Calamatta Cuschieri Investment Services Limited
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Registered in Malta No. C 13729 - VAT No. MT13219224

The Directors
Bonnici Bros. Properties p.l.c., Bonnici House,
Sardine Street, Burmarrad,
St. Paul's Bay, Malta

19 June 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Bonnici Bros. Properties p.l.c. (the "**Issuer**") as explained in part 1 of the Analysis. The data is derived from various sources, including the Base Prospectus of the Issuer dated 30 January 2023 (the "**Prospectus**"), or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2023, 2024 and 2025 has been extracted from the audited financial statements of Bonnici Bros. Properties p.l.c. for the three years in question.

(b) The forecast data for the financial year ending 2026 has been provided by management.

(c) Our commentary on the Issuer's results and financial position is based on the explanations set out by the Issuer in the Prospectus and on the MFSA Listing Policies.

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

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

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

Yours sincerely,

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2026

Bonnici Bros Properties p.l.c.

19 June 2026
Prepared by Calamatta Cuschieri Investment Services Limited

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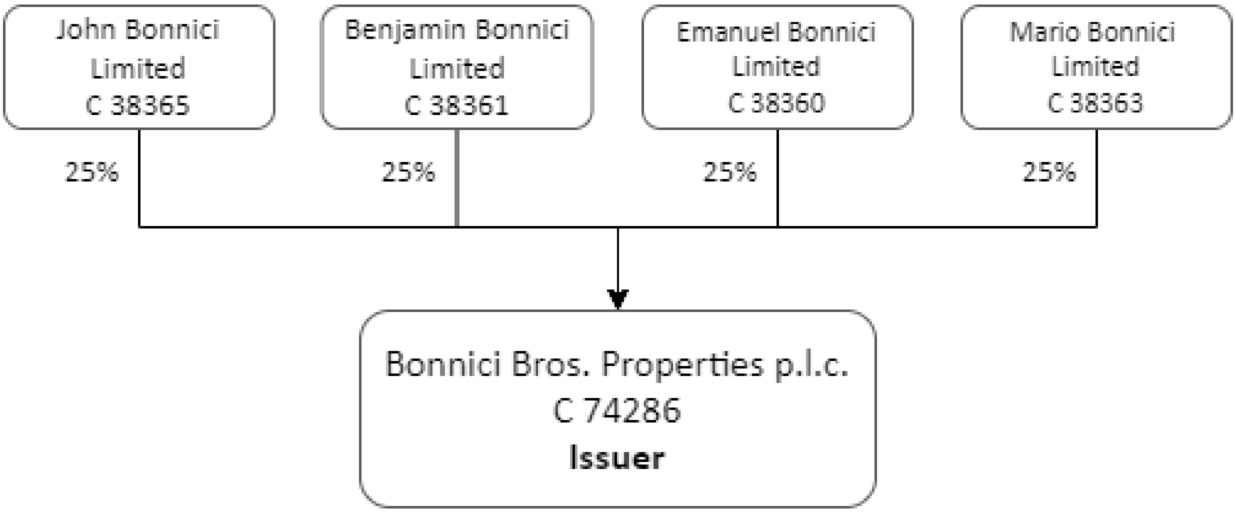
Part 1 - Information about the Issuer

1.1. Issuer's Key Activities and Structure



The Issuer (hereinafter also referred to as "**BBPL**" or the "**Company**") was incorporated as Bonnici Bros. Properties Ltd on 9 February 2016 and has, at the date of this Analysis, an authorised share capital of €5,000,000, divided into 5,000,000 Ordinary Shares of €1 each, and an issued share capital of €5,000,000, divided into 5,000,000 Ordinary Shares of €1 each, all fully paid up. The Issuer's share capital is equally divided into four classes of shares such that each class of shareholder holds a 25% equity stake in the Company. The shareholders of the Ordinary 'A' Shares do not have the right to appoint any directors to the Board. The shareholders of the Ordinary 'B' Shares, Ordinary 'C' Shares and Ordinary 'D' Shares shall each have the right to appoint two (2) directors to the Board. Other than the voting rights for the appointment of directors to the Board, share classes rank *pari passu* between them and have the same rights. John Bonnici Limited, Benjamin Bonnici Limited, Emanuel Bonnici Limited and Mario Bonnici Limited were all incorporated on 4 April 2006.

BBPL was incorporated to carve out the property held within the Bonnici Bros. Group, which comprises Bonnici Bros. Limited ("**BBL**"), a limited liability company with registration number C 3905 situated at Bonnici House, Sardine Street, Burmarrad, St. Paul's Bay, Malta, as the parent company, and its direct subsidiary companies.

Two batches of property transfers have taken place, the first being in April 2018 and the second in June 2020, with a total cost of €7.34m and €7.35m, respectively. The aforementioned property, which the Issuer acquired from Bonnici Bros. Group, is in the major part leased out to related and third parties. The Issuer aims to develop the undeveloped sites that it owns to be available for leasing, re-sale and/or investment purposes. As at the date of this Analysis, the Issuer purchased other properties from third parties and enriched its investment property portfolio.

1.2. Directors and Key Employees

Board of Directors – Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Jozef Wallace Galea	Chairman and Independent Non-executive Director
Mr Alfred Attard	Independent Non-executive Director
Mr Richard Abdilla Castillo	Independent Non-executive Director
Mr Gilbert Bonnici	Executive Director
Mr David Bonnici	Executive Director
Ms Joanne Azzopardi Bonnici (appointed 23 April 2025)	Executive Director
Mr Alexis Bonnici (resigned 23 April 2025)	Executive Director

The business address of all the directors is the registered office of the Issuer.

Dr Laragh Cassar is the company secretary of the Issuer.

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

1.3. Major Assets Owned by the Company

1.3.1 Bonnici House

The Bonnici House, located in Triq is-Sardin, Burmarrad, consists of commercial premises over 5 levels, comprising a garage and storage space, a showroom, and 3 floors of offices being leased to related party tenants (Levels 0 & 1 to UNEC Ltd and Levels 3 & 4 to BBL). Level 2 is currently vacant and is earmarked to be leased to third parties.

1.3.2 Bonnici Garage

The Bonnici Garage, also located in Triq-is-Sardin, Burmarrad, consists of an industrial complex with workshops, a yard and offices at ground floor and first floor levels being leased to a related party, namely UNEC Servicing Ltd. This property is currently being reorganised to cater for the space of a retail outlet.

1.3.3 Birkirkara Properties

The Birkirkara properties are residential apartments which had been transferred to BBPL from BBL and, through an assignment of debt and novation agreement, were financed through shareholders' capital contribution. All 3 apartments have been fully furnished and are currently leased out to related/third parties.

1.3.4 Burmarrad Warehouses

In December 2020, BBPL contracted a related party to excavate, construct and finish the land at Ta' Habel Mica which is a property situated at Triq il-Papa Gwanni Pawlu II, in Burmarrad. The aim for the Burmarrad warehouses is to serve as a storage facility and is expected to be leased out to a mix of related and third parties.

Originally a permit was granted to build the warehouse spaces on ground floor level and works commenced in April 2021. In November 2023, a new permit to granted to build the warehouse spaces in both ground floor and basement level. Management expects that the building of the warehouse spaces to be completed by the end of quarter 3 of 2026.

1.3.5 Quarries in Mqabba

In FY21, BBPL acquired 2 quarries in Mqabba, which are classified as property and equipment. "Mqabba Quarry 1" is found in Valletta Road, Sqaq No. 2 and is made up of 5,290m^2 quarry area and 19,781m^2 total site area. "Mqabba Quarry 2" consists of 3,457m^2 of quarry area.

Mqabba Quarry 1 was fully excavated in September 2025 and started accepting inert material from construction waste from October 2025. Management stated that the quarries will be fully excavated and landfilled over the term of the bond issued in terms of the Prospectus, with the intention of subsequently selling the land by the time the said bond reaches maturity.

1.3.6 Mercury Suites Apartments

BBPL acquired 3 apartments in a finished state in Block 2, Mercury Suites, St. Julian's in March 2022. The properties themselves are located on the second, third and fourth floor levels within the second residential block. The suites were available for lease as from March 2025 and were leased out to third parties in April 2025.

1.3.7 Sliema Townhouse

The Sliema Townhouse is situated in Milner Street, Sliema. BBPL has originally applied for a permit covering the change of use from a disused residence to a Class 3B hotel having 7 floors comprising 24 rooms and amenities. The plot consists of 194m^2 at ground floor level only and a subsequent 235m^2 of airspace. The initial intention was to build a hotel, however the permit to build the hotel was withdrawn and instead a new permit to build a guesthouse was submitted and awarded. Construction works commenced recently.

1.3.8 Floriana Property

On 26 April 2023, the Issuer acquired a property in Floriana. The property is situated at 23, Triq Vincenzo Dimech corner with Triq l-Iljun, Floriana and comprises a converted townhouse with an approved Class 2C educational building permit and is currently operational as such. This property is leased out to third parties.

1.3.9 Green Grove Guesthouse

On 27 March 2024, the Company acquired the Green Grove in Swieqi with a guesthouse comfort licence issued by the Malta Tourism Authority. This property was leased out to third parties as from 15 April 2024. This investment was partially financed through own funds generated from operations and a new bank loan facility issued by a commercial bank under normal business terms.

Management stated that the intention is for the 3 properties mentioned in 1.3.7 to 1.3.9 above to be leased out exclusively to third parties and not operated directly.

Part 2 - Historical Performance and Forecasts

The financial information in sections 2.1 to 2.3 is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2023, 2024 and 2025 and includes projected financial information for the year ending 31 December 2026 which has been provided by the Company's management.

Projected financial information relates to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1. Issuer's Statement of Comprehensive Income

Issuer's Statement of Comprehensive Income for the year ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Revenue	1,142	1,443	1,695	2,422
Direct operating expenses	(61)	(67)	(51)	(47)
Gross profit	**1,081**	**1,377**	**1,644**	**2,375**
Administrative expenditure	(217)	(187)	(199)	(188)
Fair value movement of investment property	220	919	2	-
EBITDA	**1,084**	**2,109**	**1,448**	**2,187**
Depreciation and amortisation	(0)	(0)	(22)	(132)
EBIT	**1,084**	**2,108**	**1,425**	**2,055**
Finance cost	(559)	(726)	(733)	(735)
Finance income	66	58	7	-
Profit before income tax	**590**	**1,441**	**700**	**1,320**
Current tax charge	(181)	(229)	(218)	(339)
Deferred tax charge	(408)	(326)	(219)	-
Profit for the year	**1**	**886**	**263**	**981**

Ratio Analysis	2023A	2024A	2025A	2026F
Profitability				
Growth in Revenue (YoY Revenue Growth)	18.97%	26.38%	17.42%	42.90%
EBIT Margin (EBIT / Revenue)	94.89%	146.07%	84.10%	84.85%
EBIT Growth	52.01%	94.54%	(32.39%)	44.17%
Net Margin (Profit for the year / Revenue)	0.12%	61.36%	15.49%	40.50%
Return on Common Equity (Net Income / Average Equity)	0.01%	5.06%	1.45%	4.45%
Return on Assets (Net Income / Average Assets)	0.00%	2.29%	0.64%	1.99%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	3.29%	6.01%	4.07%	5.99%

Revenue in FY25 was primarily driven by property leases (50%) and property security income (28%), the majority of which was generated by the Burmarrad properties and warehouses. Revenue growth between FY24 and FY25 was supported by BBPL's commencement of quarry dumping operations during the year, which generated €356k (21%) in new revenue.

FY26 revenue is projected to grow by 43%, driven primarily by new lease contracts commencing in 2026, and expected higher income earned from the quarry dumping operation, given that the Issuer only began accepting inert waste material in its quarries during the last quarter of FY25.

Direct operating expenses relate to fees associated with the dumping of material and the consumption of water and electricity which is recharged to tenants. Such costs are expected to remain stable in FY26.

Administrative expenses rose slightly in FY25 as BBPL incurred one-off professional and legal fees in FY25 that are not expected to recur. Moving forward, FY26 administrative expenses are projected to normalise and align with FY24 figures.

Depreciation and amortisation increased by €22k between FY24 and FY25 as quarry landfilling operations commenced in the last quarter of 2025. Looking ahead to FY26, the depreciation expense will cover the charge of a full year period.

BBPL recognised a minor fair value gain of €2k on investment property in FY25. For FY26, no further valuation uplifts are anticipated, as any additional development costs incurred on the properties will be reflected within their carrying fair value.

Net finance costs totalled €726k in FY25, comprising €733k in total finance costs on the bond issue, bank borrowings and loans due to shareholders, offset by €7k in finance income.

No finance income is expected to be earned in FY26. Finance costs in FY25 remained stable compared to FY24 and are projected to hold steady at similar levels in FY26.

In FY25, BBPL achieved a profit before taxation of €700k which is lower than the €1.4m achieved in FY24, due to the negligible fair value movement in investment property recognised in FY25.

Looking ahead to FY26, profit before taxation is projected to increase by €620k year-over-year. This growth is driven by an increase in activity with net profit margin reaching 40.5%.

2.1.1 Variance Analysis

Income Statement	2025P	2025A	Variance
	€000s	€000s	€000s
Revenue	1,334	1,695	361
Direct operating expenses	(6)	(51)	(45)
Gross profit	**1,328**	**1,644**	**316**
Administrative expenditure	(191)	(199)	(8)
Depreciation	-	(22)	(22)
Fair value gain on investment property	700	2	(698)
EBIT	**1,837**	**1,425**	**(411)**
Finance cost	(735)	(733)	2
Finance income	-	7	7
Profit before tax	**1,101**	**700**	**(402)**
Current tax charge	(180)	(218)	(38)
Deferred tax charge	(89)	(219)	(130)
Profit for the year	**832**	**263**	**(569)**

Gross profit was €316k higher than budgeted, primarily driven by a net contribution from the dumping operation in the quarries which was not included in the FY25 budget.

Administrative expenses in FY25 were €8k higher than budgeted, largely due to legal fees incurred in FY25 and confirmation of actual condominium fees of the apartments. Depreciation was €22k higher than expected as landfilling operations at the quarries was not anticipated to commence in FY25.

Fair value gains in FY25 were €698k lower than what was anticipated as the increase in fair value of the property was equivalent to the cost of the property under construction.

Finance costs in FY25 were in line with forecasts while finance income was €7k higher than expected.

Actual tax charge was €218k resulting in a negative variance when compared to the projected tax charge of €180k. The deferred tax charge is €130k higher due to additional recognition of deferred tax on temporary differences relating to investment property.

As a result of the lower-than-expected fair value movement on investment property and the dumping operation in the quarries which was not budgeted for in FY25, profit before tax and net profit were €402k and €569k lower than expected, respectively.

2.2. Issuer's Statement of Financial Position

Issuer's Statement of Financial Position as at 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property and equipment	2,194	2,193	2,171	2,039
Investment property	32,055	35,765	38,000	38,225
Total non-current assets	**34,249**	**37,958**	**40,171**	**40,264**
Current assets				
Trade and other receivables	2,548	1,737	1,602	1,363
Contract assets	68	34	31	18
Cash and cash equivalents	762	88	-	309
Total current assets	**3,378**	**1,859**	**1,633**	**1,690**
Total assets	**37,627**	**39,817**	**41,804**	**41,954**
Equity				
Share capital	5,000	5,000	5,000	5,000
Capital contribution reserve	6,620	6,620	6,620	6,620
Retained earnings	5,441	6,327	6,590	7,571
Total equity	**17,061**	**17,947**	**18,209**	**19,191**
Liabilities				
Non-current liabilities				
Borrowings	12,760	13,712	13,661	13,620
Trade and other payables	40	49	67	70
Deferred tax liabilities	3,071	3,397	3,616	3,616
Total non-current liabilities	**15,871**	**17,159**	**17,344**	**17,306**
Current liabilities				
Borrowings	-	103	115	115
Trade and other payables	4,623	4,583	6,056	5,164
Current tax liabilities	71	26	39	149
Contract liabilities	1	1	41	29
Total current liabilities	**4,695**	**4,712**	**6,251**	**5,457**
Total liabilities	**20,566**	**21,870**	**23,595**	**22,763**
Total equity and liabilities	**37,627**	**39,817**	**41,804**	**41,954**

Ratio Analysis	2023A	2024A	2025A	2026F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	41.29%	43.34%	43.07%	41.16%
Gearing 2 (Total Liabilities / Total Assets)	54.66%	54.93%	56.44%	54.26%
Gearing 3 (Net Debt / Total Equity)	70.32%	76.49%	75.65%	69.97%
Net Debt / EBITDA	11.07x	6.51x	9.52x	6.14x
Current Ratio (Current Assets / Current Liabilities)	0.72x	0.39x	0.26x	0.31x
Interest Coverage (EBITDA / Finance Costs)	1.94x	2.91x	1.98x	2.98x

Total assets as at December 2025 increased by 5% to €41.8m from €39.8m as at December 2024. The largest component of BBPL's asset base remains the investment property consisting of undeveloped land, property under construction, and other immovable properties in a finished state. In FY25, investment property increased through additions of €2.2m, as a result of capital works on the warehousing properties in Burmarrad, and is expected to increase further by €225k in FY26. As at December 2025, 91% of total assets relates to investment property.

The Issuer's PPE is mainly comprised of its quarries, which began depreciating when landfilling operations commenced in the final quarter of 2025. This resulted in a €22k decrease in carrying value for FY25, with an additional €132k reduction anticipated in FY26 as landfilling activities continue.

Trade and other receivables decreased by €135k, primarily due to an €863k reduction in payments made in advance to contractors for works completed, which is partially compensated by an increase in trade receivables as at the end of FY25. Contract assets decreased from €34.2k as at December 2024 to €31k as at December 2025 while the Issuer's cash position decreased to (€122).

The equity base increased by €263k, representing the profit achieved during FY25 with no change in the share capital and capital contribution reserve. This is expected to be the case during the forecasted period, with increases in the equity base coming from expected profits.

As of December 2025, total borrowings (comprising current and non-current portions) consisted of an €11.8m bond issue, €1.1m in shareholder loans, and €889k in bank borrowings. The bank borrowings stem from a €1.1m bank loan that is secured by a special hypothecary guarantee over BBPL's Green Grove Guesthouse (capped at €1.1m) and carries an originating 15-year repayment period.

Trade and other payables increased by €1.5m in FY25. This growth was largely due to accrual for work in progress costs in the construction of the warehouses and additional short term finance provided by a related party. The amounts owed to related parties are unsecured, interest-free and payable on demand. Trade and other payables are projected to decrease by €889k in 2026, driven by the settlement of outstanding capital expenditure. Payment is expected to be met by higher cash generating from operating activities.

The deferred tax liabilities increased in line with the deferred tax charge on the fair value of the investment properties.

The liquidity position of the Company has declined in FY25 with current assets covering current liabilities by 0.26x compared to the 0.39x current ratio recorded in FY24. When removing related party balances (which are interest free and repayable on demand), the current ratio for FY25 stood at 0.87x.

A marginal reduction in interest-bearing debt lowered the gearing ratio to 43.07% (compared to 43.34% in FY24). Gearing is projected to remain comfortably below 50% in FY26, tapering down further to 41.16%. The Issuer's interest coverage ratio stood at 1.98x in FY25.

2.3. Issuer's Statement of Cash Flows

Issuer's Statement of Cash Flows for the year ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit before tax	590	1,441	700	1,320
Adjustments for				
Fair value gain on investment properties	(220)	(919)	(2)	-
Depreciation	0	0	22	132
Finance cost	559	726	733	735
Finance income	(65)	(58)	(7)	-
Movement in working capital				
Movement in trade and other receivables	(213)	(179)	(677)	675
Movement in trade and other payables	(39)	(33)	347	(326)
Cash flows generated from operations	**613**	**978**	**1,115**	**2,536**
Taxation paid	(262)	(274)	(205)	(228)
Net cash flows from operating activities	**351**	**703**	**910**	**2,308**
Cash flows from investing activities				
Acquisition of investment properties	(8,425)	(1,707)	(226)	(1,225)
Acquisition of property, plant and equipment	-	-	-	-
Net cash flows used in investing activities	**(8,426)**	**(1,707)**	**(226)**	**(1,225)**
Cash flows from financing activities				
Proceeds from bank borrowings	-	1,071	-	-
Proceeds from bond issue	12,000	-	-	-
Net movement of bank borrowings	(2,986)	(111)	(143)	(145)
Payment of bond related expenses	(196)	(630)	(630)	(630)
Interest payments	-	-	-	-
Net cash flows from / (used in) financing activities	**8,818**	**330**	**(773)**	**(775)**
Movement in cash and cash equivalents	**744**	**(674)**	**(88)**	**308**
Cash and cash equivalents at start of year	18	762	88	(0)
Cash and cash equivalents at end of year	**762**	**88**	**(0)**	**308**

Ratio Analysis	2023A	2024A	2025A	2026F
Cash Flow	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations - Capex)	€(8,075)	€(1,004)	€685	1,083

After adjusting for both non-cash items and movements in working capital the Issuer was able to generate positive net cash flows from operating activities which amounted to €910k in FY25. This is forecasted to increase, reaching €2.3m in FY26 driven by the generation of income from lease agreements commencing in 2026 and higher quarry dumping income.

Net cash outflows from investing activities primarily relate to capital expenditure paid on the Burmarrad properties. This outflow is expected to increase in FY26, driven by the settlement of capital creditors brought forward from FY25.

Cash flows from financing activities include interest and principal repayments related to the bank loan and the payment of the annual bond coupon. This is expected to remain stable in FY26.

Overall the Issuer recorded a negative cash movement of €88k in FY25 and ended the year with a marginal negative cash balance of €122.

Free cash flows during the year increased from negative €1.0m in FY24 to €685k in FY25. The projected free cash flows are expected to increase positively to €1.1m in FY26. This indicates healthy cash generation from its operating activities after accounting for cash outlay used for capital expenditures.

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 and their profitable operation. 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 Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.2. Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2026, annual growth in business activity moderated towards its long-term average. Despite remaining above its long-term average, economic sentiment softened due to dipping confidence in the industry and services sectors.

In terms of economic uncertainty, Malta's Economic Uncertainty Indicator (EUI) showed rising uncertainty in the retail and services sectors, with retail facing the most unpredictable outlook. Conversely, the construction sector grew more confident about its future. The European Commission's Economic Uncertainty Indicator reveals that business decisions in April were made under less certain economic conditions.

Malta's production indicators showed mixed results. Following a brief period of growth, industrial production dropped 3.6% year-on-year in March, driven by manufacturing declines in sectors like electronics, beverages, and medical equipment. Conversely, the services sector rebounded in February with a 1.5% increase after three months of decline. Retail trade grew by a more moderate 7.5% in March (down from 13.0% in February), though overall retail growth remains strong, reflecting resilient domestic demand.

Malta's tourism sector continued to expand, albeit at a more moderate pace. Total tourist spending rose by 6.9% in March, driven by gains in non-package and miscellaneous expenditures. This overall increase was fueled primarily by a higher volume of inbound arrivals, which offset declines in both the average length of stay and spending per capita.

The unemployment rate remained unchanged at 3.5% in March but stood higher than that of 3.1% in March 2025.

Commercial building permits in April were higher than a month earlier while residential building permits were lower. Final deeds and promise-of-sale agreements signed in April rose, which suggests that demand has continued to increase further.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.5% in April, up from 2.3% in the previous month. HICP excluding energy and food in Malta clocked in at 2.4%, which was above the euro area average of 2.2%. Inflation based on the Retail Price Index (RPI) increased to 2.8%, up from 2.7% in March.

3.3. Economic Outlook[2]

According to the Central Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to edge up from 3.6% in 2025 to 3.7% in 2026. Growth is then projected to stabilise around this level in the following two years (2027 – 2028). The Bank's GDP forecast was revised marginally down in 2025, primarily on account of lower-than-expected growth in private consumption and government investment.

The abovementioned growth is expected to be driven by domestic demand predominantly in private consumption which is expected to continue its expansion. Net exports are also expected to retain a positive contribution over the projection period, albeit a smaller contribution when compared to domestic demand.

Employment growth is set to moderate, from 2.6% in 2026 to 2.3% by 2028, driven by the projected easing in economic growth and the implementation of the Malta Labour Migration Policy in August 2025. The unemployment rate is expected at 2.8% for 2026 and remain at this rate throughout the forecast period, with the unemployment gap expected to remain negative. In line with the persistently negative labour market tightness, growth in the average compensation per employee is expected to remain strong, but is projected to ease to 4.4% in 2027 and 4.0% in 2028.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to continue its decrease from 2.4% in 2025 to 2.3% in 2026 and reaching 2.0% by 2028. Compared to previous projections, inflation has been broadly unrevised.

The general government deficit-to-GDP ratio is set to decline to 2.8% in 2026, and to narrow further over the rest of the

[1] Central Bank of Malta – Economic update – 5/2026

[2] Central Bank of Malta – Economic Projections 2025 – 2028

forecast horizon, to stand at 2.0% by 2028. The general government debt-to-GDP ratio is expected to reach a peak of 47.1% in 2026, before easing to 46.2% by 2028.

Risks to activity are broadly balanced. Downside risks largely relate to possible continued weakness in the international economic environment as well as elevated geopolitical uncertainty. On the other hand, the labour market could exhibit stronger dynamics than expected, which could result in stronger than expected private consumption growth.

Risks to inflation are slightly tilted to the upside over the forecast period from the persistence in services inflation. Upside risks to inflation are also linked to food inflation in the presence of adverse climate effects. 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, a resurgence of trade tensions between the US and its partners risks heightening uncertainty and further stifling global growth, which would likely exert additional downward pressure on imported inflation.

On the fiscal side, risks are mostly tilted to the downside (deficit-increasing). These mainly reflect the possibility of slippages in current expenditure, such as higher-than-expected spending on energy support measures and wages. These risks are partially offset by the potential for additional revenue gains.

3.4. Residential Property Development[3]

In May 2026, the number of final deeds of sale related to residential property amounted to 1,157, marking a 3.7% decrease compared to May 2025. The total value of these transactions was €342.3 million, up 2.5% from the previous year. The majority of these deeds (91.0%) involved individual buyers, with the value of these transactions amounting to €283.3 million, representing 82.5% of the total value.

Geographically, the highest activity was recorded in San Pawl Il-Baħar, Birkirkara, and Marsaskala, with 98, 68 and 51 deeds respectively.

Regarding property types, apartments and garages were the most transacted, comprising 37.0% and 23.3% of the total properties, respectively.

Additionally, there were 1,316 promise of sale agreements, reflecting a 4.4% decrease from May 2025. Individual buyers accounted for 89.4% of these agreements. The top localities for promise of sale agreements were San Pawl Il-Baħar, Birkirkara and Marsaskala with 88, 70 and 50 promise of sale agreements respectively.

[3] National Statistics Office – News Release – 101/2026

3.5. Commercial Property Market[4]

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta has considerably increased over the last couple of years. Of note, there are several traditional business areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta, being Malta's capital city, is considered to be a cultural and administrative hub with many law firms, government entities and long-established family businesses holding their main office space there.

Other traditional commercial areas include the likes of St. Julian's, which is popular for its sea-view offices, and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top-quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieha and in parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline.

Rental figures for office space support the generally sluggish environment expressed during discussions with industry experts, due to weak demand and limited transactional momentum, as can be seen in the decrease in average asking rental rates for office space which decreased to €221/sqm in 2025, down from €234/sqm. The Central region saw modest growth of 0.7%, with the Grand Harbour, North Harbour and Southern regions recording declines in office rental rates of 5.7%, 4.2% and 1.5%, respectively. Further analysis shows that the highest proportion of office space can be found in the Northern Harbour region (51.1% of all listings), followed by the Central region (30.2%). In relation to retail properties, the highest increase in average rental rates was recorded in the North Harbour region, with an increase of 10.9% in 2025.

However, commercial property sales tell a story of divergence. Retail properties are showing weakness, with the average price per sqm decreasing by 3.3% in 2025 over the prior year. On the other hand, office commercial property experienced a 2.3% increase in the average asking price per sqm over the prior year. Key stakeholders in the commercial real estate segment also indicate that the industrial and warehousing segments remain strong.

[4] KPMG & Malta development Association – Construction Industry and Property Market Report 2025

Key stakeholders in the commercial real estate segment also indicate that the industrial and warehousing segments remain strong.

While office prices have risen, they remain consistent with three-year historical averages. This suggests the current upward trend may be a market correction after previous declines, yet industry stakeholders still describe the office sector as subdued.

3.6. Tourism update[5]

According to the National Statistics Office (NSO), Malta's tourism sector experienced robust growth in 2025, with increases in tourist arrivals, guest nights and expenditure compared to the previous year.

Such growth appears to be continuing in 2026 with inbound tourists for the first three months of 2026 amounting to 815,317, an increase of 16.3% compared to the corresponding period in 2025. Similarly, total nights spent during the January – March 2026 period rose by 11.9%, reaching 4,451,453 nights from 3,976,580 nights over the same period in 2025.

Total tourist expenditure was estimated at €584.7 million during the first three months of 2026 compared to the €508.5 million estimated in 2025, equivalent to a 15.0% increase. Total expenditure per capita decreased from €733 in 2025 to €725 in 2026.

Data from the National Statistics Office (NSO) indicates that approximately 25.4% of tourists in Q1 2026 opted for private rented accommodation (such as short-term rentals) over collective establishments like hotels.

According to the European Travel Commission Q4 2025 report[6], European tourism remained strong in 2025, amid signs of shifting preferences and resilient spending. Rising travel costs have triggered contrasting behaviours. While some travellers are prioritising value by choosing off-peak periods and lesser-known destinations, others are opting for shorter trip durations. Despite these shifting patterns, international arrivals are projected to climb by 6.2% year-on-year in 2026. This growth is increasingly fuelled by long-haul travel, specifically from the Asia-Pacific region, to the benefit of European markets catering to these high-exposure demographics.

3.7. Comparative Analysis

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

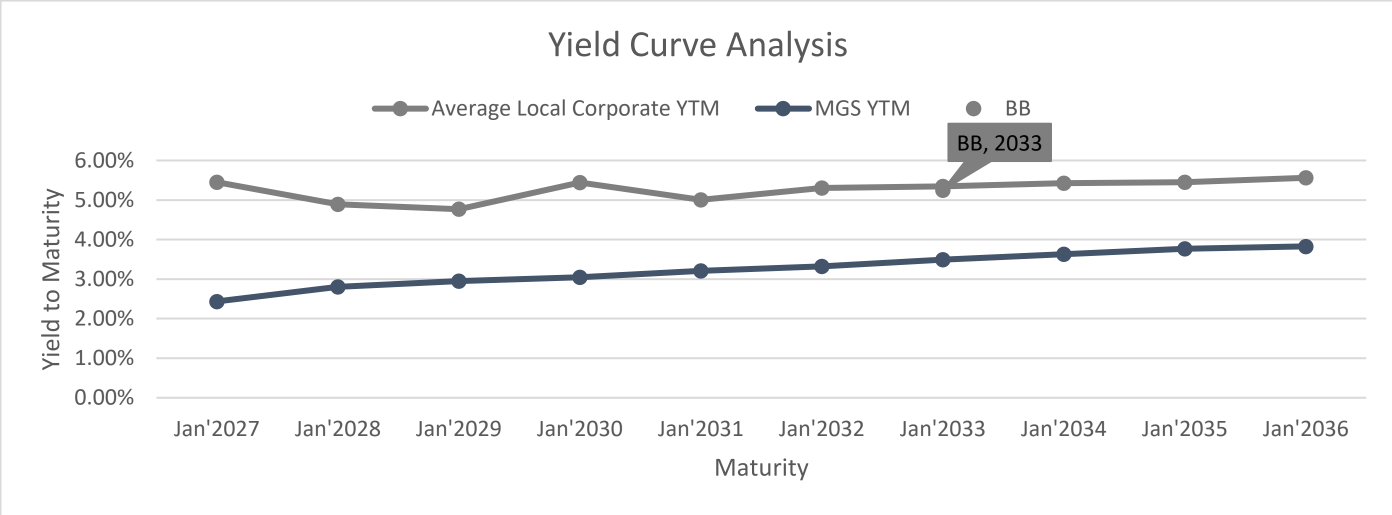
[5] National Statistics Office – Inbound Tourism (NR 074/2026)
[6] European Travel Commission - European Tourism: Trends & Prospects (Q4/2025)

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.09%	6.6x	94.9	19.1	79.9%	70.9%	3.3x	2.0x	49.6%	23.5%	-1.8%
6% Pharmacare Finance plc Unsecured € 2033	17,000	5.90%	0.9x	46.6	14.2	69.5%	61.2%	17.9x	1.5x	-14.0%	-17.1%	-1.4%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	5.25%	2.0x	41.8	18.2	56.4%	43.1%	9.5x	0.3x	1.4%	15.5%	17.4%
6.25% AST Group plc Secured 2033	8,500	5.79%	3.1x	15.9	1.1	92.9%	86.2%	4.1x	1.2x	10.8%	1.0%	-16.0%
6% JD Capital plc Secured 2033 S2 T1	11,000	5.73%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5.85% AX Group plc Unsecured € 2033	40,000	5.47%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	5.67%	1.7x	86.3	28.3	67.2%	60.8%	19.4x	0.5x	3.4%	37.4%	8.9%
6% International Hotel Investments plc 2033	60,000	5.99%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.97%	(1.2)x	12.4	(1.9)	114.9%	131.2%	N/A	0.5x	N/A	-111.0%	8.4%
5.75% Phoenicia Finance Company plc Unsec 2028-2033	50,000	5.48%	2.5x	169.9	86.0	49.4%	42.7%	7.0x	1.2x	3.8%	12.4%	10.7%
	Average*	5.57%										

Source: Latest available audited financial statements

Last closing price as at 15/06/2026

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



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 plots the entire MGS yield curve, thus taking into consideration the yield of comparable issuers. The graph illustrates on a stand-alone basis, the yield of comparable issuers having a maturity of 7 years (Peers YTM).

As at 15 June 2026, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 7 years was 207 basis points. The Bonnici Bros. Properties p.l.c. bond is currently trading at a YTM of 5.25%, meaning a spread of 175 basis points over the equivalent MGS. This means that this bond is trading at a discount of 32 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

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