



PAUL CAMILLERI & ASSOCIATES

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MW 1071 – 84, Gunlayer Street, Floriana (Ref. MW 1071)

PAUL CAMILLERI & ASSOCIATES

Architects & Civil Engineers

Date: 4 November 2025

Ref: MW 1071

To:

Mr Michael Mercieca

QLZH Holding plc (C 102616)

Cali House, 3rd Floor

Vjal ir-Rihan, San Ġwann SGN 9020 Malta

Re: Market Valuation – 84, Gunlayer Street, Floriana (Class 3A Guesthouse)

Further to your instructions, we have prepared a valuation of the above property.

The report follows the Kamra tal-Periti Valuation Standards (2012), RICS Valuation – Global Standards (2020), IVS (2020) and Chapter 7 of the Capital Markets Rules (CMRs) published by the Malta Financial Services Authority.

It is suitable for submission to the MFSA in connection with capital-markets documentation.

I confirm that the undersigned, despite not being a RICS member, complies with the requirements of independence and objectivity set out in the RICS standards and guidelines and that the undersigned has no conflict of interest in valuing these Properties. This valuation has been taken by the undersigned in the capacity of External Valuer.

This valuation is provided for the stated purpose described herein and may not be reproduced, quoted, or referred to without our prior written consent, but such consent may not be reasonably withheld or delayed insofar as it relates to inclusion of this valuation in the Base Prospectus or any relevant Final Terms.

Yours faithfully,

Perit Paul Camilleri B.E & A (Hons.)(Melit), Dip.R.C. Const. (Milan), Eur. Ing
Paul Camilleri & Associates



Valuation, as per 'Capital Markets Rules' of the Property situated at 84 Gunlayer Street, Floriana

(Project Reference MW 1071)

Date: 4 November 2025



(A) Scope of Valuation

Purpose: to determine the Open Market Value (OMV) of the property in its existing and completed states for disclosure under CMR Chapter 7.

The property was not physically inspected internally by the undersigned.

Information relied upon: planning-authority documentation, client-supplied plans, and site photographs.

Property Description

Existing footprint \approx 90 m².

Basement GIA 61 m² (+1.5 m² yard); Ground 65 m²; First 67 m² (+1.2 m² balconies); Second 67 m²; Intermediate 12 m²; Third 36 m² (+40 m² terrace).

Proposed: Basement unchanged; Intermediate +27 m²; Third 71 m² (+10 m² terrace).

Expected completion: December 2027.

(B) Tenure and Planning Status

Freehold ownership will vest in Merci Developments Ltd (C 109840), a subsidiary of QLZH Holding plc.

Planning Permit PA/07260/18 – Decision Notice issued 16 May 2019

Conversion of existing dilapidated building into guesthouse (Class 3A), including minor internal alterations (opening of internal doorways, erection of lightweight partitions, removal of existing staircase, construction of new staircase and lift, and removal of accretions in courtyard), and construction of recessed extension at roof level to match existing surrounding commitments.

No onerous conditions are attached.

The building dates from the late 18th to early 19th century, structurally sound, scheduled for a two-year rehabilitation.

Existing use: Class 3A Guesthouse (approved but currently disused; formerly residential palazzino).

To the best of our knowledge there are no material contraventions.

Title assumed free and unencumbered; no evidence of contamination or adverse ground conditions.

(C) Basis of Valuation

Prepared in accordance with KTP, RICS, IVS, and CMR Chapter 7.

Open Market Value (OMV) – the estimated amount for which an asset should exchange on the valuation date between a willing buyer and seller in an arm's-length transaction after proper marketing where both parties act knowledgeably, prudently, and without compulsion.

A Residual Method supported by a Sales Comparison Approach has been adopted.

A developer's profit margin of approximately 15 % has been adopted, reflecting the two-year duration and heritage rehabilitation risk. All figures exclude VAT.



Existing-Use Basis

The property is currently vacant and in disuse. Although approved as a Class 3A guesthouse, it is not yet an income-producing asset. A comprehensive refurbishment is required before operation as a guesthouse or residence. Accordingly, the valuation is prepared on an existing-use basis, reflecting its current condition and market potential within Floriana's residential and hospitality context, not a trading basis. Where the alternative-use (residential) value is comparable, the existing-use value has been adopted as most appropriate.

Assumptions – Vacant possession and freehold title assumed; no special assumptions applied.

(D) Valuation Summary

Item	Description	Value (€)
Existing State	Disused building pending rehabilitation	1 060 000
Estimated Cost of Completion	Works & fit-out (ex-VAT)	886 000
Completed & Stabilised Value	Fully finished guesthouse (Class 3A)	2 240 000

These figures imply a developer's return of approximately 15 % on total investment, consistent with market expectations for a boutique-scale hospitality conversion within an Urban Conservation Area.

Investment Cross-Check

At an average daily rate (ADR) of \approx € 95 and 78 % occupancy, gross room revenue would approximate € 325 000 per annum. Given the proposed low-resource operational model, operating expenses are expected to range between 35 % and 45 % of gross revenue, implying a maintainable GOP/NOI margin of 55–60 % (\approx € 180 000 – 200 000 per year).

At the adopted capitalisation yield of 7.4 %, this supports a stabilised capital value of approximately € 2.24 million, fully consistent with the Gross Development Value adopted.

For clarity, the capitalisation applies to the net operating income after ordinary operating costs (staff, utilities, maintenance, and management), not to gross revenue.

(E) Confidentiality and Disclosure

This valuation is confidential to the client for the purpose stated and may not be reproduced without prior written consent of Paul Camilleri & Associates, but such consent may not be reasonably withheld or delayed insofar as it relates to inclusion of this valuation in the Base Prospectus or any relevant Final Terms.

There are no other matters which the valuer considers relevant for the purposes of the valuation. No other matters are known to materially affect value.



Annex 1 – Development Cost Summary (ex-VAT)

Description	Unit Rate (€)	Area / Qty	Total (€)
Basement civils	–	–	15,000
Ground floor civils	–	–	15,000
First floor civils	–	–	15,000
Second floor civils	–	–	50,000
Third floor civils (revised)	–	–	50,000
Finishes – internal incl. services	900	354 m ²	318,600
External finishes	150	18 m ²	2,700
Lift	Lump sum	–	45,000
Façade restoration	Lump sum	–	28,000
Professional & statutory fees	Lump sum	–	40,000
Subtotal			579,300
Contingency (15 %)			86,895
Construction + Fees			666,195
Preliminaries, H&S & compliance			39,805
FF&E (12 rooms @ €15 000)			180,000
Total Development Cost (ex-VAT)			886,000

Notes:

1. The contingency is calculated at **15 % of direct construction and finishing costs**.
2. Preliminaries cover site setup, health & safety coordination, temporary services, insurance, testing, commissioning, and documentation.
3. FF&E includes guestroom furniture, fittings, and equipment as well as allowances for the public areas such as the reception, breakfast room, and circulation spaces, ensuring all operational zones are fitted to guesthouse standard.



Annex 2 – Summary of Values and Sensitivity

Component	Amount (€)
Development Cost (ex-VAT)	886 000
Developer's Profit (15 %)	294 000
Gross Development Value (Completed & Stabilised)	2 240 000
Market Value "As Is"	1 060 000

Sensitivity Analysis – Yield Variation

Net Yield	Capitalised Value (€)
6.9 %	≈ 2 390 000
7.4 % (adopted)	2 240 000
7.9 %	≈ 2 095 000

Annex 3 –Confirmation

The estimated total cost of completion includes all direct construction, FF&E, and professional-fee outlays required to deliver the completed property.

Indirect financing, holding, marketing, or sales costs have been excluded, as these are developer-specific and not material to the Open Market Value determined on a sales-comparison basis.

Annex 4 – Glossary of Terms

Open Market Value (OMV): Estimated price achievable between willing parties on the valuation date.

Residual Method: Land value = GDV – (cost + developer's profit).

Developer's Profit: Return for risk and management (15 % adopted).

Capitalisation Rate (Cap Rate): Rate used to convert NOI into value (7.4 % adopted).

Average Daily Rate (ADR): Mean rental income per occupied night, used with occupancy to derive gross annual revenue.

Gross Operating Profit (GOP) / Net Operating Income (NOI): Maintainable annual surplus after ordinary operating expenses (staff, utilities, maintenance, management) but before finance, tax, and depreciation; basis for capitalising hospitality properties into OMV.



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Ref.: MW 1087

Date: 12 November 2025

Mr Michael Mercieca

QLZH Holding plc (C 102616)

Cali House, 3rd Floor

Vjal Ir-Rihan

San Ġwann SGN 9020

Malta

Re: Market Valuation Maisonette No. 69 and Apartments Nos. 5, 8 & 9 forming part of Nos. 69-71 Triq Sant Orsola c/w Triq tat-Teatru l-Antik, Valletta.

Further to your instructions, we have carried out a valuation of the above-mentioned Class 1A residential units forming part of a recently rehabilitated corner block in Valletta.

The valuation has been prepared in accordance with the Kamra tal-Periti Valuation Standards (2012), the RICS Valuation – Global Standards (2020), the International Valuation Standards (IVS 2020), and Chapter 7 of the Capital Markets Rules (CMRs) published by the Malta Financial Services Authority. It is suitable for submission to the MFSA in connection with capital-markets documentation.

I confirm that the undersigned, despite not being a RICS member, complies with the requirements of independence and objectivity set out in the RICS standards and guidelines and that the undersigned has no conflict of interest in valuing these Properties. This valuation has been taken by the undersigned in the capacity of External Valuer.

This valuation is provided for the stated purpose described herein and may not be reproduced, quoted or referred to without our prior written consent, but such consent may not be reasonably withheld or delayed insofar as it relates to inclusion of this valuation in the Base Prospectus or any relevant Final Terms.

Yours Faithfully,

Perit Paul Camilleri B.E & A (Hons.)(Melit), Dip.R.C. Const. (Milan), Eur. Ing
Paul Camilleri & Associates



**Valuation as per Capital Markets Rules of Property Situated at
Property**

**Maisonette No. 69 and Apartments Nos. 5, 8 & 9 forming part of Nos. 69-71 Triq
Sant Orsola c/w Triq tat-Teatru l-Antik, Valletta.**

Date of Valuation: 12 November 2025



(A) Scope of Valuation

The purpose of this valuation is to determine the Open Market Value (OMV) of the above residential units both in shell condition and upon completion, for disclosure under CMR Chapter 7.

The property was not physically inspected by the undersigned. This valuation relies on permit drawings submitted under PA/07544/22, marketing plans provided by the client, and supplementary data from Merci Developments Ltd.

The subject units form part of a nine-unit residential block, comprising a ground-floor maisonette and eight overlying apartments.

Finishing works are expected to be completed by Q2 2026, with occupation immediately thereafter.

(B) Tenure and Planning Status

Upon acquisition, the freehold ownership of the property will vest in Merci Developments Ltd (C 109840), a subsidiary of QLZH Holding plc.

The block's foundations likely date from the Knights' period, with the superstructure attributed to the late British period. Major rehabilitation works were carried out between 2022 and 2024.

Planning permits comprise:

- PA/07544/22, issued 19 February 2025, Alterations to existing two houses and divide into two maisonettes, six apartments, two penthouses, and proposed extension at roof level for the second penthouse;
- PA/05671/25, issued 5 November 2025 façade restoration.-

No onerous or atypical conditions are known.

All units are Residential – Class 1A.

To the best of our knowledge there are no material contraventions of statutory requirements, and no contamination or structural defects are known or suspected.

Title is assumed free and unencumbered; no searches confirming mortgages or burdens were provided.



(C) Basis of Valuation

This report complies with CMR Chapter 7, the KTP, RICS, and IVS standards.

OMV is defined as the estimated amount for which an asset should exchange between a willing buyer and a willing seller in an arm's-length transaction on the valuation date after proper marketing where both parties act knowledgeably, prudently, and without compulsion.

A Sales Comparison Approach, supported by a Residual Cross-Check, has been adopted. Developer's profit is taken at 8 % of total development cost (land/shell + finishes + fees). All figures exclude VAT.

Existing Use Basis.

The properties are residential (Class 1A) and not occupied for business purposes. Although future operation as holiday-furnished premises under MTA licensing is possible, this does not alter their planning classification. The existing-use value therefore coincides with the OMV of the apartments in current condition.

Sources of Information include permit and marketing drawings, and correspondence with the client. No internal inspection was carried out.

Assumptions. Vacant possession and freehold tenure are assumed; no special or hypothetical assumptions apply.

(D) Valuation Summary

Unit	Description	Finished Value (€)	Shell Value (€)
Maisonette 69	1-bed maisonette (independent access)	380 000	290 000
Apartment 5	1-bed duplex	395 000	320 000
Apartment 8	1-bed + mezzanine	630 000	550 000
Apartment 9	3-bed penthouse duplex	2 098 000	1 778 000

Total ≈ € 3 503 000 (Finished GDV) € 2 938 000 (Shell Value)

(Figures exclusive of VAT.)

Disclosures

- Present capital value (existing shell state): € 2 938 000
- Open Market Value at valuation date (3 Nov 2025): € 2 938 000

(Finished values derived from finishing rates €800/m² internal & €450/m² external, plus fees and developer's profit.)



Investment Cross-Check (Short-Let Basis)

Indicative short-let potential was reviewed for consistency with capital values.

Market evidence suggests average daily rates of \approx €110 /night for 1-bed units and €325 /night for the 3-bed penthouse, with average occupancy of 78 % across the Valletta market.

After a 15 % allowance for management and maintenance, the resulting net annual income is c. €170 000, which at a 4.5 % capitalisation rate equates to an indicative aggregate value of approximately €3.6 million, broadly consistent with the Finished GDV adopted.

These figures are presented for background context only and have not been capitalised into the adopted OMV.

(E) Confidentiality and Disclosure

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There are no other matters which the valuer considers relevant for the purposes of the valuation. No other matters are known to materially affect value.

Before inclusion in any document, written approval as to form and context must be obtained.



Annex 1 – Development Costs (*exclusive of VAT*)

Unit	GIA (m ²)	External (m ²)	Internal @ €800	External @ €450	Finishes (€)
69	40	1.1	32 000	495	32 495
5	44	0	35 200	0	35 200
8	76	0	60 800	0	60 800
9	121	134	96 800	60 300	157 100
Total Finishes	281	134	224 800	60 300	285 595

Professional Fees (design / coordination): € 20 000

Developer's Profit (8 %): € 259 488

Total Development Cost: € 3 243 595

Gross Development Value (GDV): € 3 503 000 (rounded)

Annex 2 –Confirmation

The estimated total cost of completion includes all direct construction, finishing, and professional-fee outlays necessary to achieve the finished condition described.

Financial carrying charges, letting commissions, and ancillary marketing costs are excluded, as they are not material to the Open Market Value determined on a sales-comparison basis.



Annex 3 – Glossary of Terms

Open Market Value (OMV):

Estimated price achievable between willing parties on the valuation date.

Residual Method:

Land value = GDV – (cost + developer's profit).

Developer's Profit:

Return for risk and management (8 % adopted).

Capitalisation Rate (Cap Rate):

Rate used to convert rental income into capital value (4.5 % adopted).

Average Daily Rate (ADR):

Mean rental income per occupied night, used with occupancy to derive annual revenue.

Finished Value / Gross Development Value (GDV):

The estimated aggregate market value of the property upon completion and stabilisation, before deduction of development costs or developer's profit. This represents the projected Open Market Value of the completed units at current prices and market conditions.