FINANCIAL ANALYSIS SUMMARY

Financial Analysis Summary

The Directors
QLZH Holding p.l.c.
Cali House, 3rd Floor,
Vjal ir-Rihan, San Gwann,
SGN 9020,
Malta

23 June 2025

Re: Financial Analysis Summary – 2025

Dear Board Members,

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

The purpose of this financial analysis is to summarise the key financial data appertaining to QLZH Holding p.l.c. (the "**Issuer**"). The data is derived from various sources, including the Base Prospectus dated 23 June 2025 published by the Issuer (the "**Prospectus**"), or is based on our own computations as follows:

a) Historical financial data for the two financial periods ending 31 December 2023 and 2024 has been extracted from the audited financial statements of the Issuer.

b) The forecast data for the financial years ending 31 December 2025, 2026 and 2027 has been provided by management.

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

d) The ratios quoted in the Analysis 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.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

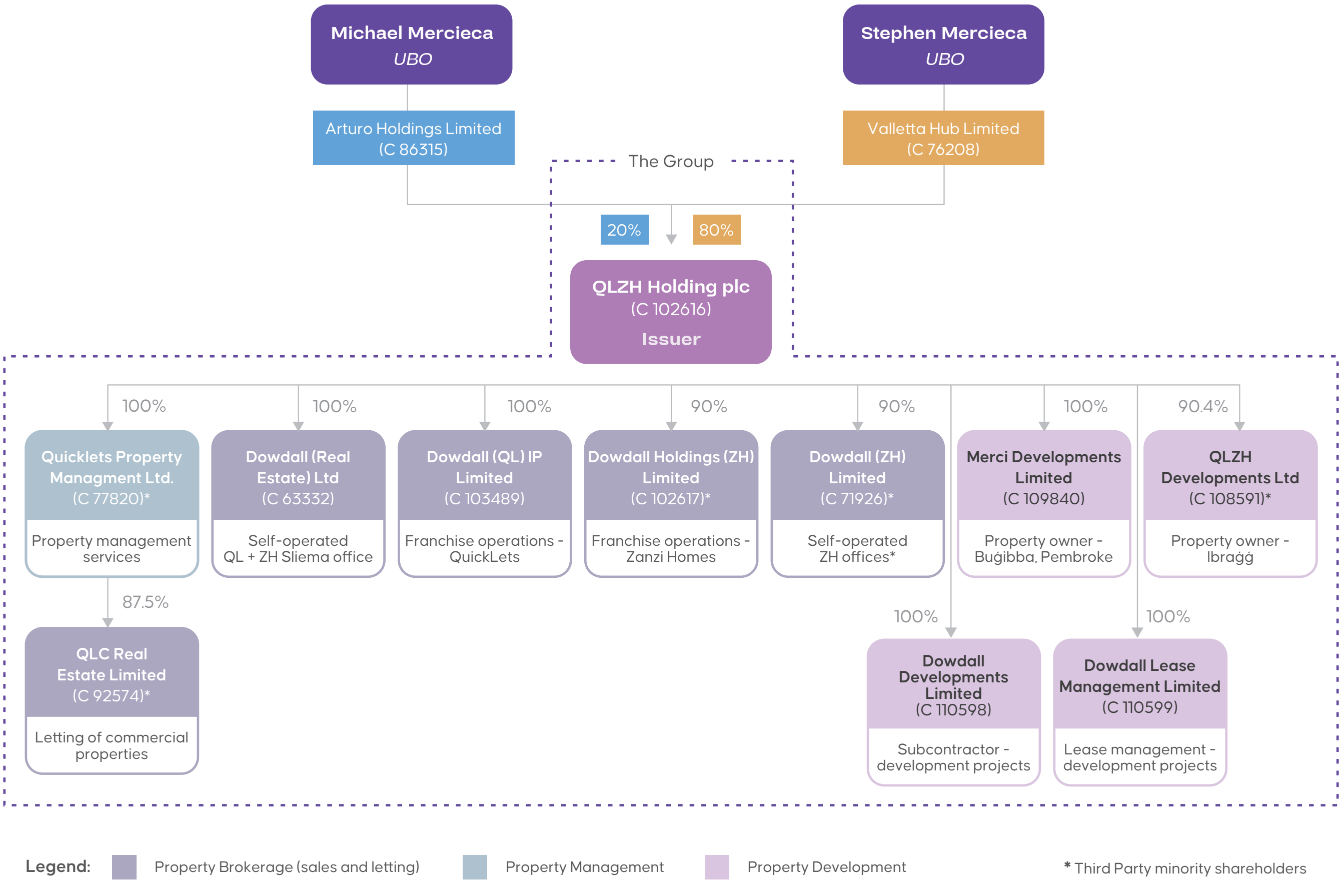
Patrick Mangion
Head of Capital Markets

TABLE OF CONTENTS

Part 1 Information about the Group

1.1 ISSUER'S KEY ACTIVITIES AND STRUCTURE

The Group structure is as follows:



QLZH Holding p.l.c. ("**QLZH**" or the "**Issuer**") is the Issuer of the proposed bond. It was incorporated on 26 July 2022 under Maltese law with company registration number C 102616. As at the date of this Analysis the Issuer has an authorised and issued share capital of €4,218,227 divided into 4,218,227 shares. The issued share capital comprises 789,600 Ordinary A shares, 3,180,960 Ordinary B shares, 1,000 Ordinary C shares and 246,667 Non-Redeemable Preference shares of €1.00 each. The shares are owned by Valletta Hub Limited ("**Valletta Hub**") which holds 80% of the rights attached to the shares and Arturo Holdings Limited ("**AHL**"), which holds the remainder 20%.

The Issuer along with its ten subsidiaries constitutes the "**Group**".

Quicklets Property Management Limited ("**Quicklets Property Management**"), was incorporated on 27 October 2016, with a registration number C 77820, and has 1,760 issued shares at a nominal value of €1.00 each fully owned by the Issuer. Quicklets Property Management's main function is of a service company with a focus on property management and administrative services for residential and commercial properties. **Quicklets Property Management** it is the only subsidiary in the Group to have an additional subsidiary. The company in question being QLC Real Estate Limited, with registration number C 92574, was incorporated on 15 July 2019 and has 1,200 issued shares of a nominal value of €1.00 each of which 87.5% owned by Quicklets Property Management. QLC Real Estate Limited.

Dowdall Real Estate Limited ("**Dowdall Real Estate**"), with registration number C 63332, was incorporated 30 December 2013 and has 53,000 issued shares at a nominal value of €1.00 each fully owned by the Issuer. Dowdall Real Estate operates a shared brokerage office of Zanzi Homes and the Quicklets business in Sliema.

Dowdall (QL) IP Limited ("**Dowdall (QL) IP**") with registration number C 103489, was incorporated on 13 October 2022, and has 1,200 issued shares at a nominal value of €1.00 each fully owned by the Issuer. Dowdall (QL) IP is a holding company, which is proprietor of the Quicklets Brand (one of the major assets of the Group as described in section 1.3.1.), and charges fees in relation to: franchise, marketing and brand fees in reference with the Quicklets business.

Dowdall Holdings ZH Limited ("**Dowdall Holdings ZH**") with registration number C 102617, was incorporated on 26 July 2022, and has 1,225 issued shares at a nominal value of €1.00 each, 90% owned by the Issuer. Dowdall Holdings ZH is a holding company, which is proprietor of the Zanzi Brand (one of the major assets of the Group as described in section 1.3.1.), and charges fees in relation to: franchise, marketing and brand fees in reference with the Zanzi Homes business.

Dowdall ZH Limited ("**Dowdall ZH**") with registration number C 71926, was incorporated on 17 August 2015, and has authorised shares of 25,000, of which 24,500 have been issued at a nominal value of €1.00, 90% owned by the Issuer. Dowdall ZH operates the Zanzi Homes property brokerage office in St Julian's.

Dowdall Developments Limited ("**Dowdall Developments**") with registration number C 110598, was incorporated on 24 December 2024, and has 1,200 issued shares at a nominal value of €1.00 each fully owned by the Issuer. Dowdall Developments is responsible for the support of real estate development activities of the Property Companies, some of its activities are to: negotiate and enter into contracts with developers.

Merci Developments Limited ("**Merci Developments**") with registration number C 109840, was incorporated on 18 October 2024, and has 1,500 issued shares at a nominal value of €1.00 each fully owned by the Issuer. Merci Developments is a holding real estate company and one of the Property Companies in the Group, who is responsible for the development of the Bugibba and the Pembroke projects, as further described in section 1.3 and 1.4.

QLZH Developments Limited ("**QLZH Developments**") with registration number C 108591, was incorporated on 29 May 2024, and has 2,090 issued shares at a nominal value of €1.00 each, owned 90.43% by the Issuer. QLZH Developments is a real estate holding company and the other Property Company within the Group, responsible for future projects that the Group will take over.

Dowdall Lease Management Limited ("**Dowdall Lease Management**") with registration number C 110599, was incorporated on 24 December 2024, and has 1,200 issued shares at a nominal value of €1.00 each fully owned by the Issuer. Dowdall Lease Management is a service company whose main functions are to manage, administer, negotiate and enter into lease agreements for the Property Companies of the Group (Merci Developments and QLZH Developments).

1.2 DIRECTORS AND KEY EMPLOYEES

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

NAME	DESIGNATION
Michael Mercieca	Executive Director
Stephen Mercieca	Executive Director
Francis Galea Salomone	Independent Non-Executive Director and Chairman
Luke Coppini	Independent Non-Executive Director
Edward Cachia	Independent Non-Executive Director

The registered office of the Issuer is situated at Cali House, 3rd Floor, Vjal ir-Rihan, San Gwann SGN 9020, Malta.

Ganado Services Limited (registration number: C10785) is the company secretary of the Issuer.

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

1.3 MAJOR ASSETS OWNED BY THE GROUP

1.3.1 Intellectual Property

One of the major assets of the Group is their Intellectual Property ("**IP**"). The IP within the Group as explained in section 1.1 is held by Dowdall (QL) IP and Dowdall Holdings ZH. Through the ownership of the IP, the Group generates franchise fees from the Franchise Network and Self-operated offices.

1.3.1.1 Franchise Network

Through its franchise model, the Group has been able to enhance its brand value and expand its presence across the islands, as third-party franchisees establish offices under either the Quicklets or Zanzi Homes brands. Franchisees pay a franchise fee to either Dowdall (QL) IP or Dowdall Holdings ZH, depending on the brand they choose to operate. As of the date of this Analysis, 37 franchise offices have been opened under the Quicklets or Zanzi Homes name. This has enabled the Group to strengthen its market presence and broaden its reach throughout the Maltese islands.

1.3.1.2 Self Operated offices

The Group also directly operates six offices, these being:

- Zanzi and QuickLets office in Sliema
- Zanzi office in St. Julian's
- Zanzi office in San Gwann (referred to Zanzi Prime)
- Zanzi office in San Gwann (referred to as Zanzi Minus 1)
- Zanzi office in Zebbug (referred to as Zebbug Hub)
- Zanzi office in Balzan (referred to as Balzan Dash)

Five of the above offices are owned and operated by Dowdall (ZH), with the exception of the Sliema office being operated by Dowdall (Real Estate). Through these offices the Group derives commission income and maintains full ownership of the offices. These two companies in question also pay a franchise fee to the IP holding companies for the use of the brand.

1.3.2 Planned Projects

The Group, through Merci Developments, entered into promise of sale agreements to acquire two properties in Pembroke and Bugibba. The Group will allocate part of the bond proceeds to acquire these properties which will be redeveloped into 19 residential units and 3 garages. The Group intends to retain the redeveloped properties for rental income and long-term capital appreciation. Management anticipates completing both projects by 2027, with annual rental income expected to reach €0.4m from that point onward.

1.4 OPERATIONAL DEVELOPMENTS

The main activities of the Issuer are set out in section 1.1. The most material and ongoing operational developments of the Group are as follows:

1.4.1 Group's strategy

Building on its extensive experience in the local real estate market, the Group has taken a strategic step to expand its business model by entering the property development sector. To this end, new entities were incorporated namely, Merci Developments and QLZH Developments, which now serve as the Group's dedicated property development arms. These companies have been tasked with acquiring and developing various sites, with properties either to be sold or leased to third-party stakeholders in the coming years.

1.4.2 Group asset acquisitions

The Group made a strategic decision to enter the property development sector and plans to do so through two of its property companies: Merci Developments and QLZH Developments. As of the date of this Analysis, the Group, through Merci Developments, has entered into POS agreements and obtained development permits for two distinct sites in Bugibba and Pembroke.

1.5 USE OF PROCEEDS

The use of proceeds from the first tranche of Bonds, expected to amount to approximately €6.5m after issue expenses, are intended to be applied by the Issuer in the following amounts and order of priority:

i. *Circa* €5.0m will be utilised to partly finance the acquisition and redevelopment of the Bugibba and Pembroke sites.
ii. *Circa* €1.5m to be utilised for general corporate funding purposes.

Bond issue costs are estimated at circa €262k and include professional fees.

Part 2 Historical Performance and Forecasts

The Issuer's historical financial information for the two periods ending 31 December 2023 and 2024, as set out in the audited and management financial statements of the Issuer may be found in section 2.1 to 2.3 of this Analysis. These sections also include the forecast performance of the Issuer for the year ending 31 December 2025, 2026 and 2027. Moreover, the Group's historical financial information for the two periods ending 31 December 2023 and 2024, together with the Group's forecast performance for the year ending 31 December 2025 and 2026 are set out in section 2.4 to section 2.6.

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

2.1 ISSUER'S INCOME STATEMENT

Statement of Comprehensive Income for the period ending 31 December	**2023A** [17 months]	**2024M** [12 months]	**2025F** [12 months]	**2026P** [12 months]	**2027P** [12 months]
	€000s	*€000s*	*€000s*	*€000s*	*€000s*
Interest income	-	-	180	642	642
Interest expense	-	-	(179)	(494)	(630)
Gross Profit	**-**	**-**	**1**	**148**	**12**
Dividend Income	445	516	290	305	305
Total income	**445**	**516**	**291**	**453**	**332**
Administrative expenses (net of wages recharge)	(34)	(18)	(90)	(104)	(106)
Amortisation of bond issue costs	-	-	(13)	(33)	(33)
Profit before tax	**411**	**498**	**188**	**316**	**192**
Tax	-	-	-	(52)	(4)
Profit after tax	**411**	**498**	**188**	**264**	**188**

Ratio Analysis	**2023A** [17 months]	**2024M** [12 months]	**2025F** [12 months]	**2026P** [12 months]	**2027P** [12 months]
Profitability					
Net Margin (Profit after tax/ Total income)	92.4%	96.5%	64.6%	58.3%	56.6%

As outlined in Section 1.1 of this Analysis, the Issuer is a holding company and does not engage in any trading activities of its own. It is therefore reliant on the business performance of its subsidiaries.

As at the date of incorporation, the Issuer generates revenue primarily from dividend income and wage recharges. The dividend income is derived from its subsidiaries, and the Issuer also holds shareholdings in the Property Companies.

The net bond proceeds will be advanced by the Issuer to the Property Companies to fund the acquisition and development of the respective projects. These funds will be provided through a back-to-back loan, priced at a mark-up over the bond coupon, allowing the Issuer to cover its overheads. Management expects that, following the full issuance of the bond programme (by FY2026), the Issuer will earn approximately €0.6m per annum in interest income until bond maturity.

Administrative expenses primarily consist of wages and salaries, net of recharges to related companies. These expenses are projected to increase in FY2025 and FY2026 due to additional costs, including those related to non-executive directors and bond-related expenses. Bond issue costs are being amortised over the remaining life of the bond.

In FY2024, the Issuer reported a profit after tax of €498k, which is expected to decline to €188k in FY2027 due to lower projected dividend income from subsidiaries.

2.2 ISSUER'S STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at 31 December	2023A	2024M	2025F	2026P	2027P
	€000s	€000s	€000s	€000s	€000s
Assets					
Non-current assets					
Investment in subsidiary	4,851	4,855	5,686	5,686	5,686
Loan to subsidiaries	-	-	6,538	11,670	11,670
Total non-current assets	**4,851**	**4,855**	**12,224**	**17,356**	**17,356**
Current assets					
Trade and other receivables	1	-	180	180	180
Due from related parties	269	491	1,011	1,011	1,011
Cash and cash equivalents	14	1	110	482	633
Total current assets	**284**	**492**	**1,301**	**1,673**	**1,824**
Total non current assets					
Total assets	**5,135**	**5,347**	**13,525**	**19,029**	**19,180**
Equity					
Share capital	4,216	4,216	4,280	4,280	4,280
Share premium	635	635	635	635	635
Capital contribution reserve	20	20	1,304	1,304	1,304
Retained earnings	125	117	304	568	756
Total equity	**4,996**	**4,988**	**6,523**	**6,787**	**6,974**
Liabilities					
Non-current Liabilities					
Bond payable	-	-	6,551	11,716	11,750
Total non-current liabilities	**-**	**-**	**6,551**	**11,716**	**11,750**
Current Liabilities					
Trade and other payables	138	271	362	438	367
Due to related parties	10	88	88	88	88
Total current liabilities	**148**	**359**	**450**	**526**	**456**
Total liabilities	**148**	**359**	**7,001**	**12,242**	**12,205**
Total equity and liabilities	**5,135**	**5,347**	**13,525**	**19,029**	**19,180**

As at FY24, the Issuer's total assets stood at €5.4m, primarily comprising investments in subsidiaries of €4.9m. The remainder of the Issuer's assets were mostly made up of current balances due from related parties within the Group, amounting to €0.5m.

Following the issue of the first bond tranche of €6.8m in FY25, total assets are projected to more than double to €13.5m. This increase reflects the Issuer's strategy of on-lending the bond proceeds to its subsidiaries through back-to-back loan arrangements to fund the acquisition and development of new property projects. Correspondingly, total liabilities are expected to increase by approximately the same amount, largely reflecting the recognition of the bond payable under non-current liabilities.

In FY26, a second bond tranche of €5.2m is expected to be issued, further increasing total liabilities to €12.2m. The proceeds from this tranche will also be advanced to subsidiaries in the form of loans, pushing total assets to a projected €19.0 million by FY26.

As at FY23 and FY24, total equity stood at €5.0m and was mainly composed of share capital of €4.2m and share premium of €0.6m. In FY2025, equity is forecast to rise by €1.5m, primarily driven by a €1.3m capital contribution from shareholders, indicating continued sponsor support for the Issuer's growth trajectory. Retained earnings are also projected to increase gradually over the forecast period, from €125k in FY23 to €756k by FY27, driven by interest income from intercompany loans and dividend income from subsidiaries.

2.3 ISSUER'S STATEMENT OF CASH FLOWS

Statement of Cash Flows for the period ending 31 December	2023A [17 months]	2024M [12 months]	2025F [12 months]	2026P [12 months]	2027P [12 months]
	€000s	€000s	€000s	€000s	€000s
Cash flow from operating activities					
Net cash generated from operations	**120**	**514**	**111**	**372**	**151**
Investing Activities					
Loan to subsidiaries	-	-	(6,538)	(5,133)	-
investment in subsidiaries	-	(4)	(2)	-	-
Net cash generated from / (used in) investing activities	**-**	**(4)**	**(6,540)**	**(5,133)**	**-**
Financing Activities					
Movement in related balances	181	-	-	-	-
Dividends paid	(286)	(523)	-	-	-
Proceeds from/(repayment of) bond issuance	-	-	6,800	5,200	-
Payment of bond issue costs	-	-	(263)	(68)	-
Total net cash from Financing activities	**(105)**	**(523)**	**6,538**	**5,133**	**-**
Movement in Cash and Cash Equivalents	**14**	**(12)**	**109**	**372**	**151**
Cash and Cash Equivalents at the beginning	-	14	1	110	482
Cash and Cash Equivalents at the end	**14**	**1**	**110**	**482**	**633**

The Issuer's cash flow position reflects its light operational structure and investment-focused strategy. Operating cash flows remained modest but consistently positive over the period, increasing from €120k in FY23 to €514k in FY24, and stabilising at €151k in FY27. These inflows are primarily driven by net interest margin on loans, dividend income and minimal overheads.

The most significant movements occur under investing and financing activities. In FY25 and FY26, the Issuer is expected to raise €6.8m and €5.2m, respectively, from the bond programme. These proceeds will be fully deployed through loans to subsidiaries to fund property development, with related outflows of €6.5m in FY25 and €5.1m in FY26. After accounting for bond issue costs financing and investing activities nearly net off, maintaining stable liquidity.

The Issuer is expected to end each year with a positive cash balance, rising from €2k in FY2024 rising to €633k by FY2027 reflecting the bond funding carefully aligned to investment needs and sufficient margin retained to support liquidity and cover running costs of the Issuer.

2.4 GROUP'S INCOME STATEMENT

Consolidated Statement of Comprehensive Income for the period ended 31 December	2023A [17 months]	2024M [12 months]	2025F [12 months]	2026P [12 months]	2027P [12 months]
	€000s	*€000s*	*€000s*	*€000s*	*€000s*
Revenue	2,316	3,148	4,111	4,316	4,730
Cost of goods sold	(579)	(1,151)	(1,432)	(1,503)	(1,578)
Gross Profit	**1,736**	**1,996**	**2,679**	**2,813**	**3,152**
Other income	210	191	250	250	250
Administrative expenses	(1,248)	(1,480)	(1,960)	(2,012)	(2,055)
EBITDA	**698**	**706**	**969**	**1,051**	**1,347**
Depreciation and amortisation	(136)	(122)	(83)	(83)	(17)
Amortisation of bond issue costs	-	-	(13)	(33)	(33)
Finance costs	(46)	(18)	(37)	(37)	(385)
Fair value gain on investment property	-	-	491	733	890
Profit before tax	**516**	**568**	**1,326**	**1,630**	**1,801**
Tax benefit/expense	14	-	(344)	(507)	(170)
Profit after tax – Continuing operations	**530**	**568**	**982**	**1,123**	**1,630**
Loss/Gain from discontinued operations	(1,092)	1,680	-	-	-
Loss/profit after tax	**(562)**	**2,248**	**982**	**1,123**	**1,630**

Ratio Analysis	2023A [17 months]	2024M [12 months]	2025F [12 months]	2026P [12 months]	2027P [12 months]
Profitability					
Growth in Revenue (YoY Revenue Growth)	n/a	35.9%	30.6%	5.0%	9.6%
Gross Profit Margin (Gross Profit / Revenue)	75.0%	63.4%	65.2%	65.2%	66.6%
EBITDA Margin (EBITDA / Revenue)	30.1%	22.4%	23.6%	24.4%	28.5%
Operating (EBIT) Margin (EBIT / Revenue)	24.3%	18.6%	21.2%	21.7%	27.4%
Net Margin (Profit after tax – Contin. / Revenue)	22.9%	18.0%	23.9%	26.0%	34.5%
Return on Common Equity (Net Income / Total Equity)	40.6%	71.7%	17.0%	16.3%	19.1%
Return on Assets (Net Income / Total Assets)	9.5%	42.0%	6.9%	5.4%	7.2%

The Group's revenue is principally derived from commission revenue which is primarily generated by the commission received from the sale and rental of properties from their self-operated offices and franchises. The Group as of FY24 began generating revenue from its property management services, which are expected be more predominant starting from FY25. The Group expects to complete the property projects by mid-FY27, after which they will be rented out to third parties.

Cost of sales for FY24 amounted to €1.1m, and are mainly composed of agent fees related to commission paid to agent's sales and lettings, and management fees paid to the team managers of the self-operated offices. The Group does not incur these direct costs from the operations related to the franchises. Management anticipates that cost of sales are expected to increase by €0.3m (FY25) and €0.4m (FY26) respectively due to higher property management costs. Gross profit margins are expected to stabilise at 65% to 67% between FY25 to FY27.

As of FY24, the Group incurred €1.5m in administrative expenses, which are composed of, payroll, marketing costs, professional fees, and incentives and events. It is anticipated these expenses will increase by €0.5m due to higher payroll expenses related to the property management and professional fees related to directors, security trustee and listing fees.

The Group's EBITDA amounted to €0.7m in FY24 and is expected to increase to €1,347k by FY27 because of a projected increase in revenue, operational efficiency and generation of rental income.

In FY24, the Group incurred depreciation and amortisation of €122k, finance costs of €18k, and recorded a profit before tax of €568k. Depreciation is expected to decrease to €83k in both FY25 and FY26, while finance costs are projected to rise to €37k in line with increased borrowings. Additionally, the Group will begin amortising bond issue costs of €13k in FY25 and €33k in FY26. Given that the investment properties are intended to generate rental income, annual revaluations are anticipated, with management projecting fair value gains of €491k in FY25 and €733k in FY26. As a result, profit before tax is forecasted to increase to €1.3m in FY25 and €1.6m in FY26.

In FY24, the Group did not incur any tax expense, resulting in profit before and after tax being equivalent. However, it recognised a one-off gain of €1.7m from the disposal of a subsidiary, leading to a net profit of €2.2m and a net margin of 71.4%. This exceptional gain will not recur in future years. Consequently, net profit is expected to normalise to €1.0m in FY25 and €1.1m in FY26, translating into net margins of 23.9% and 26.0%, respectively.

2.5 GROUP'S STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position as at 31 December	2023A	2024M	2025F	2026P	2027P
	€000s	€000s	€000s	€000s	€000s
Assets					
Non-current assets					
Intangible Assets	3,279	3,269	3,256	3,242	3,228
Investment property	-	-	4,293	9,970	12,047
Other non-current assets	508	144	107	52	64
Total non-current assets	**3,787**	**3,413**	**7,656**	**13,264**	**15,339**
Current assets					
Trade and other receivables	692	1,603	1,660	2,176	2,194
Other current assets	-	-	703	121	121
Current tax asset	4	3	-	-	-
Assets classified as held for sale	1,226	-	-	-	-
Cash and cash equivalents	176	328	4,157	5,415	5,033
Total current assets	**2,098**	**1,934**	**6,520**	**7,712**	**7,347**
Total assets	**5,885**	**5,347**	**14,176**	**20,976**	**22,686**
Equity					
Share capital	4,216	4,216	4,280	4,280	4,280
Share premium	635	635	635	635	635
Retained earnings	(870)	862	1,802	2,882	4,466
Capital contribution	20	20	1,464	1,464	1,464
Other reserves	(2,701)	(2,701)	(2,701)	(2,701)	(2,701)
Fair value reserve	10	-	-	-	-
Non-controlling interest	73	105	297	341	387
Total equity	**1,383**	**3,137**	**5,777**	**6,901**	**8,530**
Liabilities					
Non-current liabilities					
Bond payable	-	-	6,551	11,716	11,750
Trade and other payables	77	-	-	-	-
Deferred tax liability	-	-	344	798	964
Other interest bearing liabilities	418	129	307	307	293
Total non-current liabilities	**495**	**129**	**7,202**	**12,821**	**13,007**
Current liabilities					
Trade and other payables	689	2,082	1,198	1,253	1,149
Other interest bearing liabilities	575	-	-	-	-
Liabilities classified as assets held for sale	2,743	-	-	-	-
Total current liabilities	**4,008**	**2,082**	**1,198**	**1,253**	**1,149**
Total liabilities	**4,503**	**2,211**	**8,400**	**14,074**	**14,156**
Total equity and liabilities	**5,885**	**5,347**	**14,176**	**20,976**	**22,686**

Ratio Analysis	2023A [17 months]	2024M	2025F	2026P	2027P
Financial Strength					
Gearing 1 (Net Debt / Net Debt and Total Equity)	37.1%	0%	31.9%	48.9%	45.1%
Gearing 2 (Total Liabilities / Total Assets)	76.5%	41.4%	59.3%	67.1%	62.4%
Gearing 3 (Net Debt / Total Equity)	59.1%	0%	46.8%	95.8%	82.2%
Net Debt / EBITDA	1.2x	n/a	2.8x	6.3x	5.2x
Current Ratio (Current Assets / Current Liabilities)	0.5x	0.9x	5.4x	6.2x	6.4x
Interest Coverage (EBITDA / Finance Costs)	15.2x	39.2x	26.2x	28.4x	3.5x

As at FY24, the Group's total assets stood at €5.3m, with non-current assets comprising €3.4 million, primarily intangible assets (€3.3m) and property, plant and equipment. A notable shift is expected from FY25 to FY27 with the recognition of investment property, rising from nil to €4.3m in FY25 and nearly €12m by FY27. This reflects the Group's strategic focus on property development, funded largely by bond proceeds. As a result, non-current assets are forecasted to reach €15.3m by FY27.

Current assets are projected to grow significantly from €1.9m in FY24 to €7.3m by FY27, driven mainly by a sharp increase in cash and cash equivalents, from €328k to €5.0m, which aligns with the timing of bond issuance. Receivables also rise steadily, indicating growing operational activity. Meanwhile, assets held for sale and related liabilities are fully disposed of in FY24.

Total equity is projected to increase from €3.1m in FY24 to €8.5 million by FY27. This is supported by growing retained earnings, rising from €862k to €4.5m, and a capital contribution of €1.5m expected in FY25. Negative other reserves persist, but the increase in earnings and contributions offsets their effect. Non-controlling interest also grows moderately, reflecting the profitability of subsidiary undertakings.

Total liabilities are set to rise from €2.2m in FY24 to €14.2m by FY27, almost entirely due to the two bond issuances (€6.8m in FY25 and €5.2m in FY26). Deferred tax liabilities emerge in line with projected property revaluations.

2.6 GROUP'S STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows for the period ended 31 December	2023A [17 months]	2024M [12 months]	2025F [12 months]	2026P [12 months]	2027P [12 months]
	€000s	*€000s*	*€000s*	*€000s*	*€000s*
Operating activities					
Profit after tax	530	2,246	982	1,123	1,630
Loss from discontinued operations	(1,092)	-	-	-	-
Adjustments for non-cash investments	164	(1,763)	(13)	(72)	(284)
Working capital adjustments	303	80	(1,824)	(66)	(75)
Cash generated from operations	**(96)**	**563**	**(855)**	**985**	**1,272**
Taxation paid	(14)	-	3	-	(52)
Net cash flows generated from / (used in) operating activities	**(109)**	**563**	**(852)**	**985**	**1,220**
Investing activities					
Acquisition of non-current assets	(78)	(604)	(33)	(15)	(15)
Development of investment properties	-	-	(3,623)	(4,451)	(906)
Acquisition of subsidiaries, net of cash acquired	254	(22)	-	-	(0)
Net cash flows generated from / (used in) investing activities	**176**	**(626)**	**(3,656)**	**(4,466)**	**(921)**
Financing Activities					
Issuance of / (repayment of) capital	0	-	1,658	-	-
Dividends paid	(288)	(528)	-	-	-
Proceeds from / (repayment of) bond net of costs	-	-	6,538	5,133	-
Payment of bond interest	-	-	-	(357)	(630)
Proceeds from / (repayment of) related party and other interest bearing liabilities	467	674	141	(37)	(51)
Net cash flows generated from / (used in) financing activities	**179**	**146**	**8,337**	**4,739**	**(681)**
Movement in Cash and Cash Equivalents	**245**	**83**	**3,829**	**1,258**	**(382)**
Cash and Cash Equivalents at the beginning	-	245	328	4,157	5,415
Cash and Cash Equivalents at the end	**245**	**328**	**4,157**	**5,415**	**5,033**

Ratio Analysis	2023A [17 months]	2024M [12 months]	2025F [12 months]	2026P [12 months]	2027P [12 months]
	€000s	*€000s*	*€000s*	*€000s*	*€000s*
Cash Flow					
Free Cash Flow (Net cash from operations - Net Cash from investing activities)	€67	€(63)	€(4,508)	€(3,481)	€299

The Group's cash flow profile over the forecast period reflects a transition from operational consolidation to investment-driven growth, supported by external financing. In FY23, the Group recorded a net outflow from operations of €109k, largely impacted by a one-time loss from discontinued operations of €1.1m. This contrasts sharply with FY24, where net operating inflows rebound to €563k, driven by a strong profit after tax of €2.2m (due to a one-off gain on sale), and increasing to €1.6m in FY27 following completion of properties which are projected to generate income towards mid FY27.

Investing activity intensifies from FY25 onward, with net outflows totalling €9.0m from FY25 to FY27 primarily due to the acquisition and development of investment properties. These investments mark a major strategic shift in the Group's asset base and signal a long-term commitment to rental income generation. Prior to this FY23 and FY24 saw minimal investment-related activity other than minor acquisitions.

The investment programme is funded through substantial financing inflows. In FY25, the Group is forecasted to raise €6.8m gross from the first bond tranche and an additional €1.7m in capital contributions. A second bond tranche of €5.2m follows in FY26. These proceeds are mainly used to finance capital expenditure and corporate funding. Cash and cash equivalents are projected to rise significantly from €328k in FY24 to €5.0m by FY27.

Despite the strong liquidity buildup, free cash flow turns sharply negative in FY25 (€-4.5m) and FY26 (€-3.5m), due to the significant investment in CAPEX. This is expected to normalise over time as investment properties come online and begin generating income. Overall, the Group's cash flow trajectory is consistent with a growth-oriented property development strategy, backed by bond financing and reinforced by improving operational performance.

Part 3 Key Market and Competitor Data

3.1. GENERAL MARKET CONDITIONS

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate in, and barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2025. However, investors are strongly advised to carefully read the risk factors disclosed in the Base Prospectus.

3.2 ECONOMIC UPDATE[1]

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2025, annual growth in business activity increased marginally, and remained slightly above its long-term historical average as estimated since January 2000.

The European Commission confidence surveys show that sentiment in Malta decreased in April, but nevertheless remained above its long-term average, estimated since November 2002. The latest deterioration was mostly driven by the services sector.

In terms of economic uncertainty, the Central Bank of Malta's Economic Policy Uncertainty Index (EPU) continued its increase above its historical average estimated since 2004, indicating elevated levels of uncertainty. However, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared to March, indicating lower uncertainty and a potential trend reversal, predominantly driven by industry.

In March, industrial production rose at an accelerating pace whilst retail trade turned positive on a year-on-year basis. In February, the services sector recorded its first year-on-year contraction in activity since 2022.

The unemployment rate remained unchanged at 2.8% in March but stood below that of 3.4% in March 2024.

Commercial and residential building permits in March were higher than a month earlier. In April, the number of residential promise-of-sale agreements rose on a year earlier, whilst the number of final deeds of sale decreased.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.6% in April, up from 2.1% in the previous month. HICP excluding energy and food in Malta clocked in at 2.5%, remaining below the euro area average. Inflation based on the Retail Price Index (RPI) increased to 2.4%, up from 2.1% in March.

3.3 ECONOMIC OUTLOOK[2]

According to the Central Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to moderate from 6.0% in 2024 to 4.0% in 2025. Growth is then projected to ease further to 3.3% by 2027. Despite the impact of potential US tariffs, the Bank's forecasts remain broadly unchanged driven by an uptick in expected government consumption and investment plans.

The abovementioned growth is expected to be driven by domestic demand predominantly in private consumption and the continued recovery in investment. 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, albeit from a high rate of 5.1% in 2024, to 2.3% by 2026 and 2027. The unemployment rate for 2025 is expected at 3.0% which is expected to remain at this rate throughout the forecast period. In line with the decrease in inflation pressures and labour market tightness, growth in the average wage is anticipated to ease from 5.9% in 2024 to 4.4% in 2025, and is then expected to moderate further in the forecast years that follow.

[1] Central Bank of Malta – Economic Update 5/2025

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

Annual inflation based on the Harmonised Index of Consumer Prices is projected to continue its decrease from 2.4% in 2024 to 2.3% in 2025 reaching 2.0% by 2027. Compared to previous projections, inflation has been revised up by 0.2 and 0.1 percentage points in 2025 and 2026 respectively, largely reflecting recent outcomes in services inflation.

The general government deficit-to-GDP ratio is set to decline to 3.5% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 2.7% by 2027. The general government debt-to-GDP ratio is set to increase throughout the forecast horizon, stabilising at 48.6% by 2026. When compared with the previous projection round, the projected deficit ratio is higher, while the debt ratio has been revised slightly lower.

Risks to activity are broadly balanced. Downside risks largely relate to possible negative effects on foreign demand arising from geopolitical tensions, additional US tariffs, and any potential additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics than expected, which could result in stronger than expected consumption and investment growth.

Risks to inflation are also broadly balanced over the forecast period and mainly related to external factors. Upside risks to inflation in the short term are also linked to global trade policy and potential retaliatory measures. Such risks could also be counterbalanced by the rerouting of exports from competitor countries to the EU and heightened competitive pressures in markets targeted by tariffs. On the downside, imported inflation could fall more rapidly than expected if the adverse effects of trade barriers on global demand turn out stronger than expected.

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

3.4 PROPERTY MARKET

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 the development, sale and rental of residential and commercial property in Malta. To address such growing demand, the supply of property in Malta has considerably increased over the last couple of years. However, this increase in supply appears not to have kept up with overall property demand, as reflected in the broader real estate market – apartment prices, for instance, have increased at a compounded annual growth rate of close to 6.1% p.a. over the period 2017 to 2024[3].

3.4.1. Residential property

In May 2025, Malta's residential property market continued to demonstrate significant growth. The number of final deeds of sale reached 1,199, marking an 11.6% increase compared to May 2024[4]. The total value of these transactions was €321.6 million, up 3.9% from the previous year. The majority of these deeds (90.0%) involved individual buyers, with the value of these transactions amounting to €269.5 million, representing 83.8% of the total value.

Geographically, the highest activity was recorded in the Northern Harbour and Southern Harbour districts, with 356 and 200 deeds respectively. Localities such as San Pawl Il-Bahar, Birkirkara, and Il-Mosta saw the most transactions, accounting for 15.8% of the total final deeds of sale.

Regarding property types, apartments and garages were the most transacted, comprising 34.8% and 21.8% of the total properties, respectively.

Additionally, there were 1,378 promise of sale agreements, reflecting a 9.7% increase from May 2024. Individual buyers accounted for 88.9% of these agreements. The Northern Harbour district recorded the highest number of these agreements, followed by the Northern district. The top localities for promise of sale agreements were San Pawl Il-Bahar, il-Mosta and Birkirkara, making up 17.9% of the total agreements.

Over the past years, residential property has also been significantly impacted by the growth in the short-let market, which has been a key global driver of demand for residential real estate. This business model is typically linked to tourism, which is further explored in the segment 3.5 overleaf.

[3] KPMG & Malta development Association – Construction Industry and Property Market Report 2024

[4] National Statistics Office – News Release – 104/2025

3.4.2 *Commercial property*

Over the past years, commercial property in Malta is also going through a period of significant expansion in both demand and supply. Although the supply for commercial property has increased in recent years, rental demand is still greater than supply as can be seen in the increase in average asking rental rates for office space which increased to €234/sqm in 2024, up from €214/sqm in 2023. The largest increase in rental rates came from the central region which saw growth of 12.5%. Further Analysis shows that the highest proportion of office space can be found in the Northern Harbour region (56.3% of all listings), followed by the Central region (29.6%).

However, commercial property sales tell a story of divergence. Office properties are showing weakness, with the average price per sqm decreasing by 7.4% in 2024 over the prior year. On the other hand, retail commercial property remains strong, with selling prices per sqm increasing by 5.9% over the prior year. Key stakeholders in the commercial real estate segment also indicate that the industrial and warehousing segments remain strong.

This story of divergence, particularly in the office sector may reflect a potential misalignment of expectations between renters and property owners at the advertised prices stage.

3.5 TOURISM UPDATE

According to the National Statistics Office (NSO)[5], Malta's tourism sector experienced robust growth in 2024, with increases in tourist arrivals, guest nights and expenditure compared to the previous year, which was the first record breaking year in terms of tourist arrivals following the COVID-19 pandemic.

Such growth appears to be continuing in 2025 with inbound tourists for the first four months of 2025 amounted to 1,044,657, an increase of 17.4% compared to the corresponding period in 2024. Similarly, total nights spent during the January – April 2025 period rose by 17.1%, reaching 5,985,257 nights from 5,109,521 nights over the same period in 2024.

Total tourist expenditure was estimated at €804.7 million during the first four months of 2025 compared to the €647.7 million estimated in 2024, equivalent to a 24.2% increase. Total expenditure *per capita* increased from €728 in 2024 to €770 in 2025.

According to the Deloitte MHRA Hotel Survey[6], c. 30.7% of tourist arrivals in Q1 2025 chose to stay at private accommodation (which includes short-let rentals) as opposed to collective accommodation (i.e. hotels). This points towards the significance of the short-let rentals and property management market.

3.6 COMPARATIVE ANALYSIS

The purpose of the table below compares the debt issuance of the Issuer to other debt instruments. We have included different securities with a similar maturity as the debt securities of the Issuer. One must note that, given the material differences in profiles and industries, the risks issuers is therefore different:

[5] National Statistics Office – News Release – 101/2025

[6] MHRA Hotel Survey by Deloitte – Key Highlights: Q1 2025

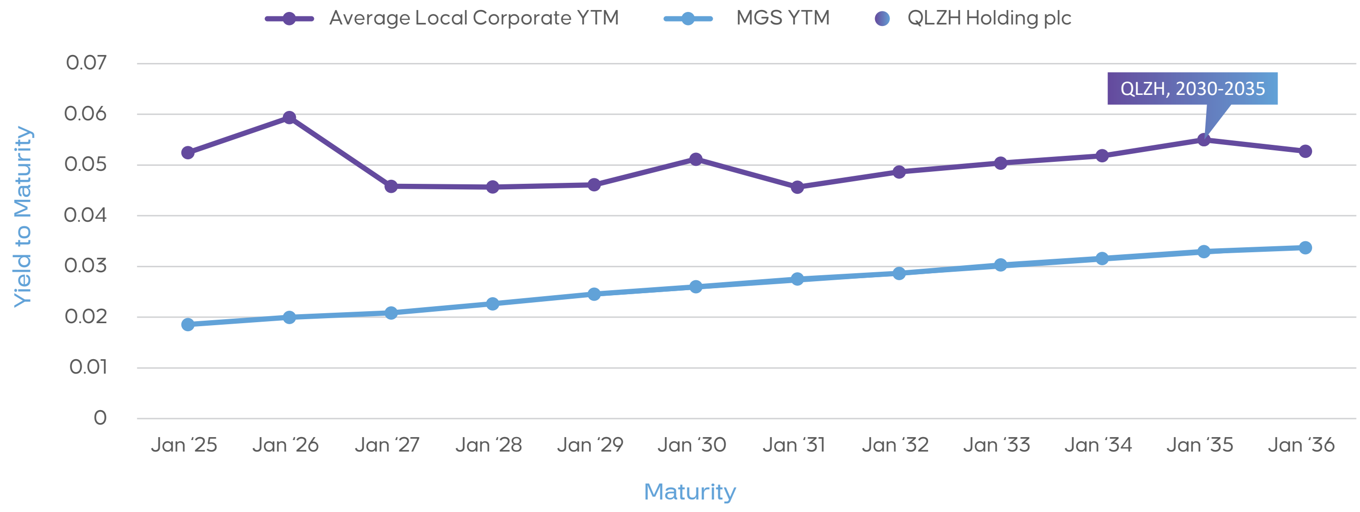
Comparative Analysis

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5.4% Excel Finance plc € Secured Bonds 2031	50,000	5.35%	0.0x	0.0	0.0	0.3%	35900.0%	0.0x	0.0x	0.0%	0.0%	0.0%
4.5% G3 Finance plc Secured € 2032	12,500	4.51%	2.2x	0.1	0.0	63.6%	54.4%	13.8x	0.3x	3.3%	4.9%	23.1%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1 (xd)	25,000	4.25%	(2.6)x	99.4	57.5	42.2%	33.2%	7.2x	2.2x	4.5%	44.6%	13.5%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	5.01%	5.8x	126.9	34.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.93%	2.1x	39.8	17.9	54.9%	43.3%	10.0x	0.4x	5.1%	61.4%	26.4%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.53%	5.8x	0.1	0.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.29%	1.6x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
4.50% The Ona plc Secured € 2028-2034 (xd)	16,000	4.50%	(2.3)x	38.9	8.0	79.6%	77.3%	12.8x	1.4x	-9.7%	-10.6%	110.3%
5.2% VBL plc Secured € Bonds 2030-2034	10,000	5.00%	0.0x	0.1	0.1	29.0%	21.0%	4.9x	2.7x	3.7%	37.5%	25.3%
5.5% Juel Group plc € Secured 2035 (xd)	32,000	5.50%	15.7x	94.7	30.8	67.5%	62.3%	25.4x	0.9x	17.9%	83.3%	780.5%
5.5% QLZH Holding p.l.c. Secured Bonds 2030 - 2035	12,000	5.50%	12.2x	5.3	3.1	41.4%	6.80%	2.8x	0.9x	0.4x	71.4%	36%
	Average*	4.95%										

Source: Latest available audited financial statements
Last price as at 12/06/2025

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

Yield Curve Analysis



Source: Central Bank of Malta and Malta Stock Exchange (MSE)

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of Malta Government Stocks (MGS) (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 between 4-10 years (Peers YTM).

As at 12 June 2025, the average spread over the MGS for comparable issuers with maturity range of 5-10 years was 188 basis points. The proposed QLZH Holding p.l.c. bond is being priced with a 5.5% coupon issued at par, meaning a spread of 220 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 32 basis points.

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).

Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative financial performance.
Cash Flow Statement	Gross profit as a percentage of total revenue.
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 be 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 finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total 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	
FY	Financial Year.
2023A	Based on audited financial statements for the period covering 26th July 2022 to 31st December 2023
2024M	Based on management accounts for the year ended 31st December 2024
2025F	Based on management's forecasts for the year ended 31st December 2025
2026P	Based on management's projections for the year ended 31st December 2026
2027P	Based on management's projections for the year ended 31st December 2027
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.