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The Board of Directors
Mizzi Organisation Finance plc
Mizzi Organisation Corporate Office,
Testaferrata Street,
Ta' Xbiex XBX 1407,
Malta

25 June 2026

Dear Sirs,

Mizzi Organisation Finance plc – Financial Analysis Summary Update (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 Mizzi Organisation Finance plc (a public limited liability company registered under the laws of Malta bearing company registration number C 29506) (the "**Company**" or "**Issuer**") and of each of Mizzi Organisation Limited (C 813), Consolidated Holdings Limited (C 1192), The General Soft Drinks Company Limited (C 1591) and GSD Marketing Limited (C 3774), as guarantors for the bond issue (the "**Guarantors**"). The data is derived from various sources or is based on our own computations and analysis of the following:

(a) historic financial data for the three years ended 31 December 2023 to 2025 has been extracted from both the Issuer's and the combined Guarantors' audited statutory financial statements for the three years in question, as and when appropriate;

(b) the forecast data for the financial year ending 31 December 2026 have been provided by management of the Issuer and/or the Guarantors, as applicable;

(c) our commentary on the results of the Issuer and the Guarantors and on the respective financial position is based on the explanations provided by the Issuer and/or the Guarantors, as applicable;

(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 C 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 Capital Markets

FINANCIAL ANALYSIS SUMMARY
UPDATE 2026

MIZZI ORGANISATION FINANCE plc

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.

25 June 2026

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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

Mizzi Organisation Finance plc (the "**Company**", "**MOF**", or "**Issuer**") issued €45 million 3.65% bonds 2028-2031, pursuant to a prospectus dated 24 September 2021 (the "**Bond Issue**"). In terms of the MFSA Listing Policies dated 5 March 2013 (as revised on 13 August 2021), bond issues targeting the retail market with a minimum subscription level of less than €50,000 have to include a Financial Analysis Summary (the "**FAS**") which is to be appended to the Prospectus and which needs to be updated on an annual basis.

SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Company's and the combined Guarantors' (known as 'Mizzi Organisation') audited financial statements for the years ended 31 December 2023, 2024 and 2025, forecasts for financial year ending 31 December 2026, as well as information from management.

Forecasts included in this document have been prepared and approved for publication by the directors of the Company and/or the Guarantors, as applicable, 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:

24 September 2021 (appended to the prospectus of the Bond Issue)

28 June 2022

28 June 2023

27 June 2024

27 June 2025

List of Abbreviations

AML	Arkadia Marketing Limited
CHL	Consolidated Holdings Limited
DAKA	Daka Ducting Manufacturing Ltd
FY	Financial year
GSD	The General Soft Drinks Company Limited
GSDM	GSD Marketing Limited
IELS	Institute of English Language Studies Ltd
ISTB	Is-Suq tal-Belt
MOL	Mizzi Organisation Limited
WHL	The Waterfront Hotel Limited

PART A BUSINESS AND MARKET OVERVIEW UPDATE

1. INTRODUCTION

Mizzi Organisation Finance plc (“**MOF**”, the “**Issuer**”, or the “**Company**”) is a finance vehicle. It forms part of Mizzi Organisation (“**MO**”), a conglomerate of companies which although not considered as a group in accounting terms in view of their diverse shareholding by members of the Mizzi family, they operate as one group of companies with interest in six main areas:

a. Automotive
b. Beverage
c. Food and fashion retail
d. Hospitality & Tuition
e. Real estate
f. Contracting

2. BUSINESS OVERVIEW & DEVELOPMENTS

THE AUTOMOTIVE SEGMENT

This segment is divided in two:

a) retail, leasing and servicing of motor vehicles and spare parts; and
b) financing of motor vehicles bought from Mizzi Organisation.

Over the years, the Maltese automotive sector has been characterised by second-hand imports which competed directly with some of the franchised brands of MO.

According to management, MO has *circa* 20% market share of new cars registered in Malta.

Revenue FY2025:	**€88.7 million**
YOY:	**-17%**
MO companies:	**Continental Cars Limited, Industrial Motors Limited, Muscats Motors Limited, Mizzi Automotive Services Limited, Mizzi Lease Limited, United Acceptances Finance Limited, Mizzi Motors Limited, All About Car Parts Limited, Continental Cars (Imports) Limited, Mizzi Electric Auto Limited and Mizzi EV Limited.**
FY2026 Revenue Forecast:	**€93.6 million (+6%)**

The automotive division remains one of the largest contributors to the MO's revenue base and a significant driver of overall activity, as further detailed in Section 9 of this report. However, FY2025 was characterised by continued weakness in trading conditions, reflecting structural changes in the global automotive market, tighter consumer demand, and ongoing shifts towards electrification and alternative mobility solutions. As a result, segment revenue declined from approximately €106 million in FY2024 to €89 million in FY2025, with corresponding pressure on transactional volumes and related financing activity through United Acceptances Finance Limited.

Despite the reduction in revenue, the division continued to demonstrate resilience in its operating model, supported by active cost management, disciplined inventory control, and a strategic focus on maintaining market share across its core automotive brands. The segment also continued to play a key role in Malta's transition towards electrified mobility, with the MO Group maintaining a comprehensive portfolio of electric and hybrid vehicle offerings in line with evolving regulatory and consumer trends. Demand for vehicle financing remained directly linked to vehicle sales volumes, and therefore reflected the softer trading environment experienced during the year.

Looking ahead, the automotive sector is expected to remain the Group's single largest revenue contributor, although it is not anticipated to be a primary growth driver. The strategic focus will remain on margin protection, operational efficiency, and disciplined capital allocation, rather than volume-led expansion. The diversified brand portfolio and established market presence in Malta are expected to support MO's ability to adapt to these evolving conditions while maintaining a stable and sustainable contribution to earnings.

The Beverage Segment

The beverage segment is also a substantial contributor to the revenue and EBITDA of MO. The companies that operate in this segment are GSD and GSDM (two of the Guarantors of the Bonds). GSD produces and packages soft drinks and mineral water for distribution by GSDM. The bottling of branded beverages represented by the companies are subject to bottling agreements, some of which having been in place for over 40 years. Bottling is done in a facility located in Marsa measuring 33,393 sqm, which is built over land owned by Malta Enterprise and subject to emphyteutic rights.

GSDM's operation comprises of the distribution of the bottled and/or imported alcoholic and non-alcoholic beverage brands, as well as coffee and energy drinks.

In 2020, MO, along with other beverage producers in Malta, set up BCRS Malta Limited, a company that was incorporated with the aim of introducing a beverage container refund scheme in Malta. Such scheme was introduced in order to manage waste of single-use plastic packaging. The scheme became operative in November 2022. GSD holds a seat on the Board of Directors of the scheme, through the Malta Beverage Producers Association, as well as a seat on the Advisory Board of the scheme. In 2025, it is reported that over 242 million beverage containers were collected and sent for recycling, equivalent to an 85% collection rate in line with the national target of 85%.

Revenue FY2025:	**€64.2 million**
YOY:	**+7%**
MO companies:	**The General Soft Drinks Company Limited and GSD Marketing Limited**
FY2026 Revenue Forecast:	**€70.6 million (+10%)**

This segment maintains a strong presence in the local beverages market. FY2025 was another strong year for the beverages division, generating over €64 million of revenue (FY2024: €60.2 million), supported by continued positive trends in tourism and the hospitality sector, as well as sustained demand across both on-trade (hospitality and catering) and off-trade (retail) channels. The segment benefited from its diversified brand portfolio and strong market positioning within Malta's FMCG beverage industry, which helped offset ongoing cost pressures relating to logistics, packaging, and labour. Overall, the division maintained stable margins and reinforced its role as a core earnings contributor within the Group, continuing to generate strong and consistent cash flows.

For FY2026, forecasts assume continued growth in the division, in line with positive macroeconomic indicators and expected further uplift in inbound tourism. Following several years of strong performance, management expects the business to benefit from operational efficiencies, a diversified customer base, and sustained demand across both retail and food service markets.

The Food and Fashion Retail Division

This segment is now divided in three operations:

- the operations of the "Arkadia" chain of food stores, located in Malta and Gozo;
- the operation of fashion outlets as the franchisee of internationally renowned fashion brands. It is the authorised franchisee of Piazza Italia®, and Parfois®. In such capacity it is authorised to sell the said branded fashion clothing and accessories from stores located in prime locations, in Valletta, Sliema, St. Julian's, within Malta's International Airport and in Gozo; and
- the operation of the Arkadia Commercial Centre in Gozo which comprises a shopping complex situated in a prime area in Victoria that houses a number of fashion and other retail and food outlets. Some fashion outlets are operated by MO for the franchised brands.

Revenue FY2025:	**€28.9 million***
YOY:	**+2%****
MO companies:	**Arkadia Foodstores Ltd, Arkadia Marketing Limited, Mizzi Brothers Limited and Arkadia Retail Limited**
FY2026 Revenue Forecast:	**€28.5 million (-1%)**

**The FY2025 combined financial statements reported revenue amounting to €1.2 million within the real estate segment, which was, however, meant to be attributable to this segment, and as such, this is being reported correctly in this FAS Update.*

***Adjusting revenue to exclude the discontinued operations of the ISTB from the FY2024 figures, the comparison, when taking the adjustment mentioned above also into account, would result in a growth of 2% YOY.*

The Arkadia Commercial Centre in Gozo continued to register an increase in footfall during FY2025, underscoring the resilience and attractiveness of its diversified retail offering. This positive trend was supported by the successful introduction of new outlets, further strengthening the tenant mix. This together with the recent refurbishment and subsequent upgrades contributed in enhancing further the overall customer and tenant experience. The five Arkadia food stores remained fully operational throughout the year, with management focusing on strengthening supplier relationships, optimising promotional strategies, and improving customer engagement through enhanced in-store experiences.

Improving efficiency and turnover remained a key priority within the fashion portfolio of the Group, which continues to operate in a highly competitive and challenging retail environment. Cost pressures and margin management remain central considerations given the intensity of competition in the sector.

The increase in footfall in Valletta, supported by higher tourist arrivals, contributed directly to increased revenue at Is-Suq tal-Belt ("**ISTB**"). However, the lack of recoverability of certain centralised costs, continued to impact cost and overall profitability. In Q2 2025, Arkadia Marketing Limited entered into a conditional transfer agreement to assign the rights and obligations of the ISTB concession to a third-party acquirer. The disposal of ISTB forms part of the Group's ongoing strategy to dispose of operations which are considered to be non-core to the Group's long-term strategy. Further updates on this transaction will be provided by the Company in due course.

For FY2026, the Arkadia food stores operation is expected to experience a slowdown on the FY2025 revenue levels. Nonetheless, management will maintain a proactive approach supported by ongoing marketing initiatives with a view of mitigating this adverse situation. The retail division remains focused on sustaining revenues while improving operational performance. Management expects tourism growth and increased commercial activity to continue supporting footfall at Arkadia Commercial Centre and other retail operations, while ongoing efforts remain directed towards improving efficiency, enhancing the customer experience, strengthening online and delivery channels, and mitigating the impact of rising operating costs.

The Hospitality Segment

The principal operation in this division during FY2025 was The Waterfront Hotel in Sliema. The hotel features 165 rooms, offering amenities including lido facilities, indoor pool, fitness centre, restaurant and a lobby bar. MO had entered into a joint venture agreement with another two nearby hotels to build and operate a lido in front of the hotels, which was opened in August 2021 and is known as Aqualuna.

Following the full acquisition of IELS on 31 December 2024, as from FY2025, the Group also started consolidating the results of this now, fully-owned subsidiary further strengthening its operations in this ever-growing industry.

Revenue FY2025:	**€14.9 million**
YOY:	**+64%**
MO companies:	**The Waterfront Hotel Limited and Institute of English Language Studies Limited**
FY2026 Revenue Forecast:	**€15.7 million (+5%)**

The hospitality segment delivered a strong performance in FY2025, benefiting from continued growth in Malta's tourism industry and improved operational efficiencies. Higher occupancy levels, stronger room rates, and increased visitor activity supported both revenue and profitability growth during the year. Through the full acquisition of IELS, the Group has expanded its operational footprint and enhancing scale, thereby positioning the business for continued growth.

Management remains positive on the sector's outlook, supported by sustained tourism demand and ongoing investment in hospitality assets. The segment is expected to continue benefiting from Malta's strong tourism sector and operational improvements. Management expects sustained growth in occupancy levels, room rates and visitor activity to support further revenue and earnings growth, reinforcing hospitality as one of the Group's key expansion segments.

THE REAL ESTATE SEGMENT

The real estate segment is one of the largest in terms of asset value of MO as it has been active in the real estate sector over the years, accumulating a significant property portfolio primarily located in prime areas. The value of this portfolio is just under €202 million (as per FY2025 financial statements).

Properties classified under property, plant and equipment with a net book value as of 31 December 2025 of €103.6 million are used by the MO companies to house the various operations namely:

- Muscats Motors showroom, Rue D'Argens Street, Gzira, Malta
- Continental Cars showroom, Testaferrata/Princess Margaret Street, Ta' Xbiex, Malta
- Industrial Motors showroom, Antonio Bosio Street, Msida, Malta
- Nissan showroom, National Road, Blata l-Bajda, Malta
- GSD Factory, Marsa, Malta

- The Waterfront Hotel, Sliema, Malta
- Titan Offices & Stores, Antonio Bosio Street, Msida, Malta
- Day's Inn, Cathedral Street, Sliema, Malta
- IELS building, Matthew Pulis Street, Sliema, Malta

In addition to the above, MO holds another portfolio of properties which are classified as investment property. These have a carrying amount of approximately €98.2 million and are located in prime areas in Blata l-Bajda, Mellieha, St Julian's, Bugibba, Sliema, Gzira and Gozo.

Revenue FY2025:	**€3.1 million***
YOY:	**+22%**
MO companies:	**Mizzi Estates Limited**
FY2026 Revenue Forecast:	**€3.0 million (-3%)**

**The FY2025 financial statements reported revenue amounting to €1.2 million within the real estate segment, which was, however, meant to be attributable to the retail segment, and as such, this is being reported correctly in this FAS Update.*

The real estate segment delivered a strong performance within the MO Group in FY2025. Third-party rental income increased by 16%, driven mainly by the successful leasing of the newly completed Cygnet residential development in Gżira and full occupancy at the Pangea office building in St Julian's. The segment continued to benefit from a stable and income-generating property portfolio, while the Group remained active in evaluating non-core assets for potential disposal and reinvestment.

MO also continued progressing its development pipeline, including the Spinola residential project, which is scheduled for completion in FY2028. The real estate segment is expected to maintain strong performance going forward, supported by full occupancy across key commercial properties and contributions from recently completed residential developments. Management continues to invest in strategic projects in St Julian's and other residential schemes, while selectively pursuing asset disposals and reinvestment opportunities. Rental income is expected to remain a stable and growing earnings stream for the Group.

The Contracting Segment

The mechanical and engineering contracting segment is operated through Titan International Ltd and Daka Ducting Manufacturing Ltd (formerly Legacy Contractors Ltd) which offer:

- mechanical and electrical engineering contracts, including installation of industrial and domestic air-conditioning systems and lifts and related supplies and services;
- manufacturing and installation of different types of Ducting and
- importation, wholesaling, retailing and installation of electrical components, under-floor heating, air extractors, and power tools.

Revenue FY2025:	**€27.4 million**
YOY:	**+31%**
MO companies:	**Titan International Limited & Daka Ducting Manufacturing Limited**
FY2026 Revenue Forecast:	**€28.8 million (+5%)**

The contracting segment delivered strong revenue growth in FY2025, driven primarily by participation in two major projects. Revenue increased by almost 31% to €27.4 million, while the business remained profitable despite competitive market conditions and ongoing labour shortages.

Management expects continued revenue contribution from ongoing projects, alongside new opportunities in mechanical and engineering services. The segment is anticipated to remain one of the key growth drivers within the MO Group, supported by a healthy project pipeline and sustained demand for engineering and infrastructure-related services in the local market.

Other Business Interests

MO holds investment interests in companies with other third parties in a variety of sectors, including:

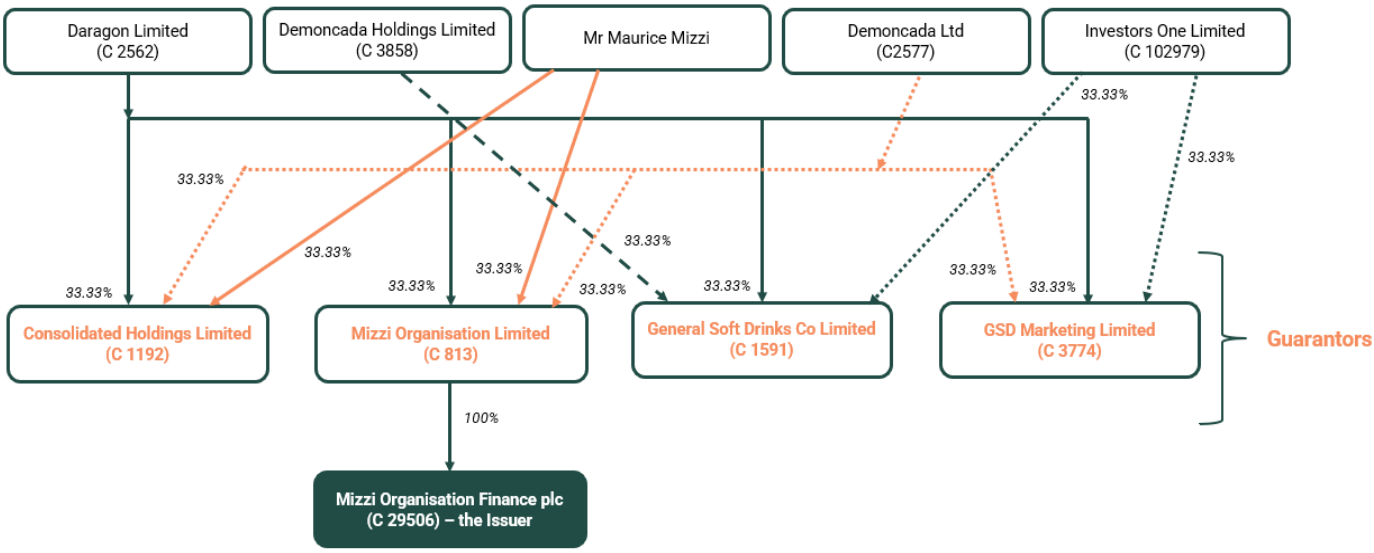
- In November 2025, the shareholding in St Julian's Maritime Finance Limited ("**SJMF**") was replaced by shares in St Julians Finance Limited ("**SJF**") in a share-for-share exchange. MO holds a 19% interest in SJF (22% in SJMF as at the end of FY2024) (through MOL) in this company, which offers primarily a one-stop shop for yacht-related financing services, including asset-backed financing, registration and corporate structure services, as well as finance lease arrangements.

- Manoel Island Yacht Yard Limited (C 48138, MIYY) – operates within the marine sector. MO holds an 18% interest in MIYY through MOL. MIYY offers yacht repairs and is one of the oldest established yacht yards in the Mediterranean.

- Aqubix Limited (C 44882) and its sister company, FINOPZ Ltd (UK-registered) - operate within the IT sector. MO holds a 50% interest in both companies through MOL. These companies offer IT consultancy and related software services to regulated entities (in particular) related to know-your-customer/compliance requirements.
- Mellieha Bay Hotel Limited (C 522, MBH) – operates in the hospitality sector. MO holds a 51% share in MBH. The hotel is currently closed and is currently being re-developed.
- Aqualuna Lido Limited (C 95143) and Sliema Creek Lido Limited (C 87108) – operate in the hospitality sector. The Waterfront Hotel Limited holds 33.3% in both companies which operate the lido situated across the road from the hotel in Sliema.

3. Group Structure

The below organisation chart shows the the Issuer and the Guarantors within the Mizzi Organisation group ("**MO**" or "**MO Group**"). Other companies form part of the MO Group, as detailed on the Company's website, and which may be updated from time to time [https://mofplc.com/] .



4. Corporate Governance and Management

Board of Directors – The Issuer

The Company's board of directors as at the date of this document comprises the following:

John Zarb	Non-Executive Chairman, Independent Director *(effective 1 May 2026)*
Brian R. Mizzi	Executive Director
Kenneth C. Mizzi	Executive Director
Charles J. Farrugia	Non-Executive, Independent Director
Kevin Rapinett	Non-Executive, Independent Director
Joseph M. Galea	Non-Executive, Independent Director

With effect from 1 May 2026, Maurice F Mizzi and Prof Andrew Muscat relinquished their positions as directors of the Company.

The Company Secretary is Dr Malcolm Falzon.

Board of Directors – The Guarantors

The Guarantors' respective boards of directors as at the date of this document comprise the following:

		CHL	GSD	GSDM	MOL
Brian R. Mizzi*	Executive Director	✓			✓
Kenneth C. Mizzi	Executive Director	✓			✓
Angele Calleja	Executive Director	✓			✓
Christopher Mizzi	Executive Director	✓			✓
Ian Mizzi	Executive Director	✓			✓
Veronica Mizzi	Executive Director	✓			✓
Maria Micallef	Non-Executive Director		✓	✓	
Taryn Camilleri de Marco	Non-Executive Director		✓	✓	
Elisa H. Krantz	Non-Executive Director		✓	✓	
Simon Mizzi	Non-Executive Director		✓	✓	

John Zarb	Non-Executive Director & Chairman *(effective 1 May 2026)*	✓	✓	✓	✓
Kevin Rapinett	Non-Executive Director		✓	✓	
Martin Galea	Non-Executive Director *(effective 1 May 2026)*	✓			✓
Anthony Diacono	Non-Executive, Director *(effective 1 May 2026)*	✓			✓

**With effect from 1 January 2026, Brian R Mizzi resigned from his post as director of GSD and GSDM.*

Furthermore, with effect from 1 May 2026, Prof Andrew Muscat and Maurice F Mizzi resigned from their post as directors of the various Guarantor companies, details as follows:

Maurice F Mizzi	*from CHL and MOL*
Prof Andrew Muscat	*from GSD and GSDM*

Kevin Caruana is the company secretary of all the Guarantors.

Senior Management

The following is the senior management team within MO:

Daniel Aquilina	Group CEO
Darren Saliba	Group CFO
Maurizio Micallef	COO – Automotive Division of MO
Mark Farrugia	GM of the Beverage Division of MO
Daniel Mangani	GM of IELS
Dave Shaw	GM of AML and Suq tal-Belt
Robert Refalo	GM of Titan *(as from February 2025)*
Kevin Muscat	GM of Mizzi Estates
Frederick Curmi	GM of the Waterfront Hotel
Giancarlo Millo	Group Chief Internal Auditor

5. MAJOR ASSETS

The Issuer is a special purpose vehicle set up to act as a financing company of MO entities through capital market issues. MOF currently does not have any substantial assets.

MO's major assets include a property portfolio that is used for the operations of the various entities forming part of the organisation, investment in associates, inventories and a balance of trade and other receivables, which as at the respective year ends of 2023, 2024 and 2025 consisted of:

	FY2023 (A) *€'000*	**FY2024 (A)** *€'000*	**FY2025 (A)** *€'000*
Continued Operations			
Property, Plant and Equipment & Intangible Assets	113,118	135,871	133,177
Right-of-use Assets	27,876	31,339	17,160
Investment Property	108,963	98,442	98,299
Investment in Associates*	23,949	22,546	22,040
	273,906	**288,198**	**270,606**
Inventories	60,769	49,773	47,430
	334,675	**337,971**	**318,036**
Trade and Other Receivables			
Non-current	21,631	21,215	20,191
Current	42,140	42,382	42,131
	398,445	**401,567**	**380,358**
Discontinued Operations			
Asset Held for Sale	**-**	**-**	**14,979**

* On 31 December 2024, IELS which was 50% owned by MO, became a fully-owned subsidiary and its value no longer forms part of the '*Investment in Associates*'.

For the year ended 31 December 2025, MO reclassified ISTB as an asset held for sale, given that in Q2 2025, Arkadia Marketing Limited entered into a conditional transfer agreement whereby it will transfer the rights and obligations of the concession related to ISTB to a third-party acquirer.

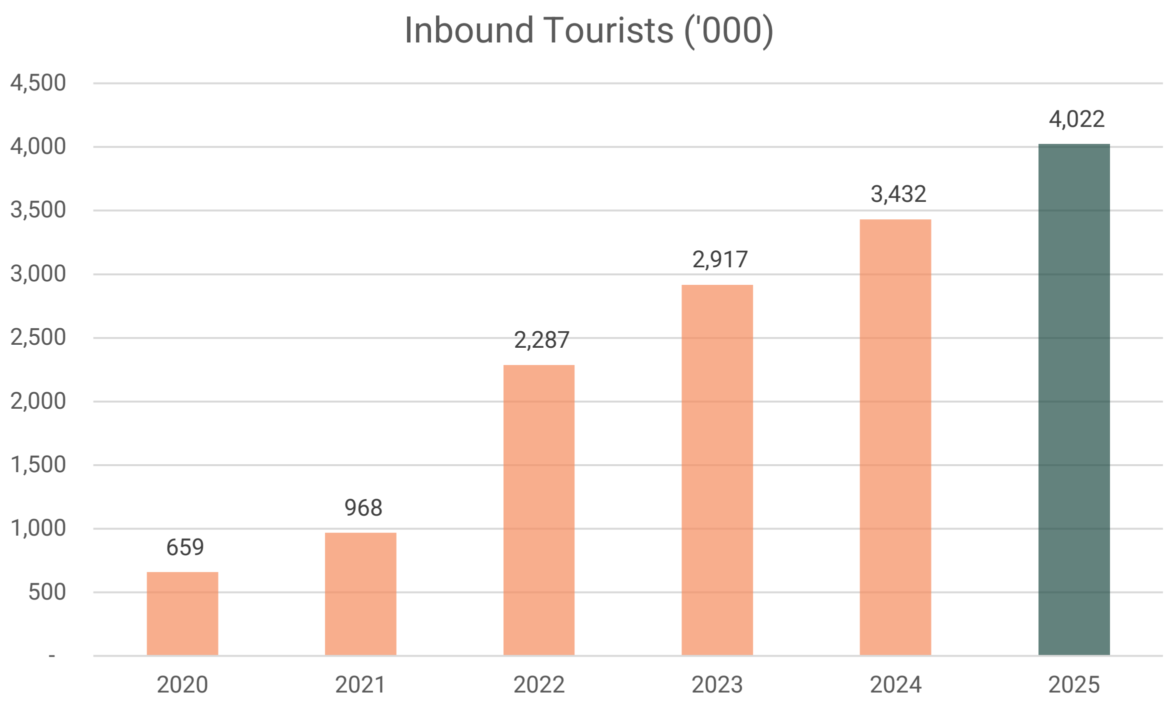
An analysis of MO's assets is included in section 10 of this FAS.

6. Market Overview & Recent Developments

The Tourism Sector

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/

The Beverage Industry

The Maltese food and beverage market continued to benefit from strong economic activity, population growth, and sustained tourism expansion during 2025. Increased visitor arrivals and higher consumer spending have continued to support demand across hospitality, retail, and entertainment channels.

At the same time, economic forecasts indicate that Malta's economy is expected to continue expanding, albeit at a more moderate pace compared to the exceptionally strong growth registered in recent years. This moderation reflects broader European economic conditions and inflationary pressures, although domestic consumption and tourism remain supportive factors for the sector.

Consumer preferences within the beverage industry continue to evolve towards healthier and more sustainable products. Demand for low-sugar, functional, and wellness-oriented beverages remains strong, particularly among younger consumers and tourists. Environmental sustainability is also increasingly shaping the sector, with producers and importers placing greater emphasis on recyclable packaging, reduced plastic usage, and improved waste-management practices.

The hospitality and tourism industries are expected to remain key drivers for beverage consumption over the coming years, particularly as Malta continues to record historically high visitor volumes and a longer tourism season extending beyond the traditional summer months.

The Automotive Industry

The stock of licensed motor vehicles on Maltese roads continued to increase during 2025 and into 2026, reflecting sustained vehicle demand and ongoing pressures on the transport network.

As at the end of March 2026, the stock of licensed motor vehicles in the Maltese Islands amounted to 460,648 vehicles, representing an increase of 3,245 vehicles over the previous quarter. During the first quarter of 2026, the stock of licensed vehicles increased at a net average rate of 36 motor vehicles per day.

The following is a split of the licensed vehicles by energy mix:

Category	End 2024	March 2026
Total licensed vehicles	445,711	460,648
% Passenger cars	74.1%	73.3%
Petrol	58.2%	57.9%
Diesel	35.1%	33.8%
Electric + plug-in hybrid	4.0% (~17,759)	5.1% (~23,387)

In line with broader European mobility trends, Malta's transport sector continues to experience a gradual transition towards lower-emission vehicles, particularly fully electric vehicles (EVs). Government policy has increasingly prioritised zero-emission mobility solutions through grant schemes and fiscal incentives.

The Maltese Government has continued to support the purchase of fully electric vehicles through financial incentives, while maintaining its strategic shift away from plug-in hybrid support schemes introduced in previous years. Demand for EVs has continued to increase steadily, supported by rising environmental awareness, lower operating costs, and expanding charging infrastructure.

Nevertheless, the rapid increase in vehicle numbers continues to place pressure on Malta's road infrastructure and traffic management systems. Consequently, transport policy discussions increasingly focus not only on vehicle electrification, but also on broader mobility solutions including public transport improvements, active mobility infrastructure, and congestion mitigation measures.

Source: https://nso.gov.mt/motor-vehicles-q1-2026/

The Retail Sector

The consumer goods and fast-moving consumer good (FMCG) market as well as fashion retail outlets continuously adapts to evolving consumer demand and trends. Digital innovation continues to transform retail operations and consumer engagement. E-commerce, digital payment systems, and omnichannel retail strategies have become increasingly important, with consumers expecting seamless integration between physical and online shopping experiences. Sustainability considerations are becoming more central to purchasing decisions, particularly among younger consumers. Retailers and consumer brands are increasingly focusing on sustainably sourced products, recyclable packaging, and environmentally responsible supply chains in order to maintain competitiveness and strengthen brand loyalty.

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]

Part B Financial Analysis

7. Introduction

Historical Financial Information

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

8. The Issuer's Financial Statements

Income Statement

	FY2023 (A) €'000	FY2024 (A) €'000	FY2025 (A) €'000	FY2026 (F) €'000
Net Interest Income	200	197	203	217
Administrative Expenses	(133)	(134)	(135)	(141)
Profit Before Tax	**67**	**63**	**68**	**76**
Tax Expense	(24)	(21)	(24)	(27)
Profit for the Year	**43**	**43**	**44**	**49**

Statements of Cash Flows

	FY2023 (A) €'000	FY2024 (A) €'000	FY2025 (A) €'000	FY2026 (F) €'000
Net cash flows from / (used in) Operating Activities	(115)	368	318	143
Net cash flows used in Investing Activities	-	-	(565)	-
Free Cash Flows	**(115)**	**368**	**(247)**	**143**
Net cash flows used in Financing Activities	-	(40)	(40)	(40)
Net Movements in Cash & Cash Equivalents	**(115)**	**328**	**(287)**	**103**
Cash & Cash Equivalents at the Beginning of the Year	150	36	363	76
Cash & Cash Equivalents at the End of the Year	**36**	**363**	**76**	**179**

Statement of Financial Position

	FY2023 (A) €'000	FY2024 (A) €'000	FY2025 (A) €'000	FY2026 (F) €'000
Assets				
Loans & Advances	44,600	44,600	45,165	45,165
Receivables	637	528	200	220
Cash & Cash Equivalents	36	363	76	179
Total Assets	**45,273**	**45,491**	**45,442**	**45,564**
Equity & Liabilities				
Capital & Reserves				
Share Capital	303	303	303	303
Retained Earnings/(Accumulated Losses)	62	64	69	78
Total Equity	**365**	**367**	**371**	**381**
Liabilities				
Bond	44,350	44,423	44,499	44,578
Payables	558	701	571	605
Total Liabilities	**44,908**	**45,124**	**45,070**	**45,183**
Total Equity and Liabilities	**45,273**	**45,491**	**45,442**	**45,564**

Analysis FY2025

The objective of the Company is to serve as MO's finance vehicle when MO raises funds through the capital market, having raised a €45 million bond in FY2021. Since then, its performance consisted of an interest margin on the funds which were on-lent to associated companies within MO, net of administrative fees and tax.

The statement of financial position included the Bonds issued (net of amortised issue costs - as a liability) and on-lent to the associate companies within MO. Receivables included the interest accrued on the loans to these companies and yet to be received, while the payables included the interest accrued, outstanding management fees (being settled in FY2026) and due to bondholders.

The cash flows statement for FY2025 factors in the limited operations of the Company as explained above, where the interest is received from the related parties and used to pay its administrative expenses and the interest due to bondholders.

OUTLOOK FY2026

Similar to the previous years, the Company's activities will continue to be the receipt of interest related to the funds on-lent to MOL (as parent) and the payment of interest related to the Bond issue. The Company also effects payments related to tax and administrative expenses.

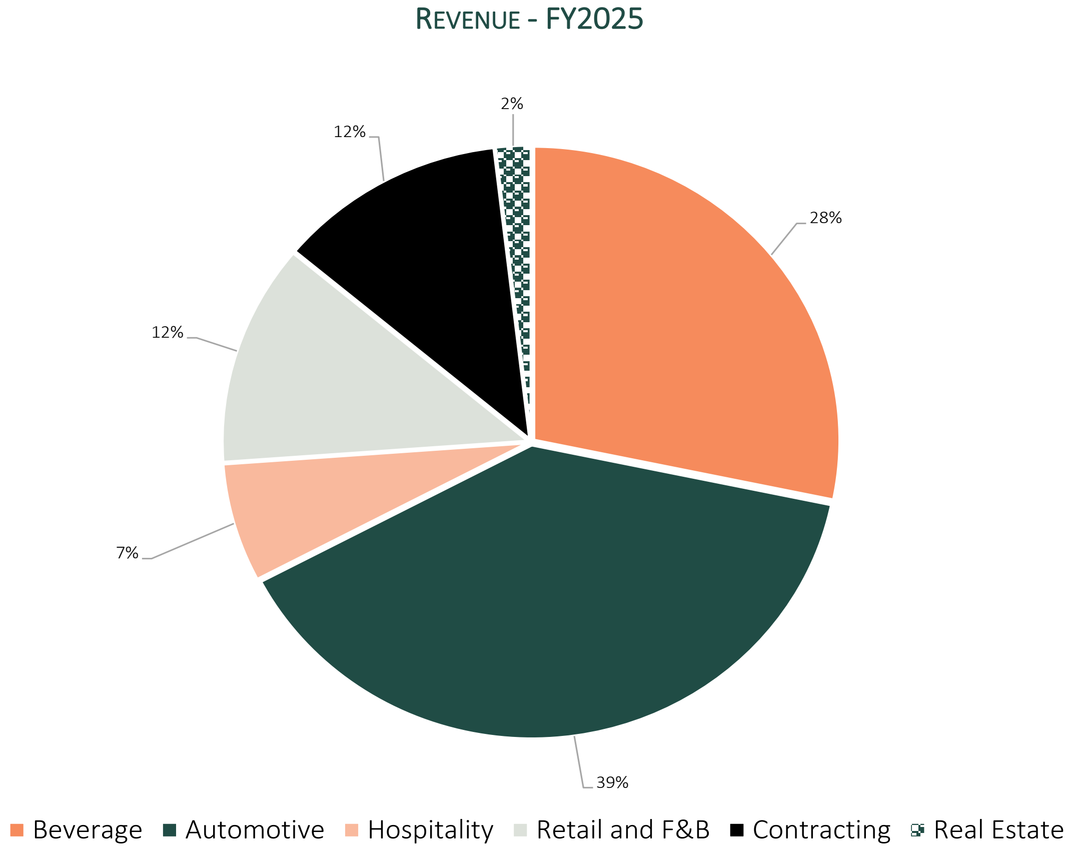
The statements of cash flows and financial position are not expected to be materially different from those of FY2025, save for the on-lending of excess funds build-up to MO for liquidity management purposes.

9. THE GUARANTORS' COMBINED INCOME STATEMENT

	FY2023 (A) *€'000*	FY2024 (A) *€'000*	FY2025 (A) *€'000*	FY2026 (F) *€'000*
Continued Operations				
Revenue	223,666	228,791	227,184	237,943
Operating expenses	(212,494)	(219,404)	(216,376)	(226,786)
Gains from changes in FV of IP	341	1,396	517	609
Impairment charges on PPE	(2,000)	-	-	-
Gain arising from the disposal of assets held for sale	-	-	-	4,986
Other operating income	2,806	3,239	3,093	2,013
Operating Profit	**12,319**	**14,022**	**14,418**	**18,765**
Investment & other related income	179	154	120	119
Net Finance Costs	(5,906)	(5,768)	(4,846)	(4,226)
Share of profits of associates	1,582	692	688	417
Gain on bargain purchase attributable to business combination	-	1,271	-	-
Profit before Tax	**8,174**	**10,370**	**10,381**	**15,074**
Tax expense	(2,379)	(1,073)	(2,089)	(2,734)
Profit for the Year from Continued Operations	**5,795**	**9,297**	**8,291**	**12,340**
Loss for the year from discontinued operations	-	(1,783)	(1,616)	**(1,602)**
Profit for the year	**5,795**	**7,514**	**6,676**	**10,738**

The combined revenue for FY2025 was €227.2 million, reflecting a decrease of under 1% over the previous year.

The following is the segmental contribution towards revenue:



An in-depth analysis of the revenue and performance of each segment for FY2025 is included in section 2 of this report.

While revenue was marginally lower in FY2025 compared to FY2024, the reduction in operating expenses was proportionally greater, reflecting continued management focus on cost optimisation and operational efficiency across the Group. This improvement in cost control helped to offset top-line softness and supported margin expansion at operating level. Net finance costs were also lower year-on-year, reflecting reduced borrowing costs and the benefit of holding higher cash balances invested in interest-bearing assets during the period.

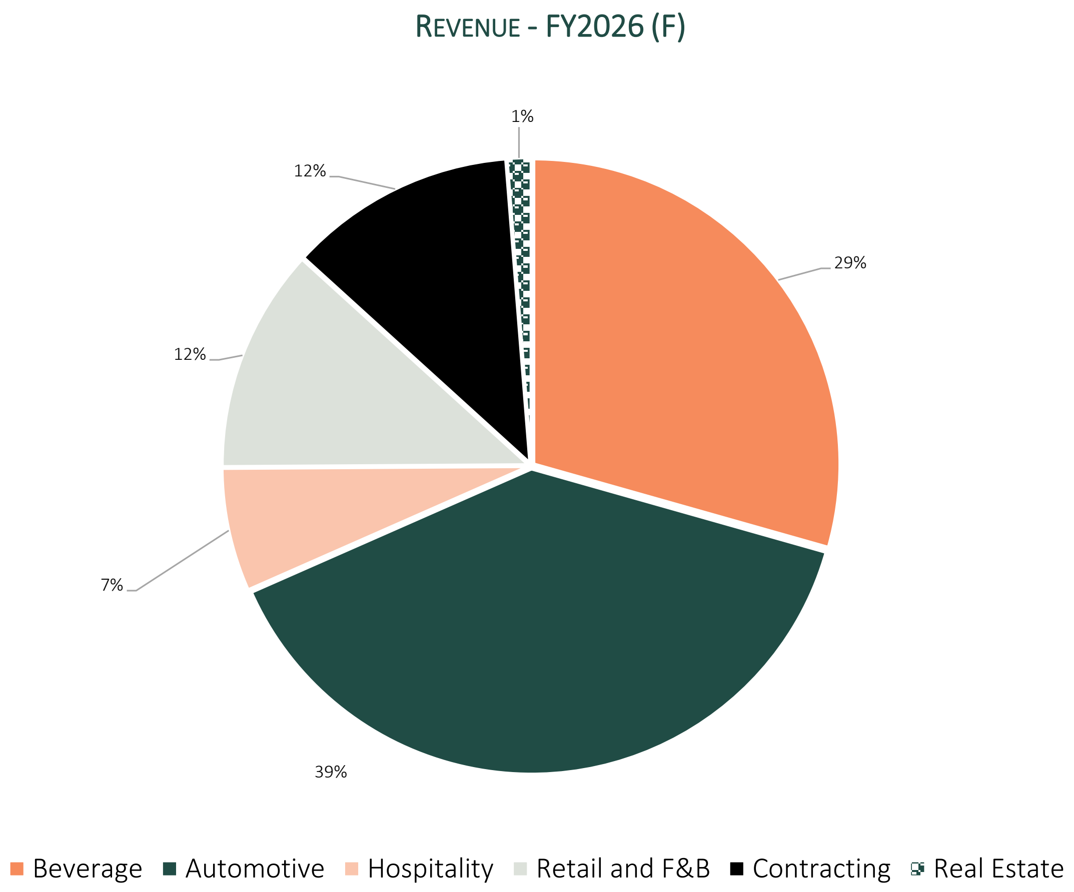
The combined income statement also includes a €0.5 million fair value gain on investment property, broadly in line with prior year trends, albeit at a lower level than FY2024. Other operating income remained stable overall, while the share of profits from associates amounted to €0.7 million, broadly consistent with FY2024 contributions.

Profit before tax from continuing operations stood at €10.4 million, which is equivalent that achieved in FY2024. The results were supported by both cost savings and lower finance costs during the year, despite the fact that the FY2024 results included a one-off gain on bargain purchase of almost €1.3 million. Taxation for FY2025 amounted to €2.1 million, resulting in profit for the year from continuing operations of €8.3 million, an 11% decrease from the prior year.

The loss from discontinued operations, related to ISTB, amounted to €1.6 million in FY2025. Consequently, profit for the year amounted to €6.7 million, compared to €7.5 million in FY2024, representing an 11% decline.

OUTLOOK FY2026

The FY2026 performance expected from the various segments of MO has been discussed at length in Section 2 of this report. Overall, revenue is expected to increase by just under 5% to €237.9 million. The beverage and the automotive segments continue to dominate the contribution to revenue, as may be seen in the pie chart below. There is a notable contribution coming from the contracting segment, again for the second consecutive year.



The increase in revenues is anticipated to result in a corresponding increase in operating expenses, which are expected to amount to €226.8 million for FY2026. For FY2026, management is expecting to recognise a €5 million gain from the disposal of the ISTB asset during the course of the financial year. While the Group anticipates that the transfer of the concession will be completed during FY2026, as at the date hereof, the precise timing of such transaction cannot be ascertained, and as such, a full-year loss on this activity has been included in the FY2026 income statement as a matter of prudence.

Management anticipates lower other operating income for FY2026, which will not, however, net off the positive effect of the gain on disposal of asset mentioned above on operating profit, which is expected to come in at €18.8 million. Meanwhile, interest costs are also expected to be lower, at €4.2 million, while the share of profit from associates will also be lower for the year, at €0.4 million.

After accounting for a tax charge of €2.7 million and a loss from discontinued operations of €1.6 million, profit for the year is expected to be in the region of €10.7 million, which is nearly 61% higher than that of FY2025.

VARIANCES ANALYSIS – FY2025

	FY2025 (A)	FY2025 (F)	*Variance*
	€'000	*€'000*	
Continued Operations	-	-	
Revenue	227,184	244,592	*-7%*
Operating expenses	(216,376)	(235,597)	*-8%*
Gains from changes in FV of IP	517	950	*-46%*
Other operating income	3,093	2,567	*21%*
Operating Profit	**14,418**	**12,511**	*15%*
Investment & other related income	120	108	*11%*
Net Finance Costs	(4,846)	(6,495)	*-25%*
Share of profits of associates	688	366	*88%*
Profit before Tax	**10,381**	**6,490**	*60%*
Tax expense	(2,089)	(1,419)	*47%*
Profit for the Year from Continued Operations	**8,291**	**5,071**	*64%*
Loss for the year from discontinued operations	(1,616)	-	*n/a*
Profit for the year	**6,676**	**5,071**	*32%*

The Group reported revenue of €227.2 million, 7% below forecast. The shortfall was primarily attributable to weaker-than-anticipated performance in the automotive segment, where revenues declined significantly from the prior year amid challenging market conditions affecting vehicle sales. This was only partially offset by stronger performances in the contracting, real estate and hospitality segments. Despite lower revenue, operating expenses decreased by 8% compared to forecast, reflecting the lower activity levels within automotive as well as management's continued focus on cost control and operational efficiencies across the Group.

Gains arising from changes in the fair value of investment property amounted to €0.5 million compared to a forecast of €1.0 million. The variance reflects lower unrealised property revaluation gains than originally anticipated, although the Group continued to benefit from appreciation in its investment property portfolio.

Other operating income exceeded forecast by 21%, largely due to higher ancillary income streams, recoveries and other non-core operating receipts generated during the year. Together with the lower-than-forecast operating cost base, this more than compensated for the revenue shortfall, resulting in operating profit of €14.4 million, 15% ahead of forecast.

Investment and other related income was broadly in line with expectations. Net finance costs were €4.8 million, 25% below forecast, reflecting lower than anticipated use of banking facilities up to the end of FY2025. This was one of the principal drivers behind the outperformance at profit before tax level.

The share of profits from associates amounted to €0.7 million, almost double the forecast contribution. The favourable variance was attributable to stronger performances from certain associate investments, including technology, financial services and other strategic holdings within the wider MO portfolio.

As a result of the various variances mentioned above, profit before tax reached €10.4 million, exceeding forecast by 60%. The corresponding tax charge of €2.1 million was higher than forecast as a direct consequence of the stronger profitability achieved during the year.

Profit from continuing operations amounted to €8.3 million, 64% above forecast expectations. However, the Group recognised a loss from discontinued operations of €1.6 million relating to the ISTB asset which is now set to be disposed of. After accounting for this loss, profit for the year amounted to €6.7 million, representing an outperformance of 32% over forecast.

10. THE GUARANTORS' COMBINED STATEMENT OF FINANCIAL POSITION

	FY2023 (A)	FY2024 (A)	FY2025 (A)	FY2026 (F)
	€'000	*€'000*	*€'000*	*€'000*
Assets				
Non-Current Assets				
PPE (including Intangible Assets)	113,118	135,871	133,177	141,201
ROU Assets	27,876	31,339	17,160	14,664
Investment Property (IP)	108,963	98,442	98,229	99,074
Investments in Associates	23,949	22,546	22,040	22,198
Loans & Advances	794	3,364	6,351	12,711
Financial Assets at FVOCI	2,948	2,851	4,026	3,847
Derivative financial instruments	224	68	14	14
Trade & Other Receivables	21,631	21,215	20,191	21,147
Total Non-Current Assets	**299,503**	**315,695**	**301,188**	**314,855**
Current Assets				
Inventories	60,769	49,773	47,430	49,205
Trade and Receivables	42,140	42,288	42,131	44,126
Loans & Advances	314	197	152	80
Current Tax Assets	1,127	1,495	1,603	540
Cash & Cash Equivalents	7,892	13,953	12,467	12,086
	112,242	**107,707**	**103,783**	**106,037**
Assets Classified as HFS	-	-	14,979	-
Total Current Assets	**112,242**	**107,707**	**118,762**	**106,037**
Total Assets	**411,745**	**423,402**	**419,950**	**420,892**
Equity & Liabilities				
Capital & Reserves				
Share Capital	8,408	8,408	8,408	8,408
Capital Contribution Reserve	-	2,000	2,000	2,000
Revaluation Reserve	64,774	66,549	66,768	66,589
FV Gains & Other Reserves	39,574	34,214	34,144	33,731
Hedging Reserves	146	44	9	9
Retained Earnings	69,586	85,420	90,651	100,302
Total Equity	**182,488**	**196,635**	**201,980**	**211,039**

Non-Current Liabilities				
Trade & Other Payables	353	766	670	600
Borrowings	72,684	66,051	60,238	71,302
Lease Liabilities	27,715	31,002	16,274	14,292
Deferred Tax Liabilities	16,891	17,953	17,841	17,760
Provisions for Liabilities & Charges	873	132	215	403
Total Non-Current Liabilities	**118,516**	**115,904**	**95,238**	**104,357**
Current Liabilities				
Trade and Other Payables	73,696	71,015	68,847	77,640
Current Tax Liabilities	2,520	1,313	1,134	380
Borrowings	32,839	35,366	37,775	25,671
Lease Liabilities	1,686	2,233	2,112	1,805
Employee Benefit Obligations	-	936	-	-
Liabilities relating to assets HFS	-	-	12,865	-
Total Current Liabilities	**110,741**	**110,863**	**122,732**	**105,496**
Total Liabilities	**229,257**	**226,766**	**217,970**	**209,854**
Total Equity and Liabilities	**411,745**	**423,402**	**419,950**	**420,892**

ASSETS

As highlighted in section 5 of this report, the majority of the assets of MO consist of a property portfolio consisting of properties that are used in operations (PPE), investment property (employed to generate an income therefrom) and rights over property used in the operations of MO entities (ROU assets).

Total assets declined marginally from €423.4 million as at 31 December 2024 to €420.0 million as at 31 December 2025 (-0.8%).

The value of PPE (including intangible assets) amounted to €133.2 million as at year-end, representing a decrease of €2.7 million from FY2024. The movement primarily reflects annual depreciation charges and disposals partially offset by continued capital expenditure across the Group's operating businesses and property portfolio. Despite the decrease, PPE remains the Group's largest asset class and continues to support operations across the automotive, retail, hospitality, contracting and education sectors.

The value of ROU assets decreased significantly from €31.3 million to €17.2 million. This reduction largely reflects the reclassification as held-for-sale of certain leased operations, the natural amortisation of lease contracts, and changes in the lease portfolio during the year. Correspondingly, lease liabilities also reduced substantially mainly due to reclassification.

Investment property remained broadly stable at €98.2 million (FY2024: €98.4 million), reflecting a mature and largely occupied investment property portfolio. The carrying value of investments in associates declined modestly from €22.5 million to €22.0 million.

Name	% shareholding	Carrying Amount (€000s) as at 31.12.2025
Mellieha Bay Hotel	51%	17,487
Finopz Limited	50%	1,972
Mizzi Associated Enterprises Limited	51%	1,468
Aquibix Limited	50%	484
The Players Group	25%	-
Aqualuna Lido Limited	33%	1
Sliema Creek Lido Limited	33%	0
St Julian's Finance Limited	19%	1,179

On 31 December 2024, MO increased its shareholding in IELS to 100% which therefore became a consolidated subsidiary and no longer formed part of the list above, as per previous periods.

Loans and advances increased materially from €3.6 million to €6.5 million, primarily reflecting additional funding advanced to associates and related investments, most notably Mellieha Bay Hotel Limited, in support of ongoing development and financing commitments.

Financial assets at fair value through other comprehensive income increased from €2.9 million to €4.0 million, reflecting additional investments and positive fair value movements within the MO investment portfolio.

Trade and other receivables classified as non-current assets decreased slightly to €20.2 million, whilst current trade and receivables remained stable at €42.1 million, indicating continued discipline in working capital management and debt collection.

Inventories declined further to €47.4 million (FY2024: €49.8 million), continuing the trend observed in the previous year. The reduction was largely attributable to inventory management initiatives within the automotive division, where stock levels were aligned more closely to market demand and operating requirements.

Cash and cash equivalents amounted to €12.5 million as at year-end, remaining at a healthy level despite being €1.5 million lower than FY2024. The movement reflects ongoing investment activity, debt servicing requirements and working capital funding needs across the MO entities.

LIABILITIES

MO's total liabilities declined from €226.8 million as at 31 December 2024 to €218.0 million as at 31 December 2025, representing a decrease of 3.9%.

The Group's debt structure was as follows:

	FY2023 (A)	FY2024 (A)	FY2025 (A)	FY2026 (F)
	€'000	*€'000*	*€'000*	*€'000*
Current	32,839	35,366	37,775	25,671
Non-Current	28,334	21,628	15,739	26,724
Bond (amortised)	44,350	44,423	44,499	44,578
Total Debt	**105,523**	**101,417**	**98,013**	**96,974**
Less: Cash in hand	7,892	13,953	12,467	12,086
Net Debt	**97,631**	**87,464**	**85,546**	**84,888**

Total borrowings declined by €3.4 million during FY2025, reflecting continued deleveraging through scheduled loan repayments and prudent debt management. As a result, net debt improved further to €85.5 million compared to €87.5 million in FY2024.

Meanwhile, lease liabilities declined substantially from €33.2 million to €18.4 million, mirroring the reduction in ROU assets (in relation to the ISTB concession being reclassified as held for sale which had to be reclassified as such on both the assets side and the liabilities side of the statement of financial position).

Equity Base

Total equity increased from €196.6 million to €202.0 million during FY2025, representing growth of 2.7%. The increase was principally attributable to profits generated during the year, which more than offset dividend distributions and movements in other reserves.

Retained earnings increased from €85.4 million to €90.7 million, reflecting the profitable performance during FY2025. This remains the principal driver of growth in shareholders' funds and demonstrates the MO entities' ability to generate recurring earnings across the diversified business portfolio.

Outlook FY2026

Note: some figures making up the statement of financial position are dependent on cut-off dates. As such, the precise balances at the end of the year being forecasted is dependent on a number of variables, including performance of both the Guarantor's company components but also deliverables from external parties. The reader, as such, is cautioned that the figures presented as forecasts may be substantially different from the actual position on closing of the financial year because of these variables, particularly those outside the control of the MO companies.

Total assets at the end of FY2026 are anticipated to remain relatively stable at €420.9 million. PPE is anticipated to grow to €141.2 million, an uplift of 6% when compared to FY2025. This is the result of significant undergoing investment across the Group, including warehouse automation and soft drinks line enhancement within the beverage division, refurbishment and lift replacement at the Waterfront Hotel as well as various capital expenditure within the automotive division, involving both the 'Hofra' project and relocation of showrooms. Meanwhile, Mizzi Estates will continue to focus its efforts on developing the residential units in St Julian's.

11. The Guarantors' Combined Statement of Cash Flows

	FY2023 (A) €'000	FY2024 (A) €'000	FY2025 (A) €'000	FY2026 (F) €'000
Net Cash from Operating Activities	7,195	24,187	19,328	17,364
Net Cash used in Investing Activities	(12,796)	(10,312)	(12,396)	(17,956)
Free Cash Flows	**(5,601)**	**13,876**	**6,932**	**(592)**
Net Cash from / (used in) Financing Activities	(11,791)	(6,877)	(12,583)	7,377
Net Movements in Cash & Cash Equivalents	**(17,393)**	**6,999**	**(5,652)**	**6,785**
Cash & Cash Equivalents at the Beginning of the Year	2,334	(15,059)	(8,060)	(13,712)
Cash & Cash Equivalents at the End of the Year	**(15,059)**	**(8,060)**	**(13,712)**	**(6,927)**

Analysis FY2025

The MO Group continued to generate positive operating cash flows during FY2025, although at a lower level than the exceptionally strong FY2024 performance. Net cash generated from operating activities amounted to €19.3 million compared to €24.2 million in FY2024. The reduction reflects lower profitability and working capital movements, particularly within the automotive segment, but operating cash generation remained robust relative to MO's earnings base.

Investing activities resulted in a net cash outflow of €12.4 million, compared to €10.3 million in FY2024. The outflow principally reflects capital expenditure across MO's property, hospitality, contracting businesses, together with additional funding provided to associates and strategic investments. Unlike FY2024, there were no significant disposal proceeds comparable to the sale of the ex-GSD site in Qormi to offset investment spending.

As a result, free cash flow remained positive at €6.9 million, demonstrating MO's ability to fund its various investment initiatives largely from internally generated cash flows. This is also visible in the cashflows used for financing activities, which in FY2025 amounted to €12.6 million, compared to €6.9 million in FY2024. The outflow reflects a combination of scheduled debt repayments and lease liability payments, as management continued to prioritise deleveraging while maintaining a healthy level of investment activity.

While the MO Group ended the year in a negative net cash flow position, this increase in the net overdraft position was driven primarily by the combination of higher investment activity and stronger financing outflows rather than a deterioration in underlying operating cash generation.

OUTLOOK FY2026

For FY2026, the Group is expected to generate €17.4 million of net cash from operations, based on the level of performance and business activity. The investments being undertaken by the MO Group companies during FY2026 are expected to consist of additional PPE, for a value of approximately €17.6 million, which includes enhancements within both the beverage and hospitality divisions, the continuation of the 'Hofra' project in Blata l-Bajda and relocation of showrooms. In addition to this, the MO Group companies will also be investing further in the investment property portfolio and will continue to part-finance the investment of one of its associate companies (Mellieha Bay Hotel Limited) to the tune of €6.4 million. Following proceeds that are expected to be received from the disposal of ISTB, and three other properties to the tune of €1.5 million, net cash used in investing activities is anticipated to be just under the €18 million mark. The servicing of bank borrowings is anticipated to result in a cash outflow of €10.5 million, while new drawdowns to finance the various projects are expected to amount to approximately €22 million. Meanwhile, after accounting for dividends and lease liabilities, net cash used in financing activities should reach €7.4 million. As a result, the MO Group is expecting to close FY2026 at a negative €6.9 million position.

12. Ratio Analysis

The following set of ratios have been computed from the Company's figures, both historical and projections.

	FY2023 (A)	FY2024 (A)	FY2025 (A)	FY2026 (F)
EBITDA margin *(EBITDA / Revenue)*	9.9%	10.3%	11.5%	13.0%
Operating Profit (EBIT) margin *(Operating Profit (EBIT) / Revenue)*	5.5%	6.1%	6.3%	7.9%
Net Profit margin *(Profit for the period / Revenue)*	2.6%	3.3%	2.9%	4.5%
Return on Equity *(Net Profit / Average Equity)*	3.2%	4.0%	3.3%	5.2%
Return on Capital Employed *(Net Profit / Average Capital Employed)*	2.0%	2.6%	2.2%	3.5%
Return on Assets *(Profit for the period / Average Assets)*	1.5%	1.8%	1.6%	2.6%
Current Ratio *(Current Assets / Current Liabilities)*	1.0x	1.0x	1.0x	1.0x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.1x	0.1x	0.1x	0.1x
Interest Coverage ratio *(EBITDA / Net finance costs)*	3.75x	4.09x	5.38x	7.30x
Gearing Ratio *(Net debt / [Net Debt + Total Equity])*	34.9%	30.8%	29.8%	28.7%
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	36.6%	34.0%	32.7%	31.5%
Net Debt to EBIDTA *(Net Debt / EBIDTA)*	4.41x	3.71x	3.28x	2.75x

The ratios for the three financial years ended 31 December 2025 take into account the fair value gains recorded in the respective years, the equivalent of which cannot be ascertained at this point for FY2026. Hence the ratios for FY2026 reflect only prudent estimate fair value gains, thus making some ratios less comparable.

MO's financial ratios continue to demonstrate gradual but consistent improvement. As discussed in earlier parts of this report, FY2025 was characterised by stronger operating profitability, improved debt servicing capacity and lower leverage, despite a challenging trading environment in certain sectors and the recognition of losses from discontinued operations as ISTB becomes the subject of a transfer out of the MO group.

The FY2025 profitability ratios show a clear improvement in operating performance, with EBITDA margin rising to 11.5% and EBIT margin increasing to 6.3%, reflecting a better earnings mix and stronger contributions from higher-margin segments such as real estate, hospitality and contracting, despite lower overall revenue, indicating that margin expansion was driven by cost discipline than top-line growth. Net profit margin, however, edged down to 2.9% mainly due to the impact of discontinued operations. Returns on equity, capital employed and assets all softened slightly, largely due to a growing asset and equity base, but are expected to improve in FY2026 as profitability strengthens further.

Liquidity remained broadly stable in FY2025, with both the current and cash ratios unchanged at 1.0x and 0.1x respectively. This reflects a structurally consistent working capital profile.

MO's capital structure strengthened further in FY2025, supported by continued deleveraging. Net debt declined, resulting in gearing falling to 29.8% and net debt-to-EBITDA improving to 3.28x. The most significant improvement was in debt servicing capacity, with interest cover rising sharply to 5.38x, driven by both lower finance costs and stronger EBITDA generation. These movements indicate a materially more resilient balance sheet and improved financial flexibility. Looking ahead, forecast metrics suggest further strengthening, with leverage and interest coverage expected to improve again in FY2026, reinforcing the MO Group's conservative and steadily de-risking financial profile, providing a solid platform for future growth.

PART C COMPARATIVES

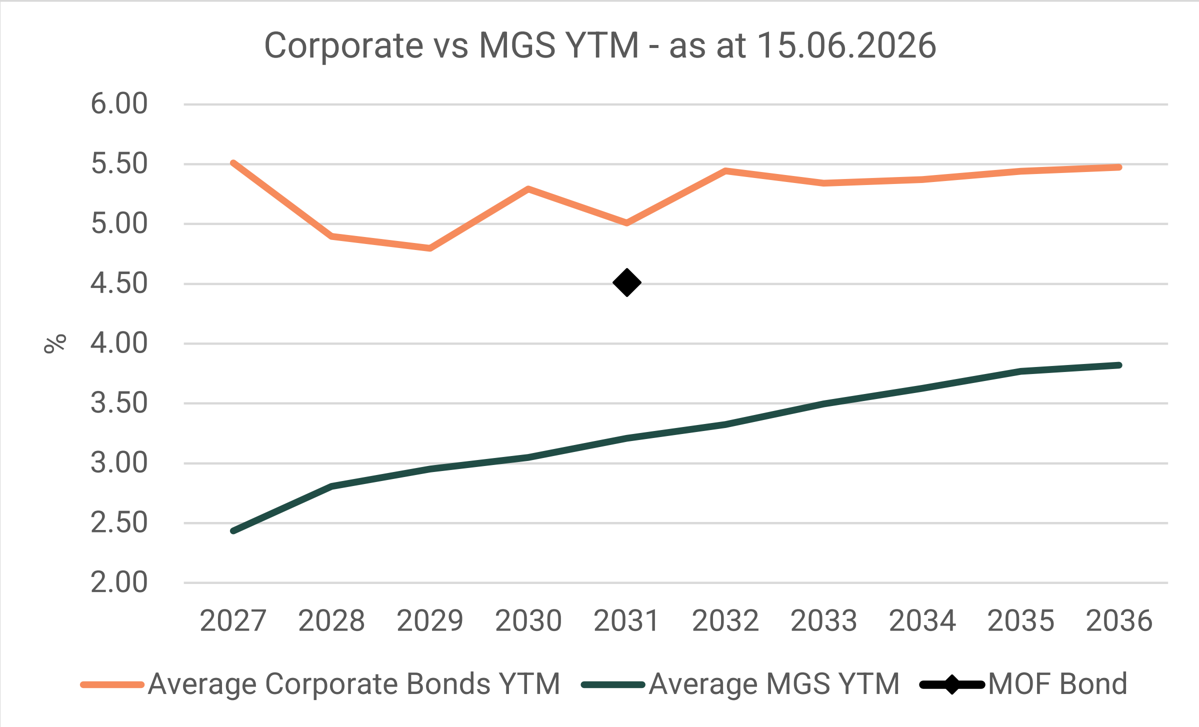
The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

Bond Details	Amounts Outstanding	Gearing (%)*	Net Debt to EBITDA (times)	Interest Cover (times)	YTM as at 15.06.2026
3.65% Mizzi Organisation Finance plc 2028-2031 (Unsecured)	**45,000,000**	**29.8**	**3.28**	**5.38**	**4.51%**
4.00% Exalco Finance plc 2028 (Secured)	15,000,000	18.6	3.4	5.0	3.99%
4.00% SP Finance plc 2029 (Secured)	12,000,000	36.1	2.5	11.3	4.74%
4.00% Cablenet Communication Systems plc Unsecured 2030	40,000,000	104.3	3.7	4.3	5.37%
4.25% Mercury Projects Finance plc Secured 2031	11,000,000	72.8	44.5	0.5	5.72%
3.75% AX Group plc 2029	10,000,000	39.2	4.9	4.0	4.06%

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 respective issuers' unadjusted published financial data (or their guarantors, where and as applicable)

**Gearing - (Net Debt/ Net Debt + Total Equity)*

The chart overleaf shows the average yield to maturity of listed corporate bonds and MGS covering a ten-year period, and how the Company's bond priced at 3.65% compares to such average yields. All the yields presented in the chart overleaf are as of 15 June 2026.



The Company's bond is currently yielding 4.51% representing a 50-basis points discount to the equivalent average corporate bonds' yield to maturity for 2031 maturities and at a 130-basis points premium over the average MGS yield to maturity for 2031 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.
EBIT	Earnings before interest and tax.
Depreciation and Amortisation	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.
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.

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	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.