THE SHORELINE
- LUXURY LIVING, UNPARALLELED VIEWS -

Shoreline Mall plc
Suite 407, Level4, Block SCM 01,
Smart City Malta, Ricasoli, Malta
T: +356 2180 8895 T: +356 2180 8970
E: info@theshorelineresidence.com
Company No: C84005

COMPANY ANNOUNCEMENT

The following is a Company Announcement Ref No.SHM49 issued by Shoreline Mall p.l.c. (the **'Company'**) on the 17 December 2025 pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

Financial Analysis Summary

The Board of Directors of the Company hereby announces that the Financial Analysis Summary (**'FAS'**) dated 17 December 2025 and prepared by Calamatta Cuschieri Investment Services Ltd, is available for viewing hereunder and shall be made available on the Company's website.

As transpires from the financial statements for the year ended 30 June 2025, the Company reported a total revenue of €2.98 million, exclusively derived from rental income generated by the retail segment. This was lower than the projected €6.21 million as contained in the FAS dated 20 December 2024, resulting in a variance of €3.22 million. This variance primarily reflects delays in the completion and sale of the residential units, as well as slower-than-expected occupancy, both of which reduced projected retail footfall and rental income. The residential units are expected to be placed on the market within the current financial year. Additionally, the anticipated fair value uplift on investment property was deferred, resulting in lower comprehensive income than projected.

Unquote

Dr Luana Pace
Company Secretary

Calamatta Cuschieri

The Directors
Shoreline Mall p.l.c.
Suite 407, Level 4
Block SMC 01,
Smart City, Ricasoli
Malta

17 December 2025

Re: Financial Analysis Summary – 2025

Dear Sirs,

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 pertaining to Shoreline Mall p.l.c. (the "**Issuer**") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the four years ended 30 April 2022 ,2023 as well as the year ended 30 June 2024 and 2025 have been extracted from the audited financial statements of the Issuer for the four years in question.

(b) The forecast data for the financial years ending 30 June 2026 and 2027 has been provided by management.

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

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

(e) The principal relevant market players listed in Part 3 of the Analysis have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Issuer. 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 independent professional financial advice before investing in the Issuer's securities.

Yours sincerely,

Patrick Mangion
Head of Capital Markets

Calamatta Cuschieri Investment Services Limited | Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034, Malta | P.O. Box 141, Il-Marsa, MRS 1000, Malta
Phone: (+356) 25 688 688 | Web: www.cc.com.mt | Email: info@cc.com.mt

FINANCIAL ANALYSIS SUMMARY 2025

Shoreline Mall p.l.c.

17 December 2025

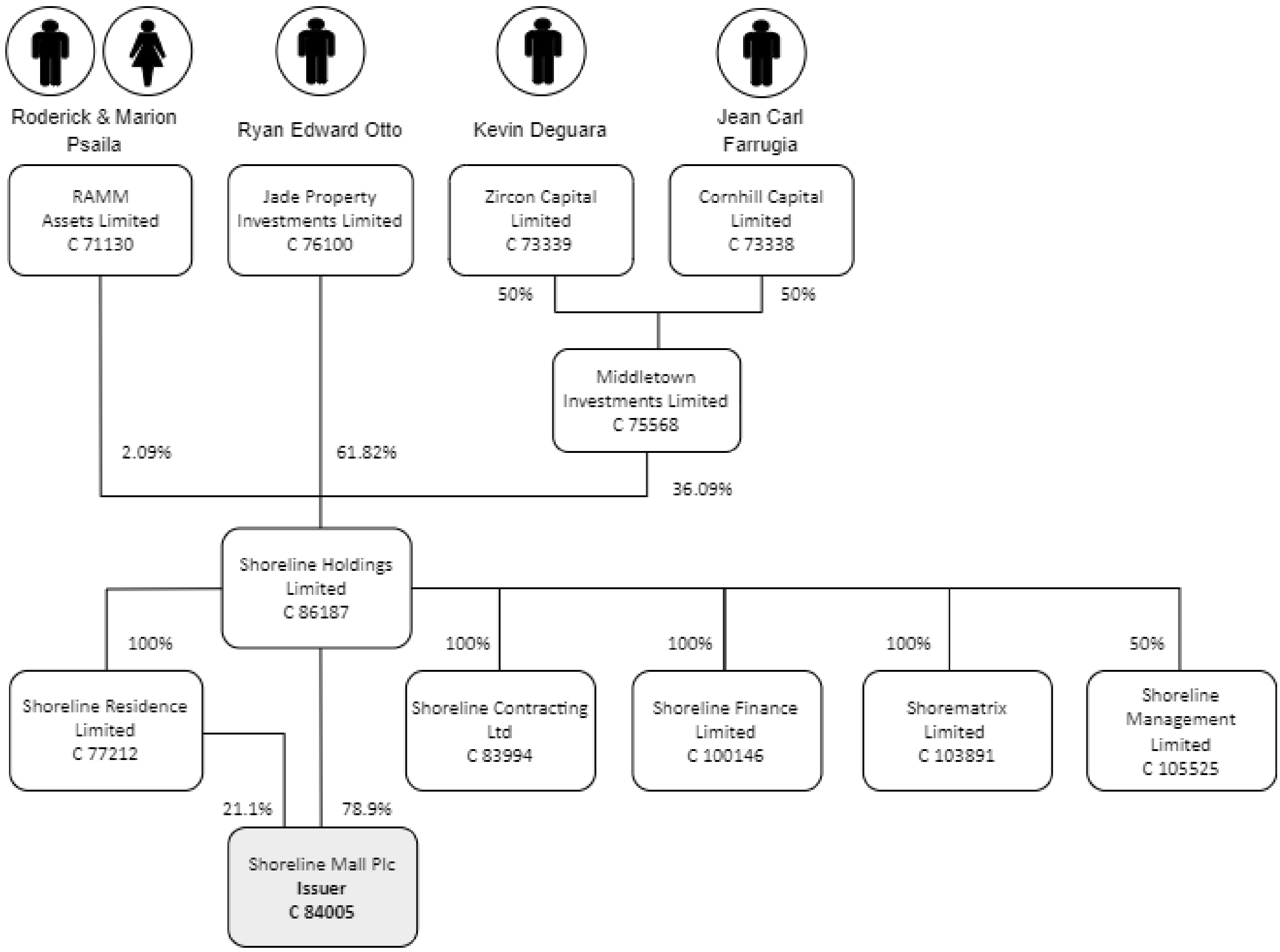
Prepared by Calamatta Cuschieri Investment Services Limited

Table of Contents

Part 1 Information about the Group

1.1 Issuer's Key Activities and Structure

As at the date of this Analysis, Group structure is as follows:



The principal activity of Shoreline Mall p.l.c. (the "**Issuer**" or "**SMP**") is the management of the Shoreline Mall shopping and car park complex, as well as the development and resale of a number of luxury residential villas located within Smart City, Kalkara (the "**Shoreline Mall Project**", and the "**Project**").

The Issuer was incorporated on 15 December 2017, with company registration number C 84005. It was converted into a public liability company on 18 October 2019. The Issuer has an authorised share capital of €21,000,000 divided into 20,999,999 Ordinary A Shares and 1 Ordinary B Share, all having a nominal value of €1 each. The issued share capital of the Issuer is €21,000,000 divided into 16,575,997 Ordinary A Shares of €1 each 100% paid up in name of Shoreline Holdings Limited, 4,424,002 Ordinary A Shares of €1 each 33.9% paid up in name of Shoreline Residence Limited, and 1 Ordinary B Share of €1 fully paid up in name of Shoreline Residence Limited.

Shoreline Holdings Limited ("**SHL**"), company registration number C 86187, was set up on 8 May 2018 and acts as the holding company. SHL has an authorised share capital of €15,000,000 divided into 15,000,000 ordinary shares all having a nominal value of €1 each. The issued share capital is of €11,497,700, made up of 11,497,700 ordinary shares, which are divided into 5,108,183 Ordinary A Shares 100% paid up, 2,000,000 Ordinary A Shares 25% paid up, 239,926 Ordinary B Shares 100% paid up, 2,149,591 Ordinary C Shares 100% paid up, and 2,000,000 Ordinary C Shares 25% paid up. The shareholders of SHL are Jade Property Investments Limited (61.82%), Middletown Investments Limited (36.09%), and RAMM Assets Ltd (2.09%).

Shoreline Residence Limited ("**SRL**"), company registration number C 77212, and Shoreline Contracting Ltd ("**SCL**"), company number C 83994, were incorporated on 12 September 2016 and 15 December 2017, respectively. SRL owns the airspace above podium level which encompasses the residential apartment development. SCL engages third-party contractors and recharges these services to both SRL and SMP in order to execute the development programme.

Shoreline Finance Limited, company registration number C 100146, was set up on 9 September 2021 and acts as a finance company for SRL. It is a subsidiary which is wholly owned by SHL with an authorised share capital of €1,200 divided into 1,200 ordinary shares all having a nominal value of €1 each. The company's principal object is to arrange and provide finance for the construction of residential apartments being undertaken by SRL, which fall outside the scope of the Shoreline Mall Project.

Shorematrix Limited, company registration number C 103891, was incorporated on 22 December 2022. It is a subsidiary which is wholly owned by SHL with an authorised share capital of €1,200 divided into 1,200 ordinary shares all having a nominal value of €1 each. Shorematrix Limited acts as a tenant within the Shoreline Mall where its principal activity is the operation of a family entertainment facility.

Shoreline Management Limited, company registration number C 105525, was incorporated on 16 June 2023. It is partially owned by SHL (50%) and has an authorised share capital of €1,200 divided into 1,200 ordinary shares all having a nominal value of €1 each. Shoreline Management Limited was set up to act as a property management company for the Issuer.

1.2 Directors and Key Employees

Board of Directors

Name	Office Designation
Mr Robert Ancilleri	Independent Non-executive Director
Mr Charles Scerri	Independent Non-executive Director
Mr Ryan Edward Otto	Executive Director
Mr Roderick Psalia	Non-executive Director

The business address of all the directors is the registered office of the Issuer, which is located at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara, SCM 1001, Malta.

Dr Luana Pace holds the position as company secretary.

The board is composed of four directors who are entrusted with the overall direction and management of the Issuer. The executive director is entrusted with the decision making and the day-to-day management of the Issuer, whereas the non-executive directors, two 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. Other than the independent non-executive directors, company secretary and site assistant, all other employees are employed by SCL.

1.3 Major Assets owned by the Group

SRL acquired the area on which the Project is being developed (the "**Shoreline Mall Site**") from SmartCity (Malta) Limited (C 41194), in virtue of a deed in the records of Notary Joseph Smith La Rosa of the 17 April 2019 by the title of sub-emphyteusis. On 24 October 2019, the Issuer acquired the Shoreline Mall Site from SRL for a consideration of €13m.

This site is located in Smart City, Kalkara, and is bounded on the South by third-party property, West by the Northern Urban Ring Road, North East by the promenade area, and South East in part by the Laguna area and in part by the divided portion of land which forms part of the Emphyteutical Land (as defined in the prospectus issued by the Issuer dated 18 June 2020).

Management stated that aside from the Shoreline Mall Project, no other significant assets have been added to the company's portfolio, since the last Financial Analysis Summary dated 20 December 2024.

1.4 Operational Developments

As outlined in section 1.1 above, the Issuer's principal activity involves managing the Shoreline Mall shopping and car park complex, as well as developing the residential villas situated within the Shoreline Mall site at Smart City, Kalkara, Malta. The company's operations focus on generating rental income from the commercial units and car park within the Shoreline Mall, while also deriving revenue from the sale of immovable property, comprising of the residential villas.

The Shoreline Mall shopping complex was completed and opened to the public in March 2024. This commercial shopping mall has a total gross area of 25,000 sqm, spread over two floors, of which 17,000 sqm is considered rentable space. This is currently the largest shopping mall in Malta.

The residential portion of the project, which includes a number of luxury residential units that will be held for resales purposes, are completely constructed, and finishing works are projected to be finalised within the next financial year. The residential component of the project had faced delays due to external events and issues being experienced between SCL and their main sub-contractor

The Shopping mall has undergone some developments with the aim of reducing costs and supporting its sustainability responsibilities. Such endevours include the installation of EV charging stations within the mall parking areas as well as the installation of a PV solar plant. Both developments are expected to be completed and commissioned within the next financial year.

Additional design changes have been implemented to achieve a more efficient allocation of space for the floor layout of common areas. These changes include the creation of kiosk spaces in previously open areas, resulting in additional lettable areas.

In parallel with the physical and operational enhancements, the Mall's management team has continued to implement a proactive tenant-support strategy aimed at strengthening retailer performance and driving sustained growth in both turnover and footfall. This includes providing ongoing business intelligence and insights facilitating joint promotional campaigns, coordinating mall-wide events and leveraging digital platforms to generate shopper traffic. A dedicated tenant-relations function ensures ongoing dialogue, enabling the Mall to support retailers with tailored activation plans, optimise category mix and identify opportunities to enhance sales conversions.

The mall components, being the in-scope components for the bond issue in line with the prospectus of the Issuer dated 18 June 2020, which will be referred to throughout this Analysis include (i) the mall (the commercial component), (ii) the residential units, (iii) the mall car park, and (iv) the residential car park (which was sold in entirety in the prior financial year).

As at the analysis date, Shoreline Mall p.l.c. is a defendant included in an arbitration case under the International Chamber of Commerce rules of arbitration, in relation to a design and build contract.

Due to the early stage of the arbitration process, it is not currently feasible to determine the likely outcome of the case. While management acknowledges the possibility of an economic outflow arising from this matter, it has concluded that, at this stage, it is not feasible to quantify a contingent liability.

Accordingly, no provision has been recognised in these financial statements. Management will continue to monitor developments and update its assessment as further information becomes available.

1.5 Listed Debt Securities of the Issuer

Shoreline Mall p.l.c. has the following outstanding debt securities:

	ISIN	€'m
4% SHM PLC Secured Bonds 2026 (Series A)	MT0002351204	14
4.5% SHM PLC Secured Bonds 2032 (Series B)	MT0002351212	26

Part 2 Historical Performance and Forecasts

The Issuer was incorporated on 15th December 2017 and has commenced operations in March 2024. It should be noted that the financial projections provided pertain specifically to the Issuer, SMP, as it will oversee the entire operation of the Shoreline Project.

This document focuses on evaluating the performance of the Issuer. Historical financial information for the Issuer from FY22 to FY25 is detailed between sections 2.1 to 2.3 of this analysis. A variance analysis for FY25 and the projections of FY25 used in the last financial analysis summary dated 20 December 2024 can be found under section 2.4. Forecasts pertaining to the Issuer for the period ending 30 June 2026 to 30 June 2027 are based on management projections and are set out between section 2.5 and section 2.7.

2.1 Issuer's Statement of Comprehensive Income

Income Statement – Consolidated	FY2022A	FY2023A	FY2024A	FY2025A
	€'000s	€'000s	€'000s	€'000s
Revenue - retail space	-	-	928	2,983
Revenue - inventory Property Sales	-	-	9,400	-
Revenue - luxury residences	-	-	-	-
Total Revenue	**-**	**-**	**10,328**	**2,983**
Cost of Sales	-	-	(6,247)	(608)
Gross Profit	**-**	**-**	**4,081**	**2,375**
Other Income	-	6	24	12
Administrative expenses	(392)	(407)	(1,701)	(449)
EBITDA	**(392)**	**(401)**	**2,404**	**1,937**
Depreciation	-	-	(630)	(1,881)
EBIT	**(392)**	**(401)**	**1,774**	**56**
Amortisation of bond issue costs	-	-	-	-
Total Interest	-	-	(1,730)	(1,740)
Capitalised Interest	-	-	1,151	-
Profit before tax	**(392)**	**(401)**	**1,195**	**(1,683)**
Income Tax Expense/Credit	-	-	362	618
Profit/ (loss) for the year	**(392)**	**(401)**	**1,557**	**(1,065)**
Other comprehensive income:	-	-	-	-
Net revaluation of Investment property	-	-	-	-
Comprehensive Income/ (loss)	**(392)**	**(401)**	**1,557**	**(1,065)**

Ratio Analysis	FY2022A	FY2023A	FY2024A	FY2025A
Profitability				
Growth in Revenue (YoY Revenue Growth)	-	-	-	-71.1%
Gross Profit Margin (Gross Profit / Revenue)	-	-	39.5%	79.6%
EBITDA Margin (EBITDA / Revenue)	-	-	23.3%	64.9%
Operating (EBIT) Margin (EBIT / Revenue)	-	-	17.2%	1.9%
Net Margin (Profit for the year / Revenue)	-	-	15.1%	-35.7%
Return on Common Equity (Net Income / Total Equity)	-2%	-2%	8.4%	-6.1%
Return on Assets (Net Income / Total Assets)	-0.7%	-0.5%	1.8%	-1.4%
Interest Coverage (EBITDA / Finance Costs)	-	-	1.39x	1.11x

The Issuer concluded FY2025 with total revenue of €3.0 million, exclusively derived from rental income generated by the retail segment. The residential villas remained incomplete and unsold as at June 2025, consequently, no revenue was recognized from this segment during the year. Cost of sales amounted to €608k, primarily attributable to property operating expenses. This resulted in a gross profit of €2.375 million, representing a margin of 79.6%.

Administrative expenses decreased to €449k, reflecting the normalization of costs following the prior year's exceptional charges related to tenant compensation for delays in the Mall's opening and incremental marketing expenditure incurred to promote the Mall. EBITDA for the period stood at €1.9 million, translating into a margin of 64.9% during the Issuer's inaugural year of operations. Depreciation expense of €1.9 million pertains to the Issuer's buildings and property portfolio. The increase in depreciation compared to the previous year is attributable to a full-year charge in FY2025, whereas the prior year reflected a partial period post-completion.

Finance costs totalled €1.74 million, arising from the two bond issuances referenced in Section 1.5 of this document. After accounting for depreciation, amortization, and finance costs, the Issuer reported a net loss after tax of €1.1 million for the year.

Despite the reported loss, the Company generated substantial net rental income and positive operating cash flows during its first full year of operations. Management anticipates continued growth in net rental income, supplemented by proceeds from the sale of fixed property, supporting positive cash flow generation over the medium term.

The Company acknowledges the forthcoming maturity of the Shoreline Mall Secured Bonds 2026 on 1 August 2026. Management is actively pursuing multiple funding strategies to meet this obligation. Discussions with relevant stakeholders are ongoing, and management confirms that adequate funding will be secured well in advance of the maturity date to ensure timely repayment.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position	FY2022A	FY2023A	FY2024A	FY2025A
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Investment Property	34,359	58,590	68,516	66,755
Property, Plant and Equipment (PPE)			409	313
Intangible Assets			24	18
Deferred Tax Asset			362	981
Total non-current Assets	**34,359**	**58,590**	**69,312**	**68,066**
Current assets				
Inventory (under construction as at FY23)	9,122	11,320	6,020	6,075
Trade and other receivables	121	1,380	8,580	1,183
Amounts due from group companies	12,968	15	1,034	647
Cash and cash equivalents	1,772	2,499	211	386
Total current assets	**23,983**	**15,214**	**15,845**	**8,291**
Total assets	**58,342**	**73,803**	**85,157**	**76,358**
Equity and liabilities				
Share capital	18,076	18,076	18,076	18,076
Accumulated profit/(losses)	(704)	(1,105)	452	(613)
Total equity	**17,372**	**16,971**	**18,528**	**17,463**
Liabilities				
Non-current liabilities				
Debt securities in issue	39,430	39,512	39,583	39,656
Lease Liability	148	148	-	-
Trade and other payables		321	344	247
Total non-current liabilities	**39,578**	**39,981**	**39,927**	**39,903**
Current Liabilities				
Trade and other payables	1,392	10,755	4,156	2,704
Amount due to group companies	-	6,096	22,397	16,136
Lease liabilities			148	152
Total current liabilities	**1,392**	**16,851**	**26,701**	**18,992**
Total liabilities	**40,970**	**56,832**	**66,628**	**58,894**
Total equity and liabilities	**58,342**	**73,803**	**85,157**	**76,358**

Ratio Analysis	FY2022A	FY2023A	FY2024A	FY2025A
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	68.5%	68.6%	68.1%	69.3%
Gearing 2 (Total Liabilities / Total Assets)	70.2%	77.0%	78.2%	77.1%
Gearing 3 (Net Debt / Total Equity)	217.6%	219.0%	213.3%	225.7%
Net Debt / EBITDA	-96.4x	92.7x	16.4x	20.4x
Current Ratio (Current Assets / Current Liabilities)	17.2x	0.9x	0.6x	0.5x

In FY2025, the Issuer's total assets declined by 10.3% to €76.4 million, compared to €85.1 million in FY2024. This reduction was primarily driven by a decrease in current assets, following the settlement of VAT receivables amounting to €7.9 million during the year, which were utilized to offset amounts payable to a group company.

Non-current liabilities remained broadly stable at €39.9 million, comprising the €14 million 4% Secured Bonds 2026 (Series A) and the €26 million 4.5% Secured Bonds 2032 (Series B). Current liabilities decreased by €7.7 million to €19.0 million in FY2025, largely due to a reduction in amounts due to group companies, which fell to €16.1 million (FY2024: €22.3 million) following the application of the settled VAT receivables. During the period, a request for a transfer of credit to Shoreline Contracting Limited was submitted and approved by the Commissioner for Tax and Customs. Trade payables also declined to €2.7 million (FY2024: €4.2 million), primarily reflecting lower accruals. Other accruals amounted to €298k (FY2024: €1,198 million), representing liabilities for services received prior to the reporting date for which invoices had not yet been issued.

Total equity decreased modestly by 5.75% to €17.5 million (FY2024: €18.5 million), driven by a loss of circa €1m recorded in FY2025.

2.3 Issuer's Statement of Cash Flows

Cash Flows Statement	FY2022A	FY2023A	FY2024A	FY2025A
	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities				
Profit/(Loss) Before taxation	(392)	(401)	1,195	(1,683)
Depreciation & Amortisation	-	-	630	1,881
Interest Cost	-	-	579	1,740
Operating income/loss before working capital changes	**(392)**	**(401)**	**2,403**	**1,937**
Working capital movements:				
Movement in inventory	(19)	(309)	(2,301)	(55)
Movement in trade and other receivables and related party balances for construction costs in connection with inventory	(2,063)	(1,258)	(329)	(348)
Movement in trade and other payables	11	741	1,827	(1,024)
Cash flow used in operating activities	(2,463)	(1,227)	1,601	510
Interest paid on lease liabilities	(6)	(6)	(4)	(10)
Net cash flows generated from/(used in) operating activities	**(2,469)**	**(1,233)**	**1,596**	**500**
Cash used from investing activities				
Addition to investment property under construction	(139)	(1,017)	(4,640)	(1,716)
Transfers of Investment Property	-	-	-	637
Net advances to a related party for construction costs in connection with investment property	(14,374)	-	(443)	-
Addition of Intangible assets	-	-	(26)	(8)
Net cash flows generated from/(used in) investing activities	**(14,513)**	**(1,017)**	**(5,132)**	**(1,087)**
Cash flows from financing activities				
Interest on debt securities	(1,825)	(1,730)	(1,730)	(1,730)
Financing to related parties	-	-	-	-
Financing from related parties	499	4,709	2,979	2,492
Restricted Funds				(309)
Net cash flows generated from / (used in) financing activities	**(1,326)**	**2,979**	**1,249**	**453**
Movement in cash and cash equivalents	**(18,308)**	**728**	**(2,288)**	**(134)**
Cash and cash equivalents at start of year	20,080	1,772	2,500	212
Cash and cash equivalents at the end of the year	**1,772**	**2,500**	**212**	**79**

Ratio Analysis	FY2022A	FY2023A	FY2024A	FY2025A
Cash flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	(15,157)	(520)	(1,806)	1,143

.

In FY2024 the Company recorded its best operating performance to date, generating a pre-tax profit of €1.2 million and, after accounting for depreciation, amortisation and accrued interest, achieving operating cash inflows of €2.4 million prior to working capital movements. However, this was accompanied by substantial investment in inventory and construction-related balances, which tempered the overall benefit of improved operating margins. The year ultimately closed with €1.6 million in net operating cash inflows. In FY2025, with the Group returning to a pre-tax loss of €1.7 million despite materially higher non-cash adjustments, working capital movements weakened considerably during the year, primarily due to the unwinding of trade payables built up in prior periods, which confined net operating cash flows to €500k .

The magnitude of Investing activities reduced sharply as development activity began to taper. In FY2024 total investing cash outflows amounted to €5.1 million, driven by substantial additions to investment property under construction and advances to related parties for construction financing. By FY2025 these outflows contracted to €1.1 million, reflecting the progression of various project components toward completion, including the transfer of investment property during the year reflecting the Company’s transition toward income-yielding operations.

Financing activities continued to play a pivotal role in sustaining liquidity, with related-party funding injections of €3.0 million in FY2024 and €2.5 million in FY2025 partially offsetting recurring annual interest obligations of €1.7 million. The moderation in funding support in FY2025, combined with restricted-fund movements, resulted in net financing inflows of €453k.

Variance Analysis

Income Statement – Consolidated	FY2025A	FY2025P	Variance
	€'000s	€'000s	€'000s
Revenue - retail space	2,983	3,614	(631)
Revenue - Inventory Property Sales	-	2,592	(2,592)
Total Revenue	**2,983**	**6,206**	**(3,223)**
Cost of Sales	(608)	(1,944)	1,336
Gross Profit	**2,375**	**4,262**	**(1,887)**
Other Income	12	12	0
Administrative expenses	(449)	(440)	(9)
EBITDA	**1,927**	**3,834**	**(1,897)**
Depreciation	(1,881)	(1,862)	(19)
EBIT	**56**	**1,972**	**(1,916)**
Amortisation of bond issue costs	-	(73)	73
Total Interest	(1,740)	(1,730)	(10)
Capitalised Interest	-	-	-
Profit before tax	**(1,683)**	**169**	**(1,852)**
Income Tax Expense/Credit	618	(23)	641
Profit/ (loss) for the year	**(1,065)**	**146**	**(1,211)**
Other comprehensive income:			
Net revaluation of Investment property	-	1,715	(1,715)
Comprehensive Income/ (loss)	**(1,065)**	**1,862**	**(2,927)**

The variance between the FY2025 actual and projected results is primarily attributable to deviations in revenue as explained hereinunder.

- **Revenue - retail space**

Retail revenue were lower than forecasts by €631k. Projected sales assumed increased footfall and revenue driven by residents from the Shoreline Residence Project. However, due to delays in this project, residents from some residential blocks did not take occupancy as expected directly reducing footfall and rental activity. Furthermore, there were delays in the planned expansion of food and beverage outlets surrounding the shopping mall, which had been expected to further enhance visitor flow and retail turnover.

- **Sale of Luxury Villas**

The forecast also assumed €2.6 million in inventory property sales; however, these sales did not materialise as the residential villas were not completed by June 2025 and therefore remained unsold.

Correspondingly, cost of sales was lower than projected, as the expected sale of a luxury villa did not occur, eliminating the related cost of €1.6 m. Actual results include €275k in unplanned subsidies of common area maintenance charges for tenants, which partially offset the favourable variance.

The projected revaluation gain on investment property of €1.7 million was not recognised. The Directors elected to defer the fair value assessment to a later period, deeming it more prudent to undertake a valuation once a longer track record of actual rental operations is available to better support the forecasting of cash flows and the resulting fair value uplift.

Consequently, total comprehensive income reflected an adverse variance of €2.9 million, shifting from an anticipated €1.9 million to an actual loss of €1.0 million.

2.4 Issuer's Projected Statement of Comprehensive Income

Income Statement – Consolidated	FY2026P	FY2027P
	€'000s	€'000s
Revenue - retail space	3,534	4,207
Revenue – Inventory Property Sales	4,292	7,743
Total revenue	**7,826**	**11,950**
Cost of sales	(3,339)	(5,476)
Gross profit	**4,487**	**6,474**
Other income	9	10
Administrative expenses	(2,278)	(2,257)
EBITDA	**2,218**	**4,227**
Depreciation	-	-
EBIT	**2,218**	**4,227**
Amortisation of bond issue costs	-	-
Finance costs	(1,736)	(1,859)
Capitalised interest and bond issue cost	-	-
Profit before tax	**482**	**2,368**
Income tax expense	(61)	(506)
Profit for the year	**421**	**1,862**
Net revaluation of investment property	1,725	1,763
Total Comprehensive Income	**2,146**	**3,625**

Ratio Analysis	FY2026F	FY2027P
Profitability		
Growth in Revenue (YoY Revenue Growth)	162.4%	52.7%
Gross Profit Margin (Gross Profit / Revenue)	57.3%	54.2%
EBITDA Margin (EBITDA / Revenue)	28.3%	35.4%
Operating (EBIT) Margin (EBIT / Revenue)	28.3%	35.4%
Net Margin (Profit for the year / Revenue)	5.4%	15.6%
Return on Common Equity (Total comprehensive Income / Total Equity)	2.1%	8.0%
Return on Assets (Total comprehensive Income / Total Assets)	0.5%	2.5%

The projected financial performance for FY2026 and FY2027 reflects a strengthening of the Group's operating profile, underpinned by increased occupancy, the progressive maturity of income-generating assets, and the commencement of high-value inventory property sales.

Total revenue is expected to rise from €7.8 million in FY2026 to €12.0 million in FY2027, driven by a combination of expanding retail rental income and accelerated sales of residential inventory units. Retail revenue is forecast to grow as remaining blocks reach full occupancy and as the surrounding commercial ecosystem becomes increasingly active, further enhancing the stability and predictability of recurring rental streams. Concurrently, inventory property sales are anticipated to contribute €4.3m in FY2026 and a significantly higher €7.7 million in FY2027 as development phases are completed and residential units reach market readiness. This marks a turning point in the Group's business cycle, transitioning from a construction-led phase to a solid revenue-realisation stage.

Gross profit is expected to increase from €4.5 million in FY2026 to €6.5 million in FY2027, reflecting both the increased sales volumes and improved cost absorption as the operational base expands. Administrative expenses remain stable over the period, enabling the majority of incremental revenue to translate directly into operating profitability.

As a result, the Group's EBITDA is projected to improve from €2.2 million in FY2026 to €4.2 million in FY2027 demonstrating growing internal capacity to support financing commitments.

Finance costs remain broadly consistent over the forecast period, reflecting the fixed nature of the outstanding bond obligations.

Notwithstanding these recurring charges, the Group is expected to generate a profit before tax of €482k in FY2026 and €2.37 million in FY2027, signalling a strengthening of underlying financial performance as the asset base transitions to full operationalisation. After tax, projected profits amount to €421k in FY2026 and €1.86 million in FY2027, further complemented by positive fair value movements on the investment property portfolio of €1.73m and €1.76m respectively. These valuation uplifts reflect the expected stabilisation of rental income and the completion of key development components, which together enhance the income-producing potential and long-term fair value of the Group's real estate assets.

2.5 Issuer's Projected Statement of Financial Position

Statement of Financial Position	FY2026F	FY2027P
	€'000s	€'000s
Assets		
Non-current assets		
Investment property	67,062	67,062
Property, plant and equipment	208	104
Intangible assets	11	4
Deferred tax assets	1,246	1,329
Total non-current assets	**68,527**	**68,499**
Current assets		
Inventory	4,301	1,100
Trade and other receivables	1,706	1,304
Amounts due from group companies	396	256
Cash and cash equivalents	2,438	4,028
Total current assets	**8,841**	**6,688**
Total assets	**77,368**	**75,187**
Equity and liabilities		
Share capital	18,076	18,076
Retained earnings	1,533	5,158
Total equity	**19,609**	**23,234**
Liabilities		
Non-current liabilities		
Debt securities in issue	25,731	25,782
Financial Liabilities	-	14,000
Lease liability	-	-
Long Term deposits received	240	240
Total non-current liabilities	**25,971**	**40,022**
Total current liabilities		
Trade and other payables	1,829	1,962
Amounts due to group companies	15,808	9,969
Debt securities in issue	14,000	-
Lease liability	151	-
Total current liabilities	**31,788**	**11,931**
Total liabilities	**57,759**	**51,953**
Total equity and liabilities	**77,368**	**75,187**

Ratio Analysis	FY2026F	FY2027P
Financial Strength		
Gearing 1 (Net Debt / Net Debt and Total Equity)	65.6%	60.6%
Gearing 2 (Total Liabilities / Total Assets)	74.7%	69.1%
Gearing 3 (Net Debt / Total Equity)	191.0%	153.9%
Net Debt / EBITDA	16.88x	8.46x
Current Ratio (Current Assets / Current Liabilities)	0.28x	0.56x
Interest Coverage (EBITDA / Finance Costs)	1.28x	2.27x

The projected Statements of Financial Position for FY2026F and FY2027P reflect a transition toward a more liquid financial structure. Total assets are expected to remain stable, decreasing only marginally from €77.4 million in FY2026 to €75.2 million in FY2027, with investment property holdings maintained at €67.1 million as the portfolio reaches full operational maturity. The decline in inventory from €4.3 million to €1.1 million and the reduction in trade receivables are consistent with the planned completion and sale of residential units during FY2027, releasing working capital and contributing to improved liquidity. Cash and cash equivalents are projected to rise from €2.4 million in FY2026 to €4.0 million in FY2027 reflecting the expected increase in operational cash flows and proceeds from property sales.

On the equity side, retained earnings are forecast to grow from €1.5 million to €5.2 million, with total equity increasing to €23.2 million, signalling increased balance-sheet resilience as profitability recovers and valuation gains are recognised.

Critically, the liability structure demonstrates clear preparation for the 2026 bond redemption. Debt securities in issue are forecast to decline from €39.7 million in FY2026 to €25.8 million in FY2027, reflecting the progressive allocation of resources toward future debt settlement. The presence of the €14 million financial liability represents the bond scheduled for redemption; its anticipated extinguishment by FY2027 underscores management's commitment and financial capacity to meet the obligation.

Current liabilities are expected to fall, from €31.8 million to €11.9 million, driven primarily by redemption of the €14 million 4% Secured Bonds maturing in 2026 and reduction in amounts due to group companies, which aligns with the anticipated increase in internal cash generation and reduced reliance on short-term support.

Taken together, the forecast balance sheet for FY2027 presents a deleveraged financial position, underpinned by higher cash reserves, reduced working capital pressures, and lower external debt exposure. The reduction in net liabilities, the narrowing of short-term obligations, and the strong cash inflows expected in conjunction with the completion and sale of remaining inventory collectively provide a foundation for the repayment of the €14m bond upon maturity. The projected improvements in both liquidity and equity substantiate the Company's ability to fulfil its 2026 debt obligations while maintaining a stable long-term financial footing.

2.6 Issuer's Projected Statement of Cash Flows

Cash Flows Statement	FY2026P	FY2027P
	€'000s	€'000s
Cash flows from operating activities		
Profit/(loss) before taxation	482	2,368
Amortisation and depreciation	1,912	1,924
Interest Costs	1,736	1,859
Operating loss before working capital changes	**4,130**	**6,151**
Working capital movements:		
Movement in inventory	1,774	3,201
Movement in trade and other receivables and related party balances	(273)	543
Movement in trade and other payables	(881)	134
Cash flow used in operating activities	**4,750**	**10,029**
Interest paid	(6)	-
Taxation paid	(326)	(588)
Net cash flows generated from/(used in) operating activities	**4,418**	**9,441**
Cash used from investing activities		
Addition to investment property	(307)	-
Addition to property, plant and equipment and intangibles	-	-
Net cash flows generated from/(used in) investing activities	**(307)**	**-**
Cash flows from financing activities		
Payment of debt securities	-	(14,000)
Finance from financial institutions	-	14,000
Interest on debt securities and financial liabilities	(1,730)	(1,859)
Financing to related parties	-	-
Financing from and repayment of related parties	(331)	(5,992)
Restricted funds	309	-
Net cash flows generated from / (used in) financing activities	**(1,752)**	**(7,851)**
Movement in cash and cash equivalents	**2,359**	**1,590**
Cash and cash equivalents at the Beginning of the year	79	2,438
Cash and cash equivalents at end of year	**2,438**	**4,028**

Ratio Analysis	FY2026P	FY2027P
Cash Flow	**€'000s**	**€'000s**
Free Cash Flow (Net cash from operations + Interest - Capex)	5,841	11,300

The projected cash flows for FY2026 and FY2027 demonstrate a strengthening of the Company's internal cash-generating capacity, providing a clear basis for the planned €14m 2026 bond redemption. Operating activities are expected to generate €4.4 million in FY2026, increasing to €9.4 million in FY2027 as profitability improves and working capital unwinds. The release of inventory €1.8 million in FY2026 and a further €3.2 million in FY2027 reflects the planned completion and sale of residential units.

After tax and interest outflows, the operating cash surplus positions the Company to fund ongoing working capital requirements and also accumulate liquidity required to service major financing obligations.

Investing activities have minimal impact on cash resources, with only €307k in FY2026 and no planned outflows in FY2027.

Financing activities in FY2027 reflect the execution of the bond redemption strategy: the €14 million repayment is fully offset by an equivalent €14 million inflow from refinancing.

The Company acknowledges the upcoming maturity of the Shoreline Mall Secured Bonds 2026 on 1 August 2026. Management is actively evaluating and implementing a range of funding strategies to ensure full settlement of this obligation. Engagements with key stakeholders are progressing, and management remains confident that sufficient financing will be secured well ahead of the maturity date to facilitate timely repayment.

Additional reductions in related-party balances further strengthen the Company's standalone cash position. Even after accounting for interest payments and related-party settlements, net financing outflows of €7.9 million in FY2027 are absorbed by the €9.4m generated from operations, resulting in a positive net cash movement of €1.6 million for the year.

As a result of these dynamics, cash and cash equivalents are projected to increase from €79k at the start of FY2026 to €2.4 million at year-end, and further to €4.0 million by the end of FY2027. This sustained improvement in liquidity, driven by robust operating inflows and the completion of high-value inventory sales signals the Company's capacity to meet the €14m 2026 bond redemption without compromising financial stability.

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.

3.1.1 Malta Economic Update[1]

The Bank's Business Conditions Index (BCI) shows that in October 2025, annual growth in business activity was slightly lower than in the previous month but remained above its long-term average estimated since January 2000.

The European Commission's confidence surveys show that sentiment in Malta declined in October, but remained above its long-term average, estimated since November 2002.

In month-onmonth terms, sentiment deteriorated in the services, construction and retail trade sectors, while it improved in industry and among consumers.

The Bank's Economic Policy Uncertainty (EPU) Index continued to show higher than usual uncertainty during the month of October, although its three-month average was broadly stable around its September level. The European Commission's Economic Uncertainty Indicator (EUI) for October also increased, indicating higher uncertainty surrounding financial and business decisions.The largest increase was recorded in the services sector.

In September, industrial production contracted while retail trade rose at a faster pace in annual terms. In August, services production fell and reversed an increase in production that was recorded in the preceding month.

The unemployment rate increased slightly to 3.0% in September from 2.9% in August but remained below that of 3.1% in September 2024.

In September, both approved commercial and residential building permits increased compared with August and were also higher compared with a year earlier.

In October, both the number of residential promise-of-sale agreements and the number of final deeds of sale increased on a year earlier.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.5% in October, up from 2.4% in the previous month. HICP excluding energy and food in Malta stood at 2.6%. Both measures exceeded the corresponding rates for the euro area. In October, inflation based on the Retail Price Index (RPI) stood at 2.7% up from 2.4% in September.

3.1.2 Economic Projections[2]

According to the Central Bank of Malta's latest forecasts, Malta's real GDP growth is set to moderate from 5.9% in 2024 to 3.9% in 2025. Growth is set to ease further in the following two years, reaching 3.3% in 2027. Compared to the Bank's previous projections, the outlook for GDP growth is revised marginally down in 2025 and is broadly unchanged from the previous forecast for the following two years.

Private consumption is expected to be the main driver of GDP growth over the projection horizon, maintaining a brisk pace, though easing from recent highs, while investment should also continue to recover in the first two years of the projection horizon. Furthermore, net exports are projected to contribute positively to GDP growth over the forecast horizon, driven by trade in services. However, this contribution is set to be much smaller than that of domestic demand.

As activity slows down, employment growth is expected to moderate gradually from 5.3% in 2024 to 3.0% this year before easing further to 2.4% and 2.3% by 2026 and 2027, respectively. The unemployment rate is forecast to edge down to 2.7% by the end of the projection horizon.

The labour market is expected to remain tight and this will be a key factor driving the wage outlook. However, the ongoing disinflation process, together with a growing need for a small open economy as Malta to remain competitive in a challenging trade environment, should dampen upward pressure on wages. Wage growth is expected to moderate to 4.4% in 2025 from 6.3% last year. It is set to edge further down to 3.7% and 3.5% in 2026 and 2027, respectively.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to stand at 2.3% in 2025,

[1] Central Bank of Malta – Economic Update 11/2025

[2] Central bank of Malta Forecast 2025 - 2027

from 2.4% last year, reflecting lower food and services inflation. It is expected to ease further to 2.1% in 2026 and 2.0% in 2027, driven primarily by lower services inflation. Compared to the Bank's previous forecast publication, overall HICP inflation is broadly unrevised. While services inflation was revised up by 0.1 percentage points in 2025 and 2026, food, NEIG and energy inflation are unchanged.

The general government deficit-to-GDP ratio is set to decline gradually over the forecast period. It is forecast to narrow from 3.7% in 2024 to 3.4% in 2025, to 3.0% in 2026 and to 2.6% by 2027. The government debt-to-GDP ratio is set to peak at 48.7% in 2026 and to decline slightly in 2027. Compared to the Bank's June projections, the forecast deficit and debt profile remained mostly unchanged for 2025 and 2026 and slightly lower in 2027.

Risks to activity are broadly balanced. Downside risks largely emanate from possible adverse effects on foreign demand related to geopolitical tensions and future changes relating to the imposition of US tariffs beyond those included in the baseline. On the other hand, employment and wages could exhibit even stronger dynamics than envisaged in this projection round. This would lift private consumption growth and thus raise output growth more than envisaged.

Risks to inflation are broadly balanced over the projection horizon and mainly relate to external factors. Upside risks to inflation could stem from renewed supply-side bottlenecks that could be triggered by ongoing geopolitical conflicts as well as higher input costs and supply disruptions arising from changes in global trade policy. Having said that, 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.
Furthermore, imported inflation could fall more rapidly than expected if euro area growth turns out weaker than expected due to the adverse effects on global growth from barriers to trade or negative spillovers from the tighter market financing conditions that may be triggered by changes in trade policy.

On the fiscal side, risks are mostly tilted to the downside (deficit-increasing). These mainly reflect the likelihood of slippages in current expenditure, including higher-than-expected outlays on energy support measures if commodity prices turn out higher than assumed.

3.1.3 The Retail Sector[3]

The confidence indicator in the retail sector declined to 6.4, from 15.8 in the previous month but remained above its long-term average of 0.3.9 The latest decline reflected a deterioration across all three components of this index, especially in retailers' assessment of sales over the past three months.

3.1.3.1 The commercial property market

The majority of commercial properties on the market are available for rent rather than for sale. In 2024, the average asking rental rate for office space was €234/m², up from €214/m² in 2023. Meanwhile, the average asking rental rate for retail properties reached €294/m², an increase from €243/m² in the previous year.

Rental data for office space presents an interesting contrast to the generally subdued market sentiment expressed by industry stakeholders during consultations. Several factors may explain this, including a mismatch in expectations between property owners and prospective tenants. It is also important to note that these figures represent advertised prices and may not reflect the actual rates agreed upon following negotiations.

The largest increase in office rental rates was recorded in the Central region, which saw growth of 12.5%, reaching €167/m² (2023: €148/m²). The highest-priced region for office space was the North Harbour, with rental rates of €275/m², while the lowest rate of €136/m² was observed in the Southern region. Both the Grand Harbour and Southern regions experienced declines in office rental rates, with decreases of 2.1% and 2.2%, respectively.

3.1.3.2 Luxury property sector[4]

Sotheby's International Realty recently published its Luxury Outlook report for the high-end property market in 2025, highlighting current and emerging trends that are poised to influence prime housing markets worldwide.

Malta has seen steady demand for seafront properties, historic palazzos, and ultra-modern smart homes, with prime areas like Sliema, St. Julian's and Valletta showing a 5.7% year-over-year price increase according to Malta's National Statistics Office (NSO). Emerging areas such as the Three Cities and Ta' Xbiex are gaining attention for their yacht-friendly marinas and high-end restoration projects, mirroring the global trend of buyers seeking unique lifestyle offerings.

Mata's luxury real estate market showed continued activity in 2024,with waterfront areas like Sliema and St.Julian's remaining highly sought after.

Prime Locations including Sliema experienced a 12% increase in average asking prices per square meter for finished appartments.The luxury segment partculary villas

[3] Central Bank of Malta – Economic Update 11/2025

[4] Sotheby's International Realty Luxury Outlook Report 2025

valued over 2 million eur maintained strong demand throught 2024, driven by largely by limited supply.

In early 2025,the malta developers association (MDA) reported a record year for the property market in 2024 with 16,739 promises of sale signed,valued at 5 billion EUR an increase of 11% in volume and 5.5% in value over the previous record.

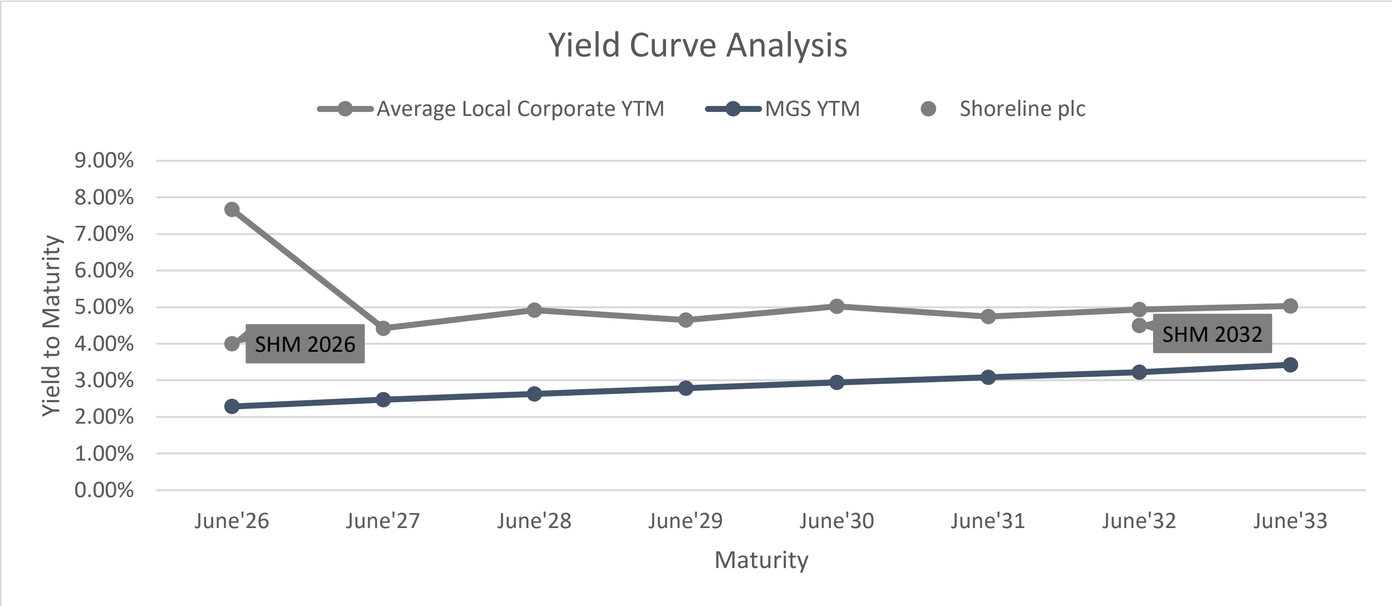
3.2 Comparative Analysis

The purpose of the table below compares the debt issuance of the Group to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with different maturities. More importantly, we have included different issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)
4% International Hotel Investments plc Secured € 2026	55,000	6.98%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%
4% Shoreline Mall plc Secured € 2026	14,000	7.11%	1.11x	76.4	17.5	77.1%	69.3%	20.4x	0.44x	-6.1%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	6.20%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%
4% Eden Finance plc Unsecured € 2027	40,000	4.36%	7.3x	281.3	169.6	39.7%	28.6%	3.1x	0.8x	9.7%
5.25% Mediterranean Investments Holding plc Unsecured € 2027	30,000	5.70%	6.4x	318.1	212.5	33.2%	-36.1%	(2.6)x	0.9x	6.4%
4% SP Finance plc Secured € 2029	12,000	4.32%	4.0x	44.8	19.1	57.3%	48.0%	7.2x	0.6x	5.6%
3.75% TUM Finance plc Secured € 2029	20,000	3.84%	1.3x	137.8	40.0	71.0%	54.5%	46.8x	0.8x	-3.6%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.90%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.65%	2.1x	308.6	95.8	69.0%	55.2%	11.4x	0.8x	0.7%
3.65% IHI plc Unsecured € 2031 (xd)	80,000	5.34%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.80%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%
4.5% Shoreline Mall plc Secured € 2032	26,000	5.41%	1.11x	76.4	17.5	77.1%	69.3%	20.4x	0.44x	-6.1%
5% Von der Heyden Group Finance plc Unsecured € 2032 (xd)	35,000	5.26%	0.7x	154.2	29.4	80.9%	78.4%	75.6x	0.3x	-10.1%
5.85% AX Group plc Unsecured € 2033	40,000	5.22%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%
6% International Hotel Investments plc 2033	60,000	5.76%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%
	Average***	**5.32%**								

Source: Latest available audited financial statements

* Last closing price as at 04/12/2025
**The financial analysis of Shoreline Mall Plc reflects the projected financial position of the Issuer for the year ended 30 June 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 MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the Issuer's existing yields of its outstanding bonds.

As at 4 December 2025, the average spread over the Malta Government Stocks (MGS) for corporates with maturity in one year was 571 basis points. The 4% SHM PLC Secured Bonds 2026 is currently trading at a YTM of 711 basis points, meaning a spread of 483 basis points over the equivalent MGS. This means that this bond is trading at a discount of 89 basis points in comparison to the market.

As at 4 December 2025, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 8 years (2026-2033) was 243 basis points. The 4.5% SHM PLC Secured Bonds 2032 is currently trading at a YTM of 541 basis points, meaning a spread of 219 basis points over the equivalent MGS. This means that this bond is trading at a premium of 5 basis points in comparison to the market.

Part 4 Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (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.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
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	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

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

Calamatta Cuschieri

Calamatta Cuschieri Investment Services Limited

Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034, Malta
www.cc.com.mt.