY2024 reflects the company's early-stage operational development and evolving cost structure.

No revenue was generated in FY2022 as the Company's properties were not yet operational. Revenue commenced in FY2023 at €59k, primarily driven by rental income, and slightly declined to €57k in FY2024.

Administrative expenses escalated from €3k in FY2022 to €17k in FY2023, and further to €20k in FY2024. The increases align with the Company's expanding operational activities and higher professional fees, including accountancy, legal, and promotional expenses.

The Company reported an operating loss of €3k in FY2022, turning profitable with an operating income of €41k in FY2023. Operating income moderated to €36k in FY2024, consistent with the slight decline in revenues and increased administrative costs.

Net finance costs amounted to €23k in FY2022, decreasing to €18k in FY2023 before rising again to €29k in FY2024. These costs primarily represent interest expenses on bank borrowings, partially offset by minimal interest income. The FY2024 increase reflects higher debt levels and associated financing charges.

The Company recorded a pre-tax loss of €26k in FY2022, followed by a turnaround to a pre-tax profit of €23k in FY2023. In FY2024, pre-tax profit declined to €8k, reflecting the pressures from rising administrative and finance costs.

Tax charges of €9k and €8k were incurred in FY2023 and FY2024 respectively, with no tax expense in FY2022 due to losses.

Net losses of €26k were incurred in FY2022, followed by a net profit of €14k in FY2023. FY2024 concluded with a marginal net loss, effectively breaking even.

ii. Post-Restructuring:

Income Statements	2025F	2026F
	€000s	€000s
Rental Income	304	408
Administrative Expenses	(203)	(300)
Operating Profit	**101**	**108**
Amortisation of bond Issue Costs	(19)	(51)
Gain on disposal of Investment Property	4,031	-
EBIT	**4,113**	**57**
Investment Income	156	287
Finance Costs	(458)	(936)
Profit/(loss) before Taxation	**3,811**	**(592)**
Corporate Tax	86	517
Final Withholding Tax	(324)	-
Profit/(Loss) for the year	**3,573**	**(75)**

Ratio Analysis	2025F	2026F
Profitability		
Operating Profit Margin (Operating Profit / Revenue)	33.2%	26.5%
Net Margin (Profit for the year / Revenue)	1175.3%	-18.4%
Return on Common Equity (Net Income / Average Equity)	31.1%	-0.4%
Return on Assets (Net Income / Average Assets)	12.8%	-0.2%
Return on capital employed (Operating Profit/ Total Assets - Current Liabilities)	0.2%	0.2%

Following the anticipated completion of the restructuring process by mid-August 2025, the Bond Group's financial results for FY2025 reflect a transitional period with partial-year operations, while FY2026 marks a return to full-year operational activity.

Rental income for FY2025 is projected at €304k, reflecting the limited half-year operational contributions from G Hotel, Gzira Commercial Outlets, and Victor Denaro Street properties. In FY2026, rental income is expected to increase substantially to €408k as these properties operate for the full year and the Gzira Hotel begins generating income in December 2026.

Administrative expenses are estimated at €203k for the half-year in FY2025, reflecting costs related to directors' remuneration, professional fees, listing-related expenses, and salaries, commencing post-restructuring. These expenses are anticipated to rise to €300k in FY2026.

Operating profit, excluding non-recurring items, is projected at €101k for FY2025 and €108k for FY2026, evidencing the stable Group's core operations.

FY2025 includes a significant gain on disposal of investment property of €4.0 million. This gain arises from the anticipated sale of units related to Windsor Terrace (€606k), Misrah il-Barrieri (€204k), and Senglea (€89k), as well as the transfer of properties to related parties reflecting the fair value uplifts on Windsor Terrace (€1.8m) and Victor Denaro Street (€1.3m) prior to restructuring. As such, Earnings Before Interest and Taxes (EBIT) in FY2025 are markedly elevated at €4.1 million. No comparable gains are expected in FY2026, with EBIT at €57k reflecting ongoing operational earnings.

Finance costs increase from €458k in FY2025 to €936k in FY2026, consistent with the increased debt servicing requirements post-restructuring and as the Group transitions to full operational scale.

Investment income is forecasted at €156k in FY2025, rising to €287k in FY2026. This increase aligns with the prudent deployment of unutilised Bond proceeds into liquid, investment-grade assets yielding approximately 2.5% per annum.

Profit before taxation is therefore forecasted at €3.81 million in FY2025, driven largely by the one-off property disposal gains, and a loss of €592k in FY2026, reflective of increased finance costs and the absence of significant disposals.

The resulting net profit for FY2025 stands at €3.6 million, while FY2026 records a small net loss of €75k.

3.5 Guarantor's Statement of Financial Position

i. Pre-Restructuring:

Statement of Financial Position	2022A	2023A	2024A
	€000s	€000s	€000s
Assets			
Non-current assets			
Investment property	2,330	2,666	10,714
Total non-current assets	**2,330**	**2,666**	**10,714**
Current assets			
Receivables	1,105	153	387
Cash at Bank	233	548	409
Total current assets	**1,339**	**701**	**796**
Total assets	**3,668**	**3,367**	**11,510**
Equity and liabilities			
Equity			
Share Capital	651	651	651
Revaluation Reserve	-	-	5,374
Retained earnings / (Accumulated Losses)	(1)	13	12
Total equity	**650**	**664**	**6,038**
Liabilities			
Non-current liabilities			
Borrowings	3,005	2,206	3,386
Total non-current liabilities	**3,005**	**2,206**	**3,386**
Current liabilities			
Trade and Other Liabilities	13	488	1,177
Deferred Tax Liability	-	-	674
Bank Overdraft	-	-	227
Taxation	-	9	8
Total current liabilities	**13**	**496**	**2,086**
Total liabilities	**3,018**	**2,702**	**5,472**
Total equity and liabilities	**3,668**	**3,367**	**11,510**

Ratio Analysis	2023A	2024A
Financial Strength		
Gearing 1 (Net Debt / Net Debt and Total Equity)	71.4%	34.7%
Gearing 2 (Total Liabilities / Total Assets)	80.2%	47.5%
Gearing 3 (Net Debt / Total Equity)	x 2.5	x 0.5
Net Debt / Operating Profit	x 40.4	x 89.0
Interest Coverage (Operating Profit / Finance costs)	x 2.3	x 1.2

As at 31 December 2024, AB Investments demonstrated a significant strengthening of its financial position, marked by a substantial increase in total assets to €11.5 million, up from €3.7 million in FY2022. This growth is primarily driven by the expansion and revaluation of its property portfolio, which constitutes the bulk of the Company's asset base.

The non-current assets, predominantly investment properties, rose sharply from €2.3 million in FY2022 and €2.7 million in FY2023 to €10.7 million in FY2024. This increase reflects the capitalisation of ongoing developments and strategic acquisitions, including key properties such as the Windsor Terrace apartments (€1.3 million), the Gzira Hotel (€6.4 million)—which remains under construction—the Misrah il Barrieri property in Msida (€751k), and properties located on Victor Denaro Street (€2.0 million). Notably, the significant revaluation uplifts of €4.7 million on the Gzira Hotel and €1.3 million on the Victor Denaro Street properties underscore the enhanced market value and the growth potential of the Group's portfolio. A property in Senglea valued at €172k was disposed of in FY2025.

Current assets totalled €796k as at FY2024, comprising mainly receivables of €387k—largely related party loans—and cash balances of €409k. The reduction in current assets from previous years reflects a normalisation of working capital as the company moves from an initial investment phase towards operational maturity.

On the equity side, AB Investments exhibited a robust capital position, with total equity increasing markedly from €650k in FY2022 to €6.0 million in FY2024. This growth is chiefly attributable to the recognition of revaluation reserves amounting to €5.4 million, resulting from the upward revaluation of significant investment properties, net of deferred tax liabilities. Retained earnings remain modest but positive, evidencing a stable accumulation of profits retained within the company. The share capital has remained stable at €651k throughout the period, reflecting a consistent shareholder equity base.

Liabilities rose to €5.5 million in FY2024 from €3.0 million in FY2022, driven by increased borrowing and operational payables consistent with the company's expanding scale of activities. Non-current liabilities consist primarily of bank borrowings totalling €3.4 million, which were utilised to finance property development and acquisitions. These borrowings are expected to be partially refinanced through forthcoming Bond proceeds, potentially improving the company's debt profile and financing costs. Current liabilities, which increased to €2.1 million by the end of FY2024, mainly comprise trade and other payables amounting to €1.2 million, reflecting deposits received on promises of sale for units primarily at Windsor Terrace and Senglea. These deposits are expected to be fully settled upon completion of these sales.

ii. **Post-Restructuring:**

Statement of Financial Position	2025F	2026F
	€000s	€000s
Assets		
Non-current assets		
Investment property	24,184	36,977
Investment in financial assets	15,552	8,327
Deferred tax asset	86	604
Total non-current assets	**39,822**	**45,908**
Current assets		
Deferred expenditure	481	430
Related Party receivables	573	573
Other receivables	3	3
Bank Guarantee	177	177
Cash & Cash Equivalents	3,302	2,591
Total current assets	**4,536**	**3,774**
Total assets	**44,358**	**49,682**
Equity and liabilities		
Equity		
Share Capital	10,184	10,184
Shareholder Contribution	158	158
Fair Value reserve	3,016	7,246
Retained earnings	3,584	3,510
Total equity	**16,942**	**21,098**
Liabilities		
Non-current liabilities		
Bond	25,000	25,000
Deferred tax liability	1,935	2,958
Total non-current liabilities	**26,935**	**27,958**
Current liabilities		
Accrued bond Interest	481	625
Total current liabilities	**481**	**625**
Total liabilities	**27,416**	**28,583**
Total equity and liabilities	**44,358**	**49,682**

Ratio Analysis	2025F	2026F
Financial Strength		
Gearing 1 (Net Debt / Net Debt and Total Equity)	56.7%	52.2%
Gearing 2 (Total Liabilities / Total Assets)	61.8%	57.5%
Gearing 3 (Net Debt / Total Equity)	x1.3	x1.1
Net Debt / Operating Profit	x219.6	x213.3
Interest Coverage (Operating Profit / Finance costs)	x0.2	x0.1

The Bond Group's consolidated asset base is forecasted to expand significantly following the restructuring and ongoing development activities. Total assets are expected to increase from €44.4 million in FY2025 to €49.7 million in FY2026, driven primarily by substantial growth in investment properties and associated financial assets.

Non-current assets represent the majority of the Group's asset base, increasing from €39.8 million in FY2025 to €45.9 million in FY2026. This growth is principally attributable to the fair value appreciation and completion of key development projects, including Gzira Hotel, Corks Hotel, and Fawwara Lane property. The investment property portfolio alone is projected to rise markedly, from €24.2 million to €37.0 million, reflecting both completed assets and ongoing construction activity. Concurrently, investments in financial assets, comprising unutilised Bond proceeds deployed in liquid investment-grade securities, are projected to reduce from €15.6 million to €8.3 million as funds are gradually deployed towards development projects.

Current assets, while smaller in proportion, maintain a robust profile, amounting to €4.5 million in FY2025 and moderating to €3.8 million in FY2026. This category includes deferred expenditure related to unamortised Bond issue costs, stable related party receivables totaling €573k, a bank guarantee of €177k, and a healthy cash and cash equivalents balance projected at €3.3 million in FY2025, slightly decreasing to €2.6 million in FY2026. The maintenance of this liquidity level ensures operational flexibility, facilitates coupon interest payments, and supports bond repayment obligations.

On the equity side, the Group is expected to exhibit a strong capital structure post-restructuring. Share capital is projected to increase substantially to €10.2 million in FY2025 from the prior €651k in FY2024, reflecting a €1.35 million cash injection by the ultimate beneficial owner alongside the capitalisation of €8.2 million in shareholder contributions. The fair value reserve is forecasted to grow from €3.0 million to €7.2 million, mirroring unrealised gains from the revaluation of investment properties. Retained earnings are anticipated to remain steady at approximately €3.5 million, cumulatively enhancing total equity to €16.9 million in FY2025 and further to €21.1 million in FY2026. This robust equity base indicates a healthy solvency position, underpinning the Group's long-term financial stability.

Liabilities predominantly comprise the €25 million Bond issuance, alongside deferred tax liabilities arising from fair value adjustments and timing differences, which are expected to increase from €1.9 million in FY2025 to €3.0 million in FY2026. Current liabilities include accrued bond interest of €481k and €625k for FY2025 and FY2026 respectively, reflecting the annual coupon payments due in July. Total liabilities are projected to grow modestly from €27.4 million to €28.6 million over the period, consistent with the Group's financing strategy to support ongoing developments and operations.

The low interest cover and high net debt/operating profit reflects the current investment phase of the group which is still constructing its investment properties with the full income potential deferred to when the projects are completed. The existing cash balances give piece of mind that the group has sufficient liquidity to support its obligations including servicing of interest due.

Overall, the Bond Group's Statement of Financial Position post-restructuring reflects a substantial growth trajectory, driven by strategic capital injections, prudent deployment of bond proceeds, and value accretion through property development and revaluation.

3.6 Guarantor's Statement of Cash Flows

i. Pre-Restructuring:

Statement of Cash Flows	2022A	2023A	2024A
	€000s	€000s	€000s
Cash flows from operating activities			
Profit / (loss) before taxation	(26)	23	8
Working Capital Changes			
Trade and other receivables	(87)	952	(233)
Trade and other payables	(2)	487	689
Tax paid	-	-	(9)
Net Cash generated from operating activities	**(115)**	**1,462**	**455**
Cash flows from investing activities			
Acquisition of property , plant and equipment	(1,430)	(336)	(2,001)
Net cash flows generated from / (used in) investing activities	**(1,430)**	**(336)**	**(2,001)**
Cash flows from financing activities			
Dividend paid	(600)	-	-
Movement in Loans	1,547	(799)	1,180
Net cash flows generated from / (used in) financing activities	**947**	**(799)**	**1,180**
Movement in cash and cash equivalents	**(599)**	**327**	**(366)**
Cash and cash equivalents at start of year	820	221	548
Cash and cash equivalents at end of year	**221**	**548**	**182**

In FY2022, the Company recorded a net cash outflow of €115k from operating activities. This primarily reflected a loss before taxation of €26k, combined with an €87k increase in trade and other receivables, largely due to related party loan movements, and a modest €2k decrease in trade and other payables. No tax payments were recorded during this period.

In contrast, FY2023 demonstrated a robust recovery, with net cash generated from operating activities amounting to €1.46 million. This was supported by a profit before tax of €23k, a substantial €952k decrease in receivables reflecting repayments of related party loans, and a €487k increase in trade and other payables, mostly deposits collected on promises of sale. Tax payments remained negligible in this period.

In FY2024, net cash generated from operating activities moderated to €455k. The profit before tax decreased to €8k, and there was a €233k increase in receivables, partially offset by a significant €687k rise in trade and other payables. Tax payments of €9k were also made.

The Company's investing activities reflected ongoing investment in property development, with net cash outflows of €1.43 million, €336k, and €2.0 million in FY2022, FY2023, and FY2024 respectively. These outflows mainly represent capital expenditure related to construction and finishing costs of investment properties.

Financing cash flows over the period reflected the Company's strategy to fund its property development and operational needs. In FY2022, net cash inflow from financing activities was €947k, driven by loan drawdowns of €1.55 million, partially offset by a dividend payment of €600k to the ultimate shareholder. In FY2023, there was a net cash outflow of €799k due to loan repayments, while FY2024 saw a net inflow of €1.18 million from additional loan drawdowns.

Overall, the Company's cash position declined from €820k at the beginning of FY2022 to €182k at the end of FY2024, reflecting the significant investment activities during the period and fluctuations in financing cash flows.

ii. **Post-Restructuring:**

Statement of Cash Flows	2025F	2026F
	€000s	€000s
Cash flows from operating activities		
Profit / (loss) before taxation	2,713	4,661
Investment income	(156)	(287)
Finance cost	458	936
Depreciation and amortisation	19	51
Loss/(Gain) on sale of investment property	(4,031)	-
FV movement on investment property	1,097	(5,253)
Movement in working capital	(175)	-
Final withholding tax paid	(332)	-
Net Cash generated from operating activities	**(406)**	**108**
Cash flows from investing activities		
Investment income	156	287
Construction/finishing of investment property	(5,921)	(7,225)
Proceeds on sale of investment property (net of barters)	3,626	-
Movement in investment in financial assets	(15,552)	7,225
Net cash flows generated from / (used in) investing activities	**(17,691)**	**287**
Cash flows from financing activities		
Bank loan drawdowns	298	-
Proceeds from bond issue	25,000	-
Bond issue costs	(500)	-
Injection of share capital	1,350	-
Repayment of loans	(1,497)	-
Refinancing of loans	(3,257)	-
Bond interest paid	-	(1,106)
Net cash flows generated from / (used in) financing activities	**21,394**	**(1,106)**
Movement in cash and cash equivalents	**3,297**	**(711)**
Cash and cash equivalents at start of year	5	3,302
Cash and cash equivalents at end of year	**3,302**	**2,591**

During the projected period, cash flows from operating activities reflect the transition of the Bond Group into a consolidated post-restructuring structure, comprising both the Guarantor and the Issuer.

In FY2025, net cash used in operating activities is projected at €406k, driven by various transitional and structural factors. Although the Group expects a profit before tax of €2.7m, this includes a non-cash gain of €4.0m arising from the disposal of investment property and a fair value uplift of €1.1m on investment property revaluations. These non-cash gains are excluded from operating cash flows. Moreover, the Group incurs €332k in final withholding tax payments, while working capital movements (primarily the net collection from a debtor, offset by settlement of short-term liabilities) contribute a further €175k net outflow.

In FY2026, operating cash flows are forecasted to turn positive at €108k, reflecting normalised rental operations with a full-year contribution from the Gzira Commercial Outlets and G Hotel, and an end-of-year rental contribution from the newly completed Gzira Hotel. The rental income, combined with stable administrative expenses and negligible working capital movement, supports modest but steady cash generation from core operations.

Investing cash flows are driven primarily by capital deployment into the Bond Group's core property developments and the temporary placement of surplus funds into liquid financial assets.

In FY2025, net cash used in investing activities amounts to €17.7m, comprising:

- €5.9m in capital expenditure for the development of the Gzira Hotel, Corks Hotel, and other sites, net of units bartered in exchange for construction works;

- €15.6m invested in financial assets, representing a prudent allocation of excess bond proceeds into investment-grade securities yielding an estimated 2.5% annually;

- Partially offset by €3.6m in proceeds from unit sales at Windsor Terrace and Misrah il-Barrieri prior to restructuring, and

- €156k in investment income received during the year.

In FY2026, as development works ramp up, capital expenditure increases to €7.2m. However, this is fully funded by the partial liquidation of investment securities acquired in the prior year, leaving net cash from investing activities at a positive €287k. Continued investment income of €287k further contributes to the Group's liquidity.

Financing cash flows in FY2025 reflect the one-off nature of the Group's restructuring and capitalisation process. Net cash generated from financing activities totals €21.4m, primarily due to:

- The Issue of a €25m Bond, net of €500k in bond issue costs;
- A €1.35m equity injection by the UBO; and
- Restructuring-related bank loan drawdowns (€298k) and repayments (€4.8m) including refinancing.

In FY2026, net financing cash flows are negative at €1.1m, solely reflecting the annual bond coupon payment, assumed to be paid in July.

The combined cash flows result in a strong cash position at the end of FY2025, with a net cash inflow of €3.3m, increasing cash and cash equivalents from €5k to €3.3m. Despite continued capital outlays and the first bond coupon payment, cash is forecasted to decrease by €711k in FY2026, ending the year at €2.6m.

The Bond Group's liquidity position throughout the projected period remains healthy, supported by disciplined cash flow management, phased development expenditures, and a buffer of investment-grade financial assets, ensuring the Group is well-positioned to meet both operational and financing obligations.

Part 3 · **Key Market and Competitor Data**

3.1 General Market Conditions

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

3.2 Malta Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) suggests that in June, annual growth in activity rose slightly, thereby staying moderately above its long-term average estimated since January 2000.

The European Commission's confidence surveys show that sentiment in Malta increased in June to exceed its long-term average, estimated since November 2002. In month-on-month terms, the improvement was driven by the construction sector and industry, as in the remaining sectors sentiment deteriorated or was broadly stable.

Meanwhile, the Central Bank of Malta's Economic Policy Uncertainty (EPU) index declined further below its historical average estimated since 2004, indicating lower economic policy uncertainty. By contrast, the European Commission's Economic Uncertainty Indicator (EUI) for Malta increased compared with May, indicating higher uncertainty surrounding financial and business decisions. Uncertainty increased in the services sector, and to a lesser extent, among consumers.

In May, industrial production rose, while retail trade contracted marginally in annual terms. In April, services production contracted for the third consecutive time.

In May, the unemployment rate increased slightly to 2.7% from 2.6% in April but remained below that of 3.2% in May 2024.

In May, commercial building permits fell compared with April but were practically unchanged on a year earlier. Residential permits increased marginally compared to April and were also higher on a year earlier. In June, the number of residential promise-of-sale agreements increased on a year earlier, as did the number of final deeds of sale.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.5% in June, slightly down from 2.7% in the previous month. HICP excluding energy and food in Malta stood at 2.4%.

Both indices stood above the euro area average. In June, inflation based on the Retail Price Index (RPI) remained unchanged at 2.4%.

3.3 Malta Economic Outlook[2]

According to the Central Bank of Malta's latest forecasts, Malta's real GDP growth is set to ease from 6.0% in 2024 to 4.0% in 2025. Growth is set to moderate further in the following two years, reaching 3.3% in 2027. Compared to the Bank's previous projections, the outlook for GDP growth is broadly unchanged as some small downward revisions related to the effects of additional US tariffs announced since the previous projections exercise are counterbalanced by a reassessment for government consumption and investment.

Growth over the projection horizon is expected to be driven by domestic demand, reflecting continued brisk growth in private consumption, while investment should also continue to recover. Furthermore, net exports are projected to retain a positive contribution over the forecast horizon, driven by trade in services, although the contribution is expected to be smaller than that of domestic demand.

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[1] *Central Bank of Malta – Economic Update 07/2025*

[2] *Central Bank of Malta – Economic Projections 2024 - 2026*

Together with GDP, employment growth is expected to moderate gradually from 5.1% in 2024 to 2.3% by 2026 and 2027. The unemployment rate is forecast to edge down slightly to 3.0% in 2025 and remain at this rate throughout the forecast horizon.

As tightness in the labour market is projected to dissipate over time and inflation continues to moderate, this should dampen upward pressure on wages. Wage growth is expected to moderate to 4.4% in 2025 from 5.9% in the previous year, and is then expected to decelerate further in the following years.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate further, falling from 2.4% in 2024, to 2.3% this year and further to 2.0% by 2027. Compared to the Bank's previous forecast publication, overall HICP inflation has been revised up by 0.2 percentage points in 2025 and 0.1 percentage points in 2026, while it remains unchanged in 2027. In 2025, the upward revision mostly reflects recent outcomes. The upward revision for 2026 reflects an upward revision in services inflation due to some spillover from the upward revisions in 2025.

The general government deficit-to-GDP ratio is set to narrow to 3.4% in 2025, to 3.0% in 2026 and to 2.7% in 2027. The government debt-to-GDP ratio is to reach 48.6% by 2026 and remain around this level in 2027. The forecast deficit-to-GDP ratio between 2025 and 2027 is slightly higher compared with the Bank's March projections. Meanwhile, the debt-to-GDP ratio was revised slightly downwards, largely due to revisions in national accounts data.

Risks to activity are broadly balanced. Downside risks largely emanate from possible adverse effects on foreign demand arising from geopolitical tensions, US tariffs higher than those included in the baseline, and the possibility of additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics than envisaged, which could result in stronger private consumption and investment growth than envisaged.

Risks to inflation are broadly balanced over the projection horizon and mainly related to external factors. Upside risks to inflation in the short term could arise from developments in global trade policy. Retaliatory measures by the EU, would also have an immediate upward impact on inflation in the near term. Such risks could also be counterbalanced by the rerouting of exports from competitor countries to the EU and heightened competitive pressures in markets targeted by tariffs. On the downside, imported inflation could fall more rapidly than expected if the adverse effects of trade barriers on global demand turn out stronger than expected.

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

3.4 Property Market Malta[3-4]

The property market in Malta has showed strength and resilience throughout the years. The Rental House Price Index ("RHPI") measures the rate of change in the rental prices of housing units in Malta over time. Even while taking into account the COVID-19 pandemic and the war in Ukraine recorded a 9.7% growth was recorded since 2021H1.

Looking into the commercial properties these are defined as spaces used for the purpose to conduct business and include: offices, restaurants, retail space, warehousing, industrial space, hotels and restaurants.

According to the most recent data, the areas with the highest rental price for retail include: Valletta, St. Julian's, Sliema and Gzira. These localities are the most frequently visited by tourists and also have the highest rental prices for retail properties ranging between €600 and €280 per square metre per annum. Popular localities by the Maltese retail community include: Fgura, Bugibba and Birkikara. These as of 2024 tend to have a rental retail price ranging between €140 and €210 per square metre per annum.
Market data demonstrated that overall in the Maltese market and the average asking price for retail space increased by 5.9%. The region that has perceived the highest surge in asking price was in the Grand Harbour, with an increase of 10.4%. Strong growth was also observed in the Central and Southern region with surges equating to 5.7% and 5.4% respectively. The North Harbour being also the most expensive region on the island, experienced a surge of in rates of 4.4%. Gozo and North West regions of the island were excluded due to limited sample size.

[3] *Grant Thornton - The Malta Property Landscape – A True Picture – 2025*
[4] *KPMG – Construction Industry and Property Market Report 2024*

3.5 Tourism

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

Inbound tourist arrivals experienced a notable surge from 2,976k in 2023 to 3,564k in 2024, marking an impressive increase of 19.6%. This significant uptick underscores the industry's robust recovery momentum and highlights the successful implementation of strategic initiatives aimed at rejuvenating tourism demand and stimulating visitor traffic.

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

However, amidst the recovery, there was a notable decline in the average length of stay, dropping from 6.8 days in 2023 to 6.4 days in 2024, representing a significant decrease of 5.9%. This decline may raise concerns regarding visitor engagement and expenditure patterns, necessitating a deeper examination into the underlying factors driving this trend and potential strategies to address it.

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

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

Category[5]	2021	2022	2023	2024	2023 vs. 2024
Inbound tourists*	968	2,287	2,976	3,564	19.7%
Tourist guest nights*	8,390	16,600	20,242	22,900	13.1%
Avg. length /stay	8.7	7.3	6.8	6.4	-5.9%
Tourist expenditure**	871	2,013	2,671	3,300	23.5%
Tourist exp. per capita (€)	899	880	898	924	2.9%

*in thousands

**in € millions

JANUARY-JUNE 2025[6]

Inbound tourists for the first six months of 2025 amounted to 1.8m, an increase of 13.5% over the same period in 2024. Total nights spent by inbound tourists went up by 13.2%, reaching 10.7m nights.

Total tourist expenditure was estimated at €1,564.1m, 21.1% higher than that recorded for 2024. Total expenditure per capita increased to €866 from €812 in 2024, a 6.7% increase.

The number of tourists visiting Gozo and Comino, including both same-day and overnight visitors, totalled 988.1k, or 54.7% of total tourists.

[5] *National Statistics Office, Malta - Inbound Tourism June 2025*
[6] *https://nso.gov.mt/inbound-tourism-June-2025/*

3.6 Comparative Analysis

This section provides a comparative analysis between the Issuer and other entities whose debt securities are listed on the Official List of the Malta Stock Exchange. The aim is to highlight key aspects of the Issuer's debt profile relative to other market participants, providing a clearer understanding of its position within the broader debt market in Malta.

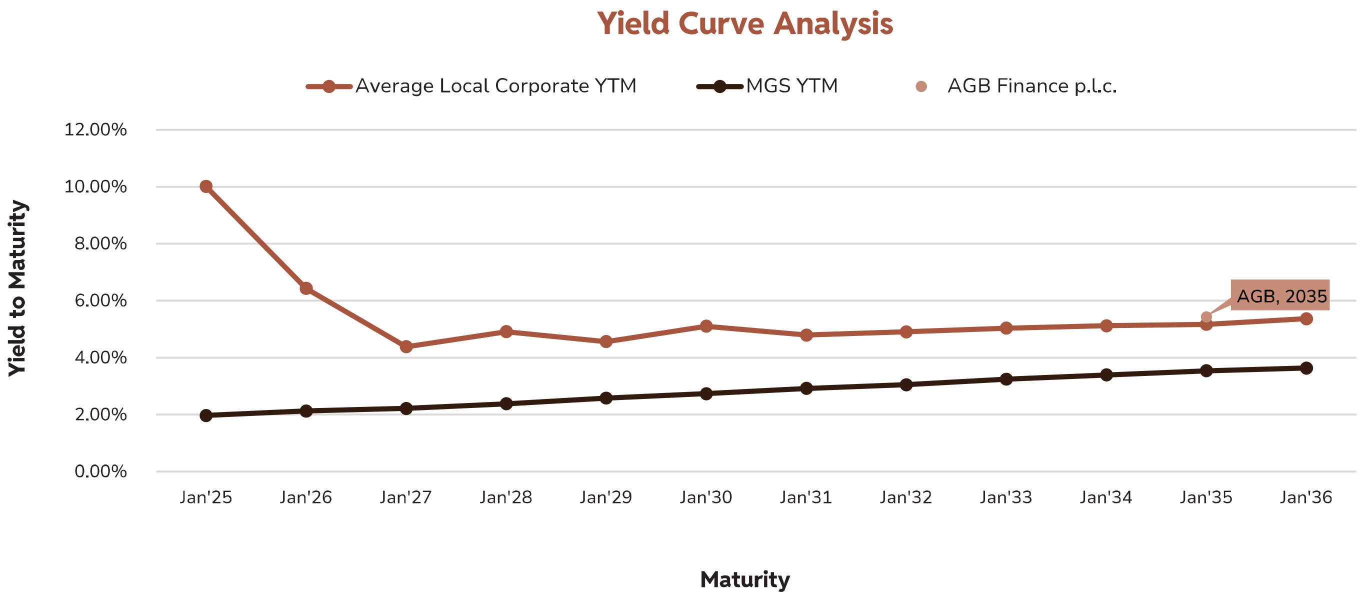
It is important to note that the Issuer is a newly incorporated entity. As such, certain financial ratios and metrics are not yet available for the current period.

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)	(%)	(%)	(%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
5.25% Qawra Palace plc Secured € 2033	25,000	4.76%	(.5)x	43.5	2.8	93.6%	92.5%	32.5x	0.6x	-97.1%	-20.3%	129.5%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.96%	2.1x	39.8	17.9	54.9%	43.3%	10.0x	0.4x	5.1%	61.4%	26.4%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.29%	5.8x	126.9	34.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
5.85% AX Group plc Unsecured € 2033	40,000	5.09%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.55%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
6% International Hotel Investments plc 2033	60,000	5.27%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.73%	(1.4)x	14.8	1.6	88.9%	83.2%	(15.7)x	0.4x	-38.2%	-19.4%	-3.1%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.43%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
6.25% Camilleri Finance plc € Unsecured Bonds 2034	15,000	5.79%	1.1x	49.7	16.5	66.8%	54.6%	13.1x	0.9x	-6.6%	-6.0%	-4.4%
4.50% The Ona plc Secured € 2028-2034	16,000	4.50%	(2.3)x	38.9	8.0	79.6%	77.3%	12.8x	1.4x	-9.7%	-10.6%	110.3%
5.3% Mercury Projects Finance plc Secured € Bonds 2034	20,000	5.16%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
5.2% VBL plc Secured € Bonds 2030-2034	10,000	5.06%	7.6x	95.4	67.7	29.0%	21.0%	4.9x	2.7x	3.7%	37.5%	25.3%
5.2% TUM Finance plc Secured Callable € Bonds 2031 -2034	12,000	5.20%	1.3x	137.8	40.0	71.0%	54.5%	46.8x	0.8x	-3.6%	-79.0%	-49.4%
5.30% International Hotel Investments € Unsec Bonds 2035	35,000	4.96%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
5.5% Juel Group plc € Secured 2035	32,000	5.23%	16.6x	94.7	30.8	67.5%	58.7%	21.1x	0.9x	17.9%	83.3%	780.5%
5.40% AGB Finance p.l.c. € Secured Bonds 2035	16,300	5.40%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Average*	5.09%										

Source: Latest available audited financial statements

*Last closing price as at 20/08/2025

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



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

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of 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 yield of AGB Finance p.l.c. bond.

As at 14 August 2025, the average spread over the MGS for corporates with maturity range of 8 - 10 years (2033 -2035) was 174 basis points. The proposed AGB Finance p.l.c. is being priced at 5.4% coupon issued at par, meaning a spread of 186 basis points over the equivalent MGS, and thereafter at a premium on the market of 12 basis points.

Part 4 · **Glossary and Definitions**

Act Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
Operating Profit	Operating Profit reflects the Group's/Company's earnings purely from operations.
Earnings Before Interest and Tax (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-Group companies on any loan advances.
Profit After tax	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Act Income Statement	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Operating Profit Margin	Operating Profit as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative financial performance.

Cash Flow Statement	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/ Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

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

Financial Strength Ratios	
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing Operating Profit of one period by finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Labilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / Operating Profit	The Net Debt / Operating Profit ratio measures the ability of the Group/ Company to refinance its debt by looking at the Operating Profit.

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