

BASE PROSPECTUS

Dated 3 October 2025

This document is a Base Prospectus issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the MFSA and in accordance with the provisions of the Prospectus Regulation in respect of an:

UNSECURED BOND ISSUANCE PROGRAMME OF A MAXIMUM OF €60,000,000

by

SD FINANCE P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 79193

with the joint and several guarantee* of

SD HOLDINGS LIMITED

A PRIVATE LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 40318

*Prospective investors are to refer to the Guarantee contained in Annex I of this Base Prospectus for a description of the Guarantee. Reference should also be made to the section entitled "Risk Factors" contained in this Base Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with, *inter alia*, the Guarantee.

THIS BASE PROSPECTUS HAS BEEN APPROVED BY THE MFSA, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA HAS AUTHORISED THE ADMISSIBILITY OF THE BONDS ISSUED FROM TIME TO TIME UNDER THE PROGRAMME AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MFSA HAS APPROVED THIS BASE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY, AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER, OR THE QUALITY OF THE BONDS THAT ARE THE SUBJECT OF THIS BASE PROSPECTUS. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE ISSUER, AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED, AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS BASE PROSPECTUS OR THE APPLICABLE FINAL TERMS, MAKES NO REPRESENTATIONS AS TO THEIR ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OWN FINANCIAL ADVISOR.

Manager & Registrar

BOV

Bank of Valletta

Sponsor



MZ INVESTMENTS

Legal Counsel



CAMILLERI PREZIOSI
ADVOCATES

APPROVED BY THE BOARD OF DIRECTORS

Robert Debono
Director

Alan Debono
Director

In their capacity as directors of the Issuer and on behalf of each of
Silvio Debono, Philip Micallef, Vincent Micallef and Stephen Muscat, as their duly appointed agents.

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IMPORTANT INFORMATION

THIS BASE PROSPECTUS CONTAINS INFORMATION ON: (I) THE ISSUER, THE GUARANTOR, AND THE BUSINESS OF THE GROUP OF WHICH THEY FORM PART; (II) THE PROGRAMME; AND (III) THE GUARANTEE, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT, AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR, OR THEIR RESPECTIVE DIRECTORS, TO ISSUE ANY ADVERTISEMENT, OR TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS OTHER THAN THOSE CONTAINED IN THIS BASE PROSPECTUS, THE APPLICABLE FINAL TERMS, AND IN THE DOCUMENTS REFERRED TO IN THIS BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, OR ADVISORS.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS, MAKES NO REPRESENTATIONS AS TO THEIR ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS BASE PROSPECTUS OR ANY APPLICABLE FINAL TERMS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS, AND ANY PERSON WISHING TO APPLY FOR THE BONDS, TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE, OR DOMICILE.

THIS BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS DO NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) BY ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION THEY ARE RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS AND, OR THE DISTRIBUTION OF THIS BASE PROSPECTUS (OR ANY PART THEREOF), THE APPLICABLE FINAL TERMS, AND, OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO BONDS MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS BASE PROSPECTUS, THE APPLICABLE FINAL TERMS, NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS BASE PROSPECTUS AND, OR THE APPLICABLE FINAL TERMS MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS BASE PROSPECTUS, THE APPLICABLE FINAL TERMS, AND THE OFFERING AND SALE OF THE BONDS.

THIS BASE PROSPECTUS, THE APPLICABLE FINAL TERMS, AND, OR ANY OTHER DOCUMENT PRODUCED IN RELATION TO THE ISSUER, AND, OR THE BONDS AND, OR THE PROGRAMME, AND, OR THE OFFERING, SALE, OR DELIVERY OF THE BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN SUCH DOCUMENTS IS ACCURATE AND COMPLETE SUBSEQUENT TO THEIR RESPECTIVE DATE OF ISSUE; (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OR PERFORMANCE OF THE ISSUER, THE GUARANTOR, AND, OR THE GROUP SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE MATTERS CONTAINED IN THE AFOREMENTIONED DOCUMENTS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THIS BASE PROSPECTUS IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THIS BASE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES WHICH ARISE FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THIS BASE PROSPECTUS, PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THIS BASE PROSPECTUS SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING, IN THE CASE OF EACH SERIES AND, OR TRANCHE OF BONDS ISSUED UNDER THE APPLICABLE FINAL TERMS, THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS. THE MFSA IS NOT REQUIRED TO APPROVE THE INDIVIDUAL FINAL TERMS (AND SUMMARIES THEREOF) THAT MAY BE ISSUED PURSUANT TO THIS BASE PROSPECTUS FROM TIME TO TIME IN RESPECT OF ONE OR MORE SERIES AND, OR TRANCHES OF BONDS.

A COPY OF THIS BASE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS BASE PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN THIS BASE PROSPECTUS UNDER THE HEADING “ADVISORS” IN SECTION 5.1 OF THIS BASE PROSPECTUS HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR, AS APPLICABLE, IN RELATION TO THIS BASE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY, OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THIS BASE PROSPECTUS, ANY SUPPLEMENT THEREOF, ANY APPLICABLE FINAL TERMS, OR ANY OTHER DOCUMENT ENTERED INTO IN RELATION TO THE PROGRAMME.

THE CONTENTS OF THE ISSUER’S AND THE GUARANTOR’S WEBSITES, OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S OR THE GUARANTOR’S WEBSITES, DO NOT FORM PART OF THIS BASE PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THIS BASE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE DIRECTORS CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS BASE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED AND AS FAR AS THE DIRECTORS ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS AS A WHOLE AND THE APPLICABLE FINAL TERMS AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. DEFINITIONS

In this Base Prospectus, the following capitalised words and expressions shall bear the following meanings, except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the laws of Malta);
Applicant/s	any person or persons who apply to subscribe for the Bonds;
Application/s	any application to subscribe for the Bonds made by an Applicant/s in accordance with the terms of the applicable Final Terms;
Authorised Financial Intermediary/ies	the financial intermediary/ies whose details shall be annexed to the applicable Final Terms;
Base Prospectus	this document in its entirety, together with any supplement(s);
Bond Issue	the issue of the Bonds pursuant to the Programme;
Bondholder/s	any holder/s of Bonds;
Bonds	the bonds to be issued by the Issuer in terms of the Programme;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Capital Markets Rules	the capital markets rules issued by the MFSA in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), as may be amended from time to time;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
db San Gorg Property Limited	db San Gorg Property Limited, a private limited liability company registered under the laws of Malta, bearing company registration number C 77344, and having its registered office at DB Seabank Hotel, Marfa Road, Ghadira, Mellieha MLH 9064, Malta;
Directors or Board of Directors or Board	the directors of the Issuer whose names are set out in section 10.1 of this Base Prospectus under the heading " <i>The Board of Directors of the Issuer</i> ";
Euro or €	the lawful currency of the Republic of Malta;
F&B	food and beverage;
Final Terms	the final terms issued by the Issuer from time to time in the form set out in this Base Prospectus;
Franchise Brands	the portfolio of international brands operated by the db Group in Malta under franchise or licensing agreements;
Government of Malta or Government	the government of the Republic of Malta;
Group or db Group	collectively, the Guarantor and its direct or indirect Subsidiaries;
Guarantee	the joint and several suretyship of the Guarantor undertaking to guarantee the due and punctual performance of the Issuer's payment obligations under the Programme. A copy of the Guarantee including a description of the nature, scope, and terms of the Guarantee is appended to this Base Prospectus as Annex I;
Guarantor or SD Holdings	SD Holdings Limited, a private limited liability company registered under the laws of Malta, bearing company registration number C 40318, and having its registered office at DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha MLH 9064, Malta;
Interest	the applicable rate of interest on the Series of Bonds, as specified in the applicable Final Terms;
Interest Commencement Date/s	the Issue Date or such other date as may be specified in the relevant Final Terms;
Interest Payment Date/s	the date/s specified in the applicable Final Terms for when interest on the relevant Series falls due;
Issue Date/s	the date of issue of a Tranche of Bonds, as specified in the applicable Final Terms;
Issue Price	the issue price in respect of each Tranche as set out in the relevant Final Terms;
Issuer	SD Finance p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 79193, and having its registered address at Seabank Hotel, Marfa Road, Mellieha MLH 9064, Malta;
Lifestyle Group	means the group of restaurants owned and operated by S.R.G.N. Company Limited (C 15435) and db Lifestyle Group Limited (UK Company Reg. No. 13765303) and their respective Subsidiaries;

Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Manager & Registrar	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
MFSA	the Malta Financial Services Authority, appointed as the competent authority to approve prospectuses for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);
Offer Period	the period during which each Tranche will be on offer for subscription, details of which will be specified in the applicable Final Terms;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Programme	the unsecured bond programme of up to €60,000,000 being made by the Issuer pursuant to this Base Prospectus (and any supplement thereto) and the applicable Final Terms;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time;
RAK Project	refers to the project in Ras Al Khaimah, UAE, which is further described in section 8.3.3.2 of this Base Prospectus;
Redemption Date	the date of redemption of a Series of Bonds, as specified in the applicable Final Terms;
Redemption Value	the nominal amount of each Bond to be paid on the Redemption Date;
St. George's Bay Project	has the meaning assigned to it in section 8.3.3.1 of this Base Prospectus;
St. George's Site	the mixed-use development site in St George's Bay, St Julian's, Malta, comprising: (i) two (2) residential towers (the "ORA Residences"); (ii) a 5-star hotel to be operated under the 'Hard Rock' international brand (the "Hard Rock Hotel"); and (iii) a shopping mall, housing globally renowned brands, extensive underground parking facilities, and various amenities such as international bars and restaurants ("St. George's Mall");
Sponsor	M.Z. Investment Services Limited, a private limited liability company registered in Malta, bearing company registration number C 23936 and having its registered office at 63, MZ House, St. Rita Street, Rabat RBT 1523, Malta;
Series or Series of Bonds	one or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, except for the Issue Date, the Interest Commencement Date, the first Interest Payment Date and the Issue Price;
Subsidiary	means an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "Subsidiaries" shall collectively refer to the said entities;
Terms and Conditions	the terms and conditions of the Bonds contained in section 16 of this Base Prospectus; and
Tranche or Tranche of Bonds	a tranche of Bonds forming part of a Series of Bonds which may from time to time be issued by the Issuer, in accordance with the provisions of this Base Prospectus and the applicable Final Terms.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. all references in this Base Prospectus to "Malta" shall be construed as defined in article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expressionism illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the time of issue of this Base Prospectus.

2. OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Base Prospectus and any decision to invest in any Bonds should be based on a consideration of this Base Prospectus as a whole including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any Series of Bonds, the applicable Final Terms.

This overview constitutes a general description of the Programme for the purposes of article 25(1) of the Commission Delegated Regulation (EU) No 2019/980. Words and expressions defined in this Base Prospectus have the same meanings in this overview.

Issuer:	SD Finance p.l.c.
Issuer Legal Entity Identifier (LEI):	549300OYE47PF4MSZ102
Sponsor:	M.Z. Investment Services Limited.
Manager and Registrar:	Bank of Valletta p.l.c.
Description:	Bond Issuance Programme.
Risk factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Bonds issued under the Programme. These are set out under " <i>Risk Factors</i> " (section 3) below.
Programme size:	Up to €60,000,000.
Issuance in Series:	Bonds may be issued in Series. Each Series may comprise one or more Tranches which will all be subject to identical terms, except that the Issue Date, Interest Commencement Date, first Interest Payment Date, and Issue Price may be different in respect of different Tranches within the Series. Application will be made in respect of the admission to trading of individual Tranches on the Official List.
Final Terms:	Each Tranche that may be issued under the Programme will be issued on the terms set out in the Terms and Conditions as completed by the relevant Final Terms.
Distribution:	The Bonds may be distributed by way of offers to the public, placement agreements, and, or intermediaries' offers via Authorised Financial Intermediaries, for their own account, or on account of their underlying clients. The method of distribution of each Tranche will be stated in the applicable Final Terms. Subject to the restrictions and conditions set out in this Base Prospectus, the categories of prospective investors to which the Bonds are intended to be offered are retail and non-retail investors in Malta. There are no restrictions on the free transferability of the Bonds.
Status of the Bonds:	The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank <i>pari passu</i> without any preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer.
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer.
Denomination:	All Bonds issued under the Programme will have a denomination of €100.
Currency:	Euro (€).
Redemption Date/s:	The redemption date for each Tranche of Bonds will be determined by the Issuer and specified in the relevant Final Terms.
Issue Price:	At par (€100 per Bond).
Interest:	Interest on the Bonds shall accrue at a fixed rate, as shall be set out in the relevant Final Terms.
Taxation:	Unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes – in this case there is no option to receive the interest gross of the withholding tax) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. For further information, see section 18 of this Base Prospectus, entitled "<i>Taxation</i>".
Listing and admission to trading:	The MFSA has authorised the admissibility of the Bonds to be issued under the Programme to be admitted to listing and trading on the Official List.

Governing law:	The Bonds, all the rights and obligations of the Bondholder and the Issuer, and any non-contractual obligations arising out of or in connection therewith, will be governed by, and construed in accordance with, Maltese law.
Jurisdiction:	The Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.
Underwriting:	The Bonds will not be underwritten.
No credit rating:	The Issuer shall not obtain any credit rating in respect of any of the Bonds.
Use of proceeds:	The precise use/s of proceeds for a given Tranche shall be stated in the applicable Final Terms.

3. RISK FACTORS

3.1 GENERAL

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY, OR MAY NOT, OCCUR AND NEITHER THE ISSUER, NOR THE GUARANTOR, IS IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW ARE DIVIDED INTO: (I) RISKS RELATING TO THE ISSUER; (II) RISKS RELATING TO THE GUARANTOR AND THE BUSINESS OF THE GROUP; (III) RISKS RELATING TO THE BONDS; AND (IV) RISKS RELATING TO THE GUARANTEE. IN TURN, THE RISKS RELATING TO THE GUARANTOR AND THE GROUP HAVE BEEN CATEGORISED UNDER THE FOLLOWING MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) ECONOMIC AND FINANCIAL RISKS; (II) BUSINESS AND OPERATIONAL RISKS; AND (III) LEGAL, REGULATORY, AND COMPLIANCE RISKS.

THE RISK FACTOR FIRST APPEARING UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH SUB-CATEGORY AS AT THE DATE OF THIS BASE PROSPECTUS. SUBSEQUENT RISK FACTORS IN THE SAME SUB-CATEGORY ARE NOT RANKED IN ORDER OF MATERIALITY OR PROBABILITY OF OCCURRENCE. IN MAKING THEIR ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE, OPERATIONAL PERFORMANCE, AND BUSINESS AND, OR TRADING PROSPECTS OF THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE. WHERE A RISK FACTOR MAY BE CATEGORISED IN MORE THAN ONE CATEGORY, SUCH RISK FACTOR ONLY APPEARS ONCE IN THE MOST RELEVANT CATEGORY OR SUB-CATEGORY FOR SUCH RISK FACTOR.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S AND, OR GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, AND BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME, INCLUDING ITS OBLIGATIONS UNDER THE BONDS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS BASE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND, OR THE GROUP FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, OR THAT THE DIRECTORS CURRENTLY DEEM IMMATERIAL, INDIVIDUALLY OR CUMULATIVELY, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE ISSUER'S AND, OR GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, AND BUSINESS AND, OR TRADING PROSPECTS.

THIS BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER:

- (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;
- (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 5.1 BELOW, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS BASE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE BONDS, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS BASE PROSPECTUS; AND
- (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".

3.2 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “projects”, “anticipates”, “expects”, “envisages”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within this Base Prospectus and include statements regarding the intentions, beliefs, or current expectations of the Directors and, or the Guarantor’s directors concerning, amongst other things, the Group’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Guarantor’s, and, or the Group’s actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in this Base Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Guarantor and, or the Group are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under section 3 of this Base Prospectus headed “Risk Factors” and elsewhere in this Base Prospectus.

All forward-looking statements contained in this Base Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer, the Guarantor, and their respective directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

3.3 RISKS RELATING TO THE ISSUER

3.3.1 RISKS ASSOCIATED WITH THE DEPENDENCY OF THE ISSUER ON THE PERFORMANCE OF THE GROUP

As further described in section 8 of this Base Prospectus, the Issuer was set up as the finance and investment arm of the Group, with one of its purposes being that of financing or re-financing the funding requirements of the business of Group.

As a finance company, the majority of the Issuer’s assets consist of loan receivables from Group companies, being the Guarantor and its Subsidiaries. The Issuer’s sole source of revenue is, accordingly, interest payments on loans and advances. The Issuer is thus economically dependent on the operational results, the financial position and the financial performance of the Group. Consequently, the financial and operational results of the Group have a direct effect on the Issuer’s financial position.

The ability of a Group company to effect payments of principal and interest to the Issuer in the repayment of a loan is dependent on the cash flows and earnings of the relative Group company, which may be restricted by changes in applicable laws and regulations, the terms of agreements to which they are or may become party, including the agreement governing their existing indebtedness, if any, and, or other factors beyond the control of the relative Group company and, or the Issuer.

In this respect, the Issuer is mainly dependent on the business prospects of the Group, and consequently, the operating results of Group have a direct effect on the Issuer’s financial position and performance, and as such the risks intrinsic in the business and operations of the Group shall have a direct effect on the ability of the Issuer to meet its obligations in respect of principal and interest under the Bonds when due.

3.4 RISKS RELATING TO THE GUARANTOR AND THE BUSINESS OF THE GROUP

3.4.1 ECONOMIC AND FINANCIAL RISKS

3.4.1.1 *Risks associated with the exposure to the economic conditions of the Maltese market*

While the Group has in recent years taken strategic steps to internationalise its operations, including the opening of its first overseas office in London, the expansion of its *AKI* restaurant brand outside Malta, and its investment in the RAK Project, its business activities and operations have, to date, been primarily concentrated in, and aimed at, the Maltese market. Accordingly, the Group is susceptible to the economic trends that may from time to time be felt in Malta, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities, and other general market, economic, and social factors. Negative economic factors and trends in Malta, particularly those having an effect on the tourism, services, and the property construction and development industries, would have, in turn, a negative impact on the business of the Group.

In particular, even though the Maltese economy has been performing well in recent years, characterised by healthy and steady economic growth and low unemployment levels, any deterioration in the economy or market segments thereof, whether actual or perceived, could adversely affect the financial performance and condition of the Group. Challenging economic and socio-political conditions could reduce demand for the Group’s product and service offerings, increase expenses, lower disposable income, increase impairments, and negatively impact the value of security interests or collateral constituted by the Group under its financing or other contractual arrangements (in particular, land and property values). Moreover, prolonged periods of socio-political uncertainty, unrest and, or government deadlock could, in turn, have a negative effect on the demand for the Group’s product and service offerings, which could have a material adverse effect on the results of its operations and its financial performance and condition. The Group’s business, results of operations, financial condition, or prospects may also be affected by such financial, economic, and socio-political developments in or affecting the Maltese market.

3.4.1.2 Risks associated with the Group's financing and investment strategies

There can be no assurance that future capital requirements will always be met on commercially reasonable terms. In addition, the Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in fair values of investments), credit risk (the risk of loss by the Group due to its debtors not respecting their commitments), foreign exchange rate risk, and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows). Any downturn or weakness in the capital markets or banking environment may limit the Group's ability to raise capital for completion of projects. Failure to obtain, or delays in obtaining, the capital required to complete current or future projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and adversely affect its business, financial condition, results of operations, and prospects.

3.4.1.3 Risks associated with the Group's indebtedness

The Group has a material amount of debt, amounting to *circa* €123 million as at 31 March 2025, and it may, from time to time, incur additional debt for the purpose of refinancing indebtedness as well as to fund future growth in terms of acquisitions and developments.

Borrowings under bank credit facilities may be at variable interest rates, which would render the Group vulnerable to increases in interest rates. Agreements regulating the Group's bank debt may impose significant operating restrictions and financial covenants on the Group. Such covenants, as well as any future restrictions and covenants, could limit the Group's ability to obtain future financing, incur capital expenditures, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the Group's ability to freely conduct the necessary corporate activities.

A number of the Group's bank facilities are secured by special hypothecs over the Group's property, general hypothecs over present and future assets, guarantees by companies within the Group, pledges over cash balances, and specific insurance policies. Defaults under financing agreements could lead to the enforcement of security over property owned by the Group, where applicable, and, or cross-defaults under other financing agreements.

3.4.2 BUSINESS AND OPERATIONAL RISKS

3.4.2.1 Risks relating to the Group's business generally

3.4.2.1.1 Risk of loss of key senior personnel and specialist personnel

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key or specialist personnel, including executive management, project management personnel, sector-specific experts and professionals, and other personnel, and upon its ability to attract, develop, and retain such key personnel to manage and grow the Group's business.

The Group's inability to attract, develop and retain key and highly skilled and qualified personnel with sector-specific experience and expertise or leadership capabilities, could have an adverse effect on its relationships with stakeholders and the operational results, financial position, and, or the growth prospects and strategic objectives of the business of the Group. Furthermore, if one or more of such persons currently or in future employed by the Group were unable or unwilling to continue in their position, particularly if such members are lost to competitors of the Group, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

Employee retention may be particularly challenging following acquisitions or divestures, as the Group must continue to motivate employees and keep them focused on its strategies and goals. Moreover, the Group's inability to train and motivate its key personnel to meet the evolving trends in the industries and markets in which the Group operates could cause a decrease in the overall quality, efficacy, and efficiency of such personnel. Such consequences could adversely affect the Group's business, results of operations, or cash flows. Additionally, unless skills are supported by sufficient infrastructure to enable knowledge and skills to be passed on, the Group risks losing accumulated knowledge if key employees leave.

3.4.2.1.2 Risks relating to the Group's exposure to claims and litigation inherent in the Group's operations

All industries in which the Group operates are subject to legal claims, with or without merit. Litigation is expensive, time-consuming, and may divert management's attention away from the operation of the business of the Group. In addition, the Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Adverse publicity from such allegations, claims, or proceedings may also adversely affect the turnover generated by the Group, goodwill, and trading prospects, regardless of whether such allegations or claims are true or whether the Group is ultimately held liable. Furthermore, it is possible that if complaints, claims, or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Group, the latter could also be affected due to the adverse publicity brought against, and concerns raised in respect of, the industry in general.

No assurance can be given that disputes which could have such an effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though the monetary consequences may not be significant.

3.4.2.1.3 Risks relating to the failure to implement sustainable and, or environmental, social, and governance considerations in the Group's business model

There is a growing expectation for businesses to ensure that they conduct their business in a sustainable and environmentally responsible manner, including by taking proactive measures to reduce their carbon footprint, maximise the use of recycled and recyclable or biodegradable materials, reduce the use of plastic, and increase the use of alternative and sustainable means of design, production, manufacturing, and construction. This trend is driven not only by growing concern surrounding the depletion of

the natural environment and natural resources, the adverse effects of climate change, and the consequential negative effects of unsustainable practices, but also by legal and regulatory requirements.

Additionally, with an increased emphasis on environmental, social, and governance (“ESG”) considerations at global level, the implementation of sustainable factors in the Group’s business model is expected to come under increased scrutiny by investors, regulators, and the public at large. ESG considerations for the purposes of the Group’s business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

The failure of the Group to ensure that it satisfies environmental and sustainability laws and regulations, or meet market pressures and consumer expectations concerning sustainability could in future, in the event of the introduction of measures aimed at fostering increased sustainability and environmental protection, have a material adverse effect on the Group’s business, financial condition, and, or results of operations, including a loss of business or business retention, exposure to regulatory fines, and the inability of the Group to obtain the necessary permits or other authorisations to carry out its business operations, projects, or investments.

3.4.2.1.4 Risks relating to the Group’s insurance cover

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover, the nature and volume of its activities, its legal and contractual minimum insurance cover obligations and commitments, and the risk profiles of the business sectors in which the Group operates. With respect to losses for which the Group is covered by its policies, it may prove challenging, and may take time, to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer, including but not limited to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, de minimis liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations, or other proceedings relating thereto. Furthermore, its insurance policies may be pledged or otherwise granted as security in favour of third-party financiers or other third parties and the Group may not be able to recover amounts thereunder where such security subsists.

No assurance can be given that the Group’s current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise) by the relevant authorities (including but not limited to governmental departments or authorities, planning and development authorities, health and safety authorities, environmental authorities, among others) may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions or inactions of employees or other officials of the Group, or of any of its contractors, sub-contractors, outsourcing parties, or other third parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

3.4.2.1.5 Risks relating to reliance on non-proprietary software systems and third-party information technology providers

To varying degrees, the Group is increasingly dependent on the proper and uninterrupted operation of its computer systems, information processing and management systems software, telecommunications networks, electronic communication networks, access to the internet, as well as the systems and services of other third parties (collectively, the “I.T. Systems”) that are necessary to carry out its business. The Group’s operational activities may become subject to a failure, disruption, or other interruption in its I.T. Systems. Such event may arise as a result of various factors that may be out of the control of the Group, as a result of (without limitation) natural disasters, electricity outages, and, or technical malfunctions, which could be malicious (including, but not limited to, the risks of increasingly sophisticated cyber-attacks such as malware attacks, ransomware, phishing, hacking, or any other form or type of cyber-attack, data theft, or other unauthorised use of data), or due to errors, negligence, or force majeure. In addition, service level agreements, business continuity plans, and disaster recovery plans intended to ensure continuity and stability of these systems may not necessarily prove sufficient to avoid any type of disruption to the Group’s business.

A failure or disruption in the I.T. Systems that support the Group’s business could lead to loss of control over its online reservation systems, critical business and project information or systems, and adversely impact its ability to operate. The Group may additionally be unable to develop or acquire competitive I.T. Systems capable of meeting its business requirements and, or may lack sufficient resources to invest in I.T. Systems that will allow it to compete with its competitors and efficiently protect information and operating systems. Any of the foregoing risks could have a material adverse effect on the Group’s business, results of operations, financial condition, and prospects.

3.4.2.2 Risks relating to the hospitality and leisure businesses of the Group

3.4.2.2.1 Risks common to the hospitality industry

The Group’s hospitality and leisure operations and the results thereof are subject to a number of internal and external factors that could adversely affect its business, many of which are common to the hospitality and leisure industries and are beyond the Group’s control.

The following factors may have a negative impact on the hospitality and leisure sectors of the Group’s business:

- a) changes in travel patterns or seasonal variations, as well as consumer preferences concerning price, quality, location, and type of hospitality packages;

- b) any increase in, or the imposition of, new taxes or surcharges or other expenses relating to air travel and fuel, and cutbacks and stoppages on airlines or sea travel routes bound for Malta, as well as the imposition of travel restrictions, bans, or other measures by the relevant authorities which could have a bearing on the number of visitors arriving at such destinations;
- c) changes in laws and regulations, including those concerning the management and operation of hotels and other hospitality outlets, employment, catering and entertainment establishments, health and safety, alcohol licensing, environmental concerns, fiscal policies, and zoning and development, and the related costs of compliance;
- d) increases in operating costs due to general market conditions, inflation, employment costs, workers' compensation and healthcare-related costs, utility costs, increased taxes, and insurance costs, which could impact margins and could therefore impact the viability (or otherwise) of the operations of the Group;
- e) socio-demographic changes (ageing markets, family life-cycles, and changing structures), and economic changes (recessions, increases in oil prices, and exchange rates);
- f) changes in the sales terms and conditions of main sales channels, the respective fees and commissions payable to online travel agents;
- g) the termination, non-renewal, and, or the renewal on less favourable terms of agreements entered into with local or international intermediaries, or other material agreements such as management or operation agreements, services agreements, travel agent or platform booking agreements, and other distribution channel agreements; and
- h) increased competition from providers of alternative accommodation, including web-based booking channels that allow private accommodation to be made available by private individuals or via online peer-to-peer platforms, and other hospitality models such as bed and breakfasts (B&Bs), room-sharing and flexi-renting, and short-term lets of private property, which may be offered at competitive rates.

The impact of any of these factors (or a combination thereof) may adversely impact room rates and occupancy levels at the Group's hotels, or otherwise cause a reduction in revenue or profitability, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

3.4.2.2.2 Risks common to the food and beverage industry

The Group's hospitality and leisure operations are also subject to a number of risk factors that affect the food and beverage industry in general, including:

- a) general economic conditions of the market and changes in consumer confidence, disposable income, and discretionary spending patterns;
- b) competition with respect to price, rental costs, service, location, food quality, and consistency;
- c) delays and disruptions in the supply chain resulting in higher costs;
- d) changes in demographic trends, traffic patterns, and the type, number, and location of competing food and beverage establishments;
- e) health concerns and potential litigation in relation to health issues; and
- f) changes in the regulatory framework setting out the requirements and obligations applicable to, *inter alia*, food and beverage operators and employers in general.

Adverse changes in any one or more of these factors could reduce income generated at the Group's leisure establishments or activities, impose limits on pricing, or cause the Group to incur additional expenditure in modifying its concepts or establishments, any or all of which outcomes could adversely affect the Group's business and the results of its operations. The Group's leisure operations are also dependent on its ability to avoid (and, where not possible, mitigate) any degradation in product quality and, or service levels for customers, which could undermine confidence in the services provided by the Group and cause a loss of customers or make it more difficult to attract new ones. The business of the Group could be adversely affected by such delays, errors, failures, or faults.

3.4.2.2.3 Risks associated with currency fluctuations and the reference currency of the Group's principal tourist markets

Fluctuations in international currencies may make Malta less attractive as a vacation destination compared to other destinations, which could adversely affect the operating performance of the Group. The Group enjoys a varied tourist market, including jurisdictions which use currencies other than the Euro. A prolonged and weakened position, or a weakening of the major currencies used in such jurisdictions may negatively impact the ability of the Group's hospitality accommodation properties to attract customers from these strategically important target tourist markets. Such risk is similarly applicable in the case of other currencies susceptible to significant fluctuation.

3.4.2.2.4 Risks associated with franchise agreements

As further described in section 8 of this Base Prospectus, db Group has, over the years, introduced several internationally renowned brands to the Maltese market, including but not limited to, the Hard Rock Café and Starbucks brands, and has entered into franchise agreements with their respective international brand owners. More recently, db Group has entered into franchise agreements with a number of high profile leisure and restaurant brands including Bagatelle, EL&N and Tatel.

In view of the nature of franchising and the franchise arrangements in place, the long-term success of the Group's franchised operations will depend, to a significant extent, on:

- a) the ability of the Group to develop and pursue appropriate marketing strategies in order to maintain and enhance the name recognition, reputation and market perception of the Franchise Brands, and to introduce and develop new products;
- b) the goodwill associated with the Franchise Brand trademarks;
- c) a continued cooperative franchise relationship of the Group with its franchisors. While the majority of franchise agreements entered into by the Group are long-term in nature, typically ranging between ten (10) and twenty years, and generally extendable or renewable for a further five (5) to ten (10) years, and while every effort is expected to be made to maintain

- a positive relationship with the franchisors, there can be no assurance that events or circumstances in the future will not adversely affect those relationships or that the franchisors will not enforce their respective contractual rights in a manner that is adverse to the Group. In particular, there is no guarantee that the franchisors will not exercise their right to terminate the agreements prior to the expiry of their term, nor that the Group will be successful in securing renewals or extensions of the franchise agreements;
- d) while the Group holds exclusivity rights within the territory of Malta under the franchise agreements, such exclusivity is subject to certain limitations and reservations. In particular, the failure by the Group to open new outlets by the target opening date may result in a material breach of the agreement, which may, in turn, result in the franchisor exercising its right to terminate the franchise agreement; and
 - e) the continued vitality of the Franchise Brands and the success, quality, and management of the franchisors' overall systems. Any adverse changes in the franchisors' own statuses and performances may materially adversely affect the Group's financial and operational position and performance. Furthermore, as the operations of the franchisors are international, the success of the franchisors is susceptible to regional economic, political, legal, security, and social conditions, which may vary considerably between one region and another. Any adverse changes to the aforementioned conditions may adversely impact either or both of the franchisors and, in turn, adversely impact the Group and its business.

3.4.2.2.5 Risks associated with relations with suppliers

The profitability of the Group's leisure business depends, in part, on its ability to anticipate and react to changes in the cost of its supplies and on its dependence on frequent and timely deliveries by its suppliers. The Group may not be able to acquire suitable products in sufficient quantities and, or on terms acceptable to it in the future. Any deterioration in, or change to, the Group's relationships with its suppliers (including supply on less favourable terms) could have an adverse effect on the Group. Other factors, such as interruptions in supply caused by adverse weather conditions, changes in governmental regulation, recalls of products, and other similar factors not within the control of the Group or its suppliers, could materially adversely affect the availability, quality, and cost of its products, and in turn, could negatively affect the Group's operations and financial condition.

3.4.2.2.6 Competition risk

The hospitality and leisure industries are characterised by high levels of competition and saturation, influenced by a variety of factors, including pricing, service, location, quality, availability, variety, and advertising. The Group faces constant and ever-increasing competition from establishments of varying forms in both the hospitality and leisure sectors. Accordingly, the success of the Group's establishments and activities is dependent on its ability to maintain and enhance its relative competitive strength. In part, this success is dependent on its ability to respond promptly to consumers' shifting trends in a timely manner, such as increased health consciousness, and its ability to address particular market niches. Furthermore, the Group may be adversely affected should any of its competitors change their concepts or pricing to compete more directly with the Group's offerings.

3.4.2.3 Risks relating to the real estate business of the Group

3.4.2.3.1 Risks common to the property development and construction industry

As further set out in sections 8.3.3.1 and 8.3.3.2 of this Base Prospectus, the St. George's Bay Project is presently under development whereas development of the RAK Project is expected to commence in January 2026. Consequently, the Group is subject to several specific risks common to activities in the property development and construction industry, including:

- a) the risk of insufficient or unavailable resources to complete the development projects in the manner or within the timeframes envisaged;
- b) the risk of cost overruns and unexpected increases in project execution costs;
- c) the risk that rental or sales transactions may not be effected at the prices and within the timeframes envisaged, which may lead to difficulty in obtaining payment from third parties and risks of ultimate unfeasibility of development projects;
- d) general industry trends, including the cyclical nature of the real estate market, economic depressions, change in market conditions including an oversupply of similar properties, a reduction in demand for real estate, changes in local preferences and tastes, and increased competition in the jurisdictions where the development projects are located;
- e) delays or refusals in obtaining all necessary zoning, land use, building, development, modifications, occupancy, and other required permits and authorisations, including such permits and authorisations from the planning and environment protection authorities, together with legal complexities, and inconsistencies and inaccuracies in the land registration systems;
- f) the risk of not recouping costs associated with property surveys, valuation reports, title and environmental investigations if a proposed investment does not proceed to completion after such costs have been incurred;
- g) covenants, conditions, restrictions, and easements relating to the properties or their use, whether arising by operation of law or by contractual arrangement;
- h) laws, rules, and regulations, including those relating to acquisition, development, construction, planning, zoning, environmental protection, health and safety, financing, taxation, fiscal policies, insurance, and trade restrictions, which may impact the development sector;
- i) high levels of activity in the sector may place a strain on the availability of human and other capital resources required to undertake and complete the development projects that the Group is committed to, or may wish to undertake, from time to time; and
- j) government restrictions concerning the free movement of people and goods, which might result in delays or changes to established trade supply routes, changes in macro-economic conditions, as well as market and regulatory changes affecting the construction and property development processes.

The occurrence of any of the risk factors described above could have a material adverse effect on the Group's business, financial condition, and results of operations, including increases in projected costs and completion times.

3.4.2.3.2 Risks relating to the engagement and, or the involvement of third parties in connection with the Group's operations in the property sector and associated counterparty risks

The Group places a degree of reliance on third parties, including architects, contractors, sub-contractors, and suppliers, for the valuation, demolition, excavation, and, or finishing of developments. This reliance gives rise to counterparty risk where such counterparties (which may include both third parties and related parties) fail to perform in accordance with the Group's expectations and their contractual obligations. Such failure may result from insolvency, lack of liquidity, market or economic downturns, operational failure, or other reasons beyond the Group's control. Any such default could have a material adverse impact on the Group's development projects, including the ability of the Group to complete projects within stipulated deadlines or with the necessary specifications, which may result in loss of revenue and reduced profitability. In addition, the Group's ability to source third-party contractors or sub-contractors with the sector-specific expertise or resources necessary to bid for, undertake, and successfully complete development projects could adversely affect the Group's competitive positioning in the property development market. If these risks were to materialise, they would have an adverse impact on the Group's business, financial condition, results of operations, and prospects.

3.4.2.3.3 Risks associated with ability to obtain necessary planning and development permits and maintaining ongoing compliance therewith

On 12 July 2023, the Group secured an executable full development permit for the development of the St. George's Bay Project, and in due course, HR Hotel FZ LLC (an associate entity in which SD Holdings has a 50% interest) will be applying for the relevant planning permission in Ras Al Khaimah for the RAK Project.

Securing planning approvals by the competent planning and environment authorities in a timely manner is of key importance to the Group's property development activities. There can be no certainty that any given planning application will result in planning approvals being granted or, if granted, that such approvals will not be subject to unduly onerous or restrictive terms. Delays, objections, or successful appeals relating to planning approvals may also necessitate adjustments to project plans, which may result in increased development costs and, or reduced revenues estimated to be generated. Furthermore, local, national, and international planning policies are subject to change, which could consequently impact the Group's development strategy. All of the aforesaid could adversely affect the Group's projections, revenue, and profit.

3.4.2.3.4 Risk relating to the emphyteutical concession

As further described in section 8.3.3.1 of this Base Prospectus, the St. George's Site is held by the Group under a title of a 99-year temporary emphyteusis granted unto db San Gorg Property Limited by the Commissioner of Land (on behalf of the Government of Malta) on 1 February 2017.

The emphyteutical concession over the St. George's Site is subject to a number of terms and conditions, including but not limited to, restrictions on permitted use, the obligation to pay annual ground rent, the requirement to maintain adequate insurance cover, compliance with applicable development permits, and the obligation to carry out necessary maintenance and repairs. Failure to abide with the terms and conditions to which the emphyteutical grant is subject may have a material adverse effect on the operations of the Group.

3.4.2.3 Risks relating to the sale of property

As further set out in sections 8.3.3.1 and 8.3.3.2 of this Base Prospectus, the St. George's Bay Project and the RAK Project are being developed, in part, for resale of property forming part thereof. While the Group has entered into promise of sale agreements for most of the properties that are available for sale at the ORA Residences which form part of the St. George's Bay Project, and expects that this initial success will be sustained in both projects, there can be no assurance that the Group will be able to sell all properties earmarked for sale in a profitable and efficient manner on account of: (a) market conditions; (b) the size and, or value of the property in question; (c) specific local market conditions; and, or (d) other local or international economic factors influencing the Group's operations or assets.

3.4.3 LEGAL, REGULATORY, AND COMPLIANCE RISKS

3.4.3.1 Risks relating to the collection, processing, and storage of personal data

Whenever personal data is collected, processed, and stored by the Group, the activity conducted is subject to the rules governing the processing of personal data in terms of the Data Protection Act (Cap. 586 of the laws of Malta), subsidiary legislation issued thereunder, and the General Data Protection Regulation (EU) 2016/679. The Group is subject to a number of obligations concerning the processing of personal data under such regulation which, if breached, could result in the Group being liable to fines that could affect its financial position. To this end, the Group has appointed a Group Data Protection Officer who serves as the liaison for data subjects and the regulator.

Breach of data privacy legislation could result in the Group being subject to claims by its customers for infringement of privacy rights. Should any such claims be brought, the Group could face administrative proceedings (including criminal proceedings) initiated by data protection regulators, which could result in penalties of up to the higher of €20 million or 4% of Group turnover. In addition, any inquiries or proceedings initiated by the relevant regulator could lead to negative publicity, which could materially adversely affect the Group's reputation and, as a result, its business, earnings, and, or financial condition. The more restricted ability to collect and use personal data in a commercially useful manner could also adversely impact the Group's business.

3.4.3.2 Risks relating to the regulatory environment in which the Group operates

The Group operates in a complex regulatory environment, as a result of which it is subject to a vast array of rules and regulations, including but not limited to the requirements prescribed by the Occupational Health and Safety Authority Act (Cap. 424 of the laws of Malta), the Work Place (Minimum Health and Safety requirements for Work at Construction Site) Regulations (subsidiary legislation 424.36), the Development Planning Act (Cap. 552 of the laws of Malta), the Environmental Management Construction Site Regulations (subsidiary legislation 552.09), the Building Regulation Act (Cap. 513 of the laws of Malta), and the Avoidance of Damage to Third Party Property Regulations (subsidiary legislation 623.06), as each may be amended or otherwise supplemented from time to time, as well as other rules and regulations generally relating to and applicable to industrial manufacturing, product standards, product liability, delivery and international consignments, environmental protection, anti-money laundering and counter-terrorist financing, and property construction and development, among others. The regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones.

The inability of the Group to meet its ongoing regulatory and legal requirements, whether in whole or in part, or the inability of the Group to equip itself to comply with forthcoming legislation or regulation in a timely and suitable manner, may expose the Group to the risk of regulatory sanctioning, including but not limited to the imposition of public reprimands, administrative or punitive fines or penalties, temporary suspension of activities, or even revocation of licences, permits, or other authorisations, whether in whole or in part. In addition, lack of compliance with legal and regulatory requirements may negatively affect the reputation and goodwill of the Group and may result in a loss of existing or potential business and, or a weakened competitive advantage. If any of these risks were to materialise, they could have a material adverse effect on the operational results and financial performance and position of the Group.

3.4.3.3 Risks relating to health and safety

The Group's business lines are subject to compliance with a number of national and international health and safety standards. Failure to comply with such standards or practices could expose the Group to third-party claims, which could, in turn, have a material adverse effect on its business and profitability. With respect to development projects, the Group is exposed to the risk of injuries both to staff of Group companies and third-party contractors working on site, which could potentially lead to claims against the Group by employees, sub-contractors, or third parties. With respect to the hospitality and leisure business lines, there is a constant need to protect the safety and security of hotel guests or customers, employees, and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organised crime, fraud, employee dishonesty, cybercrime, pandemics, fire, and day-to-day accidents, incidents, and petty crime, which impact the guest or employee experience, could cause loss of life, sickness, or injury, and result in compensation claims, fines from regulatory bodies, litigation, and impact on reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose the Group and its brands to significant reputational damage.

3.4.4 RISKS RELATING TO THE BONDS

3.4.4.1 Suitability

An investment in the Bonds may not be suitable for all recipients of this Base Prospectus and the applicable Final Terms. Prospective investors are urged to consult an investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) to determine the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, investors should consult with an investment advisor to ascertain that the respective investor:

- a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds, and the information contained or incorporated by reference in this Base Prospectus and the applicable Final Terms, or any applicable supplement;
- b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency and that the Bonds meet the investment objectives of the prospective investor;
- c) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- d) is able to evaluate possible scenarios for economic, interest rate, and other factors that may affect the investment and the investor's ability to bear the applicable risks.

An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Group's business.

3.4.4.2 No prior market for the Bonds

Prior to the Programme and admission of the Bonds to listing and trading, there has been no public market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in section 3 of this Base Prospectus.

3.4.4.3 Ranking of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under the Bonds by the Guarantor. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer.

This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

3.4.4.4 Subsequent changes in interest rate and potential impact of inflation

The Bonds are fixed rate debt securities. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities (such as the Bonds) tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates rise, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates decline, secondary market prices for the Bonds can generally be expected to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining life.

The coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and may thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

3.4.4.5 Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions prevailing in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer and the Guarantor have no control. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds in the secondary markets. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Bonds at all.

3.4.4.6 Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer vis-à-vis the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a delisting, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

3.4.4.7 Currency of reference

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

3.4.4.8 Continuing obligations

After the Bonds are admitted to trading on the Official List, the Issuer must remain in compliance with certain requirements. The MFSA has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the MFSA may discontinue the listing of the Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations or discontinuations described above, could have a material adverse effect on the liquidity and value of the Bonds.

3.4.4.9 Amendments to the Terms and Conditions

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions it shall call a meeting of Bondholders in accordance with the provisions of section 16.11 of this Base Prospectus. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

3.4.4.10 Changes in law

The Terms and Conditions are based on Maltese law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Base Prospectus.

3.5 RISKS RELATING TO THE GUARANTEE

In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the Bonds if the Issuer fails to meet any amount when due in terms of the applicable Final Terms. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor. The risks relevant to the Guarantor are set out in detail in section 3.4 of this Base Prospectus.

4. RESPONSIBILITY, AUTHORISATION STATEMENT, AND CONSENT FOR USE

4.1 PERSONS RESPONSIBLE

The Directors, whose details appear under section 10.1 of this Base Prospectus, are responsible for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Directors, who have all taken reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

4.2 AUTHORISATION STATEMENT

This Base Prospectus has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer and, or the Guarantor and, or the Bonds (as the subjects of this Base Prospectus). Investors should make their own assessment as to the suitability of investing in the Bonds.

4.3 CONSENT FOR USE OF BASE PROSPECTUS

For the purposes of any Application for Bonds in terms of this Base Prospectus and the relevant Final Terms and any subsequent resale, placement, or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Base Prospectus and the relevant Final Terms (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement, or other offering of Bonds, provided that this consent is limited only:

- a) in respect of Bonds subscribed for through (or otherwise placed by) Authorised Financial Intermediaries during such periods as set out in the relevant Final Terms when a subscription of Bonds is possible; and, or
- b) any resale or placement of the Bonds taking place in Malta.

None of the Issuer, the Guarantor, the Sponsor, the Manager & Registrar, nor any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement, or other offering of the Bonds.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Base Prospectus and, or the relevant Final Terms. If given or made, it must not be relied upon as having been authorised by the Issuer, the Guarantor, the Sponsor and, or the Manager & Registrar. The Issuer does not accept responsibility for any information not contained in this Base Prospectus and, or in the relevant Final Terms.

In the event of a resale, placement, or other offering of the Bonds by an Authorised Financial Intermediary, such Authorised Financial Intermediary shall be responsible for providing information to investors on the terms and conditions of the resale, placement, or other offering at the time such resale, placement, or other offering is made.

Any resale, placement, or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor, including as to price, allocations, and settlement arrangements. Where such information is not contained in this Base Prospectus and, or the relevant Final Terms, it will be the responsibility of the relevant Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information, and none of the Issuer, the Guarantor, the Sponsor, nor the Manager & Registrar have any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Base Prospectus and the relevant Final Terms in connection with a resale, placement, or other offering of the Bonds subsequent to the Bond Issue on the conditions set out herein shall publish on its website a notice to this effect.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the publication of this Base Prospectus or the relevant Final Terms will be made available by the Issuer through a company announcement, which will be made available on the Issuer's website: <https://www.dbgroupmalta.com/investors/>. Company announcements issued by the Issuer will also be available on the MSE's Official Appointed Mechanism <https://www.borzamalta.com.mt/officially-appointed-mechanism>.

5. IDENTITY OF ADVISORS AND AUDITORS

5.1 ADVISORS

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of this Base Prospectus, but they do not make any representation or statement unless otherwise expressly stated in this Base Prospectus, and each of them disclaims any responsibility for any representations and other statements made in this Base Prospectus.

Legal Counsel	Camilleri Preziosi Advocates Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta
Sponsor	M.Z. Investment Services Limited 63, MZ House, St. Rita Street, Rabat RBT 1523, Malta
Manager & Registrar	Bank of Valletta p.l.c. 58, Zachary Street, Valletta VLT 1130, Malta
Financial Advisors	PricewaterhouseCoopers 78, Mill Street, Zone 5, Central Business District, Qormi CBD 5090, Malta

5.2 AUDITORS

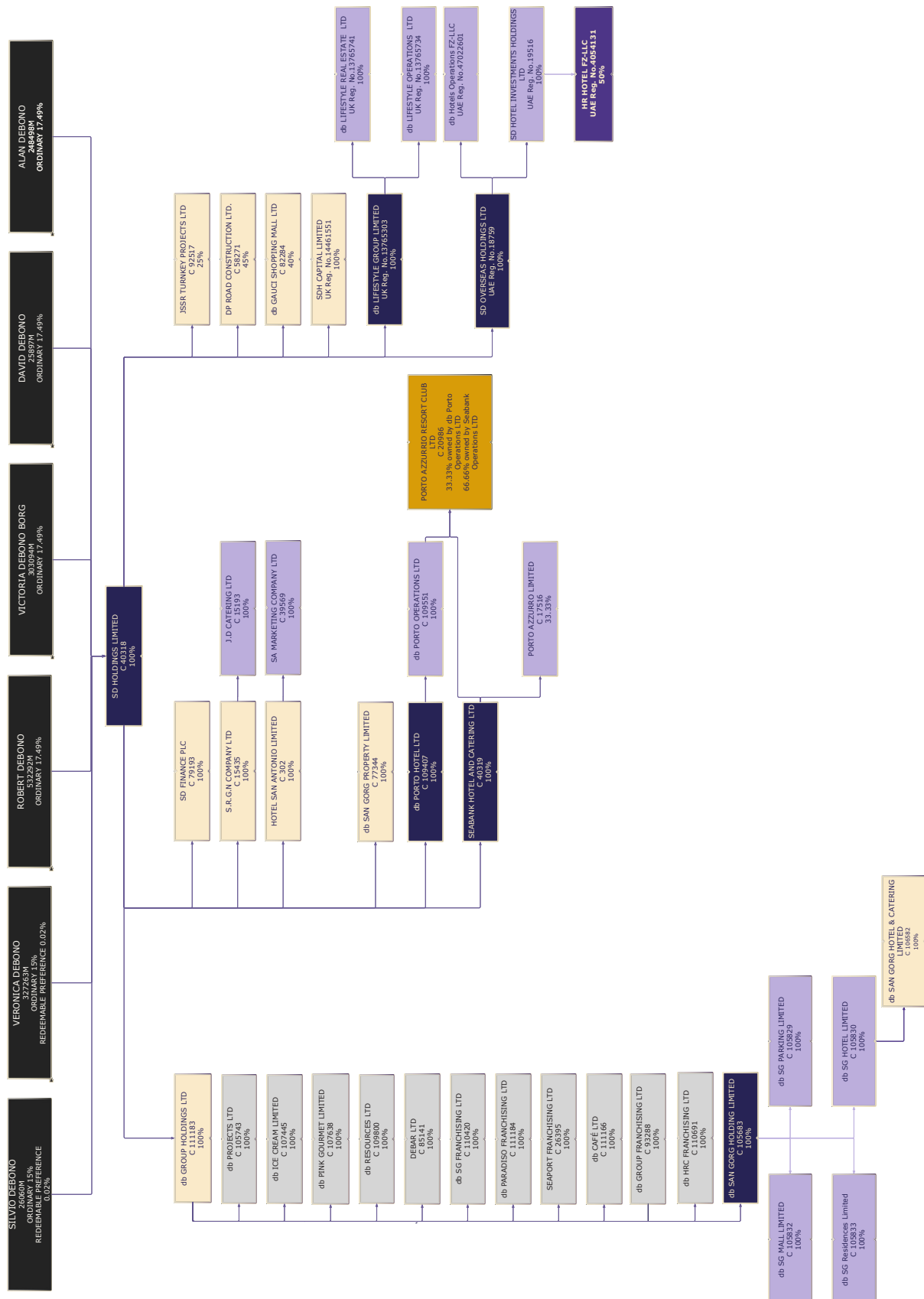
Name:	Ernst & Young Malta Limited
Address:	Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta

The annual statutory financial statements of the Issuer and the Guarantor for the financial year ended 31 March 2025 and 31 March 2024 have been audited by Ernst & Young Malta Limited. Ernst & Young Malta Limited is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) and a practicing certificate to act as auditors. The Accountancy Board registration number of Ernst & Young Limited is AB/26/84/96.

The annual statutory financial statements of the Issuer and the Guarantor for the financial year ended 31 March 2023 have been audited by PricewaterhouseCoopers Malta. PricewaterhouseCoopers Malta is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) and a practicing certificate to act as auditors. The Accountancy Board registration number of PricewaterhouseCoopers Malta is AB/26/84/38.

6. ORGANISATIONAL STRUCTURE OF THE GROUP

The organisational structure of the Group as at the date of this Base Prospectus is illustrated in the organigram on the following page:



The following companies are not 100% owned by members of the db Group, and the remaining shareholding of each is illustrated below:

DB Gauci Shopping Mall Limited (C 82284): 60% PACLA Limited (C 109997);
DP Road Construction Ltd (C 58271): 45% Northwind Investments Limited (C 58232); 10% Arthur Gauci; 5% Romano Tabone;
HR Hotel FZ LLC (UAE Reg. No. 000004054131): 50% RAK Hospitality Holding LLC;
JSSR Turnkey Projects Lts (C 92517): Recube Insaat ve Proje Yonetimi Limited Sirketi (Turkish Reg. No. 165097-5); 25% JCL Holdings Limited (C 80181); 25% Stephen Bezzina;
Porto Azzurro Limited (C 17516): 33.33% Polidano Ventures Ltd (C 99886); 23.33% Shawncara Ltd (C 12154); 10% Marclern Limited (C 10169).

The Issuer is owned by SD Holdings (the Guarantor), save for one share held by Mr Silvio Debono.

SD Holdings (the Guarantor) is the parent holding company of the db Group and was incorporated on 19 December 2006. In 2023, SD Holdings underwent a capital restructuring process as part of a comprehensive succession plan, with a view to ensuring a smooth transition of control and safeguarding the long-term stability, governance, and continued growth of the Group.

Mr Silvio Debono, the Group's founder and Chairman, and his wife, Veronica Debono, have distributed part of their shareholding in SD Holdings among their four children: Robert Debono, Victoria Debono, David Debono and Alan Debono. As at the date of this Base Prospectus, the shareholding structure of SD Holdings is held as illustrated in section 12.3 of this Base Prospectus.

Over the course of 2025, the Group undertook a reorganisation exercise with the ultimate aim of streamlining ownership structures and enhancing capital deployment across its Subsidiaries. The group reorganisation was implemented in phases, as further outlined hereunder:

The first phase involved the incorporation a new intermediary holding company, db Group Holdings Limited (C 111183), on 17 February 2025, to act as the central parent company within the Group structure.

The second phase of the reorganisation involved the consolidation of operating companies that do not hold any immovable properties, under db Group Holdings Limited. To this end, a number of intra-group share transfers took place, pursuant to which the shareholding in the following companies was transferred from SD Holdings or Seabank Hotel & Catering Limited, as applicable, to db Group Holdings Limited:

- db Projects Ltd. (C 105743);
- db Ice Cream Limited (C 107445);
- db Pink Gourmet Limited (C 107638);
- db Resources Limited (C 109800);
- Debar Ltd (C 85141);
- db SG Franchising Limited (C 110420);
- db Paradiso Franchising Limited (C 111184);
- Sea Port Franchising Limited (C 26395);
- db Café Limited (C 111166);
- db Group Franchising Limited (C 93288);
- db HRC Franchising Limited (C 110691); and
- db San Gorg Holdings Limited (C 105683).

The third phase of the reorganisation, which is envisaged to be undertaken over the course of Q1 of 2026, will involve the consolidation of operating companies that hold immovable property, under db Group Holdings Limited. Similarly to the second phase, a number of intra-group share transfers will take place, pursuant to which the shareholding in the property-owning companies will be transferred to db Group Holdings Limited.

A brief overview of the business activities of the Subsidiaries is set out below:

Subsidiaries of db Group Holdings Limited (C 111183)

- **db Group Holdings Limited (C 111183):** db Group Holdings Limited was incorporated on 17 February 2025 to act as the central parent entity within the Group structure, holding investments in the subsidiary companies illustrated in the organisational structure chart above. The following are the subsidiary companies of db Group Holdings Limited:
 - **db Projects Ltd (C 105743)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 22 June 2023. db Projects Ltd acts as a general contractor specialising in construction, finishes and turnkey project services;
 - **db Ice Cream Limited (C 107445)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 10 January 2024. db Ice Cream Limited operates the 'GROM' franchise;
 - **db Pink Gourmet Limited (C 107638)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 5 February 2024. db Pink Gourmet Limited is responsible for operating the EL&N franchise locally;
 - **db Resources Limited (C 109800)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 16 October 2024. db Resources Limited is responsible for the operation of laundry and other human resources services owned by the Group;
 - **Debar Ltd (C 85141)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 28 February 2018. Debar Ltd operates the Starbucks franchise;
 - **db SG Franchising Limited (C 110420)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 28 November 2024. db SG Franchising Limited will be responsible for operating the Bagatelle franchise in Malta;
 - **Sea Port Franchising Limited (C 26395)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 17 May 2000. Sea Port Franchising Limited is responsible for managing all agreements related to the Hard Rock franchise outlets in Malta and overseeing the associated financing operations;

- **db Group Franchising Limited** (C 93288) is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 18 September 2019. db Group Franchising Ltd owns the royalty rights over db hotels and other locally branded restaurants;
- **db HRC Franchising Limited** (C 110691) is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 17 December 2024. While not presently in operation, the company will, in future, be responsible for the operation of certain restaurants;
- **db Paradiso Franchising Limited** (C 111184) is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 17 February 2025. As at the date of this Base Prospectus, db Paradiso Franchising Limited is not operational;
- **db Café Limited** (C 111166) is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 17 February 2025. As at the date of this Base Prospectus, db Café Limited is responsible for managing all agreements related to the Charles & Ron Café franchise outlets in Malta and overseeing the associated financing operations;
- **db San Gorg Holdings Limited** (C 105683) is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 22 June 2023. db San Gorg Holdings Limited is the parent company of the following companies which will operate various parts of the St. George's Bay Project:
 - **db SG Mall Limited** (C 105832);
 - **db SG Parking Limited** (C 105829);
 - **db SG Residences Ltd** (C 105833);
 - **db SG Hotel Ltd** (C 105830); and
 - **db San Gorg Hotel & Catering Ltd** (C 106582).

The Lifestyle Group

- **db Lifestyle Group Ltd** (13765303) is a company incorporated under the laws of England and Wales on 25 November 2021. db Lifestyle Group Ltd is the parent company of db Lifestyle Operations Ltd and db Real Estates Ltd:
 - **db Lifestyle Operations Ltd** (13765734) is a subsidiary company of db Lifestyle Group Ltd and was incorporated on 25 November 2021 under the laws of England and Wales. It operates the AKI London restaurant, described in section 8.3.2.2 below;
 - **db Lifestyle Real Estates Ltd** (13765741) is a subsidiary company of db Lifestyle Group Ltd and was incorporated on 25 November 2021 under the laws of England and Wales. It holds the leasehold title over the AKI property in London, described in section 8.3.2.2 below;
- **S.R.G.N. Company Limited** (C 15435) was incorporated on 27 September 1993. S.R.G.N. Company Limited owns and operates all restaurants under the "Lifestyle Group" tradename. It holds title, either by ownership, lease, or emphyteusis, on all establishments under this tradename;
- **J.D. Catering Ltd** (C 15193) is a subsidiary company of S.R.G.N. Company Limited and was incorporated on 1 July 1993. J.D. Catering Ltd holds title to land on which the Adeera complex operates;

Hospitality and real estate operations

- **Seabank Hotel and Catering Limited** (C 40319) was incorporated on 19 December 2006. Seabank Hotel and Catering Limited owns and operates db Seabank Resorts + Spa;
- **Hotel San Antonio Limited** (C 302) was incorporated on 22 April 1966. Hotel San Antonio Ltd owns and operates the db San Antonio Hotel & Spa;
 - **SA Marketing Company Limited** (C 39659) was incorporated on 2 October 2006. As at the date of this Base Prospectus, the company is not operational;
- **db Porto Hotel Limited** (C 109407) was incorporated on 2 August 2024. db Porto Hotel Limited owns the Xemxija Bay Hotel;
 - **db Porto Operations Limited** (C 109551) was incorporated on 6 September 2024. db Porto Operations Limited is responsible for operating the Xemxija Bay Hotel;
 - **Porto Azzurro Resort Club Limited** (C 20986) was incorporated on 20 January 1997. Porto Azzurro Resort Club Limited holds rights over timeshare contracts at the Xemxija Bay Hotel;
 - **Porto Azzurro Limited** (C 17516) was incorporated on 31 January 1995 and, as at the date of this Base Prospectus, is not operational;

- **db San Gorg Property Limited** (C 77344) was incorporated on 22 September 2016. db San Gorg Property Limited has been granted a temporary emphyteusis over the St. George's Site on which the St. George's Bay Project is being developed;
- **db Gauci Shopping Mall Limited** (C 82284) was incorporated on 24 August 2017. db Gauci Shopping Mall Limited will be responsible for leasing and operating the St. George's Mall;
- **DP Road Construction Ltd** (C 58271) was incorporated on 20 November 2012. As at the date of this Base Prospectus, DP Road Construction Ltd is not operational;
- **JSSR Turnkey Projects Ltd** (C 92517) was incorporated on 9 July 2019. As at the date of this Base Prospectus, JSSR Turnkey Projects Ltd is not operational.

Overseas operations

- **SDH Capital Limited** (14461551) was incorporated on 4 November 2022 under the laws of England and Wales. SDH Capital Limited operates the Group's London office and is entrusted with the Group's international expansion and investments;
- **SD Overseas Holdings Ltd** (UAE Reg. No. 18759) was incorporated on 4 June 2024 under the laws of the United Arab Emirates. SD Overseas Holdings Ltd, a subsidiary of SD Holdings, is a holding company that holds investments in the UAE-registered companies listed below, which have been established for the purpose of operating and managing hospitality and real estate projects in the UAE;
- **db Hotels Operations FZ-LLC** (UAE Reg. No. 47022601) was incorporated on 30 June 2025 under the laws of the United Arab Emirates. db Hotels Operations FZ-LLC operates and manages international hotels;
- **SD Hotel Investments Holding Ltd** (UAE Reg. No. 19516) was incorporated on 20 June 2024 under the laws of the United Arab Emirates. The company holds investments in HR Hotel FZ-LLC;
 - **HR Hotel FZ-LLC** (UAE Reg. No. 0000004054131) was incorporated on 12 July 2024 under the laws of the United Arab Emirates. It is a joint venture company that is 50% owned by the db Group through SD Hotel Investments Holdings Ltd, with the remaining 50% owned by RAK Hospitality Holding LLC (36948). HR Hotel FZ-LLC will operate and own the RAK Project, further described in section 8.3.3.2 of this Base Prospectus.

7. INFORMATION ON THE ISSUER AND THE GUARANTOR

7.1 GENERAL INFORMATION ABOUT THE ISSUER

Full legal and commercial name of the Issuer	SD Finance p.l.c.
Registered address	Seabank Hotel, Marfa Road, Mellieha MLH 9064, Malta
Place of registration and domicile	Malta
Company registration number	C 79193
Legal Entity Identifier (LEI)	549300OYE47PF4MSZ102
Date of registration	20 January 2017
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 22891808
Email	info@dbgroupmalta.com
Website	https://www.dbgroupmalta.com/investors/

Unless it is specifically stated herein that particular information is incorporated by reference into this Base Prospectus, the contents of the Issuer's website or any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, do not form part of this Base Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

7.2 GENERAL INFORMATION ABOUT THE GUARANTOR

Full legal and commercial name of the Issuer	SD Holdings Limited
Registered address	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha MLH 9064, Malta
Place of registration and domicile	Malta
Company registration number	C 40318
Legal Entity Identifier (LEI)	485100V5BS4SNBDLUS54
Date of registration	19 December 2006
Legal form	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 22891000
Email	info@dbgroupmalta.com
Website	https://www.dbgroupmalta.com/investors/

Unless it is specifically stated herein that particular information is incorporated by reference into this Base Prospectus, the contents of the Guarantor's website or any other website directly or indirectly linked to the Guarantor's website, or any other website referred to herein, do not form part of this Base Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

8. BUSINESS OVERVIEW OF THE GROUP

8.1 PRINCIPAL ACTIVITIES

The Issuer's principal activity is that of a finance company. The Issuer does not itself carry on any trading activities apart from raising capital and advancing it to members of the Group as and when the demands of their business so require. Accordingly, the Issuer is economically dependent on the Group.

The Guarantor is the holding company of the Group and holds investments in a number of subsidiaries operating in the following sectors: hospitality, F&B, and property development.

8.2 PRINCIPAL MARKETS

While the Group's core business activities and operations remain primarily focused in Malta, recent years have seen strategic efforts to expand internationally. Key initiatives include the extension of the Group's AKI restaurant brand beyond Malta (further described in section 8.3.2.2 below) and the development of the RAK Project in Ras Al Khaimah, UAE (further described in section 8.3.3.2 below).

8.3 OVERVIEW OF THE BUSINESS OF THE GROUP

The Group is primarily engaged in three (3) primary business divisions, namely '*Hospitality & Leisure*', '*Food & Beverage*' and '*Property Development*'. In line with its long-term growth strategy, the Group continues to actively pursue opportunities to diversify its business portfolio. This includes a strategic investment in industrial laundry services, aimed at leveraging operational synergies and expanding into complementary service areas.

Since 2006, the Group was involved in the healthcare sector through its investment in Malta Healthcare Caterers Limited (C 39636). The Malta Healthcare Caterers group operates in the health and social care sectors, providing services such as in-patient catering, healthcare staff outsourcing, domiciliary care and general healthcare management services. Additionally, the Group was historically involved in the inflight catering business through its investment in Kore Air Services Limited (C 40070) and Kore Inflight Services Limited (C 411300). The Kore group specialised in the operation of catering services within the aviation sector.

In July 2025, the Group divested its investments in these two (2) businesses pursuant to a share purchase agreement entered into between Seabank Hotel and Catering Limited (C 40319) and SD Holdings Limited, as sellers, and James B. Holdings Limited, as (C 107276), the purchaser, in respect of the shares previously held by the sellers in Malta Healthcare Caterers Limited, Kore Air Services Limited and Kore Inflight Services Limited. This divestment is strategically aligned with the Group's vision to focus on the expansion of its operations in the hospitality, F&B, and property development sectors, both locally and internationally.

The following is a more detailed breakdown of the Group's involvement in its main sectors of operation:

8.3.1 HOSPITALITY & LEISURE

The Group has been involved in hospitality for almost four (4) decades, commencing operations as a guesthouse in 1984, operated by the Group's founder, Mr Silvio Debono, and his brothers. This guesthouse was eventually converted into an 80-room hotel and inaugurated as the Seabank Hotel in 1992. Mr Debono later acquired the shares of his brothers and became the sole owner of the Group. Since its inception, and over the years, db Group has formed strategic partnerships with global players. Notable past partnerships include those with the Accor Hotel Group and RIU Hotels & Resorts.

In 2015, db Group launched its own brand, db Hotels + Resorts, to manage its portfolio of hotels and resorts. More recently, as part of its ongoing commitment to innovation and future growth, the Group invested in new digital technology in 2023, resulting in the launch of a comprehensive mobile application. Concurrently, the db hotels brand embarked on a rebranding journey, adopting a fresh identity that reflects the Group's evolving vision and values.

As at the date of this Base Prospectus, db Group's hospitality and leisure portfolio is comprised of the following:

8.3.1.1 db Seabank Resort + Spa

db Seabank Resort & Spa is a 4-star all-inclusive hotel located in Mellieha Bay. Established in 1992, it holds the distinction of being Malta's first fully all-inclusive resort. The hotel is situated on approximately 23,000 square metres of land and employs over 420 staff members representing 27 different countries.

In 1992, the former guesthouse operated by the Group's founder, Mr Silvio Debono, and his brothers was converted into an 80-room hotel and inaugurated as the Seabank Hotel. Since then, the hotel has been expanded and refurbished. In 2012, the resort underwent a comprehensive €40 million renovation and expansion, increasing its accommodation capacity to 541 rooms. The hotel features seven (7) themed restaurants, three (3) bars, Malta's largest hotel pool, a state-of-the-art fitness centre, and a spa complete with a heated indoor pool offering panoramic views. Further enhancements were introduced in 2015 with the launch of a new entertainment complex incorporating three (3) additional restaurants, a bowling alley, a sports bar, and dedicated clubs for children and teenagers.

The Group has maintained a consistent focus on quality and innovation, with ongoing capital investment directed toward upgrading guest rooms, public areas, and service offerings. During the COVID-19 pandemic closures between 2021 and 2022, the Group capitalised on this downtime to refurbish numerous areas of the property, ensuring a high-quality guest experience.

In 2025, the hotel was awarded with the Green Key Certification, a globally recognised eco-label awarded in recognition of efforts to operate responsibly and support global environmental goals.

The db Seabank Resort + Spa delivered a strong performance in financial year ended 31 March 2025, generating revenue of €28.9 million, representing an 8% increase over FY24. Occupancy levels remained in line with the prior year, while the average achieved room rate rose by 2.3% compared to FY24. Gross operating profit (GOP) improved to €12.8 million in FY25, translating to a GOP margin of 42.7%.

8.3.1.2 db San Antonio Hotel & Spa

The 4-star all-inclusive db San Antonio Hotel & Spa is part of the db Hotels + Resorts brand and is located in St Paul's Bay. Constructed in moorish architectural style, the hotel comprises 515 rooms across ten floors and employs over 400 staff members representing 41 nationalities. Facilities include seven (7) themed restaurants, two (2) bars, indoor, outdoor, and rooftop pools, a fitness centre, a hammam spa, and extensive conference amenities.

Since commencing operations in 2002, the hotel became fully owned by the Group after acquiring shares from a third party and subsequently underwent a substantial upgrade in 2015, involving a €33 million investment that increased its room capacity from 300 to 515. The hotel also offers several apartments for long-term accommodation. Following said expansion, the property was converted into a fully all-inclusive resort.

During pandemic-related closures, the Group capitalised on reduced occupancy periods to implement further refurbishments and investments, including upgrades to the majority of guest rooms and public areas, as well as a €360,000 investment in the spa.

In response to government-imposed restrictions during the pandemic, the Group also utilised periods of lower demand to renovate and rebrand one of the hotel's restaurants, 'Saboroso – Comida Latina', which commenced full operations in May 2022, further enhancing the hotel's dining portfolio.

In 2025, the hotel was awarded the Green Key Certification, a globally recognised eco-label awarded in recognition of efforts to operate responsibly and support global environmental goals.

The db San Antonio Hotel & Spa demonstrated improved performance in FY25, supported by a robust recovery in the hospitality sector. Annual revenue increased by 9.6% to €26.8 million in FY25. The average achieved room rate rose from €130 in FY24 to €150 in FY25. Occupancy levels decreased slightly to 81%, compared to 91% in the previous year, attributable to the increase in available room inventory, with 63 additional rooms brought into operation in FY25. The hotel reported a gross operating profit (GOP) of €11.1 million, corresponding to a GOP margin of 41%.

8.3.1.3 The Mellor Boutique Hotel

The Mellor Boutique Hotel, located in the heart of Valletta at 300, Republic Street, commenced operations in early 2022, alongside the on-site Starbucks Reserve Bar situated directly below the hotel. This boutique property features 18 rooms and suites that blend modern comfort with elements of Maltese culture, reflected in the architecture, finishes, and commissioned artworks by local artists. Its prime location offers guests convenient access to many of Malta's key cultural sites and attractions.

After three (3) years of operation, the Mellor Boutique Hotel has established a strong market presence, with occupancy increasing from 71% in FY24 to 81% in FY25. The property has received positive reviews across multiple platforms, underscoring its market acceptance and quality. Revenue increased in FY25, growing by 7.4%, while the average room rate achieved was that of 141 in FY25.

8.3.1.4 Xemxija Bay Hotel

In 1995, db Group acquired a one-third interest in the Xemxija Bay Hotel (formerly, the Porto Azzurro Complex), an 80-room aparthotel which was subsequently refurbished and expanded. In 1998, 25 additional rooms were added, increasing the total capacity. The Xemxija Bay Hotel is a 3-star aparthotel located on the coast of Xemxija Bay, St Paul's Bay, offering 107 rooms and apartments.

On 20 November 2024, db Porto Hotel Limited (C 109407) acquired the land and buildings (including the airspace) from Porto Azzurro Limited for a total consideration of €8.5 million pursuant to a deed of sale entered into between the parties.

As a result of this transfer, db Group, through db Porto Hotel Limited (C 109407), acquired full ownership and control of the Xemxija Bay Hotel, including the land and buildings, business operations and the entire issued share capital of PARC. In March 2025, db Group finalised the takeover and rebranded the hotel into the 'Xemxija Bay Hotel', with an investment of €1 million. The Group elevated the property offerings, focusing on the hotel's infrastructure and enhancing the guest experience.

The Xemxija Bay Hotel delivered a strong performance in financial year ended 31 March 2025, despite a slight decrease in revenue from €1.43 million in FY24 to €1.23 million in FY25, attributable to a shortened operational period of eight (8) months, with the remaining four (4) months dedicated to refurbishment works. Following a rebound in the average room rate to €53 in FY24 after a slight decline in the previous year, the rate remained stable at €52 in FY25. Occupancy experienced a marginal decrease, from 67% to 60%, was also attributable to a shorter operational period. The hotel reported a gross operating profit (GOP) of €409,000 in FY24, representing a 15.9% increase compared to the prior year.

8.3.1.5 Pipeline hospitality projects

In addition to the existing hotels within the db Group's portfolio described above, two (2) new properties will be added through strategic investments:

- (i) the Hard Rock Hotel in St. George's Bay, Malta (further described in section 8.3.3.1 of this Base Prospectus); and
- (ii) the Hard Rock Hotel and Residences in Ras Al Khaimah, UAE (further described in section 8.3.3.2 of this Base Prospectus).

These additions are expected to enhance the Group's brand portfolio and further solidify its position in both domestic and international hospitality markets.

8.3.2 FOOD & BEVERAGE

8.3.2.1 Restaurants operated by the Lifestyle Group

Over the past seven (7) years, the Group has made substantial and sustained investments in its F&B division, primarily through the strategic growth of the Lifestyle Group.

As at the date of this Base Prospectus, the Lifestyle Group has launched and currently operates the following restaurant concepts across Malta:

- **AKI:** In February 2020, with an investment of €1.2 million, db Group opened *AKI*, a restaurant and lounge bar in the heart of Valletta, serving a unique gastronomical haute Japanese cuisine experience. Since its opening, the *AKI* restaurant has earned its place in the 2024 edition of the Michelin Guide and has also landed a two-fork rating from the Forbes Travel Guide Star Awards, which guide recognizes the finest restaurants on the island;
- **Amami:** In 2018, db Group opened *Amami*, a Japanese and Asian haute cuisine restaurant located at the Adeera Complex, Mellieha. *Amami Food Bar*, located within the University Campus Hub, a high-traffic area frequented by thousands of students, was introduced in July 2022. As the sister establishment of *Amami*, the food bar has been specifically designed to align with students' lifestyles, offering a flexible working space along with fast, on-the-go service;
- **LOA:** *LOA* opened its doors in April 2022 as an upmarket South American restaurant and lounge bar, contributing to the gentrification of the area surrounding the Sirens Aquatic Club in St. Paul's Bay. During its first year of operation, *LOA* delivered solid performance and was well received by both locals and tourists. In 2023, *LOA* was included in the 2023 Michelin Guide for the first time and was re-affirmed with this status in 2024;
- **TORA:** In May 2023, db Group launched *TORA*. *TORA*, located at the Tigne Seafront in Sliema, pays homage to traditional Oriental cuisine but with a contemporary twist. Within its first year of operation, *TORA* established itself as one of Malta's most highly-rated restaurants, according to TripAdvisor;
- **MANTA:** Opened in June 2023, *MANTA* is a Mediterranean fusion restaurant and lido set on the Tigne Seafront in Sliema, just under *TORA* restaurant. It offers a premium poolside dining experience complemented by entertainment;
- **Nine Lives:** Opened in June 2019, *Nine Lives* is a popular beach club in St. Paul's Bay that has established itself as a destination of choice for both locals and tourists. A refurbishment was carried out during the first quarter of 2024 to enhance the guest experience in its fifth year of operations;
- **Blu Beach Club:** Located at the Adeera Complex in Mellieha and set right on the water's edge of Ghadira Bay, Malta's largest sandy beach, *Blu Beach Club* offers a beach club, restaurant and lounge bar;
- **Colette Brasserie:** Nestled in Mellieha, *Colette Brasserie* brings the essence of French cuisine to Malta with a menu inspired by timeless culinary traditions;
- **Westreme:** Also located at the Adeera Complex in Mellieha, *Westreme* is a family-friendly restaurant offering an extensive and competitively-priced menu;
- **Verani:** Opened in April 2023, *Verani* is a fast-casual food outlet in the departure lounge of the Malta International Airport. In its first year of operation, the outlet significantly outperformed budgeted expectations and was well-received by travellers.

These establishments span a diverse range of culinary offerings and dining experiences, catering to both local clientele and international visitors.

The Lifestyle Group will play an integral role in the Group's landmark mixed-use development located in St. George's Bay, Malta, which includes ORA Residences, the five-star Hard Rock Hotel, St. George's Mall, and a range of supporting amenities. As part of this development, the Lifestyle Group is set to open and operate three (3) new premium restaurants, further cementing its reputation as a leader in Malta's high-end dining and lifestyle sector.

8.3.2.2 International expansion of the Lifestyle Group – launch of AKI London

Building on its success in Malta, the Group has taken its first step toward international expansion. db Lifestyle Real Estate Ltd has secured a 35-year lease at Cavendish Square, Marylebone, London, with the lease set to expire on 11 February 2060. With an investment of £12 million, this prime central London location will host the Group's flagship offshore restaurant under the *AKI* brand. This landmark establishment is expected to serve as a strategic brand ambassador for the Lifestyle Group, strengthening its presence in the global hospitality sector. The *AKI London* restaurant opened in September 2025.

8.3.2.3 Franchises

Alongside the growth of Lifestyle Group, db Group has consistently recognised the value of bringing internationally renowned brands to the Maltese market. The Group's strategic vision was evident as early as the 2000s with the introduction of Hard Rock Café in Malta, one of the first international lifestyle brands to establish a presence on the island. In recent years, the Group has significantly strengthened its international partnerships, through its franchise agreements with brands including but not limited to, Starbucks, GROM, EL&N, Bagatelle, and Tatal.

An overview of the Franchise Brands introduced to the Maltese market by the db Group as of the date of this Base Prospectus, along with the main terms of their respective franchise or licensing agreements, is set out below:

Hard Rock Café

Following its introduction to the Maltese market in the early 2000s, the internationally renowned Hard Rock brand has established a presence at two (2) locations in Malta: the Valletta Waterfront and the Malta International Airport. The Hard Rock Café Malta International Airport and Hard Rock Café Waterfront outlets operate from premises leased by Seaport Franchising Limited from third parties, with leases expiring in 2030 and 2026 respectively, subject to the possibility of renewal.

As at the date of this Base Prospectus, a third outlet is in the pipeline as part of db Group's St. George's Bay Project (further described in section 8.3.3.1 below), with an opening targeted for Q2 2026. Upon opening, this new venue is expected to accommodate approximately 250 covers, making it the largest Hard Rock Café in Malta to date.

Pursuant to franchise agreements entered into between Seaport Franchising Limited and Hard Rock Limited, Hard Rock Limited grants the Group a ten (10)-year licence to operate Hard Rock Café restaurants from the approved sites, renewable for a further ten (10)-year period subject to certain renewal requirements, namely the Hard Rock Café Malta International Airport outlet, the Hard Rock Café Waterfront outlet and the Hard Rock Café St. George's Bay outlet, including the right to use the Hard Rock intellectual property rights. The licence features exclusive territorial rights in Malta and worldwide rights to sell city-specific merchandise.

Starbucks

In recent years, the Group has significantly strengthened its international partnerships through its agreement with Starbucks. On 9 August 2019, Starbucks EMEA Ltd granted Debar Ltd a non-exclusive, non-transferable licence to develop, construct and operate Starbucks Stores in Malta pursuant to a franchise agreement, which was thereafter amended on 20 February 2024. The licence was granted with limited territorial exclusivity and includes rights to use Starbucks trademarks, technology, know-how, and to purchase Starbucks products.

Since launching the brand locally, db Group has expanded its Starbucks footprint to 18 outlets, with a 19th location scheduled to open by Q2 2026.

GROM

Further reinforcing its commitment to quality international offerings, db Group has introduced GROM to the Maltese market, a premium Italian gelateria brand. GROM's products emphasise natural, traditional ingredients, aligning with the growing consumer demand for clean-label offerings. Following entry into a franchise agreement with Gromart S.R.L. for ten (10) years from the first point of sale opened in June, with an automatic five (5)-year extension, Seabank Hotel and Catering Limited (C 40319) was granted an exclusive licence to establish points of sale within Malta, to sell GROM products and to utilise GROM's intellectual property rights.

The brand currently operates two (2) outlets in Malta, with plans for further expansion across key locations on the island in the coming years.

Charles & Ron

db Group has acquired the operations of the Charles & Ron Cafeteria, a lifestyle café concept developed by the iconic Maltese fashion house. Pursuant to a franchise agreement entered into by and between Charles & Ron Retail LTD and S.R.G.N Limited on 11 February 2025, Charles & Ron Retail LTD, as franchisor, has granted S.R.G.N Limited exclusive rights to operate the "Charles & Ron Cafe" brand franchise in Malta and Gozo, covering three (3) specific outlets with provisions for expansion. The licence includes use of the franchisor's intellectual property for an initial term of five (5) years with the option to renew for an additional five (5)-year term.

As at the date of this Base Prospectus, the Group has assumed control of the existing outlet in Naxxar and launched a second outlet in Valletta in July 2025, further diversifying its hospitality presence and capitalising on the synergy between local creativity and culinary innovation.

Other restaurant and leisure brands to feature at St. George's Bay Project

In addition to the above, db Group has entered into franchise agreements with several high-profile international hospitality and restaurant brands, all of which will be featured within its landmark mixed-use development at St. George's Bay. These include:

- **EL&N**, a globally recognised lifestyle café brand known for its distinctive aesthetic and social media-friendly interiors;
- **BAGATELLE**, a chic French dining concept renowned for combining fine dining with vibrant ambience;
- **TATEL**, a premium Spanish culinary brand celebrated for its contemporary take on Mediterranean cuisine.

The EL&N and Tatel franchise agreements have an initial term of 20 years, while the Bagatelle agreement has an initial term of ten (10) years. The term of each agreement will commence on the opening date of the respective outlet, which is expected to occur over the course of 2026.

The Group also intends to expand EL&N's local presence with a second confirmed location, in addition to the outlet within the upcoming mixed-use development.

8.3.3 PROPERTY DEVELOPMENT

Initially, the Group entered the property development market as a strategic move to develop its own projects. Eventually, it expanded its operations to include other real estate ventures.

One of the Group's flagship projects is the mixed-use development in St. Julian's, right across St George's Bay, one of Malta's prime seaside hospitality and entertainment destinations ("**St. George's Bay Project**").

8.3.3.1 St. George's Bay Project

Overview of the St. George's Bay Project

The mixed-use development will comprise:

- (i) two (2) residential towers (the "**ORA Residences**");
- (i) a 5-star hotel to be operated under the 'Hard Rock' international brand (the "**Hard Rock Hotel**"); and
- (ii) a shopping mall, housing globally renowned brands, extensive underground parking facilities, and various amenities such as international bars and restaurants ("**St. George's Mall**").

The St. George's Bay Project will feature an array of high-end facilities including 5,000 sqm of open spaces and a botanical garden, a large entertainment area, a supermarket, Malta's largest wellness centre including a gym and spa totalling 3,300 sqm, a globally branded beach club, and more than twelve restaurants which will include international brands like Hard Rock Café and EL&N, GROM and Tatel.

On 12 July 2023, the Group was granted the full and executable development permit (PA/03807/17) for the multi-use development, and thereafter immediately initiated excavation works. The approved development comprises a hotel, residential units, commercial office space, a shopping mall, restaurants, and both basement and surface-level parking facilities.

The St. George's Bay Project is expected to be completed in 2026.

The Group's total investment in the St. George's Bay Project is estimated to cost approximately €250 million. This investment is being funded through a combination of the Group's internal cash flows and bank financing. The Group also expects to partially refinance its investment in the St. George's Bay Project through the net Bond Issue proceeds.

Emphyteutical Concession

On 1 February 2017, db San Gorg Property Limited was granted by the Commissioner of Land (on behalf of the Government of Malta) under the title of temporary emphyteusis, a site having a total surface area of *circa* 24,000 sqm located in St George's Bay, St Julian's, Malta, pursuant to a deed in the records of Notary Anthony Hilli dated first day of February two thousand seventeen (01/02/2017) (INS3148/2017) ("**Emphyteutical Deed**").

The emphyteutical grant has been granted by the Government to the Group for a period of 99 years commencing from the date of publication of the emphyteutical deed, subject to a cash consideration of €15 million, payable over a period of seven (7) years, whereby the first payment of €5 million was paid on signing of the deed. This was primarily financed through a bank facility which also covered the payment of *circa* €3 million in stamp duties. The balance of €10 million was paid in seven (7) equal annual instalments as from January 2018.

A further consideration will be determined on the full extent of the developable area, which amount will be due to Government or vice versa, as the case may be, payable over a period of seven (7) years in seven (7) equal annual instalments and calculated in accordance with the terms of a schedule annexed to the Emphyteutical Deed.

Moreover, in terms of the Emphyteutical Deed, a total annual ground rent of €1,562,509 is payable to Government, of which a total of €1,169,579 is allocated for redemption purposes based on a net floor space area of 51,030 sqm (comprising residential, office, and garage spaces). This annual ground rent was temporarily reduced to €1,000 per annum until the lapse of a five (5)-year period from the date of the deed.

Furthermore, in terms of the said deed, db San Gorg Property Limited is prohibited from transferring, burdening, disposing of, alienating, or otherwise assigning any part of the properties, and from granting any real rights over the properties, without first obtaining the written consent of the Government of Malta in its capacity as dominus (holder of legal ownership of the property). Notwithstanding the foregoing, and subject to such conditions as laid down in the deed, db San Gorg Property Limited is not prohibited from entering into joint venture agreements, operation agreements, management agreements, grant leases, or other similar rights over the St George's Site in accordance with the permitted use.

The emphyteutical concession over the St George's Site is subject to a number of terms and conditions. Failure to abide by such terms and conditions may have an adverse material effect on the operations of the Group as set out in section 3.4.2.3.4 of this Base Prospectus.

The ORA Residences

With a total floor area of over 34,000 sqm, ORA Residences will offer 179 luxuriously designed high-end residences, each featuring its own spacious garden terrace. The residences will be complemented by a suite of exclusive, top-tier personalised services, all within a cutting-edge sustainable living concept. Furthermore, through an innovative club membership programme, residents will have access to a wealth of high-end amenities, including private temperature-controlled wine cellars, private pools, housekeeping services, chauffeurs, and concierge services.

The ORA Residences have been designed with the assistance of Dr Laura Gatti, the award-winning landscape designer behind the greenery of the world-renowned development known as the Vertical Gardens situated in Porta Nuova, Milan.

The ORA Residences are expected to be completed by mid-2026.

As at the date of this Base Prospectus, all units at the ORA West are on promise of sale (excluding four (4) Sky Villas which have not yet been marketed and are therefore not currently available for sale) and 76 out of 83 units at the ORA East are on promise of sale (likewise excluding four (4) unmarketed Sky Villas), resulting in a total of 168 units out of 179 being under promise of sale, of which eight (8) Sky Villas across both towers which have not been put for sale. When excluding these unmarketed Sky Villas, the development has achieved a 93% sales coverage.

The payment structure under the agreements in place for ORA West and ORA East follow a phased approach aligned with the construction progress and contractual milestones, as follows:

- (i) **ORA West – Selected units (Levels 3, 5 and 13):** for these units, the payment schedule includes a 10% deposit and a 20% roofing-over payment, both of which have already been made for Levels 3 and 5. The remaining 70% of the purchase price is payable upon execution of the final deed and delivery of the unit in finished form;
- (ii) **ORA West – Remaining Levels (Levels 0, 1, 2, 4, 6–12, and 14–15):** for these units, a 10% deposit and a 20% podium payment have already been settled. Additionally, the 10% roofing-over payment has been made up to Level 9. The largest tranche, representing 50% of the unit price, is due upon completion of the tower and delivery of the unit in shell form, of which 45% is payable directly to the Group, while 5% is retained by the notary pending issuance of the Tower Common Parts Certificate. The final 10% is payable upon completion of the unit finishes;
- (iii) **ORA East Units:** these units follow a slightly different payment schedule. A 30% deposit has already been paid, with the remaining 70% payable upon execution of the deed and delivery of the unit in finished form.

All apartments will be subject to the payment of annual, revisable ground rent to the Government of Malta unless the purchaser exercises its right for the ground rent to be converted to perpetuity and subsequently redeemed in terms of the provisions of the Emphyteutical Deed.

The duration of the promise of sale agreements span between three (3) to four (4) years, with late payments incurring interest at a rate of 8%, and giving the Group the right to terminate and retain deposits if buyers fail to remedy defaults within specified timeframes. Final deeds of sale are to be executed within 30 days from the issuance of a formal letter enclosing the 'Apartment Completion Certificate' (as per the specifications), the 'Tower Completion Certificate' (confirming shell and finishes to the respective floor), and the 'Tower Common Parts Completion Certificate' (including completion of shared elements such as lifts).

Without prejudice to any other right granted to the purchasers in terms of the promise of sale agreements, the purchaser has the right to withdraw from the agreement without forfeiture, penalty, or any liability if, by the termination date: (i) the relevant building permit is not definitively issued; or (ii) the apartment is not completed in accordance with the apartment specifications and the tower is not completed in accordance with the tower specifications.

On 2 July 2025, the Group applied for an additional full development permit (PA/3218/25) in connection with the proposed addition of seven (7) and six (6) floors to Tower A and Tower B respectively (including one duplex floor on each tower). The proposal contemplates the addition of 82 apartments to the ORA Residences, comprising 76 apartments and six (6) duplex apartments. If approved, this additional development permit will result in changes to the description of the ORA Residences as outlined above.

Hard Rock Hotel

The Hard Rock Hotel will be the brand's first hotel on the island and a dynamic new addition to Malta's lifestyle and hospitality scene. The hotel will pay architectural homage to the original 19th century British military accommodation quarters building and will feature 394 rooms, including 25 suites offering private pools. The hotel is designed to cater to a wide range of guests, from couples and jetsetters to families and business travellers. More than just a hotel, the Hard Rock Hotel will be a complete destination resort and is set to become a vibrant social hub, blending Malta's local charm with the brand's international flair. The hotel will feature, amongst other things, 15 restaurants, bars, lounges, and club concepts, a rooftop pool, a branded international beach club, and a wellness and fitness centre covering 3,000 sqm, which is set to be one of the largest wellness and fitness offerings in Malta. Additionally, the hotel will comprise one of Malta's largest lifestyle shopping malls, a hypermarket, and extensive parking facilities.

The hotel licence agreement entered into by and between db San Gorg Property Limited and Hard Rock Holdings Limited in 2017, amended in 2021 and thereafter on 24 July 2023, grants db San Gorg Property Limited a licence for the development and operation of a hotel under the name "Hard Rock Hotel Malta". Specifically, the agreement grants db San Gorg Property Limited the right to use Hard Rock's licensed rights, including trademarks and systems, to develop, operate, own, manage and promote a Hard Rock Hotel in Malta and sell branded merchandise at the Rock Shop only. The licence is limited to the licensed location, meaning the specific location at the St. George's Site. The hotel licence agreement is valid for a term of 15 years from the target opening date which is presently set as 31 July 2027, with two possible five (5) year extensions.

St. George's Mall

The development of the St. George's Mall shall be undertaken by DB Gauci Shopping Mall Limited (C 82284) ("DBG"), a company owned 40% by db Group (through SD Holdings) and 60% by PG Group (through PACLA Ltd (C 109997)). Scheduled for completion in 2026, the development will feature a PAVI-PAMA supermarket, alongside a range of retail outlets, various catering establishments, and dedicated parking facilities for patrons.

In November 2024, db San Gorg Property Limited and DBG entered into a preliminary agreement for the sub-emphyteusis of the St George's Mall, pursuant to which db San Gorg Property Limited promised to grant DBG the land over which the St George's Mall will be situated under the title of temporary sub-emphyteusis, subject to the conditions precedent as set out therein. The preliminary agreement has an initial term of two (2) years, automatically extendable for yearly periods if the approval of the Government of Malta required for the purposes of the sub-emphyteusis concession is not issued within that time.

8.3.3.2 RAK Project: Hard Rock Hotel & Residences, Beach District, Ras Al Khaimah

On 19 July 2024, SD Hotel Investments Holdings Limited, a subsidiary of SD Holdings and a limited company established in the Abu Dhabi Global Market, entered into a joint venture with RAK Hospitality Holding LLC, a company registered in Ras Al Khaimah with company registration number 36948 ("RAKHH") and owned by the Investment and Development Office (IDO) of the Government of Ras Al Khaimah. The joint venture company, HR Hotel FZ LLC, a company registered under the laws of Ras Al Khaimah with UAE company registration number 0000004054131, is 50% owned by the Group, through SD Hotel Investments Limited and 50% owned by RAKHH. The Group's investment in HR Hotel FZ LLC has been funded through shareholder loans.

Established in 2014, RAKHH stands as the leading hospitality group in the Emirate of Ras Al Khaimah. With a unique and diversified portfolio, RAKHH encompasses a wide spectrum of businesses including luxury, upper-upscale, and upscale hotels, leisure and entertainment venues, a variety of dining establishments, employee accommodation solutions, and logistics services. The RAKHH group also operates a dedicated event management company, as well as providing expertise in real estate and hospitality asset management and advisory services across the Middle East region and beyond. Amongst other things, RAKHH owns and operates the UAE's highest award-winning restaurant. RAKHH is also developing the Wynn Al Marjan Island project in partnership with Marjan and Wynn Resorts, introducing the first integrated resort in the United Arab Emirates.

The RAK Project is a strategically positioned mixed-use development pipeline project located on a prime beachfront plot in Ras Al Khaimah's Beach District, in the proximity of Al Marjan Island. Ras Al Khaimah is increasingly emerging as a strategic investment destination, located just a short drive from the cities of Dubai and Abu Dhabi, underpinned by top-tier infrastructure, nature-driven tourism, and a 7,000-year cultural heritage, attracting capital across diverse sectors including hospitality, residential, retail, and mixed-use development projects. This integrated approach supports diverse economic activities while maintaining the authentic character and high-quality living standards that define Ras Al Khaimah's competitive position in the regional market. Its Beach District is poised to evolve into a dynamic hub for tourism, lifestyle, and entertainment, positioning it among the fastest-growing destinations in the region.

The development will be the first Hard Rock Hotel & Residences in the UAE and will feature a five-star hotel comprising approximately 304 hotel rooms ("Hard Rock Hotel Ras Al Khaimah"), and approximately 395 branded residences ranging from studios, one, two, three and four bedroom apartments ("Hard Rock Branded Residences Ras Al Khaimah"). The hotel will include several restaurants, featuring diverse cuisines, including signature beachfront restaurants along the promenade, a rooftop bar, conference space, event venues, beach access, a beach club, swimming pools, and a spa and fitness center.

A suite of agreements has been entered into by HR Hotel FZ LLC with entertainment and hospitality leader, Hard Rock International, in connection with the development, operation, and promotion of the Hard Rock Hotel & Residences. These include a licence agreement under which Hard Rock International grants HR Hotel FZ LLC the right to establish, operate and promote the Hard Rock Hotel Ras Al Khaimah, and another licence agreement under which Hard Rock International grants a licence to use the licensed marks for the sales and marketing of the Hard Rock Branded Residences Ras Al Khaimah, each subject to the terms and conditions set out therein.

On completion, db Group is earmarked to be appointed as the operator of the Hard Rock Hotel & Branded Residences Ras Al Khaimah. The development is also set to create approximately 500 permanent job opportunities in the local area.

The RAK Project is expected to reach several key milestones over the development period. Finalisation of the project designs is targeted for Q4 2025, followed by the launch of residential sales. Construction work on site is scheduled to commence in Q1 2026, with completion anticipated by Q2 2028. The Hard Rock Hotel & Residences is set to officially open in 2028.

The RAK Project is estimated to cost approximately €300 million. As is customary in market, the RAK Project will be financed through a combination of equity, debt, and real estate sales.

8.3.4 INDUSTRIAL LAUNDRY SERVICES

The proposed project involves the establishment of a large-scale, centralised industrial laundry facility designed to meet bulk laundry demands. As at the date of this Base Prospectus, the Group operates four (4) hotels and several restaurants. In 2026, the Group is expected to launch an additional hotel, the Hard Rock Hotel, along with further restaurant outlets, all of which require frequent laundering of linens, uniforms, and other fabric-based materials.

As at the date hereof, the Group operates three (3) small laundries located within its hotel premises, which processes approximately 6,500 tonnes of laundry per annum. The primary objective of the proposed facility is to consolidate laundry operations into one (1) centralised, modern plant, improving efficiency and enhancing environmental sustainability through better energy and chemical management. The facility will be equipped with high-efficiency washing machines, industrial dryers, automated folding and sorting systems, and advanced water and energy conservation technologies. It is projected to handle between 8,000 and 12,000 tonnes of laundry per annum.

Initially, the facility will cater to the Group's existing operations and the upcoming expansion related to the Hard Rock Hotel. Subsequently, the Group aims to scale up the laundry service to target external clients within Malta and Gozo, including other hotels and healthcare institutions. Furthermore, the Group has identified a niche opportunity for a specialised boutique laundry service for private individuals. This service is expected to offer premium features such as door-to-door collection and delivery, garment repair, and other personalised care options.

db Resources Limited (C 109800) is the Group entity responsible for the industrial laundry service business line. It was incorporated in October 2024 and its main object is to operate and manage laundry services and ancillary human resource services. The project will require the employment of approximately 60 employees, including experienced labourers, semi-skilled employees, management, supervisors, technicians, and health and safety consultants. Training will be provided to employees to ensure compliance with all EU and local regulations.

The total cost of the project is approximately €4.7 million, to be financed through a combination of the Group's own resources and bank financing. The new business line is forecasted to generate profits of approximately €1.5 million during the first three (3) years of operation.

9. TREND INFORMATION

The Directors are of the view that the Issuer, the Guarantor and the Group shall, generally, be subject to the normal business risks associated with the property market in Malta and barring unforeseen circumstances, do not anticipate any likely material adverse effect on the Issuer's, the Guarantor's and Group's prospects, at least for the next 12 months.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information of the Group (as detailed below) has a material effect on its financial position and prospects.

There has been no material adverse change in the prospects of the Issuer since 31 March 2025, being the date of the last published audited financial information. There has been no significant change in the financial performance of the Group since 31 March 2025, being the date of the last published audited consolidated financial information.

9.1 MALTA ECONOMIC UPDATE¹

According to the Central Bank of Malta's August 2025 forecasts covering the period up to 2027, Malta's real GDP growth is set to moderate from 5.90% in 2024 to 3.90% in 2025. Growth is set to ease further in the following two years, reaching 3.30% in 2027. Over the projection horizon, domestic demand is expected to be the main driver of growth. The latter is expected to be led by private consumption, while investment should also continue to recover. Furthermore, net exports are projected to contribute positively to GDP growth, driven by trade in services.

Private consumption growth is set to moderate to 4.20% in 2025, partly reflecting slower growth in employment and a higher savings rate by households. Nevertheless, private consumption is set to remain relatively buoyant, as household disposable income will be supported by still favourable labour market conditions and the widening of the income tax bands. The latter adjustment will also contribute to some increase in disposable income, which is expected to raise the saving ratio in 2025, as higher income households with a lower average propensity to consume should save some of the tax relief. In subsequent years, the saving ratio is envisaged to decline marginally but remain relatively elevated at 12.7% by 2027.

Overall investment is projected to grow by 3.10% in 2025 before picking up to 3.70% in 2026. Investment should remain broadly unchanged in 2027, when government investment is projected to decline strongly.

Private investment began to recover in 2024 and is expected to grow by 2.10% in 2025 and 3% and 3.20% in 2026 and 2027 respectively. Following strong growth in residential construction in 2024, expansion in such activity is expected to stand close to 1% in 2025 but be more muted until 2027 as investment outlays remain high from a historical perspective. Similarly, growth in non-dwelling private investment is expected to remain relatively contained during the projection horizon in view of the expected slowdown in economic activity. Government investment is forecast to increase in 2025 and 2026, mostly due to a pick-up in EU-funded investment related to the Recovery and Resilience Facility ("RRF"). Investment is then forecast to decline in 2027, as projects financed by the RRF are completed.

The labour market remains strong and demand for labour is envisaged to stay high. However, the increase in employment is expected to moderate over the projection horizon, driven by the projected easing in economic growth and an assumed recovery in productivity. Inflows of foreign workers are also expected to slow down due to policies aimed at limiting inward migration flows such as skills card requirements, the regulation of temping agencies, and the moratorium on food couriers and cab drivers. Also,

¹ Source: Central Bank of Malta, 'Outlook for the Maltese Economy 2025-2027', 19 August 2025, available at: <https://www.centralbankmalta.org/site/Publications/Outlook/2025/Outlook-2025-3.pdf>.

at the beginning of 2025, the Government launched the Malta Labour Migration Policy with several proposed measures to regulate the entry of third country nationals coming into force from August 2025. As a result, employment growth is expected to moderate gradually from 5.30% in 2024 to 3% in 2025 before easing further to 2.40% and 2.30% by 2026 and 2027 respectively.

The unemployment rate is forecast to edge down to 2.80% in 2025 and 2.70% in 2026 and 2027. As such, the labour market is envisaged to remain tight, as the non-accelerating inflation rate of unemployment is projected at around 3.20%, so that the unemployment gap is forecast to be slightly negative in 2026 and 2027.² A persistently negative unemployment gap implies that labour market tightness will be a key factor driving the wage outlook. However, as inflation continues to moderate, together with a growing need for a small open economy such as Malta to increase competitiveness, especially in the face of rising barriers to international trade, this should dampen upward pressure on wages. In this regard, wage growth is expected to moderate to 4.40% in 2025 from 6.30% in 2024 and is set to edge further down to 3.70% and 3.50% in 2026 and 2027 respectively.

Annual inflation rose in the first half of 2025, reaching 2.50% in June from 1.80% in December 2024. Going forward, inflation is projected to stand at 2.30% in 2025, reflecting mainly an envisaged decline in food and services inflation. Inflation is expected to ease further to 2.10% in 2026 and 2% in 2027, driven primarily by lower services inflation. Meanwhile, inflation excluding energy and food is projected to stand at 2.30% in 2025 and 1.90% in 2026 and 2027, mainly driven by an expected moderation in services inflation.

9.2 MALTA TOURISM AND HOSPITALITY³

The Maltese tourism sector continued its strong recovery in 2024, recording a total of 3,563,618 inbound tourists. This represents a significant increase of 19.53% compared to 2023, when arrivals stood at 2,981,476, and a remarkable 29.43% rise over 2019, the last pre-pandemic benchmark year, which saw 2,753,240 visitors.

The total number of nights spent by tourists did not increase at the same pace as the growth in inbound tourist arrivals. In 2024, tourists spent a total of 22,916,616 nights in Malta, representing an increase of 12.95% over the 20,289,051 nights recorded in 2023, and a rise of 18.50% when compared to 19,338,860 nights in 2019. As a result, the average length of stay per tourist continued to decline, falling to 6.43 nights in 2024 from 6.81 nights in 2023 and 7.02 nights in 2019. In fact, the proportion of tourists staying for one to three nights increased slightly to 23.76% in 2024, up from 23.28% in 2023 and 21.82% in 2019. Similarly, stays of four to six nights rose to 37.46% in 2024 compared to 35.11% in 2023 and 29.83% in 2019. In contrast, the share of visitors staying for seven nights or more declined to 38.78% in 2024, down from 41.61% in 2023 and 48.35% in 2019. These shifts point to a growing trend towards shorter, yet more frequent, trips – broadly in line with evolving global travel patterns.

Total tourist expenditure in 2024 reached €3.29 billion, marking a substantial 23.05% increase from the €2.67 billion recorded in 2023 and representing a 48.22% rise from €2.22 billion in 2019. Expenditure per tourist also increased to €924 in 2024, compared to €897 in 2023 and €807 in 2019. Furthermore, expenditure per night rose to €144, compared to €132 in 2023 and €115 in 2019, indicating that although tourists are spending fewer nights in Malta, their overall spend per night increased, possibly due to rising travel costs, inflation, or a shift towards higher-value experiences.

Accommodation preferences showed minor shifts in 2024. The percentage of tourists opting for collective accommodation⁴ decreased slightly to 61.01% from 62.65% in 2023 and 62.11% in 2019. Accordingly, private accommodation⁵ usage increased to 38.99%, up from 37.35% in 2023 and 37.89% in 2019. However, when considering the share of total nights spent, collective accommodation accounted for 52.58% of all stays, representing a marginal increase from 52.17% in 2023 and 52.06% in 2019, whilst the remaining share, ranging between 47% and 48%, was spent in private accommodation.

Demographic trends in 2024 reveal a continued shift towards a younger tourist base. The proportion of visitors aged up to 24 years increased to 24.18%, up from 22.12% in 2023 and 19.78% in 2019. Meanwhile, the percentage of tourists aged between 25 and 44 years declined to 36.60% compared to 38.98% in 2023 and 40.02% in 2019. Similarly, the share of visitors aged between 45 and 64 years saw a slight decline to 29.54% from 29.80% in 2023 and 30.03% in 2019. The proportion of tourists aged 65 years and over increased slightly to 9.68% in 2024, up from 9.10% in 2023 but still lower than the 10.17% recorded in 2019. These trends suggest that Malta is attracting a growing proportion of younger travellers, potentially influenced by increased budget airline connectivity, digital nomad incentives, or events targeting younger demographics.

In terms of arrivals by country of origin, the share of tourists from the European Union declined slightly to 67.19% in 2024 from 67.83% in 2023. Within this group, the proportion from the euro area decreased to 52.49% from 54.69% in 2023. Meanwhile, the share of tourists from non-EU countries rose to 32.81% in 2024 from 32.17% in 2023.

² The non-accelerating inflation rate of unemployment is the lowest level of unemployment that can be maintained in an economy without triggering accelerating inflation.

³ Source: National Statistics Office ("NSO") – (i) 'Inbound Tourism Statistics', 30 July 2025, available at: <https://nso.gov.mt/wp-content/uploads/Inbound-Tourism-Selected-Indicators.xlsx>; and (ii) 'Inbound Tourism: June 2025', 30 July 2025, available at: <https://nso.gov.mt/tourism/inbound-tourism-june-2025/>

⁴ Comprising hotels, guesthouses, hostels, tourist villages, holiday complexes, bed and breakfast, and campsites.

⁵ Comprising other rented accommodation (such as holiday furnished premises, host families, marinas, paid-convents, rented yachts, and student dormitories) and non-rented accommodation (mainly private residences).

Holiday tourism remained the dominant reason for travel, increasing further in 2024, with 92.34% of visitors citing leisure as their primary purpose compared to 90.91% in 2023 and 88.92% in 2019. In contrast, the proportion of tourists visiting Malta for business and professional purposes declined to 4.84% in 2024, down from 5.26% in 2023 and 6.87% in 2019. These figures reinforce that Malta's tourism recovery has been primarily leisure-driven, with the business travel segment lagging somewhat behind.

Patterns in travel organisation showed a continued decline in package holidays, with 24.91% of tourists opting for pre-arranged packages in 2024 compared to 25.21% in 2023 and 29.71% in 2019. This indicates an ongoing shift towards independent travel, likely facilitated by the ease of online bookings and an increasing preference for personalised experiences. Another notable trend has been the continued rise in first-time visitors, who accounted for 79.08% of arrivals in 2024, up from 77.44% in 2023 and 74.68% in 2019. Conversely, repeat visitors declined to 20.92% in 2024, compared to 22.56% in 2023 and 25.32% in 2019. While this suggests that Malta is attracting new audiences, the decreasing share of repeat visitors may indicate a need for strategies to enhance visitor retention and encourage return visits.

January to June 2025

In the first six months of 2025, inbound tourists totalled 1.81 million, representing an increase of 13.51% over the same period in 2024, when total arrivals stood at 1.59 million. Collectively, these tourists spent 10.67 million nights, up by 13.22% from 9.42 million nights in the corresponding period of 2024. This resulted in an average length of stay of 5.91 nights, broadly unchanged from 5.92 nights in the first half of 2024. The proportion of tourists staying for one to three nights eased to 26.94% in H1 2025 from 28.77% in the first half of 2024. Stays of four to six nights rose to 40.52% in H1 2025 compared to 38.95% in the corresponding period in 2024. In contrast, the share of visitors staying for seven nights or more stayed broadly unchanged at 32.53%.

During the first half of 2025, total expenditure by inbound tourists amounted to €1.56 billion, which was 21.14% higher than the total of €1.29 billion spent between January and June 2024. Accordingly, expenditure per tourist increased to €866 compared to €812 in the first half of 2024. Similarly, expenditure per night also increased markedly year-on-year to €147 compared to €137 in the same period in 2024.

The percentage of tourists opting for collective accommodation moved slightly lower to 63.54% in H1 2025 from 63.81% in the first half of 2024. Accordingly, private accommodation usage increased to 36.46%, up from 36.19% in H1 2024. However, when considering the share of total nights spent, collective accommodation accounted for 56.32% of all stays, representing a marginal increase from 55.43% in H1 2024, whilst the remaining share of around 44% was spent in private accommodation.

In terms of the demographic profile of inbound tourists between January and June 2025, 0.35 million (or 19.15%) were below 25 years of age, 0.66 million (or 36.63%) were aged between 25 and 44 years, 0.58 million (or 32.30%) were aged between 45 and 64 years, whilst the remaining portion amounting to 0.22 million (or 11.92%) were over 64 years of age.

Almost 2 million inbound tourists (or 66.42% of arrivals) came from EU countries, of which 48.73% (or 0.88 million) represented markets within the euro area. Moreover, the bulk of inbound tourists visiting Malta in the first half of 2025 were for leisure purposes (1.67 million – or 92.59%). The large majority (1.43 million – or 79.37%) were first-time tourists, whilst tourists who opted for a non-packaged type of stay (1.33 million – or 73.48%) also represented the lion's share of inbound tourists.

9.3 MALTA PROPERTY MARKET⁶

Data provided by the NSO shows that in 2024, 1,649 permits were granted for the construction of 8,716 new dwellings, representing a year-on-year increase of 7.42%. Most of the approved new dwellings comprised apartments, which totalled 6,177 units (2023: 5,755 units), representing 70.87% of the total number of approved residential units in 2024. The remaining approved new units were penthouses, which totalled 1,366 units (2023: 1,271 units), maisonettes – 783 units (2023: 714 units), terraced houses – 283 units (2023: 292 units), and other types of dwellings including villas, bungalows, and farmhouses, which totalled 107 units (2023: 82 units).

In H1 2025, 1,023 permits were granted for the construction of 5,170 new dwellings, representing a year-on-year increase of 9.70% in the supply of residential units. Apartments remained the predominant residential type, accounting for 3,688 units, representing a 9.66% increase from 3,363 units in H1 2024. Terraced houses experienced a similar growth, increasing by 9.09% to 156 units from 143 units in the prior year's comparable period. Maisonettes and other type of dwellings surged by around 50% to 632 units (H1 2024: 423 units) and 72 units (H1 2024: 48 units) respectively, whilst the number of approved penthouses declined by 15.49% to 622 units (H1 2024: 736 units).

In nominal terms, the CBM Property Prices Index ("PPI") – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – increased by 5.62% in 2024 to 181.68 points. The sharpest year-on-year percentage increase took place in the prices of 'other property', comprising townhouses, houses of character, and villas, which advanced by 9.45%. The advertised prices of terraced houses and apartments increased by over 8%, whilst maisonettes saw their advertised prices increase by 7.49%.

⁶ Sources: (i) CBM – 'Property Prices Index based on Advertised Prices', 28 August 2025, available at: https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xlsx?rnd=20250904145252&revcount=7656&revcount=2717; and (ii) NSO – (a) 'Residential Property Transactions', 12 August 2025, available at: https://nso.gov.mt/wp-content/uploads/Residential_Property-Transactions.xlsx; (b) 'Residential Permits and Dwellings', 3 September 2025, available at: https://nso.gov.mt/wp-content/uploads/Residential_Permits_and_Dwellings.xlsx; and (c) 'Residential Property Price Index', 4 July 2025, available at: <https://nso.gov.mt/wp-content/uploads/Residential-Property-Price-Index.xlsx>.

In H1 2025, the CBM PPI rose further to 189.40 points, representing a year-on-year increase of 5.24%. Price momentum remained positive across all categories of dwellings. Other types of property registered the sharpest percentage growth, increasing by 6.81% year-on-year. Terraced houses and maisonettes followed, with annual increases of 3.62% and 2.53% respectively, whilst apartments recorded marginal year-on-year growth of 1.29%.

The NSO Residential Property Price Index ("RPPI") – which is based on actual transactions involving apartments, maisonettes and terraced houses – registered an increase of 6.67% to 163.65 points in 2024. In aggregate, the prices of apartments and maisonettes, which represent the lion's share of the market, rose by 6.46%, with apartment prices increasing by 6.50% whilst maisonette prices recorded a year-on-year increase of 6.33%.

In Q1 2025, the NSO RPPI rose further to 169.09 points, representing a year-on-year increase of 5.69%. In aggregate, the prices of apartments and maisonettes rose by 5.48%, with apartment prices increasing by 5.31% whilst maisonette prices recorded a year-on-year increase of 6.21%.

Meanwhile, in terms of transactions, throughout 2024 a total of 12,598 final deeds of sale relating to residential property were registered compared to 12,180 deeds in 2023 and 14,331 deeds in 2022. The total value of final deeds of sale increased by 8.02% in 2024 to a new record of €3.52 billion compared to €3.26 billion in 2023 and €3.30 billion in 2022. Furthermore, the average value per deed of sale increased to €279,362 compared to €267,504 in 2023 and €230,242 in 2022.

During H1 2025, 6,394 final deeds of sale were registered, slightly higher than the 6,348 deeds recorded in the corresponding period in 2024. The total value of final deeds of sale rose to €1.84 billion compared to €1.73 billion in H1 2024, marking an increase of 6.61% on a year-on-year basis. This led to a 5.84% increase in the average value per deed, which climbed to €287,926 in H1 2025 from €272,038 a year earlier, reflecting continued resilience in transaction values despite a relatively stable volume of concluded deals.

9.4 UNITED ARAB EMIRATES ECONOMIC UPDATE⁷

The UAE economy grew by 4% in 2024. This growth was primarily driven by a 5% expansion of non-hydrocarbon activities and a 1% rebound in the hydrocarbon sector. For 2025, the CBUAE lowered its growth forecast by 30 basis points to 4.40%, reflecting the effects of slower global economic activity, increased uncertainty, and falling oil prices. Despite this revision, the projected growth for 2025 remains higher than that observed in 2024. For 2026, the growth projection has also been revised downward by 30 basis points to 5.40%, largely due to weaker external demand and subdued oil prices.

Non-hydrocarbon GDP is expected to grow by 4.50% in 2025, with the growth rate projected to remain steady in 2026. This sustained growth is primarily driven by the government's strategic plans and policies aimed at attracting foreign investment, fostering innovation, and promoting key non-hydrocarbon sectors such as industrial manufacturing, tourism, transport, and the digital economy, which align with key national initiatives within the 'We the UAE 2031' vision.⁸

Regarding hydrocarbon GDP, during the first four months of 2025, oil production averaged 2.9 million barrels per day, representing a 0.40% decline compared to the same period in 2024. However, oil production is expected to recover in line with OPEC+ production quotas. Gas production in the first quarter of 2025 rose by 2% year-on-year. Based on OPEC+ production plans, as well as ongoing and planned upstream and midstream activities in the oil and gas sector, the UAE hydrocarbon sector is expected to grow by 4.10% in 2025, followed by a further expansion of 8.10% in 2026.

The CBUAE revised down its inflation forecast for 2025 by 10 basis points to 1.90%, driven by moderating energy prices, partially offset by non-tradeable components of the consumer basket. In addition, easing prices of key non-energy commodities are expected to contribute to a contained inflation rate. In 2026, inflation is expected to remain unchanged at 1.90%, reflecting a 20 basis point downward revision from the previous forecast.

UAE residential real estate sales market maintained strong momentum in Q1 2025, with transactions in Abu Dhabi and Dubai increasing by 12.60% year-on-year. Off-plan sales transactions demonstrated 17% year-on-year growth, reflecting sustained investor interest, while ready units saw 5.20% year-on-year growth. Sales of villas increased by 27.70% year-on-year, and the number of sold apartments rose by 10.30% year-on-year.

The median sales price for apartments and villas in Abu Dhabi in the first quarter of 2025 decreased by 6.50% and 12.10% year-on-year respectively. This decline was primarily due to a shift in transaction activity towards mid- and lower-tier locations in Q1 2025, compared to a higher concentration of prime location sales in the same period in 2024. Median villa sales prices in Dubai rose by 17.20% year-on-year, while apartment prices posted a more moderate gain of 4.10% year-on-year.

Rental transactions in Abu Dhabi and Dubai in Q1 2025 declined by 5.60% year-on-year. The number of renewed rents fell by 2% year-on-year, while newly registered rents experienced a sharper decline of 11.60% year-on-year. The volume of leased apartments in Q1 2025 declined by 5.50% year-on-year, and the number of villa rents fell by 6%.

⁷ Source: Central Bank of the United Arab Emirates ("CBUAE"), 'Quarterly Economic Review – June 2025', 25 June 2025, available at: https://www.centralbank.ae/media/yriylfz2/qr-june-2025_en.pdf

⁸ 'We the UAE 2031' vision represents a ten-year national plan through which the UAE aims at continuing its development path with a particular focus on specific social, economic, investment, and development targets. The plan seeks to enhance the position of the UAE as a global partner and an attractive and influential economic hub. It also aims to highlight the successful economic model of the UAE, and the opportunities that the country provides to all global partners. Further information about 'We the UAE 2031' is available at: <https://wetheuae.ae/en>

Despite the slowdown in transaction volumes, the median apartment rental price in Abu Dhabi in Q1 2025 increased by 2.70% year-on-year, while villa rents remained relatively stable, rising by 1.30% year-on-year. Rental prices in Dubai remained on an upward trend: median apartment rents increased by 11.70% year-on-year, while villa rents saw a more pronounced rise of 15.60% year-on-year.

Dubai's tourism sector maintained strong momentum in Q1 2025, attracting 7.15 million overnight visitors, representing an increase of 7% compared to the same period in 2024. This reinforces the city's position as a premier global destination. The hospitality sector also demonstrated resilience, with hotel occupancy reaching a healthy 83% in April 2025, an increase compared to 81% in the same period in 2024. Revenue per available room held steady, reflecting sustained demand across key tourism segments. These results highlight the continued success of Dubai's efforts to enhance visitor experiences and global connectivity, supporting broader non-oil economic growth and reinforcing confidence in the emirate's long-term tourism strategy.

Etihad Airways, the national airline of the UAE, reported significant growth, transporting 6.7 million passengers in the first four months of 2025, representing a 17.10% increase compared to the same period in 2024. This growth was attributed to the expansion of capacity and a larger operating fleet. As of April 2025, the airline served 99 destinations with a fleet of 72 aircraft, up from 89 destinations and 68 aircraft during the same period in 2024.

Dubai International Airport ("DXB") welcomed 23.40 million passengers through its terminals in Q1 2025, sustaining its strong growth trajectory and reaffirming its standing as one of the world's busiest international airports. This increase highlights both the rising global appeal of Dubai as a destination and DXB's strategic importance as a key travel hub.

Despite setting records in Q1 2025, traffic rose by 1.50% year-on-year. Notably, January 2025 marked a historic milestone, with DXB handling 8.5 million travellers – the highest monthly figure ever recorded at the airport. The UAE's aviation and tourism sectors remain vital drivers of the nation's economic diversification agenda. Their continued growth reflects the success of targeted strategies aimed at strengthening global connectivity, expanding the hospitality sector, and elevating the country's profile as a premier destination for both leisure and business travel.

10. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

10.1 THE BOARD OF DIRECTORS OF THE ISSUER

The Board of Directors is principally responsible for the general governance of the Issuer, for setting its strategic aims, ensuring proper administration and management, and overseeing its overall affairs. Its responsibilities include oversight of the Issuer's internal control procedures and financial performance, and review of the Issuer's business risks, thereby ensuring such risks are adequately identified, evaluated, mitigated and managed, whilst opportunities are maximised and pursued appropriately.

The articles of association of the Issuer provide that the Board of Directors shall be composed of a minimum of two (2) and a maximum of seven (7) directors.

As at the date of this Base Prospectus, the Board of Directors consists of six (6) directors who are entrusted with the overall direction, administration, and management of the Issuer. The Board of Directors currently consists of three (3) executive directors and three (3) non-executive directors, all three (3) of whom are independent non-executive directors.

As at the date of this Base Prospectus, the Board of Directors consists of the following members:

Name	Designation	Date of Appointment
Silvio Debono (ID Card No. 26060M)	Chairman	20 January 2017
Robert Debono (ID Card No. 532292M)	Director and Group Chief Executive Officer	20 January 2017
Alan Debono (ID Card No. 248498M)	Executive Director	25 April 2025
Phillip Micallef (ID Card No. 86654M)	Independent Non-Executive Director	17 February 2017
Vincent Micallef (ID Card No. 407075M)	Independent Non-Executive Director	17 February 2017
Stephen Muscat (ID Card No. 460561M)	Independent Non-Executive Director	17 February 2017

The company secretary of the Issuer is Dr Shaheryar Ghaznavi, holder of Maltese identity card number 219698M.

The business address of the Directors and the company secretary is the same as that of the Issuer.

10.2 CURRICULA VITAE OF DIRECTORS OF THE ISSUER

Silvio Debono Silvio Debono is the founder and Chairman of the db Group. Mr Debono is an accomplished entrepreneur in Malta's hospitality industry. He began in 1984 by acquiring the '*Pot of Gold*' guesthouse, which he transformed into the db Seabank Resort + Spa. Over the years, he initiated large-scale expansions, introduced international franchises, and ventured into real estate. Mr Debono continues to oversee strategic investments across hotels, catering, and leisure, propelling db Group to a leading market position. His forward-thinking approach drives continuous innovation and growth, solidifying the group's reputation in Malta and beyond.

Robert Debono Robert Debono is the Chief Executive Officer (CEO) of db Group in Malta. He initially served as Financial Controller at Health Services Group Limited (C 16298), and thereafter, in 2015, joined db Group as a director of SD Holdings. In 2020, he was appointed as CEO, focusing on strategic growth, profitability, and adherence to corporate values.

As CEO, Mr Debono is accountable for defining and executing the overall strategy and vision of the hospitality and catering group while overseeing the financial performance, business development, operational excellence, and brand integrity across multiple business units. He is responsible for establishing long-term growth objectives, drives expansion into new markets, and evaluates acquisition and partnership opportunities. Mr Debono holds a Bachelor of Commerce (Hons.) in Management from the University of Malta.

Alan Debono Alan Debono serves as executive director of the Issuer and the Guarantor. After commencing his ACCA studies in 2016, Mr Debono gained practical experience as an Accounts Clerk at Seabank Hotel and db San Antonio Hotel & Spa. He later became Financial Controller at db San Antonio Hotel & Spa, leading budgeting and financial reporting procedures. In October 2020, he assumed a cluster Financial Controller role overseeing multiple companies. By March 2021, Mr Debono was appointed Director, focusing on capital expenditures, strategic planning, and financial governance.

Mr Debono leads the procurement and supply chain strategy across the Group by overseeing sourcing, vendor management, and contract negotiations for goods and services essential to hospitality and catering operations. Working cross-functionally with project development and operations teams, ensuring timely delivery, quality control, and cost-efficiency. Strategic responsibilities include introducing digital procurement tools, fostering supplier innovation collaborations, and incorporating ESG and sustainability criteria into purchasing decisions. The CPO also manages risks related to supplier reliability and compliance, and is accountable for cost optimization, and performance reporting to senior management.

Philip Micallef Philip Micallef is a non-executive director of the Issuer and a member of the Audit Committee. Mr Micallef is a seasoned executive with over three (3) decades of leadership experience in telecommunications, regulatory affairs, and aviation. He holds a Bachelor of Science in Electrical Engineering with a specialisation in telecommunications from the University of Malta and a Master of Business Administration from the University of Warwick, United Kingdom.

Over the years, he has served in top-level positions such as Chief Executive Officer of Air Malta, Malta Enterprise, Melita Cable, the Telecoms Regulatory Authority of Bermuda, and, contributing significantly to restructuring efforts, regulatory development, and market liberalisation in each role. With over 30 years of experience in top executive roles, Mr Micallef continues to guide organisations through strategic decision-making, technological innovation, and effective governance.

Vincent Micallef Vincent Micallef is a non executive director of the Issuer and a member of the Audit Committee. Dr Micallef is the founding and managing partner of the law firm 'Vincent Micallef & Associates' (formerly 'Micallef & Ellul Advocates'). His academic qualifications comprise a Bachelor of Arts in Legal and Humanistic Studies, a Diploma of Notary Public and a Doctoral Degree in Law.

Beyond his private practice of law, Dr Micallef serves as a non-executive director on several private holding and operating companies as well as public state entity boards. He is currently the Vice Chair of the Public Contracts Review Board: a critical institution in Malta's public procurement system, providing oversight, reviewing disputes, and ensuring the fair, transparent, and legal awarding of public contracts. Dr Micallef advised and provided consultancy to the Government of Malta with respect to the privatization of the former Malta Ship Building site, consultancy to the Government of Malta with respect to the process of the land reclamation international initiative in Malta and consultancy to the Valletta 2018 Foundation.

Dr Micallef is a member of the Chamber of Advocates, the Local Bar Association and also serves as examiner within the Faculty of Laws at the University of Malta.

Stephen Muscat Stephen Muscat is a non executive director of the Issuer and a member of the Audit Committee. Stephen Muscat is a certified public accountant and a graduate of the University of Malta with B.A. (Honours) (Accountancy) degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors (UK). Mr Muscat is a former CEO and director of Maltacom p.l.c. (GO p.l.c) (C 22334).

Mr Muscat is an authorised company service provider, serving as a non-executive director of holding and trading companies, as well as a director of locally licensed financial institutions, including a bank. Mr Muscat is presently a member of the board of directors and Audit Committee of a public company having securities listed on the Official List of the MSE.

10.3 THE BOARD OF DIRECTORS OF THE GUARANTOR

The board of directors of the Guarantor is principally responsible for the general governance of the Guarantor and the Group, setting the strategic aims thereof, ensuring their proper administration and management, and for the general supervision of the affairs thereof. Its responsibilities include the oversight of the Guarantor's internal control procedures and financial performance, and the review of the Guarantor's and the Group's business risks, thus ensuring such risks are adequately identified, evaluated, mitigated, and managed, whilst opportunities are maximised and pursued appropriately.

The articles of association of the Guarantor provide that its board of directors shall be composed of a minimum of one (1) and a maximum of nine (9) directors.

As at the date of this Base Prospectus, the board of directors of the Guarantor consists of seven (7) directors who are entrusted with the overall direction, strategic direction, and management of the Group.

As at the date of this Base Prospectus, the board of directors of the Guarantor consists of the following members:

Name	Designation	Date of Appointment
Silvio Debono (ID Card No. 26060M)	Chairman	19 December 2006
Robert Debono (ID Card No. 532292M)	Director and Group Chief Executive Officer	5 July 2015
Alan Debono (ID Card No. 248498M)	Director and Chief Procurement and Accounting Officer	5 July 2015
David Debono (ID Card No. 025897M)	Director and Chief Legal Officer	5 November 2020
Jesmond Vella (ID Card No. 514676M)	Director and Chief Operating Officer	5 July 2015
Victoria Debono Borg (ID Card No. 303094M)	Director and Brand Manager	5 July 2015
Veronica Debono (ID Card No. 327263M)	Director	5 May 2023

The company secretary of the Guarantor is Dr David Debono, holder of identity card number 25897M.

The business address of the directors and the company secretary of the Guarantor is the same as that of the Guarantor.

10.4 CURRICULA VITAE OF DIRECTORS OF THE GUARANTOR

Silvio Debono	(Please refer to the <i>curriculum vitae</i> included in section 10.2 above)
Robert Debono	(Please refer to the <i>curriculum vitae</i> included in section 10.2 above)
Alan Debono	(Please refer to the <i>curriculum vitae</i> included in section 10.2 above)
David Debono	David Debono heads the legal department and is responsible for all regulatory compliance, contract lifecycle management, litigation oversight, and risk mitigation within the Group. The function includes ensuring that the commercial agreements, of which range from vendor contracts to franchise licenses, adhere to legal standards and protect the Group's interests. In parallel, Dr Debono oversees the acquisition, leasing, development, and disposal of real estate assets, providing legal direction to maximize transaction value and manage due diligence risks. As CLO, Dr Debono guides internal teams on compliance with corporate governance, employment law, data privacy, ADR, and dispute resolution. Dr Debono liaises with external counsel and regulators, manage external litigation, and ensure all transactions are contractually binding and legally enforceable.
Jesmond Vella	Jesmond Vella is a proven operations leader with over two decades of hospitality experience. He is the Group COO at db Group, guiding strategic direction, resource allocation, and process optimization since 2020. He also holds a directorship at SD Holdings, where he drives continuous improvement initiatives. Previously, Mr Vella served as director of operations at Tunny Net Complex, enhancing efficiency and profitability across multiple service lines. By fusing operational expertise with a commitment to guest satisfaction, Mr Vella ensures db Group's diverse portfolio meets the highest standards for service and innovation.

As Group COO, Jesmond Vella oversees all of the group operations with a primary focus on hotel management and performance. Responsibilities include standardising service delivery, quality control, cost control within operations, optimizing operational procedures, managing guest satisfaction, and ensuring adherence to safety and quality standards. Mr Vella coordinates budgeting, staffing, and resource allocation, and works closely with divisional COOs, hotel GMs, and departmental heads. Further responsibilities include collaborating on capital projects, property upgrades, and integrating emerging hospitality trends and technologies. Mr Vella also plays a key role in maximising revenue and operational profitability.

Victoria Debono Borg Victoria Debono Borg brings over a decade of hospitality experience, with a strong focus on brand strategy and project management. She began her career as an Accounts Officer at Hard Rock Cafe before advancing to Assistant General Manager and Director of Rooms at db Seabank Resort + Spa. Since December 2016, she has served as a Director of the Guarantor, and in January 2018, she was appointed Brands Manager. In this role, she leads creative direction and consumer engagement, significantly enhancing brand equity and contributing to db Group's growth as a leader in Maltese hospitality.

As Brands Director, Ms Debono Borg oversees the creation and management of each brand within the hospitality and catering group. She defines brand strategy, ensures consistency in visual identity and outlet design, and curates events, campaigns, and partnerships to enhance visibility and engagement. By aligning interior design with brand positioning and tracking performance metrics like guest feedback and awareness, she drives brand evolution and works cross-functionally to maintain standards across all properties.

Veronica Debono Veronica Debono serves as director of the Guarantor. Since April 2021, Ms Debono has held the position of Administration Senior Executive at Malta Healthcare Caterers Limited, where she was primarily responsible for management and human resources functions. Ms Debono continues to play a key role in promoting organisational excellence and the professional development of staff within the db Group.

10.5 SENIOR MANAGEMENT

10.5.1 SENIOR MANAGEMENT OF THE ISSUER

The Issuer is a finance company incorporated under the laws of Malta. The business of the Issuer is managed by the Board of Directors and does not separately employ any senior management. The Directors believe that the present organisational structure is adequate for the current activities of the Issuer. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

10.5.2 SENIOR MANAGEMENT OF THE GUARANTOR

The Board of Directors is supported by the following members of the senior management team, who are responsible for executing the Group's strategy, overseeing day-to-day operations, and ensuring effective management of resources:

Robert Debono **Group Chief Executive Officer**

(Please refer to the *curriculum vitae* included in section 10.2 above)

Jean Claude Fenech **Group Chief Financial Officer**

Jean Claude Fenech holds a key executive leadership role, responsible for steering the Group's financial strategy, investment oversight, and fiscal governance across all business verticals. Mr Fenech plays a central role in shaping the financial direction of the Group, ensuring it remains aligned with long-term business objectives, capital market conditions, and sector-specific challenges. His scope of responsibility covers strategic budgeting, forecasting, capital planning, and treasury management, alongside financial policy development.

Mr Fenech leads the Group's consolidated accounting function and is accountable for ensuring that robust financial systems, controls, and reporting mechanisms are in place. He oversees audit and compliance matters, both internal and external, and provides the executive team and board with clear, timely financial insights to support strategic decision-making.

Mr Fenech is a certified public accountant. He holds a Masters in Accountancy and a Bachelor of Commerce in Management, from the University of Malta.

David Debono **Group Chief Legal Officer**

(Please refer to the *curriculum vitae* included in section 10.4 above)

Nicholas Portelli **Managing Director of SDH Capital**

Nicholas Portelli is a seasoned financial services executive with 25 years of international experience. He earned a B.Com. (Banking and Finance) (Hons.) at the University of Malta in 1997. Mr Portelli served as Managing Director at Burlingtons Real Estate, and also led LifeStar Insurance plc as Chief Executive Officer. Since October 2022, he has headed SDH Capital Limited in London, a family office owned by db Group, directing global ventures in real estate and hospitality. His expertise spans restructuring, asset management, and cross-border investments.

As Managing Director of SDH Capital, Mr Portelli plays a pivotal leadership role in overseeing the Group's strategic investment initiatives, both locally and internationally. He is responsible for identifying, evaluating, and executing investment opportunities that align with the Group's long-term vision, financial objectives, and sectoral focus. He operates at the intersection of strategy, finance, and execution, driving high-level commercial discussions and negotiating key contractual frameworks of each substantial investment. Mr Portelli is actively involved in the end-to-end lifecycle of the Group's capital projects, from early-stage feasibility and due diligence through to financial structuring, funding acquisition, and transaction execution. In his role, Mr Portelli also serves as a key advisor to the Group's executive leadership, providing strategic guidance on capital allocation, investment risk management, and cross-border expansion.

John Wiltshire

Chief Operating Officer – Lifestyle

John Wiltshire is a distinguished hospitality professional with a BA (Hons) in Hotel & Business Management. He has excelled in opening and managing upscale restaurants, private clubs, and high-profile venues across the UK, Middle East, and beyond. As operations director at Aqua Restaurant Group, Mr Wiltshire oversaw annual revenues exceeding £40 million through cost control, brand enhancement, and team leadership. He has also served as a consultant on international launches, consistently elevating service quality and profitability. John remains dedicated to refining operational standards and delivering premium guest experiences worldwide.

Focusing on the Group's restaurant portfolio, Mr Wiltshire as the restaurants' COO, ensures excellence in daily operations, with particular responsibility for the Lifestyle Group brands. His role includes establishing operational standards, maintaining cost controls (such as food costs and labour), and delivering consistent, high-quality guest experiences. He also oversees the training and performance management of restaurant leadership, implementing best practices and business systems.

Trevor Vella

Chief Financial Officer – Head Office

Trevor Vella, as Head Office CF, oversees financial activities related to corporate functions, including budgeting, accounting, and internal financial reporting for head office operations. This includes monitoring corporate overheads. Mr Vella coordinates with division-specific finance teams to consolidate results and supports executive leadership with financial insights for decision-making and policy development.

Thomas Fehlbier

Director of Hotels – Lifestyle and Luxury.

Thomas Fehlbier joined the Group in 2025 to lead db Group's strategic expansion into the luxury hospitality sector, including the flagship five-star Hard Rock Hotel Malta and upcoming international projects in the UAE and beyond.

Mr. Fehlbier is a seasoned hospitality professional with extensive experience across luxury and lifestyle properties in the Middle East, South East Asia, the Caribbean, and Europe. His portfolio includes senior roles with Six Senses, where he successfully launched award-winning resorts in Israel and Grenada, and served as COO of Samrya Hospitality in Qatar, overseeing five properties and multiple large-scale developments.

With a strong track record in pre-openings, operations, and brand development, Mr. Fehlbier plays a key role in driving db Group's vision for excellence in the luxury hospitality space.

10.6 POTENTIAL CONFLICTS OF INTEREST

As at the date of this Base Prospectus, the Issuer and the Guarantor have identified and managed the following roles which may give rise to conflicts of interest:

- Silvio Debono, Robert Debono, and Alan Debono, directors of the Issuer, also sit on the board of directors of the Guarantor, and as such are susceptible to conflicts between the potentially diverging interests of the two companies, particularly in connection with advances to be made by the Issuer to the Guarantor;
- David Debono, Victoria Debono Borg, and Jesmond Vella sit on the board of directors of other members of the Group;
- Robert Debono, member of the board of directors of the Issuer and the Guarantor and ultimate beneficial owner of the Issuer, is also a member of management, occupying the position of Chief Executive Officer; and
- David Debono, Alan Debono and Victoria Debono Borg, members of the board of directors of the Guarantor and ultimate beneficial owners of the Issuer, are also members of management.

No private interests or duties unrelated to the Issuer or the Guarantor, as the case may be, have been disclosed by the senior management team which may, or are likely to, place any of them in conflict with any interests in, or duties towards, each other. In addition, in view of the lender-borrower relationship which is to arise between the Issuer and companies forming part of the Group, there may be situations that could give rise to conflicts between the potentially diverging interests of members of the Group. In these situations, the Directors shall act in accordance with the majority decision of those Directors who would not have a conflict in the situation and in line with the advice of outside legal counsel, as may be necessary.

The Audit Committee of the Issuer has the task of ensuring that any such potential conflicts of interest relating to the Directors are handled in the best interests of the Issuer. In terms of the Act, any director who, in any way, whether directly or indirectly, has an interest in a contract or a proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the company whose board he sits on, is required to declare the nature of his or her interest at a meeting of such company's board of directors.

To the extent known or potentially known to the Issuer as at the date of this Base Prospectus, there are no other potential conflicts of interest between any duties of the Directors, the directors of the Guarantor, and, or senior management, as the case may be, and their respective private interests and, or their other duties, which require disclosure in terms of the Regulation.

11. BOARD PRACTICES

11.1 Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities with regard to financial reporting processes, financial policies and internal control structures. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management, and the external auditors. The latter are invited to attend Audit Committee meetings. The Audit Committee reports directly to the Board and its terms of reference include support to the Board in its responsibilities and dealings with issues of risk, control, governance, and associated assurance.

The Audit Committee is expected to deal with and advise the Board of Directors on:

- its monitoring responsibilities over the financial reporting processes, financial policies, and internal control structures;
- maintaining communications on such matters between the Board, management, and the external auditors; and
- preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

The Audit Committee also has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party, including the Guarantor, to ensure that the execution of any such transaction is conducted at arm's length, on a commercial basis, and ultimately in the best interests of the Issuer. Furthermore, the Audit Committee assesses any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

The Audit Committee is made up entirely of independent non-executive Directors. It is composed of Mr Stephen Muscat, Mr Philip Micallef and Dr Vincent Micallef. The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Mr Stephen Muscat occupies the role of Chairman and is considered by the Board to be the independent non-executive Director competent in accounting and, or auditing in accordance with the Capital Markets Rules.

11.2 Compliance with Corporate Governance

The Issuer declares its full support of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code") and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer.

The Issuer is confident that the application of the Code has resulted, and is expected to continue to result, in positive effects accruing to the Issuer, its management and organisational set-up, its corporate strategy and its day-to-day activities.

As at the date of this Base Prospectus, the Board of Directors considers the Issuer to be in compliance with the Code, save for the following exceptions:

Principle 7: Evaluation of the Board's Performance (Code provision 7.1)

The Board of Directors has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1.

The Board of Directors believes that the size of the Issuer and the Board of Directors itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Board of Directors is such that it should enable it to evaluate its own performance without the requirement of setting up an *ad hoc* committee for this purpose. The Board of Directors shall retain this matter under review over the coming year.

Principle 8A: Remuneration Committee (Code provision 8.A.1) and Nominations Committee (Code provision 8.B.1)

The Board of Directors has not established a Remuneration and, or Nominations Committee. The Board of Directors considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees.

Furthermore, the Board of Directors believes that the procedure for the nominations and appointment of directors as contained in the Articles of Association are commensurate to the size and operations of the Issuer, and does not consider the requirement to establish an *ad hoc* Nominations Committee to be necessary for the Issuer. Instead, the Board of Directors takes on the role of periodically assessing the skills, knowledge and experience of individual directors for the Board of Directors to have the appropriate level of collective skill, knowledge and experience that would endow the Board of Directors with the requisite collective competence for the proper functioning, management and oversight of the Issuer by the Board.

Principle 9: Relations with Shareholders and with the Market

There is currently no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholder and the controlling shareholder. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholder via the office of the company secretary. In addition, such requirement in the Code is, in the Board's view, targeted at equity issuers rather than debt issuers.

Principle 10: Institutional Shareholders

The Directors are of the view that this principle 10 is not applicable to the Issuer.

12. ADDITIONAL INFORMATION

12.1 SHARE CAPITAL OF THE ISSUER

As at the date of this Base Prospectus, the authorised and issued share capital of the Issuer is €250,000 divided into 250,000 ordinary shares of a nominal value of one Euro (€1.00) each. As at the date of this Base Prospectus, the entire issued share capital of the Issuer has been fully subscribed for as follows:

Name and address of shareholder	Number of ordinary shares held
Silvio Debono Villa 269, Ghajin Zejtuna Road Santa Maria Estate, Mellieha Malta	1 ordinary share of €1.00, fully paid up
SD Holdings Limited C 40318 db Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha MLH 9064 Malta	249,999 ordinary shares of €1.00 each, fully paid up

The shares of the Issuer are not listed on the Malta Stock Exchange or any other regulated exchange, and no application for such listing has been made to date.

There is no capital of the Issuer, which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. To the best of the Issuer's knowledge, there are no arrangements in place as at the date of this Base Prospectus which may, at a subsequent date, result in a change in control of the Issuer.

Further information on the ultimate beneficial owners of the major shareholder of the Issuer is available in section 12.3 below.

12.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established, and powers which the Issuer has for the attainment of such objects, is set out in clauses three (3) and four (4) of the Memorandum of Association. These objects and powers include:

- to carry on the business of a holding company and to acquire by purchase, exchange, subscription or otherwise and to hold the whole or any part of the securities and interests of and in any companies for the time being engaged, concerned, or interested in any industry, trade, of business and to promote the beneficial co-operation of any such companies with one another as well as with the Issuer and to exercise in respect of such investments and holdings all the rights, powers, and privileges of ownership including the right to vote thereon;
- to employ the funds of the Issuer in the development and expansion of the business of the Issuer, of any of its subsidiaries and of any other company in which the Issuer has or may at any time have an interest; and
- to borrow or raise money in such manner as the Issuer shall think fit, and in particular by the issue of bonds, debentures or other securities or rights, and to secure the repayment of any money so borrowed or raised by hypothecation, charge, or lien upon the whole or any part of the Issuer's properties or assets, whether present or future, including its uncalled capital, and also by a similar hypothecation or charge to secure and guarantee the performance by the Issuer of any debt, liability, or obligation it may undertake.

12.3 SHARE CAPITAL OF THE GUARANTOR

As at the date of this Base Prospectus, the authorised share capital of the Guarantor is €5,000,000 divided into 998,000 ordinary shares of a nominal value of one Euro (€1.00) each, 1,200,000 ordinary 'A' shares of a nominal value of one Euro (€1.00) each, 700,000 ordinary 'B' shares of a nominal value of one Euro (€1.00) each, 700,000 ordinary 'C' shares of a nominal value of one Euro (€1.00) each, 700,000 ordinary 'D' shares of a nominal value of one Euro (€1.00) each, 700,000 ordinary 'E' shares of a nominal value of one Euro (€1.00) each, and 2,000 redeemable preference shares of a nominal value of one Euro (€1.00) each.

The issued share capital of the Guarantor as at the date of this Base Prospectus is €4,002,000 and has been subscribed for as follows:

Name and address of shareholder	Number of ordinary shares held
Robert Debono 47 Adorn Triq ta' Taht l-Irdum, Mellieha, Malta	700,000 ordinary 'B' shares of €1.00 each, fully paid up
Veronica Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	600,000 ordinary 'A' shares of €1.00 each, fully paid up 1,000 redeemable preference shares of €1.00 each, fully paid up
Silvio Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	600,000 ordinary 'A' shares of €1.00 each, fully paid up 1,000 redeemable preference shares of €1.00 each, fully paid up
Victoria Debono Borg 3A, North Point Res, Fl4 Triq ta' l-Gholleqa, Mellieha, Malta	700,000 ordinary 'C' shares of €1.00 each, fully paid up
David Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	700,000 ordinary 'D' shares of €1.00 each, fully paid up
Alan Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	700,000 ordinary 'E' shares of €1.00 each, fully paid up

The shares of the Guarantor are not listed on the Malta Stock Exchange or any other regulated exchange, and no application for such listing has been made to date.

There is no capital of the Guarantor, which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option. To the best of the Issuer's and the Guarantor's knowledge, there are no arrangements in place as at the date of this Base Prospectus which may, at a subsequent date, result in a change in control of the Guarantor.

12.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

The Memorandum and Articles of Association of the Guarantor are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Guarantor is established is set out in clause four (4) of its Memorandum of Association. These objects include:

- a) to provide advisory, consultancy, back-office, human resources, marketing, logistics and other ancillary services related to the management, administration and operations of other companies, and to carry out such activities as may be ancillary or as may be necessary or desirable to achieve the said objects;
- b) to acquire and hold shares in other companies as well as property whether in Malta or abroad; and
- c) to give credit, lend or advance moneys to customers and to guarantee the performance and observance of obligations and contracts by others, on such terms and conditions as the Guarantor may deem expedient, with or without security.

13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S AND THE GUARANTOR'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

13.1 HISTORICAL FINANCIAL INFORMATION - ISSUER

The historical financial information pertaining to the Issuer, for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025, has been extracted from the respective audited financial statements of the Issuer. The said financial statements are incorporated by reference in this Base Prospectus and may be accessed at the following hyperlink: <https://www.dbgroupmalta.com/investors/>

The table below provides a cross-reference list to key sections of the above-mentioned financial statements of the Issuer.

	Page number 2023	Page number 2024	Page number 2025
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Statement of changes in equity	11	11	12
Statement of cash flows	12	12	13
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There has been no significant change in the financial performance and, or financial position of the Issuer since the end of the last financial year.

Set out below are condensed extracts from the financial statements of the Issuer for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025.

SD Finance p.l.c.

Statement of Comprehensive Income

For the financial year 31 March

	2023	2024	2025
	€'000	€'000	€'000
Finance income	3,057	3,059	3,069
Finance costs	(2,921)	(2,925)	(2,929)
Administrative expenses	(128)	(126)	(134)
Profit before tax	8	8	6
Taxation	(3)	(3)	(2)
Profit for the year	5	5	4
Total comprehensive income for the year	5	5	4

SD Finance p.l.c.			
Statement of Financial Position			
As at 31 March	2023	2024	2025
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Loans receivable	64,333	64,333	64,333
	<u>64,333</u>	<u>64,333</u>	<u>64,333</u>
Current assets			
Trade and other receivables	175	204	67
Cash and cash equivalents	3,072	3,149	3,390
	<u>3,247</u>	<u>3,353</u>	<u>3,457</u>
Total assets	<u>67,580</u>	<u>67,686</u>	<u>67,790</u>
EQUITY			
Capital and reserves			
Called up share capital	250	250	250
Retained earnings	40	45	49
	<u>290</u>	<u>295</u>	<u>299</u>
LIABILITIES			
Non-current liabilities			
Bonds	64,585	64,780	64,890
	<u>64,585</u>	<u>64,780</u>	<u>64,890</u>
Current liabilities			
Trade and other payables	2,705	2,611	2,601
	<u>2,705</u>	<u>2,611</u>	<u>2,601</u>
Total liabilities	<u>67,290</u>	<u>67,391</u>	<u>67,491</u>
Total equity and liabilities	<u>67,580</u>	<u>67,686</u>	<u>67,790</u>

SD Finance p.l.c.			
Statement of Cash Flows			
For the financial year 31 March	2023	2024	2025
	€'000	€'000	€'000
Net cash from / (used in) operating activities	54	77	241
Net cash from / (used in) investing activities	-	-	-
Net cash from / (used in) financing activities	-	-	-
Net movement in cash and cash equivalents	54	77	241
Cash and cash equivalents at beginning of year	3,018	3,072	3,149
Cash and cash equivalents at end of year	<u>3,072</u>	<u>3,149</u>	<u>3,390</u>

In FY2025, the Issuer generated finance income of €3.07 million and incurred finance costs of €2.93 million, both of which remained relatively unchanged from the previous two financial years. After accounting for administrative costs and tax charges, the Issuer recorded a profit after tax of €4,000.

The Issuer's Statement of Financial Position primarily consists of the €65 million 4.35% unsecured and guaranteed bonds which mature on 25 April 2027. As at the end of FY2025, the Issuer also had current assets of €3.46 million (mostly comprising cash and cash equivalents), trade and other payables of €2.60 million, and total equity of just under €0.30 million.

13.2 HISTORICAL FINANCIAL INFORMATION - GUARANTOR

The historical financial information pertaining to the Guarantor, for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025, has been extracted from the respective audited consolidated financial statements of the Guarantor. The said financial statements are incorporated by reference in this Base Prospectus and may be accessed at the following hyperlink: <https://www.dbgroupmalta.com/investors/>

The table below provides a cross-reference list to key sections of the above-mentioned financial statements of the Guarantor.

	Page number 2023	Page number 2024	Page number 2025
Independent auditor's report	5 - 10	64	78 - 81
Consolidated statement of financial position	11 - 12	7	7 - 8
Consolidated statement of comprehensive income	13	8	9
Consolidated statement of changes in equity	14 - 16	9 - 10	10 - 11
Consolidated statement of cash flows	17	11	12
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There has been no significant change in the financial performance and, or financial position of the Guarantor since the end of the last financial year.

Set out below are condensed extracts from the financial statements of the Guarantor for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025.

SD Holdings Limited

Statement of Comprehensive Income

For the financial year 31 March

	2023 €'000	2024 €'000	2025 €'000
Revenue	70,799	88,725	99,202
Net operating costs	(46,047)	(57,609)	(63,410)
EBITDA	24,752	31,116	35,792
Depreciation and amortisation	(9,555)	(11,042)	(9,786)
Operating profit	15,197	20,074	26,006
Net finance costs	(5,289)	(5,348)	(6,613)
Fair value changes of investments	-	232	1,243
Share of results of associates	5,651	65	451
Profit before tax from continuing operations	15,559	15,023	21,087
Taxation	(3,185)	(6,170)	(9,504)
Profit for the year from continuing operations	12,374	8,853	11,583
Profit after tax from discontinued operations	-	5,421	7,034
Profit for the year	12,374	14,274	18,617
Other comprehensive income			
Fair value movements on land and buildings, net of tax	-	51,053	11,130
Other movements	126	126	-
Total comprehensive income (net of tax)	12,500	65,453	29,747

Revenues surged to €70.80 million in **FY2023** reflecting the strong underlying dynamics of the post-COVID-19 pandemic recovery. Hotel occupancy increased to 85% which was higher than the level of 81% in FY2020 prior to the outbreak of the COVID-19 pandemic. Moreover, the Group's food and beverage division recorded robust growth partly on the back of the opening of two new restaurants (LOA and Sonora) in St Paul's Bay and six additional Starbucks outlets to a total of 14 outlets.

EBITDA grew at a slower pace than revenues and reached €24.75 million, mainly on account of the negative impact of high inflation as well as an increase in payroll costs and other operational and administrative expenses in anticipation of the planned growth of the Group's both in Malta and overseas. Furthermore, the Group benefitted from a lower amount of COVID-19 Wage Supplement (which totalled €0.95 million) when compared to the prior year.

The year-on-year increase in depreciation and amortisation charges (+6.17% to €9.56 million) was offset by the increase in performance of the Group's associates which contributed €5.65 million (+26.48%) to the Group's profitability. Net finance costs increased by 21.81% to €5.29 million.

Overall, SD Holdings reported a net profit of €12.37 million (+17.13%, y-o-y) and total comprehensive income of €12.50 million.

Revenues increased by 25.32% to €88.73 million in **FY2024**. The overall occupancy rate of the Group's hotel portfolio increased to 89% reflecting both the buoyant conditions of the local tourism market as well as the attractiveness and competitiveness of the Group's hotels. Furthermore, the food and beverage sector also experienced better turnover figures amid the opening of four new restaurants located in Sliema, Mellieħa and Malta International Airport, and the inauguration of three new Starbucks outlets (located in St Paul's Bay, Sliema, and Malta International Airport) to a total of 17 spread across Malta and Gozo.

Cost of sales increased at the same rate as revenues to €57.61 million (FY2023: €46.05 million). As a result, EBITDA grew by 25.71% (y-o-y) to €31.12 million. Although depreciation and amortisation charges trended higher by 15.56% to €11.04 million, operating profit still increased by 32.09% to €20.07 million compared to €15.20 million in the prior year.

The share of results of associates, excluding the contributions from Healthcare Caterers Limited, Kore Air Services Limited and Kore Inflight Services Limited which were reclassified as 'discontinued operations' in FY2025, amounted to €0.07 million. Net finance costs increased marginally to €5.35 million, whilst the Group also registered a minor gain of €0.23 million in relation to the fair value of investments.

After accounting for tax charges of €6.17 million (FY2023: €3.19 million) and a profit after tax of €5.42 million from discontinued operations, the Group recorded a net profit for the year of €14.27 million.

Total comprehensive income amounted to €65.45 million in FY2024 (FY2023: €12.50 million) and mainly comprised a net gain of €51.05 million in the fair value of the Seabank Hotel and the db San Antonio Hotel & Spa. The aforementioned uplift in property values resulted from an upward revision in the respective financial forecasts following the strong recovery and the positive performance achieved after the negative impact of the COVID-19 pandemic. The location of the assets, possible future development, and the resulting potential for future income generation were also taken into consideration.

The Group generated total revenue of €99.20 million in **FY2025**, marking an increase of €10.48 million, or +11.81%, over the prior year's figure. The growth was underpinned by an expansion in business volumes and improved operating leverage across the Group's key segments. The overall hotel portfolio occupancy increased to 97%, whilst the food and beverage sector also experienced improved turnover, reflecting inorganic growth as well as the inauguration of two new GROM outlets and the addition of a further two Starbucks outlets, bringing the total to 19 across Malta and Gozo.

Net operating costs rose by 10.07% to €63.41 million, mainly driven by increases in cost of sales and administrative expenses (reflecting higher input costs and activity levels), partly offset by a marked uplift in other operating income which resulted from the recharge of development costs to an associate. Nonetheless, EBITDA surged by 15.03% to €35.79 million. After accounting for depreciation and amortisation charges of €9.79 million, operating profit stood at €26.01 million, representing a growth of 29.55%.

Net finance costs increased by €1.27 million to €6.61 million, reflecting higher interest expense as the Group took on additional bank borrowings to support its growth ambitions.

Fair value gains on investments amounted to €1.24 million whilst the share of results of associates stood at €0.45 million. As a result, profit before tax from continuing operations reached €21.09 million, representing an improvement of €6.06 million, or 40.36%, over the comparable figure of €15.02 million for FY2024.

The tax charge for the year stood at €9.50 million. Consequently, profit after tax from continuing operations amounted to €11.58 million, representing a 30.84% increase over the previous year's figure of €8.85 million. Including discontinued operations, which contributed €7.03 million in FY2025, total profit for the year stood at €18.62 million.

Other comprehensive income amounted to €11.13 million. This comprised the revaluation of the portion of the right-of-use asset within the St. George's Bay Project that is earmarked for development as an owner-occupied property (the Hard Rock Hotel). Overall, total comprehensive income amounted to €29.75 million, representing a reduction of €35.71 million when compared to FY2024.

SD Holdings Limited**Statement of Financial Position****As at 31 March**

	2023	2024	2025
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Property, plant and equipment	184,344	247,681	279,991
Investment property under development	82,628	18,199	-
Intangible assets	929	889	1,221
Inventories	-	68,901	76,180
Investments in associates	19,047	24,139	3,724
Right-of-use assets	15,366	19,702	26,359
Deferred tax assets	1,952	873	997
Financial assets	-	2,232	3,475
Trade and other receivables	335	387	1,487
Other non-current assets	-	4,244	37,528
	<u>304,601</u>	<u>387,247</u>	<u>430,962</u>
Current assets			
Inventories	2,018	2,182	2,533
Trade and other receivables	13,546	11,984	65,026
Current tax assets	1,509	1,509	366
Cash and cash equivalents	54,419	71,036	89,548
Assets held for sale	-	-	402
Other current assets	-	-	3,002
	<u>71,492</u>	<u>86,711</u>	<u>160,877</u>
Total assets	<u>376,093</u>	<u>473,958</u>	<u>591,839</u>
EQUITY			
Capital and reserves			
Share capital	4,000	4,000	4,000
Reserves	86,879	133,489	144,620
Retained earnings	61,290	73,890	92,507
	<u>152,169</u>	<u>211,379</u>	<u>241,127</u>
LIABILITIES			
Non-current liabilities			
Bonds	64,678	64,780	64,891
Bank borrowings	12,115	15,666	44,756
Lease liabilities	60,868	64,857	61,029
Deferred tax liabilities	19,405	27,110	29,872
Trade and other payables	12,252	11,394	11,450
Redeemable preference shares	-	4,673	4,824
	<u>169,318</u>	<u>188,480</u>	<u>216,822</u>
Current liabilities			
Bank overdraft	680	500	178
Bank borrowings	4,036	4,856	11,007
Lease liabilities	9,764	12,367	14,424
Current tax liabilities	1,186	5,980	14,199
Trade and other payables	36,386	47,844	91,511
Accrued bond interest	2,554	2,552	2,571
	<u>54,606</u>	<u>74,099</u>	<u>133,890</u>
Total liabilities	<u>223,924</u>	<u>262,579</u>	<u>350,712</u>
Total equity and liabilities	<u>376,093</u>	<u>473,958</u>	<u>591,839</u>

The Group's asset base expanded by 7.47% to €376.09 million in **FY2023**. Year-on-year, the most material increase related to cash balances which rose by €14.23 million to €54.42 million. Furthermore, non-current assets increased by €8.48 million to €304.60 million principally on account of the higher value of investment property under development to €82.63 million, investments in associates to €19.05 million, and right-of-use assets to €15.37 million. On the other hand, non-current deferred tax assets decreased by €2.63 million to €1.95 million.

Total liabilities increased by 7.71% to €223.92 million reflecting the higher level of debt to €152.14 million which was partly offset by the reduction in current and non-current trade and other payables to €51.19 million. During FY2023, the Group reclassified the amounts due to Government in relation to the St. George's Bay Project to lease liabilities in line with the disclosure requirements of IFRS 16 – Leases. With the addition of other concession agreements related to the operation of new restaurants, the amount of lease liabilities increased by €60.21 million year-on-year to €70.63 million.

The Group's equity based strengthened to €152.17 million on account of the €10.23 million y-o-y increase in retained earnings to €61.29 million.

Total assets increased by 26.02% to €473.96 million in **FY2024**, largely reflecting the uplift in the carrying values of the Seabank Hotel and the db San Antonio Hotel & Spa, as well as the higher level of cash and cash equivalents. The carrying amount of the investment in the St. George's Bay Project, reported under 'investment property under development', declined sharply to €18.20 million following the reclassification of €61.76 million to inventories (non-current assets), representing work-in-progress on residential properties for resale, and a further €4.74 million to PPE. Additions to investment property under development during the year amounted to €2.08 million. Meanwhile, development costs allocated to non-current inventories in respect of the St. George's Bay Project totalled €7.14 million, bringing the aggregate carrying value of the residential units to €68.90 million.

Investments in associates increased by €5.09 million to €24.14 million. Right-of-use assets rose by €4.34 million to €19.70 million, reflecting additions of €6.53 million related to newly leased establishments comprising bars and restaurants, offset by an amortisation charge of €2.20 million.

Total liabilities increased by €38.66 million to €262.58 million, driven by three key factors: (i) an aggregate increase of €12.50 million in tax liabilities, both deferred and current, largely attributable to the uplift in the carrying values of hotel properties; (ii) a net increase of €10.60 million in trade and other payables; and (iii) a €10.89 million rise in total debt to €163.03 million, reflecting higher bank borrowings, which increased by €4.19 million to €21.02 million, as well as a €6.59 million increase in lease liabilities to €77.22 million. During the year, the Guarantor also issued €4.67 million in redeemable preference shares as part of a shareholding reorganisation exercise.

The Group's equity base expanded by almost 39% to €211.38 million, reflecting the increase in both retained earnings (+€12.60 million to €73.89 million) and reserves (+€46.61 million to €133.49 million).

Total assets increased markedly by €117.88 million, or 24.87%, to reach €591.84 million in **FY2025**. The most significant contributor to this growth was the sharp increase in current trade and other receivables, which rose by €53.04 million to €65.03 million, mostly due to the rise in amounts owed by associates. During the year, such entities (namely Healthcare Caterers Limited, Kore Air Services Limited and Kore Inflight Services Limited) declared dividends totalling €27.62 million. The Guarantor has invested €6.43 million out of the committed €40.0 million in the RAK Project (FY2023: €2.23 million).

Furthermore, PPE increased by €32.31 million to €279.99 million, largely attributable to capital expenditure (including the acquisition of the remaining two-thirds ownership of the Xemxija Bay Hotel) and the revaluation of the portion of the right-of-use asset in the St. George's Bay Project earmarked to be developed as an owner-occupied property (the Hard Rock Hotel).

Another notable uplift was registered in other non-current assets, which increased by €33.28 million to €37.53 million, representing deposits made to contractors for the development of the St. George's Bay Project. Meanwhile, cash and cash equivalents increased by €18.51 million (y-o-y) to €89.55 million, whilst non-current inventories and right-of-use assets grew by 10.56% and 33.79% to €76.18 million and €26.36 million respectively.

Investment property under development was entirely reclassified, with the bulk under non-current inventory following the Group's decision to sell part of the St. George's Bay Project to an associated company. The value of investments in associates declined by €20.42 million to €3.72 million, primarily reflecting the declaration of dividends totalling €27.62 million from discontinued operations (namely Healthcare Caterers Limited, Kore Air Services Limited and Kore Inflight Services Limited).

Equity increased y-o-y by €29.75 million to €241.13 million, reflecting the growth in retained earnings (+€18.62 million), and an increase in reserves (+€11.13 million).

Total liabilities rose by €88.13 million to €350.71 million, primarily driven by a €34.92 million increase in bank borrowings to reach €55.94 million. Tax liabilities, comprising both deferred and current components, increased by €10.98 million to €44.07 million. Trade and other payables also increased considerably by €43.72 million to €102.96 million, reflecting the expansion of Group operations, higher amounts of advance deposits received on promise of sale agreements related to the ORA Residences, and higher balances owed to associates.

SD Holdings Limited

Statement of Cash Flows

For the financial year 31 March

	2023	2024	2025
	€'000	€'000	€'000
Net cash from operating activities	25,021	30,614	50,507
Net cash used in investing activities	(7,697)	(16,078)	(64,366)
Net cash from / (used in) financing activities	(3,051)	2,261	32,693
Net movement in cash and cash equivalents	14,273	16,797	18,834
Cash and cash equivalents at beginning of year	39,466	53,739	70,536
Cash and cash equivalents at end of year	53,739	70,536	89,370

Net cash generated from operating activities increased to €25.02 million in **FY2023**, reflecting the material growth in business. Cash used in investing activities amounted to €7.70 million and primarily represented outflows relating to the opening of new restaurants and catering outlets, as well as other capital expenditure, partly offset by dividend income from associates amounting to €2.72 million.

Cash outflows relating to financing activities amounted to €3.05 million and comprised net repayment of bank borrowings (€1.43 million) and principal elements of leases (€1.62 million).

Overall, the Group ended FY2023 with a cash balance of €53.74 million, representing a year-on-year increase of €14.27 million.

During **FY2024**, the Guarantor increased its cash balances by €16.80 million to €70.54 million. Net cash from operating activities amounted to €30.61 million whilst a further €2.26 million was generated from financing activities. The latter comprised net proceeds from bank borrowings of €4.47 million which were partly offset by the payment of principal elements of leases totalling €2.21 million.

In terms of investing activities, the Group utilised a total of €16.08 million which was predominantly channelled towards property, plant, and equipment ("PPE" – €8.77 million), investment property under development (i.e., outflows related to the St. George's Bay Project – €5.64 million), and financial assets (€2 million).

During **FY2025**, the Group generated net cash from operating activities amounting to €50.51 million, on account of the strong operational performance and positive movements in working capital of €17.12 million. Taxation movements were also favourable (+€0.98 million), whilst net interest paid increased by €0.93 million year-on-year to €3.66 million.

Net cash used in investing activities amounted to €64.37 million, primarily reflecting continued investment in the St. George's Bay Project, the acquisition of the remaining two-thirds ownership of the Xemxija Bay Hotel, as well as capital expenditure relating to new restaurant openings in Malta and London.

Net cash from financing activities totalled €32.69 million, driven by a net drawdown of €35.37 million from bank borrowings as the Group significantly ramped up its investment programme. Lease liability payments increased year-on-year by €0.47 million to €2.68 million.

Overall, the Guarantor registered a net increase in cash and cash equivalents in FY2025 of €18.83 million. Consequently, cash and cash equivalents at year-end amounted to €89.37 million, equivalent to 15.10% of the Group's total assets.

14. LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer is aware) during the period covering 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

15. MATERIAL CONTRACTS

Neither the Issuer, the Guarantor, nor any of the other companies forming part of the Group, are party to any contract that is not in the ordinary course of business of the respective Group company, which could result in any member of the Group being under an obligation or entitlement that is material to the Group as at the date of this Base Prospectus.

16. TERMS AND CONDITIONS

The following is the text of the terms and conditions ("**Terms and Conditions**") which, as supplemented by the provisions of the relevant Final Terms, shall be applicable to the Bonds.

All Applicants (or purchasers from time to time on the secondary market) of the Bonds are deemed to have knowledge, accept and be bound by these Terms and Conditions as completed by the relevant Final Terms.

16.1 GENERAL TERMS AND CONDITIONS

Under the Programme, the Issuer may from time to time issue Bonds in one or more Series in accordance with the terms and conditions set out in this Base Prospectus and the applicable Final Terms. The maximum aggregate principal amount of the Bonds from time to time outstanding under the Programme will not exceed €60,000,000.

Bonds may be issued in one or more Series composed of one or more Tranches. Tranches of Bonds issued under a Series shall be identical in all respects except for the Issue Date, the Interest Commencement Date, the first Interest Payment Date, and, or the Issue Price. Tranches forming part of the respective Series of Bonds may be issued and offered under the Programme for a period of up to 12 months from the date of approval of this Base Prospectus. Application will be made in respect of the admission to trading of individual Tranches on the Official List. All Bonds issued under the Programme will have a denomination of €100.

The Bonds may be issued on a continuing basis and may be distributed by way of offers to the public, placement agreements, and, or intermediaries' offers via Authorised Financial Intermediaries, for their own account, or on account of their underlying clients. The method of distribution of each Tranche will be stated in the applicable Final Terms. Subject to the restrictions and conditions set out in this Base Prospectus, the categories of prospective investors to which the Bonds are intended to be offered are retail and non-retail investors in Malta. There are no restrictions on the free transferability of the Bonds.

The Issuer shall notify the public of the method of publication of the Final Terms by means of electronic publication on the website of the MSE (www.borzamalta.com.mt), or, in addition, and at the option of the Issuer, on the website of the Issuer (<https://www.dbgroupmalta.com/investors/>). Any notice so given will be deemed to have been validly given on the date of such publication.

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer. There will be entered in such electronic register, the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders together with particulars of the Bonds held by them. A copy of the Bondholder's entry in the CSD's electronic register will, at all reasonable times during business hours, be available for inspection by the Bondholders at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the CSD Register. Each Bondholder consents to the Issuer having a right to obtain, from the CSD, any available information on the Bondholders including contact details and their holdings of Bonds.

The CSD will issue, upon request by a Bondholder, a statement of holdings evidencing such Bondholder's entitlement to the Bonds held in the electronic register at the CSD.

The Programme and the publication of the Programme were authorised by a resolution of the Board of Directors passed on the 25 September 2025.

16.2 ANCILLARY TERMS AND CONDITIONS

The following additional terms and conditions shall apply to all Bonds issued under the Programme:

- (a) the issue and allotment of the Bonds is conditional upon the relevant Tranche being admitted to the Official List by no later than the Issue Date. In the event that the Bonds are not admitted to the Official List by the date indicated, the Issuer undertakes to procure that any application monies received by the Manager & Registrar from Authorised Financial Intermediaries will be returned without interest by direct credit into the Applicant's or Authorised Financial Intermediary's bank account, as applicable, as indicated by the Applicant or Authorised Financial Intermediary in the respective Application, or placement agreement or subscription agreement, as applicable, for the eventual refund to the Applicant. Save as aforesaid, the Bondholders shall have no right of recourse against the Issuer and, or Manager & Registrar and, or Authorised Financial Intermediaries in the event that the Bonds are not admitted to the Official List by the date indicated in the relevant Final Terms;
- (b) by applying to subscribe for Bonds, an Applicant is thereby confirming to the Issuer (through the Manager & Registrar) and the Authorised Financial Intermediary through whom the application is made, as applicable, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer (through the Manager & Registrar) reserves the right to invalidate the relative application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary and, or Manager & Registrar, as applicable, which acceptance shall be made in the absolute discretion of the Authorised Financial Intermediary and, or Manager & Registrar and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary and, or Issuer and, or Manager & Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation;
- (c) the contract created by the Manager & Registrar's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Base Prospectus, the applicable Final Terms and the Memorandum and Articles of Association of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile;

- (d) any Application signed on behalf of another person, whether legal or natural, will be deemed to have duly bound the person signing such Application, who will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney or resolution, or a copy thereof, duly certified by a lawyer or notary public if so required by the Issuer, but it shall not be the duty or responsibility of the Issuer to ascertain that such representative is duly authorised to appear on the Application;
- (e) in the case of joint Applicants, reference to the Bondholder in the Application and in this Base Prospectus is a reference to each Bondholder, and liability therefor is joint and several. In respect of a Bond held jointly by several persons, the joint holders shall nominate one of their number as their representative, and his name will be entered in the register maintained by the CSD with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination, and until such nomination is made, the person first named in the register maintained by the CSD in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held;
- (f) in respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The Issuer shall be entitled to request any documents deemed necessary concerning the bare owner/s and the usufructuary/ies. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders, but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner);
- (g) applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE and are signed by both parents or the legal guardian/s. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years;
- (h) legal entities, including corporates or corporate entities or associations of persons, applying for the Bonds need to have a LEI which needs to be valid and unexpired, at least, until the admission to listing of the Bonds. Without a valid LEI, the Application will be cancelled by the Manager & Registrar and, or the Authorised Financial Intermediary (as applicable) and subscription monies will be returned to the Applicant;
- (i) by completing and delivering an Application, the Applicant:
 - (1) accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Issue Price and, to the fullest extent permitted by law, accepts not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Issue Price (as applicable) being made subject to the provisions of this Base Prospectus, the applicable Final Terms, the Application and the Memorandum and Articles of Association of the Issuer;
 - (2) agrees and acknowledges to have had the opportunity to read this Base Prospectus (and any supplement thereto, if any), the applicable Final Terms and any other document entered into in relation to the Programme and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - (3) warrants that the information submitted by the Applicant in the Application is true and correct in all respects. All applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Manager & Registrar acting on behalf of the Issuer (in its capacity as the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - (4) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.dbgroupmalta.com/investors. The Applicant (and any Bondholder acquiring Bonds on the secondary market) hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's (or the Bondholder's) consent, in the circumstances set out in the Data Protection Act (Cap. 586 of the laws of Malta) (the "DPA"), the General Data Protection Regulation (GDPR) (EU) 2016/679 ("GDPR"), and any applicable subsidiary legislation, as may be amended from time to time. The Applicant (and any Bondholder acquiring Bonds on the secondary market) hereby confirm that he has been provided with and read the privacy notice;
 - (5) authorises the Issuer (or its service providers, including the CSD and/or the Sponsors and/or Manager & Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the DPA and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;
 - (6) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Base Prospectus and the relevant Final Terms and accordingly agree/s that no person responsible solely or jointly for the Base Prospectus and the relevant Final Terms or any part thereof will have any liability for any such other information or representation;

- (7) agrees that any refund of unallocated Application monies, without interest, will be paid by direct credit, at the Applicant's own risk, to the bank account as indicated in the Application. The Issuer and the Manager & Registrar shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- (8) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (9) agrees to provide each of the Authorised Financial Intermediaries or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- (10) agrees that all applications, acceptances of applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptance of applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (11) warrants that, where an Applicant signs and submits an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions. The Applicant further undertakes to submit a power of attorney or any other documentation to the satisfaction of the Issuer evidencing authority to sign and submit the Application, together with copies thereof duly certified by a lawyer or notary public if so required by the Issuer;
- (12) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental and, or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer, an Authorised Financial Intermediary and, or the Sponsor and, or the Manager & Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds and, or his Application;
- (13) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (14) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in this Base Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "**United States**") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (15) agrees that the advisors to the Bond Issue (listed in section 5.1 of this Base Prospectus) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;
- (16) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by electronic mail, by post or courier (at the discretion of the Issuer) at the address (or, in the case of joint applications, the address of the first named Applicant) as set out in the Application; and
- (17) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- (18) in the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application, at the Applicant's sole risk. The Issuer or the Manager & Registrar shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer;
- (19) for the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the 'Members' Code of Conduct' appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the DPA and the GDPR as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time;
- (20) it shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription and holding of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012, as well as applicable MFSA Rules for investment services providers;
- (21) subject to all other terms and conditions set out in this Base Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any application for the Bonds, for any reason whatsoever, including but not limited to multiple or suspected multiple Applications or any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Both original and electronic copies of the Application submitted to the Manager & Registrar by Authorised Financial Intermediaries will be accepted;

- (22) no person receiving a copy of this Base Prospectus, the applicable Final Terms, or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application could lawfully be used without contravention of any registration or other legal requirements; and
- (23) subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors (including tax and legal advisors) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.

16.3 STATUS AND RANKING OF THE BONDS

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, subject to the negative pledge clause set out in section 16.4 of this Base Prospectus, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

16.4 NEGATIVE PLEDGE

The Issuer and the Guarantor undertake, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of their respective present or future assets or revenues, to secure any Financial Indebtedness (as defined below) of the Issuer and, or the Guarantor. The instrument creating any such Permitted Security Interest shall provide that the Issuer's and Guarantor's indebtedness under the Bonds, shares in and is secured equally and rateably with such Permitted Security Interest.

"Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; and (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer or the Guarantor;

"Permitted Security Interest" means:

- A. any Security Interest arising by operation of law;
- B. any Security Interest securing temporary bank loans or overdrafts or guarantees (including those issued to the Group's franchisors and suppliers) in the ordinary course of business;
- C. any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds;
- D. any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer or Guarantor (as the case may be), in an aggregate outstanding amount not exceeding 90% of the difference between the value of the Unencumbered Assets of the Issuer and Guarantor and the aggregate principal amount of Bonds outstanding at the time;

Provided that the aggregate Security Interests referred to in (B), (C) and (D) above do not result in the Unencumbered Assets of the Issuer or Guarantor (as the case may be) being less than the aggregate principal amount of the Bonds still outstanding together with one year's interest thereon;

"Unencumbered Assets" means assets which are not subject to a Security Interest.

16.5 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount, together with accrued interest, if any, if any of the following events ("**Events of Default**") shall occur:

- i. the Issuer fails to effect payment of interest under the Bonds (irrespective of the Tranche) on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or
- ii. the Issuer fails to pay the principal amount on any Bond (irrespective of the Tranche) on the Redemption Date, and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or

- iii. the Issuer fails to duly perform or otherwise breaches any other material obligation contained in the Base Prospectus and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer / Guarantor by any Bondholder; or
- iv. in terms of article 214(5) of the Act, a court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer or the Guarantor and is not paid out, withdrawn or discharged within one month;
- v. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- vi. the Issuer or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise become insolvent; or
- vii. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer or the Guarantor;
- viii. a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer or Guarantor; or
- ix. the Issuer or the Guarantor substantially changes the object or nature of its business as currently carried on; or
- x. any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect; or
- xi. any material indebtedness of the Issuer or Guarantor is not paid when properly due or becomes properly due and payable or any creditor of the Issuer or Guarantor (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer or / Guarantor in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000; or
- xii. the Issuer or the Guarantor repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and, or the Guarantee (as applicable); or
- xiii. it becomes unlawful at any time for the Issuer or the Guarantor to perform all or any of its obligations hereunder, or under the Guarantee (as applicable); or
- xiv. all, or a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated, or compulsorily acquired by or under the authority of any government.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

16.6 RIGHTS OF BONDHOLDERS

A Bondholder shall have such rights as are, pursuant to the terms and conditions of this Base Prospectus and the applicable Final Terms, attached to the Bonds, including:

- (a) the repayment of capital;
- (b) the payment of interest;
- (c) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions;
- (d) the right to seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the Terms and Conditions of the Bonds; and
- (e) the enjoyment of all such other rights attached to the Bonds emanating from this Base Prospectus and applicable Final Terms.

16.7 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in €100) in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

16.8 PAYMENTS

Payment of the principal amount of Bonds will be made in Euro (€) by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro (€). Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the applicable Redemption Value on the Redemption Date, the Bonds shall be redeemed, and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business of the register cut-off date as specified in the applicable Final Terms (the **"Register Cut-Off Date"**), by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be effected within seven days of the applicable Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

16.9 YIELD

The gross yield of each Tranche calculated on the basis of the Interest, the Issue Price, and the Redemption Value of the Bonds, shall be set out in the Final Terms.

16.10 REDEMPTION

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date.

Subject to the provisions of this section 16.10, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be reissued or re-sold.

16.11 BONDHOLDERS' MEETINGS

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Base Prospectus require the approval of a Bondholders' meeting, including *inter alia* to affect any change to the Terms and Conditions of the Bonds and, or the applicable Final Terms in respect of one or more Tranches.

In the event that the Issuer is desirous of amending the Final Terms of one particular Tranche, it is only the Bondholders of that particular Tranche (the **"Affected Bondholders"**) who shall be entitled to attend, and vote at, a meeting summoned for this purpose. Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' meeting. Meetings of Bondholders and Affected Bondholders shall be summoned and conducted in the manner prescribed hereunder.

A meeting of Bondholders or Affected Bondholders, as applicable, shall be held at the written request of the Issuer. The meeting of Bondholders or Affected Bondholders, as applicable, shall be called by the Directors by giving all Bondholders or Affected Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Said notice may be given by electronic mail, by post or by courier at the discretion of the Issuer, and shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Base Prospectus or the terms and conditions of a Tranche that is proposed to be voted upon at the meeting and seeking approval of the Bondholders or the Affected Bondholders.

Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

Each Bond shall entitle the holder thereof to one (1) vote. A meeting of Bondholders or Affected Bondholders, as applicable, shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, a quorum shall be constituted at least two (2) Bondholders or Affected Bondholders (as the case may be) present, in person or by proxy, representing not less than:

- (i) 50% in nominal value of the Bonds then in issue, in the case of a meeting of all Bondholders; or
- (ii) 50% in nominal value of the Bonds then in issue in a particular Tranche held by the Affected Bondholders, in the case of a meeting of Affected Bondholders.

If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who, in accordance with the Memorandum and Articles of Association of the Issuer, is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders or Affected Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders or Affected Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders or Affected Bondholders present at the time at which the vote is being taken, and any Bondholders or Affected Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote. The voting process shall be managed by the company secretary of the Issuer.

Unless otherwise specified in this Base Prospectus, the proposal placed before a meeting of Bondholders or Affected Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders or Affected Bondholders, as applicable, present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal. A matter decided at a duly convened Bondholders' meeting is binding on all Bondholders or Affected Bondholders, as the case may be, irrespective of whether they are present or not.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

The amendment or waiver of any of the Terms and Conditions of the Bond Issue contained in this Base Prospectus may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present when voting takes place.

17. FORM OF FINAL TERMS

FORM OF FINAL TERMS

dated [●]

UNSECURED BOND ISSUANCE PROGRAMME OF A MAXIMUM OF €60,000,000

Series No: [●]
Tranche No: [●]

ISIN [-]

[amount of Bonds]

issued by:

SD FINANCE P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 79193

with the joint and several guarantee of*

SD HOLDINGS LIMITED

A PRIVATE LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 40318

*Prospective investors are to refer to the Guarantee contained in Annex I of the Base Prospectus for a description of the Guarantee. Reference should also be made to the section entitled "*Risk Factors*" contained in the Base Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with *inter alia* the Guarantee.

PART A – CONTRACTUAL TERMS

Capitalised terms used herein which are not defined shall have the definitions assigned to them in the Base Prospectus dated 3 October 2025 which was approved by the MFSA in Malta on 3 October 2025 which constitutes a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the Final Terms of the Bonds described herein for the purposes of article 8 the Prospectus Regulation and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Tranche of Bonds under these Final Terms is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the issue of this Tranche of Bonds is annexed to these Final Terms.

The Base Prospectus is available for viewing at the office of the Issuer and on the websites of: (a) the MFSA during a period of 12 months from the date of approval of the Base Prospectus; and (b) the Issuer (<https://www.dbgroupmalta.com/investors/>) and copies may be obtained free of charge from the registered office of the Issuer (Seabank Hotel, Marfa Road, Mellieha MLH 9064, Malta). A summary of this individual issue is annexed to these Final Terms.

The following is a description of the main terms of the Bonds:

1. Issuer	SD Finance p.l.c.
2. Guarantor	SD Holdings Limited
3. (i) Series Number (ii) Tranche Number (iii) ISIN	[•] [•] [•]
4. Specified Currency	Euro (€)
5. Aggregate nominal amount: (i) Series (ii) Tranche	[•] [•]
6. (i) Issue Price of Tranche (ii) Net proceeds	[•] [•]
7. Specified Denomination	[•]
8. Number of Bonds offered for Subscription	[•]
9. Status of the Bonds	[•]
10. (i) Issue Date (ii) Interest Commencement Date	[•] [•]
11. Redemption Date	[•]
12. Redemption Value	[•]
13. Register Cut-Off Date	[•]
INTEREST	
14. Interest	[•]
15. Interest Payment Date/s	[•]
GENERAL PROVISIONS	
16. Taxation	As per section 18 (“Taxation”) of the Base Prospectus.

PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the offer for subscription, issue, and admission to trading on the Official List of the Tranche of Bonds described herein pursuant to the Programme of a maximum of €60,000,000 of the Issuer in terms of the Base Prospectus dated 3 October 2025.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Board of Directors by: [•]

PART B - OTHER INFORMATION

1. Definitions

[•]	
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2. Admission to listing and trading

Admission to Listing	The Bonds were authorised as admissible to listing on the Official List.
Admission to Trading	Application has been made to the MSE for the Bonds being issued pursuant to these Final Terms to be admitted to trading thereon. The Bonds are expected to be admitted to the MSE with effect from [•] and trading is expected to commence on [•].
Previous admission to trading	[•]
Estimate of total expenses relating to Admission to Trading	[•]
Dates of the corporate authorisations for issuance of the Bonds:	[•]

3. Reasons for the offer, estimated net proceeds and total expenses

Reasons for the Offer / Use of Proceeds	[•]
Estimated Expenses	[•]
Estimated Net Proceeds	[•]
Conditions to which the Offer is subject	[•]

4. Yield

Yield	[•]
Method of calculating the yield	[•]

5. Expected Timetable

Offer period	[•]
Announcement of basis of acceptance	[•]
Refund of unallocated monies, if any	[•]
Commencement of interest	[•]
Expected date of admission of the Bonds to listing	[•]
Issue date of the Bonds	[•]
Expected date of commencement of trading in the Bonds	[•]

The Issuer reserves the right to close the Offer Period before [•] in the event that [•] in which case events set out in steps [•] above shall be brought forward; and the revised dates will be communicated by the Issuer by company announcement and, or on its website, without the requirement to amend these Final Terms.

6. Method of Distribution and Allocation

Categories of potential investors to which the Bonds are offered	[•]
Plan of Distribution and Allotment	[•]
Reservation of Tranche, of part thereof, in favour of specific class of investors	[•]
Minimum amount of application	[•]

Description of application process	[•]
Allocation policy	[•]
Results of the offer	[•]
Selling Commission	[•]

7. Interests of Natural and Legal Persons Involved in the Issue

[•]

ANNEX I - ISSUE SPECIFIC SUMMARY

[•]

ANNEX II - LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

[•]

18. TAXATION

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

Kindly note that the below overview is limited to the key Malta tax considerations. Investors and prospective investors are advised to seek counsel from their tax advisors outside Malta, where any foreign tax considerations may be relevant.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Base Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation, as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

18.1 MALTA TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “recipient” in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta, hereinafter the “**Income Tax Act**”), interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of fifteen per cent (15%) (ten per cent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to Article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Tax and Customs the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer will also render an account to the Maltese Commissioner for Tax and Customs of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case, the Issuer will advise the Maltese Commissioner for Tax and Customs on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are exempt from Maltese income tax on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

18.2 MALTESE TAXATION OF CAPITAL GAINS ON TRANSFERS OF THE BONDS

As the Bonds do not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, to the extent that the Bonds are held as capital assets by the Bondholders, no tax on capital gains is chargeable in respect of transfer of the Bonds.

18.3 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), Maltese stamp duty is chargeable, *inter alia*, on the transfer *inter vivos* or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and, therefore, the transfer or transmission thereof should not be chargeable to Maltese stamp duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta), since the Bonds constitute financial instruments of a quoted company (as defined in such Act), redemptions and transfers of the Bonds should, in any case, be exempt from Maltese stamp duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING, AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

18.4 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and, or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Tax and Customs. The Maltese Commissioner for Tax and Customs will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU, 2015/2376, 2016/881, 2016/2258, 2018/822, 2020/876 and 2021/514) provides for the implementation of the Common Reporting Standard ("CRS") into Maltese legislation. The CRS has been proposed by the OECD as a new global standard for the automatic exchange of financial account information between tax authorities in participating jurisdictions. CRS has been transposed into Maltese legislation by virtue of the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 ("CRS Legislation"). Malta-based financial institutions ("FIs") (defined as such for the purposes of CRS) are obliged to identify and report to the Maltese tax authorities financial accounts held by a Reportable Person, as defined under the CRS Legislation, and certain entities with one or more Controlling Persons, as defined under the CRS Legislation, which is classified as a Reportable Person. Financial information relating to Bonds and the holders of the Bonds may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

In particular with respect to CRS, the following information will be reported annually by the FIs to the Maltese competent authority in respect of each reportable account maintained by the FIs: i. The name, address, jurisdiction of tax residence, tax identification number ("TIN") and date and place of birth (in the case of an individual); ii. The account number (or functional equivalent in the absence of an account number); iii. The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account; iv. The total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

The Maltese tax authorities shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority on annual basis, any relevant information that may fall to be classified as reportable, and *vice versa*.

The Foreign Tax Compliance Act ("FATCA") has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 ("FATCA Legislation"). Under the FATCA Legislation, FIs in Malta (defined as such for the purposes of FATCA) are obliged to identify and report financial accounts held by Specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Maltese tax authorities. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the Order on an automatic basis. Non-compliance may result in a punitive 30% withholding tax on distributions captured by FATCA. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

In particular, FIs reserve the right to store, use, process, disclose and report any required information including all current and historical data related to the past and, or present account/s held by Reportable Persons, including, but not limited to, the name, address, date of birth, place of birth and US TIN, the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Maltese competent authority.

FIs reserve the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and CRS and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, FIs may take such action as it thinks fit, including without limitation, the closure of the financial account.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

19. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the financial analysis summary annexed to this Base Prospectus as Annex II, this Base Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, who has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr Evan Mohnani CPA, MA (Financial Services) - Head Corporate Broking Unit at M.Z. Investment Services Ltd.

M.Z. Investment Services Ltd does not have any material interest in the Issuer or the Guarantor.

The sourced information contained in section 9 of this Base Prospectus has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20. AUTHORISATION, LISTING AND ADMISSION TO TRADING

The establishment of the Programme was authorised by the Board of Directors on 25 September 2025.

The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 25 September 2025.

The MFSA has authorised the Programme as admissible to listing on the Official List pursuant to the Capital Markets Rules by virtue of a letter dated 3 October 2025. Application will be made to list each Tranche of the Bonds on the Official List and to be admitted to trading on the regulated market of the MSE.

21. NOTICES

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

22. DOCUMENTS AVAILABLE

For the duration of this Base Prospectus the following documents (or certified copies thereof) shall be available for inspection at the registered address of the Issuer:

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the Memorandum and Articles of Association of the Guarantor;
- (iii) the audited financial statements of the Issuer for the financial years ended 31 March 2023, 31 March 2024, and 31 March 2025;
- (iv) the audited financial statements of the Guarantor for the financial years ended 31 March 2023, 31 March 2024, and 31 March 2025;
- (v) the financial analysis summary prepared by the Sponsor dated 25 September 2025; and
- (vi) the Guarantee.

These documents are also available for inspection in electronic form on the Issuer's website at <https://www.dbgroupmalta.com/investors/>.

THE GUARANTEE

To All Bondholders:

3 October 2025

Reference is made to the bond issuance programme of up to €60 million unsecured bonds issued by SD Finance p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 79193 and having its registered office at Seabank Hotel, Marfa Road, Mellieha, MLH 9064, Malta (the “**Issuer**”) pursuant to and subject to the terms and conditions contained in the Base Prospectus (as such term is defined hereunder), (the “**Bonds**” or the “**Bond Issue**”).

It is a condition precedent for the issuance of the Bonds that, *inter alia*, the Guarantor executes and grants this Guarantee.

Now, therefore, by virtue of the present, SD Holdings Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 40318 and having its registered office at DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha MLH 9064, Malta (hereinafter together with its lawful successors, referred to as the “**Guarantor**”) has agreed to the conclusion and execution of this Guarantee in favour of all Bondholders (this deed and the guarantees and indemnities herein contained being hereinafter referred to as the “**Guarantee**”).

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Base Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) “**Business Day**” any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
- (c) “**Indebtedness**” means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders in terms of the Base Prospectus, and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise, and whether for actual or contingent liability;
- (d) “**Base Prospectus**” means the base prospectus issued by the Issuer in respect of the Bond Issue, dated 3 October 2025, as the same may be amended, varied or supplemented, including the applicable final terms;
- (e) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. TERMS OF THE GUARANTEE

2.1 COVENANT TO PAY

In satisfaction of the condition precedent for the issuance of the Bonds, and in consideration of the Bondholders acquiring the Bonds, the Guarantor, as duly authorised and as primary obligor, hereby unconditionally and irrevocably guarantees to each Bondholder, to be liable, jointly and severally with the Issuer, for the payment of, and to undertake, on first written demand made in accordance with clause 8.2, to pay, any Indebtedness to the Bondholders, at any time due or owing under the Bonds on the occurrence of an Event of Default that is continuing in accordance with the Base Prospectus.

2.2 MAXIMUM LIABILITY

The amount due by the Guarantor to the Bondholders under this Guarantee is up to and not in excess of the aggregate of: (i) the amount of Bonds subscribed by Bondholders, which shall not exceed the maximum amount of €60,000,000; (ii) the interest due under the Bonds as at the date of payment under the Guarantee; and (iii) the reasonably incurred and properly documented costs and expenses incurred as at the date of payment under the Guarantee, relating to the enforcement of the Bondholders’ rights against the Issuer and/or the Guarantor.

2.3 GUARANTOR'S OBLIGATIONS CONTINUING

The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security, and the Guarantor shall remain liable, until no sum remains due or owing under the Bonds and the Indebtedness is fully repaid, and shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of:

- (a) the bankruptcy, insolvency or winding up of the Issuer; or
- (b) the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or
- (c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or
- (d) a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or
- (e) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

The Guarantor is hereby expressly consenting to any assignments and transfers made by the Issuer in accordance with the Base Prospectus and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Bondholders hereunder.

2.4 INDEMNITY

As a separate and independent stipulation, the Guarantor unconditionally and irrevocably agrees: (i) that any sum which, although expressed to be payable by the Issuer in terms of the Base Prospectus, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, or any Bondholder) not recoverable from the Guarantor on the basis of this Guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by the Guarantor within a period of seven (7) Business Days of first written demand; and (ii) as a primary obligation, to indemnify the Bondholders against any loss up to the amount claimed, subject to the limit set out in clause 2.2 above, suffered by the Bondholders as a result of any sum expressed to be payable by the Issuer in terms of the Base Prospectus or the Bonds not being paid on the date and otherwise in the manner specified in the Base Prospectus or any payment obligation of the Issuer under the Bonds not being, or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

3. WAIVER OF THE GUARANTOR'S RIGHTS AND THE GUARANTOR'S WARRANTIES

3.1 This Guarantee shall be liable for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor shall have made any irrevocable payment of the Indebtedness.

3.2 So long as any sum remains payable under this Guarantee or the Bond, and unless the Indebtedness has been paid in full, the Guarantor agrees that it will not, without the prior written consent of the Bondholders:

- (a) exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness; and/or
- (b) demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same; and/or
- (c) take any step to enforce any right against the Issuer or any other person liable for the Indebtedness; and/or
- (d) claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Bondholders in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.

3.3 Subject to the overriding provisions of the Base Prospectus, until the Indebtedness has been paid in full, the Guarantor further agrees that:

- (a) if an Event of Default occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Bondholders and shall be paid to the Bondholders immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Base Prospectus; and/or
- (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Bondholders against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended; and/or
- (c) the Bondholders shall not be required to exhaust any remedy or remedies they may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against the Guarantor under this Guarantee, which is to be construed as entirely independent from the relationship between the Issuer and the Bondholders and providing immediate recourse against the Guarantor. The Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

4. SETTLEMENTS CONDITIONAL

Any release, discharge or settlement between the Guarantor and the Bondholders shall be conditional upon no security, disposition or payment to the Bondholders by the Issuer or the Guarantor or any other third party being liable to being void or set aside for any reason whatsoever and if, for any reason whatsoever, this condition is not fulfilled, such release, discharge or settlement shall be of no effect whatsoever and this Guarantee shall again come into force for all effects and purposes of law.

5. ADDITIONAL GUARANTEE

This Guarantee is to be construed as being in addition to, not instead of, and in no way prejudicing any other security or guarantee or indemnity which the Bondholders may now or hereafter hold from or on account of the Issuer. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

6. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

- 6.1** This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Bondholders and the liability hereunder is not subject to any conditions as to additional security being received by the Bondholders or otherwise.
- 6.2** The Guarantor shall not be entitled to assign or transfer any of its obligations under this Guarantee.

7. REPRESENTATIONS AND WARRANTIES

- 7.1** The Guarantor represents and warrants, as at the date of this Guarantee, that:
- (a) it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
 - (b) it has power to grant this Guarantee and that all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
 - (c) this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
 - (d) this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
 - (e) this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
 - (f) it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and, nor to the best of its knowledge, is it threatened with any such procedures;
 - (g) the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
 - (h) it is not in material breach of or in default that is continuing under any agreement relating to indebtedness to which it is a party or by which it may be bound; and
 - (i) all the information tendered in connection with the negotiation and preparation of this Guarantee is accurate and true in all material respects and there has been no omission of any material facts.
- 7.2** As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause except for representations and warranties in limbs (f) and (h) which are given only as at the date of this Guarantee.

8. DEMANDS AND PAYMENTS

- 8.1** Any and all the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, which is certain, liquidated and due on the seventh (7th) Business Day following the Bondholder's first written demand to the Guarantor to pay. All demands shall be sent to the address as is stated below in clause 9 as the same may be changed by notice in writing by one party to the other.
- 8.2** The demand shall be accompanied by a statement by the Bondholder representing that there exists, at the time of the demand, an Event of Default that is continuing pursuant to the terms of the Base Prospectus.
- 8.3** It is expressly agreed that the requirement of such statement is not a condition of liability of the Guarantor under this Guarantee and is entirely without prejudice to the on-demand nature of this Guarantee and the requirement that payment of the sum due under this Guarantee for any reason whatsoever shall nonetheless be made. Notwithstanding any provision hereof, any disagreement by the Guarantor as to the contents of the statement shall not entitle the Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.
- 8.4** Unless otherwise required by law, all payments shall be made to the Bondholder without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Bondholders.

9. NOTICES

- 9.1** Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if sent by pre-paid registered letter through the post to such other party at the relevant address indicated herein or such other address as may from time to time be notified to the other party for this purpose.
- 9.2** Any notice so served shall be deemed to have been served, seven (7) days after posting.
- 9.3** For the purposes of this Guarantee, the proper addresses and contact numbers of the parties are:

SD Holdings Limited

Address: DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha MLH 9064, Malta
Tel. No.: +356 22891000
Contact Person Jean Claude Fenech

SD Finance p.l.c.

Address: Seabank Hotel, Marfa Road, Mellieha MLH 9064, Malta
Tel. No.: +356 22891808
Contact Person Jean Claude Fenech

Provided that each party may at any time change such address or contact number by giving seven (7) days' prior written notice to the other party.

10. APPLICABLE LAW AND JURISDICTION

- 10.1** This Guarantee shall be governed by and construed in accordance with Maltese law.
- 10.2** Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three (3), one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two (2) arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

Yours faithfully,

The original copy has been signed by

Name: **David Debono**
a director duly authorised,
for and on behalf of **SD Holdings Limited**
Guarantor

The original copy has been signed by

Name: **Robert Debono**
a director duly authorised,
for and on behalf of **SD Finance p.l.c.**
Issuer

The original copy has been signed by

Name: **Alan Debono**
a director duly authorised,
for and on behalf of **SD Finance p.l.c.**
Issuer

FINANCIAL ANALYSIS SUMMARY

25 September 2025

ISSUER

SD FINANCE PLC

(C 79193)

GUARANTOR

SD HOLDINGS LIMITED

(C 40318)

Prepared by:



MZ INVESTMENTS



MZ INVESTMENTS

M.Z. Investment Services Limited

63, 'MZ House', St Rita Street, Rabat RBT 1523, Malta

E info@mzinvestments.com W mzinvestments.com

The Directors
SD Finance plc
Seabank Hotel
Marfa Road, Ghadira
Mellieha MLH 9064
Malta

25 September 2025

Dear Board Members,

Financial Analysis Summary

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 Analysis is that of summarising key financial data appertaining to SD Finance plc (the "**Issuer**", "**Company**", or "**SD Finance**") and SD Holdings Limited (the "**Guarantor**", "**Group**", or "**SD Holdings**"). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical information for the most recent three financial years ended 31 March 2023, 31 March 2024, and 31 March 2025 has been extracted from the respective audited annual financial statements.
- (b) The forecasts and projections for the financial years ending 31 March 2026 and 31 March 2027 have been provided by the Group.
- (c) Our commentary on the financial performance, cash flows, and financial position of the Issuer and the Guarantor is based on explanations provided by the Group.
- (d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions.
- (e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

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

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

M.Z. Investment Services Limited is regulated by the Malta Financial Services Authority and licensed to conduct investment services business in terms of the Investment Services Act (Cap. 370 of the Laws of Malta). MZ Investments is a member of the Malta Stock Exchange and an enrolled Tied Insurance Intermediary for MAPFRE MSV Life p.l.c. under the Insurance Distribution Act (Cap. 487 of the Laws of Malta).

Company Registration Number: C 23936 | VAT Number: MT 1529 8424



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PART 1 – INFORMATION ABOUT THE GROUP

1. ABOUT THE ISSUER AND THE GROUP

SD Finance plc was registered and incorporated on 20 January 2017 for the purpose of acting as a finance company to the Group. As a result, the Issuer is entirely dependent on the operations, performance, and prospects of the Guarantor. Conversely, **SD Holdings Limited** is the parent and holding company of the Group, which is a family-owned business principally engaged in hospitality, catering, leisure and entertainment, and real estate development.

Initially starting off as a guesthouse in 1984, the Group experienced significant growth over the years and presently operates its own brands – **db Hotels + Resorts and Lifestyle Group**¹. During this period, the Guarantor also forged strategic relationships and alliances with a range of global players, among them Hard Rock Café International and Starbucks Corporation. More recently, the Group also secured additional franchises for Malta, including EL&N London and GROM.

Following its growth and success in Malta, and as part of its ongoing strategy to pursue new investment opportunities, the Group took a strategic decision in 2022 to expand internationally and, in this context, established an office in Mayfair, London ("**SDH Capital**"). Consequently, the Group secured a 35-year lease on a historic listed building in Cavendish Square, Marylebone, located in the heart of London's West End. Following extensive restoration and renovation works, supported by a total investment of circa GBP12 million, the property has been transformed into an exclusive Aki-branded establishment comprising a lounge, bar, and restaurant serving a unique gastronomical haute Japanese cuisine experience. **Aki London** is scheduled to be inaugurated on 30 September 2025.

Another recent landmark initiative by the Group, through the London office, has been the creation of a 50%-50% joint venture with RAK Hospitality Holding LLC ("**RAKHH**").² The joint venture – HR Hotel FZ-LLC – will pursue the **RAK Project** which comprises a strategically positioned mixed-use development located on a prime beachfront plot in Ras Al Khaimah's Beach District, in proximity of Al Marjan Island.³ The development will incorporate the first Hard Rock Hotel & Residences in the UAE, and will feature a five-star hotel comprising approximately 304 hotel rooms and *circa* 395 branded residences ("**Hard Rock Hotel & Residences Ras Al Khaimah**"). The hotel will include several restaurants featuring diverse cuisines and including signature beachfront establishments along the promenade, a rooftop bar, conference space and event venues, a beach club, swimming pools, and a spa and fitness centre. Upon the completion of the RAK Project in 2028, the Group will be appointed as operator of the Hard Rock Hotel & Residences Ras Al Khaimah.

2. DIRECTORS OF THE ISSUER

The Board of Directors of SD Finance comprises the following six individuals:

Silvio Debono	Chairman
Robert Debono	Director and Group Chief Executive Officer
Alan Debono	Executive Director
Philip Micallef	Independent Non-Executive Director
Vincent Micallef	Independent Non-Executive Director
Stephen Muscat	Independent Non-Executive Director

3. DIRECTORS OF THE GUARANTOR

The Board of Directors of SD Holdings comprises the following seven individuals who are responsible for the overall development, strategic direction, and risk management of the Group:

Silvio Debono	Chairman
Robert Debono	Director and Chief Executive Officer
Alan Debono	Director and Chief Procurement and Accounting Officer
David Debono	Director and Chief Legal Officer
Victoria Debono Borg	Director and Brands Manager
Jesmond Vella	Director and Chief Operating Officer
Veronica Debono	Director

¹ Lifestyle Group encapsulates the Group's diverse restaurant operations, comprising a dynamic portfolio of well-known brands, each offering a unique and differentiated experience. In the refined dining space, it features sophisticated establishments like Aki, Amami, Colette, LOA, and TORA. The day-life segment is characterised by vibrant venues such as Manta, Blu Beach Club, and Nine Lives. For casual dining, Lifestyle Group offers a wide range of tastes with convenience and quality through brands like Westreme, Amami Food Bar, and Verani.

² Established in 2014 and owned by the Investment and Development Office of the Government of Ras Al Khaimah, RAKHH is the leading hospitality firm in one of the emirates forming the United Arab Emirates ("**UAE**"). RAKHH encompasses a wide spectrum of businesses including luxury, upper-upscale, and upscale hotels, leisure and entertainment venues, a variety of dining establishments, employee accommodation solutions, and logistics services. RAKHH also operates a dedicated event management company and provides real estate and hospitality asset management and advisory services across the Middle East region and beyond. RAKHH is also developing the Wynn Al Marjan Island project, in partnership with Marjan and Wynn Resorts, introducing the first integrated resort in the UAE.

³ Ras Al Khaimah is increasingly emerging as a strategic investment destination, located just a short drive from the cities of Dubai and Abu Dhabi, underpinned by top-tier infrastructure, nature-driven tourism, and 7,000-year cultural heritage, attracting investment capital across diverse sectors including hospitality, residential real estate, retail, and mixed-use development projects.

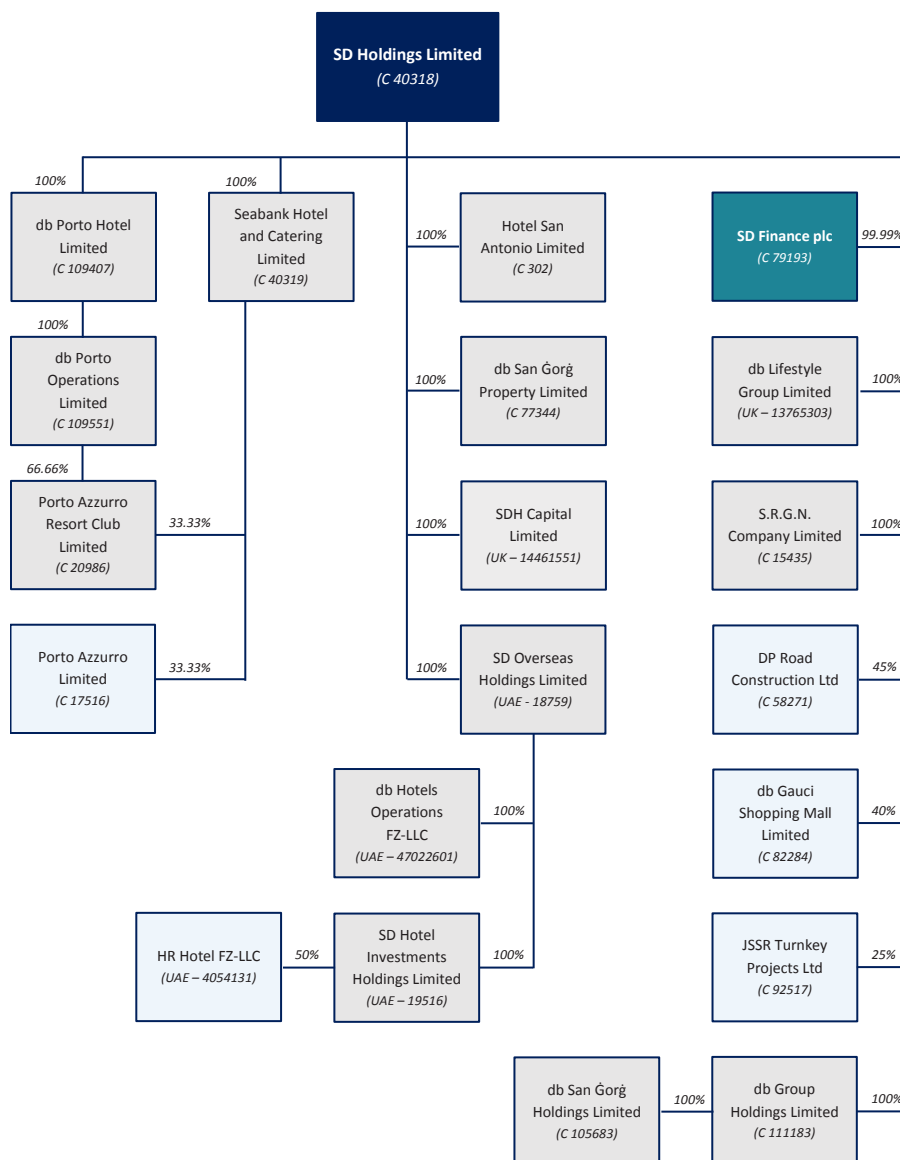
4. GROUP SENIOR MANAGEMENT

The Board of Directors of SD Holdings is supported by the following members of the senior management team who assist in the execution of the Group's strategy, oversee day-to-day operations, and ensure effective administration of the Group's resources:

Robert Debono	Group Chief Executive Officer
David Debono	Group Chief Legal Officer
Jean Claude Fenech	Group Chief Financial Officer
Trevor Vella	Chief Financial Officer – Head Office
Nicholas Portelli	Managing Director of SDH Capital Limited
Thomas Fehlbier	Director of Hotels – Lifestyle and Luxury
John Wiltshire	Chief Operating Officer – Lifestyle Group

5. GROUP ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of SD Holdings and only includes the principal subsidiaries and associates whose results and financial position are material to the Group. It excludes Malta Healthcare Caterers Ltd ("MHC"), Kore Air Services Limited ("KAS"), and Kore Inflight Services Ltd ("KIS")⁴, which were reclassified as discontinued operations in FY2025 following the Group's strategic decision to divest its interest in these associates in order to focus on its core hospitality and property development activities, both in Malta and internationally.



⁴ MHC provides health and social care services, whilst KAS and KIS specialise in the provision of catering services within the aviation sector.

Over the course of 2025, the Group undertook a reorganisation exercise aimed at streamlining its ownership structures and enhancing capital deployment across its subsidiaries. To this end, a new intermediary holding company – db Group Holdings Limited – was incorporated to serve as the central parent entity within the Group's structure. Within this framework, db San Ġorġ Holdings Limited was established as one of the main subsidiaries of db Group Holdings Limited, acting as the parent company of several entities involved in the **db St George's Bay Project**.⁵ The other principal subsidiaries of db Group Holdings Limited are involved in: (i) construction, finishes and turnkey project services; (ii) the operation of the Charles & Ron Cafeteria, EL&N London, GROM, and Starbucks franchises amongst others; (iii) the management of all the agreements related to the Hard Rock franchise outlets in Malta; (iv) the ownership of the royalty rights over db Hotels + Resorts and other branded restaurants of the Group in Malta; and (v) the operation of laundry and other human resources services owned by the Group.

Related to the db St George's Bay Project but outside of the structure of db Group Holdings Limited are db San Ġorġ Property Limited and db Gauci Shopping Mall Limited. The former holds the temporary emphyteusis over the site on which the db St George's Bay Project is being developed, whilst db Gauci Shopping Mall Limited will be responsible for leasing and operating the **St George's Mall**.

Hotel San Antonio Limited owns and operates the db San Antonio Hotel + Spa ("**San Antonio**"), whilst Seabank Hotel and Catering Limited owns and operates the db Seabank Resort + Spa ("**Seabank**"). Separately, db Porto Hotel Limited owns the **Xemxija Bay Hotel** (formerly the Porto Azzurro Hotel), with its subsidiary, db Porto Operations Limited, responsible for the hotel's day-to-day operations.

The Group's restaurant and lifestyle operations are held through S.R.G.N. Company Limited, which holds title by ownership, lease, or emphyteusis, and operates, all Lifestyle Group restaurants and establishments.

For its investments outside of Malta, besides SDH Capital Limited, SD Holdings established db Lifestyle Group Limited which acts as the parent company of the entities holding the leasehold title and operating Aki London. Furthermore, SD Overseas Holdings Limited acts as the parent company of the RAK Project in the UAE.

6. PRINCIPAL ASSETS

The Group has three major assets: the Seabank, the San Antonio, and the right-of-use for the land that is currently being redeveloped into the db St George's Bay Project. During FY2025, SD Holdings successfully concluded the negotiations for the sale of its shareholding in MHC which was previously considered as a principal asset of the Group.

SD Holdings Limited

Principal Assets

As at 31 March

	2023	2024	2025
	€'000	€'000	€'000
db Seabank Resort & Spa	92,179	112,246	116,100
db San Antonio Hotel & Spa	79,301	110,218	110,200
db St George's Bay	82,628	84,704	140,926
Malta Healthcare Caterers Ltd (50% ownership)	15,358	20,337	401
	269,466	327,505	367,627

As % of total assets:

db Seabank Resort & Spa	24.51	23.68	19.62
db San Antonio Hotel & Spa	21.09	23.25	18.62
db St George's Bay	21.97	17.87	23.81
Malta Healthcare Caterers Ltd (50% ownership)	4.08	4.29	0.07
	71.65	69.10	62.12

⁵ See Section 6.3 for a description of the db St George's Bay Project.

6.1 DB SEABANK RESORT + SPA

Seabank is a four-star all-inclusive resort featuring 541 nautical-themed rooms and suites, located at the foot of Malta's largest sandy beach, Mellieha Bay. The resort enjoys spectacular and unobstructed panoramic sea views, and sits on approximately 23,000 sqm of land, 80% of which are landscaped.

In 2012, with an injection of €40 million, the resort was entirely renovated and significantly expanded. Today, Seabank houses seven themed restaurants, three bars, Malta's largest hotel pool, a state-of-the-art fitness centre, and a spa with a heated indoor pool. In 2015, a new entertainment complex incorporating three additional restaurants, a bowling alley, a sports bar, and dedicated clubs for children and teenagers were inaugurated.

Year after year, the Group maintained a consistent focus on quality and innovation, with ongoing capital investment directed toward upgrading guest rooms, public areas, and service offerings. During the COVID-19 pandemic closures between 2021 and 2022, the Group capitalised on this downtime to refurbish numerous areas, including the former Tramun Taghna and Pellicola restaurants which were thereafter rebranded to Salia and Levant. Moreover, during FY2024 the Group initiated a room refresh project to give a new look to all hotel rooms. This project was completed in FY2025 and was extended to cover the hotel's public areas.

Another milestone reached by Seabank in 2025 was the attainment of the Green Key Certification, a globally recognised eco-label awarded in recognition of efforts to operate responsibly and support global environmental goals.

6.2 DB SAN ANTONIO HOTEL + SPA

San Antonio is a 515-room four-star all-inclusive hotel located in Qawra. It is built in a Moorish style and includes seven themed restaurants, two bars, indoor, outdoor, and rooftop pools, a fitness centre, a Hammam spa, and extensive conference facilities which make the hotel an ideal host for both local and international conferences.

Operating since 2002, the San Antonio Hotel + Spa underwent substantial upgrades and an extension in 2015, with a total investment of €33 million. During 2021 and 2022, most of the hotel's rooms and public areas, as well as the spa and indoor pool were completely refurbished and upgraded. Furthermore, during the same period, the Group fully renovated and rebranded one of the hotel's restaurants – the Saboroso-Comida Latina – which became fully operational in May 2022, further enhancing the hotel's dining portfolio.

In FY2025, San Antonio was granted the Green Key Certification and converted the apartments that were previously offered for long-term accommodation into part of the hotel's room inventory.

6.3 DB ST GEORGE'S BAY PROJECT

On 1 February 2017, the Group entered into a deed of temporary emphyteusis with the Commissioner of Land (on behalf of the Government of Malta) for a site having a total surface area of circa 24,000 sqm located in St George's Bay, St Julians, Malta.

On 12 July 2023, the Group received the executable full development permit and immediately initiated excavation works. The mixed-use development, entailing a total investment of nearly €260 million, is expected to be completed in 2026 and will feature a five-star Hard Rock Hotel ("Hard Rock Hotel St George's Bay") and two residential towers – **ORA Residences** – which will also include sky villas and a rooftop pool. The project will also comprise **St George's Mall** – a shopping mall spanning over 20,000 sqm housing globally renowned brands, extensive underground parking facilities for 1,300 motor vehicles, a 1,300 sqm supermarket, and various other amenities such as international bars and restaurants, creating a vibrant hub for residents and visitors alike. Besides, the St George's Bay Project will feature 5,000 sqm of open spaces, a botanical garden, and a large entertainment area.

HARD ROCK HOTEL ST GEORGE'S BAY

The Hard Rock Hotel St George's Bay will be the brand's first hotel in Malta, introducing a new dimension to the local lifestyle and hospitality scene. The hotel, which is set to open for business in Q2 2026, will retain the architectural character of the original 19th century British military accommodation quarters and will feature 394 rooms, including 25 suites with private pools. The property is designed to accommodate a wide range of guests, including couples, families, business travellers, and leisure visitors. Furthermore, the Hard Rock Hotel St George's Bay will be a destination resort that combines elements of Malta's local character with the brand's international standards. Facilities will include 15 restaurants, amongst which the third and largest Hard Rock Café outlet in Malta with a capacity of 250 covers, as well as bars, lounges, and club concepts, a rooftop pool, a branded international beach club, and a wellness and fitness centre spanning 3,000 sqm, ranking amongst the most extensive in Malta.

The Hard Rock Hotel St George's Bay and ancillary food and beverage ("F&B") operations are expected to generate revenues of €54.70 million in FY2027, with EBITDA projected at €22.07 million, equivalent to a margin of 40.35%.

ORA RESIDENCES

With a total floor area of over 34,000 sqm, ORA Residences will offer 179 luxuriously designed high-end residences, each featuring its own spacious garden terrace. The residences will be complemented by a suite of exclusive, top-tier personalised services, all within a cutting-edge sustainable living concept. Furthermore, through an innovative club membership programme, residents will have access to a wealth of high-end amenities, including private temperature-controlled wine cellars, private pools, housekeeping services, chauffeurs, and concierge services.

The ORA Residences have been designed with the assistance of Dr Laura Gatti – the award-winning landscape designer behind the greenery of the world-renowned development known as the Vertical Gardens situated in Porta Nuova, Milan. The ORA Residences are expected to be completed in 2026.

Almost all residential units forming part of the **ORA West** and **ORA East** towers are subject to a promise of sale agreement ("**POSA**"), with the exception of the eight sky villas which have not yet been marketed and are therefore not currently available for sale. Being located within a Special Designated Area, ORA Residences grant both EU and non-EU nationals equal property acquisition rights, thereby removing the requirement for an Acquisition of Immovable Property permit. Revenues from the sale of ORA Residences in FY2027 are projected to amount to €202.73 million, with a corresponding EBITDA contribution of €124.50 million.

On 2 July 2025, the Group submitted an application for an additional full development permit in relation to the proposed extension of both towers by a total of 13 floors, including one duplex floor on each tower. The proposal provides for the addition of 82 apartments, consisting of 76 standard units and six duplex units.

6.4 MALTA HEALTHCARE CATERERS

In **FY2023**, MHC generated total revenue of €103.94 million, representing a year-on-year increase of 14.94%, reflecting an increase in business across all three operating segments. Healthcare services remained the main driver, accounting for €72.62 million or 69.86% of total income. The St Vincent de Paule Residence ("**SVPR**") concession agreement contributed €21.18 million, equivalent to 20.38% of turnover, whilst catering services provided €10.14 million, representing 9.76% of aggregate revenue.

Total comprehensive income increased by 16.41% to €10.16 million, whilst the dividend attributable to SD Holdings amounted to €2.27 million.

In **FY2024**, revenues advanced by 26.55% to €131.54 million, underpinned by broad-based growth across all segments. Healthcare services registered an increase of 31.48%, contributing €95.48 million and representing 72.58% of total income. Revenue from the SVPR concession agreement expanded by 11.99% to €23.72 million, although its relative weight within the revenue mix declined to 18.03%. Catering services increased by 21.67% to €12.34 million, broadly maintaining its overall contribution at 9.38%.

Despite the strong growth in revenue, total comprehensive income for the year remained broadly unchanged at €10.22 million.

In **FY2025**, revenues continued to grow but at a more moderate pace, rising by 9.70% to €144.30 million. Healthcare services expanded by 9.03% to €104.10 million, retaining their dominant position within the revenue structure of MHC at 72.14%. Revenue from the SVPR concession agreement increased by 11.29% to €26.40 million, representing 18.29% of total turnover, whilst catering services rose by 11.82% to €13.80 million, accounting for 9.56% of aggregate income.

Total comprehensive income for the year advanced by 21.68% to €12.43 million, with the dividend distributable to SD Holdings declared at €26.37 million.

7. OTHER ASSETS

7.1 THE MELIOR BOUTIQUE HOTEL

The Melior Boutique Hotel ("**Melior**") is located in Republic Street, Valletta, and commenced operations in January 2022. The property features 18 rooms and suites that blend modern comfort with elements of Maltese culture, reflected in the architecture, finishes, and commissioned artworks by local artists. Its prime location offers guests convenient access to many of Malta's key cultural sites and attractions.

After three years of operation, The Melior Boutique Hotel has established a strong market presence, with occupancy increasing to over 80% in FY2025.

7.2 XEMXIJA BAY HOTEL

In 1995, the Group acquired a one-third shareholding in Porto Azzurro Hotel – an 80-room three-star aparthotel which was later refurbished and expanded to 107 rooms and apartments.⁶ In November 2024, db Porto Hotel Limited acquired the land and buildings (including the airspace) from Porto Azzurro Limited for a total consideration of €8.50 million. Subsequently, SD Holdings allocated €1 million towards a refurbishment programme spread over two years commencing in December 2024, further enhancing the hotel's product offering and guest experience.

Despite the shortened operational period of eight months in FY2025 due to the temporary closure of the hotel for refurbishment, the Xemxija Bay Hotel still registered a strong performance, with revenues exceeding €1.20 million and an occupancy rate of around 60%.

8. SEGMENT INFORMATION

SD Holdings has three principal reportable segments: (i) hospitality and ancillary services; (ii) F&B; and (iii) merchandise, retailing, and other revenue. In FY2027, the Group's revenue and EBITDA will also include the income from the db St George's Bay Project although the contribution from St George's Mall will be reported in a separate line item in the Statement of Comprehensive Income under 'Share of results of associates'.

⁶ The property was rebranded as Xemxija Bay Hotel in FY2025.

SD Holdings Limited				
Segment Information				
For the financial year 31 March				
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Revenue:				
Hospitality and ancillary services	40,751	47,702	53,531	58,129
Food and beverage	25,377	35,551	38,687	47,485
Merchandise, retailing activities, and other revenue	4,671	5,472	6,984	3,169
db St George's Bay Project:*				
Hotel and F&B operations				54,703
Sale of real estate				202,728
	70,799	88,725	99,202	108,783
				377,958
EBITDA:				
Hospitality and leisure	16,757	22,286	24,885	24,977
Food and beverage	6,673	7,950	8,395	8,343
Merchandise, retailing, and other revenue	1,322	880	2,512	(1,107)
db St George's Bay Project:*				
Hotel and F&B operations				22,071
Sale of real estate				124,498
	24,752	31,116	35,792	32,213
				180,909
EBITDA margin:				
Hospitality and leisure (%)	41.12	46.72	46.49	42.97
Food and beverage (%)	26.30	22.36	21.70	17.57
Merchandise, retailing, and other revenue (%)	28.30	16.08	35.97	(34.93)
db St George's Bay Project:*				
Hotel and F&B operations				40.35
Sale of real estate				61.41
	34.96	35.07	36.08	29.61
				47.86

* Excluding the contribution from the St George's Mall.

8.1 HOSPITALITY & ANCILLARY SERVICES

Revenues and EBITDA increased materially in **FY2023** to €40.75 million and €16.76 million respectively, reflecting the strong rebound in business following the COVID-19 pandemic. However, given the sharper increase in revenues than the uplift in EBITDA, the EBITDA margin dropped to 41.12% amid the negative impact of high inflation, the rise in payroll costs and other operational and administrative expenses supporting the Group's growth ambitions, as well as the significant reduction in grants received from Government in relation to the COVID-19 Wage Supplement Scheme. During the year, the Group invested in new digital technology enabling it to launch a comprehensive mobile application which revolutionised guest experiences and enhanced the hotels' services.

Revenues from the hospitality and ancillary services segment rose by 17.06% to €47.70 million in **FY2024**, underpinned by the complete recovery in business activity from the adverse effects of the COVID-19 pandemic. The improvement in business volumes also translated into a significant uplift in profitability, with EBITDA rising by 33% to €22.29 million. The EBITDA margin strengthened to 46.72% as the Group pursued a series of cost-mitigating initiatives aimed at curbing the pressures arising from elevated inflation. Furthermore, the overall occupancy rate across the Group's hotels improved to 89% compared to 85% in the prior financial year.

In **FY2025**, revenue increased by 12.22% to €53.53 million, reflecting further growth across the Group's core hotel operations supported by healthy occupancy levels, as well as the consolidation of the Xemxija Bay Hotel. The segment generated an EBITDA of €24.89 million, representing a year-on-year increase of 11.66%, with the EBITDA margin remaining broadly stable at 46.49%.

For **FY2026**, hospitality revenue is forecast to rise by 8.59% to €58.13 million as growth momentum continues across the Group's hotel portfolio. However, EBITDA is expected to remain broadly unchanged at €24.98 million, resulting in a contraction in the relative margin to 42.97%.

In **FY2027**, revenue from hospitality and ancillary services is projected to grow more modestly by 3.34% to €60.07 million when excluding the contribution from the Hard Rock Hotel St George's Bay. EBITDA is anticipated to increase marginally to €25.08 million, with the relative margin declining slightly to 41.76%.

8.2 FOOD & BEVERAGE

Revenues from the F&B division increased markedly in FY2023 to €25.38 million. Despite the upsurge in EBITDA to €6.67 million, the EBITDA margin trended lower year-on-year to 26.30% amid an increase in operational costs particularly wages, pre-opening costs in relation to new restaurants, as well as the lower amount of grants received from Government in relation to the COVID-19 Wage Supplement Scheme.

In **FY2024**, the F&B division achieved strong double-digit growth in both revenues and EBITDA, which increased to €35.55 million and €7.95 million respectively. This performance reflected the higher level of business generated by existing restaurants as well as

the contribution from seven new outlets inaugurated during the year, including three additional Starbucks outlets which brought the total to 17. The EBITDA margin slipped by almost 4 percentage points to 22.36% due to the initial one-time costs associated with the opening of new restaurants.

Revenue from F&B amounted to €38.69 million in **FY2025**, representing a year-on-year increase of 8.82%. EBITDA rose by 5.60% to €8.40 million, although the relative margin declined to 21.70%. During the year, SD Holdings opened one additional Starbucks outlet, bringing the total number of Starbucks establishments to 18.

For **FY2026**, F&B revenue is projected to expand significantly by 22.74% to €47.49 million, largely reflecting organic growth from increased customer volumes and the initial contribution from Aki London. However, despite this sharp increase in revenue, EBITDA is forecast to remain broadly flat at €8.34 million, with the margin contracting further to 17.57%, primarily due to the impact of one-time costs associated with the commencement of operations at Aki London.

In **FY2027**, revenue from F&B is expected to reach €55.34 million, representing a year-on-year increase of 16.55%, driven by continued operational growth, the further expansion of the Group's F&B network including an additional Starbucks outlet bringing the total to 19, as well as the full-year contribution from Aki London. EBITDA is anticipated to rebound by 17.42% to €9.80 million, with the relative margin improving slightly to 17.70%.

8.3 OTHER INCOME

The Group's other source of revenue mainly derives from the retailing of merchandise in accordance with the respective franchise agreements that SD Holdings is part of. Overall, this income represents a small fraction of the Group's revenues and EBITDA compared to the two other principal segments, namely hospitality and ancillary services, and F&B.

Following the growth recorded annually between FY2023 and FY2025, revenue from merchandise, retailing activities, and other income is projected to contract sharply to €3.17 million in FY2026 before recovering to €5.11 million in FY2027. The Group also anticipates EBITDA losses in both FY2026 and FY2027 from these activities, reflecting the drag from the early-stage operations of new entities within the Group structure associated with the db St George's Bay Project. Furthermore, from FY2026 onwards, SD Holdings will discontinue the provision of consultancy services to associate companies that are now classified as discontinued operations.

9. TREND INFORMATION

9.1 MALTA

9.1.1 ECONOMIC UPDATE⁷

According to the Central Bank of Malta's August 2025 forecasts covering the period up to 2027, Malta's real GDP growth is set to moderate from 5.90% in 2024 to 3.90% in 2025. Growth is set to ease further in the following two years, reaching 3.30% in 2027. Over the projection horizon, domestic demand is expected to be the main driver of growth. The latter is expected to be led by private consumption, while investment should also continue to recover. Furthermore, net exports are projected to contribute positively to GDP growth, driven by trade in services.

Private consumption growth is set to moderate to 4.20% in 2025, partly reflecting slower growth in employment and a higher savings rate by households. Nevertheless, private consumption is set to remain relatively buoyant, as household disposable income will be supported by still favourable labour market conditions and the widening of the income tax bands. The latter adjustment will also contribute to some increase in the disposable income which is expected to raise the saving ratio in 2025, as higher income households with a lower average propensity to consume should save some of the tax relief. In subsequent years, the saving ratio is envisaged to decline marginally but remain relatively elevated at 12.7% by 2027.

Real government consumption is set to grow at a slower rate of 4.60% in 2025, after having grown by 7.3% in 2024. Strong growth in 2024 reflected one-off payments on allowances due to newly signed collective agreements in the education sector and related arrears. Going forward, the impact of these one-off expenditures is partly offset by that of a collective agreement for the civil service, which became effective in 2025. Meanwhile, other elements of consumption expenditure, notably intermediate consumption, are set to grow at a declining pace. Overall, government consumption growth is set to ease to 3.90% in 2026 before rising to 4.20% in 2027.

Overall investment is projected to grow by 3.10% in 2025 before picking up to 3.70% in 2026. Investment should remain broadly unchanged in 2027, when government investment is projected to decline strongly. Private investment began to recover in 2024 and is expected to grow by 2.10% in 2025 and 3% and 3.20% in 2026 and 2027 respectively. Following strong growth in residential construction in 2024, expansion in such activity is expected to stand close to 1% in 2025 but be more muted until 2027 as investment outlays remain high from a historical perspective. Similarly, growth in non-dwelling private investment is expected to remain relatively contained during the projection horizon in view of the expected slowdown in economic activity. Government investment is forecast to increase in 2025 and 2026, mostly due to a pick-up in EU-funded investment related to the Recovery and Resilience Facility ("RRF"). Investment is then forecast to decline in 2027, as projects financed by the RRF are completed.

Export growth is set to moderate from 4.90% in 2024 to 4% in 2025 and edge down further to 3.5% by 2027. Growth in services exports is expected to ease following an extended period of robust growth, while staying close to 4%. At the same time, goods exports are set to grow at a slower rate of 1.30% in 2025, after a 5% increase in 2024, partly reflecting the effect of US tariffs and expected developments in Malta's trading partners. Growth is then expected to increase slightly to 1.90% and 2.30% in 2026 and 2027 respectively. Similarly, growth in imports is expected to moderate, easing from 4.50% in 2024 to 4.10% in 2025, before decelerating to 3.70% and 3.10% in 2026 and 2027 respectively.

The current account in the balance of payments is expected to remain relatively stable at 5.70% in 2025 and 2026. In 2027, the ratio is expected to increase slightly to 6.30%, mainly driven by an improved trade balance resulting from a decline in imports due to lower government investment.

⁷ Source: Central Bank of Malta ("CBM"), 'Outlook for the Maltese Economy 2025-2027', 19 August 2025, available at: <https://www.centralbankmalta.org/site/Publications/Outlook/2025/Outlook-2025-3.pdf>.

Key Economic Indicators	2023	2024	2025	2026	2027
	Actual	Actual	Forecast	Projection	Projection
Real GDP growth (% change, year-on-year)	7.50	5.90	3.90	3.50	3.30
Inflation* (% change, year-on-year)	5.60	2.40	2.30	2.10	2.00
Unemployment (% of labour force)	3.50	3.10	2.80	2.70	2.70
General Government budget balance (% of GDP)	(4.50)	(3.70)	(3.40)	(3.00)	(2.60)
Gross public debt (% of GDP)	47.40	47.40	48.30	48.70	48.60
Current account balance (% of GDP)	6.40	5.70	5.70	5.70	6.30

* Based on the Harmonised Index of Consumer Prices

Potential output growth is expected to moderate throughout the projection horizon as it is set to slow from 5.50% in 2024 to 4.30% in 2025, and further to 4% and 3.50% in 2026 and 2027 respectively. This reflects declines in the contributions of all components of potential output. The capital contribution is expected to moderate due to the slower investment growth during the projection horizon, while that from labour is envisaged to decline due to expected lower net migration flows and slower increases in participation as this has reached very high levels.

The labour market remains strong and demand for labour is envisaged to stay high. However, the increase in employment is expected to moderate over the projection horizon, driven by the projected easing in economic growth and an assumed recovery in productivity. Inflows of foreign workers are also expected to slow down due to policies aimed at limiting inward migration flows such as skills card requirements, the regulation of temping agencies, and the moratorium on food couriers and cab drivers. Also, in the beginning of 2025 the Government launched the Malta Labour Migration Policy with several proposed measures to regulate the entry of third country nationals coming into force from August 2025. As a result, employment growth is expected to moderate gradually from 5.30% in 2024 to 3% in 2025 before easing further to 2.40% and 2.30% by 2026 and 2027 respectively.

The unemployment rate is forecast to edge down to 2.80% in 2025 and 2.70% in 2026 and 2027. As such, the labour market is envisaged to remain tight, as the non-accelerating inflation rate of unemployment is projected at around 3.20%, so that the unemployment gap is forecast to be slightly negative in 2026 and 2027.⁸ A persistently negative unemployment gap implies that labour market tightness will be a key factor driving the wage outlook. However, as inflation continues to moderate, together with a growing need for a small open economy as Malta to increase competitiveness, especially in the face of rising barriers to international trade, this should dampen upward pressure on wages. In this regard, wage growth is expected to moderate to 4.40% in 2025 from 6.30% in 2024 and is set to edge further down to 3.70% and 3.50% in 2026 and 2027 respectively.

Annual inflation rose in the first half of 2025, reaching 2.50% in June from 1.80% in December 2024. Going forward, inflation is projected to stand at 2.30% in 2025, reflecting mainly an envisaged decline in food and services inflation. Inflation is expected to ease further to 2.10% in 2026 and 2% in 2027, driven primarily by lower services inflation. Meanwhile, inflation excluding energy and food is projected to stand at 2.30% in 2025 and 1.90% in 2026 and 2027, mainly driven by an expected moderation in services inflation.

The general government deficit-to-GDP ratio is set to decline gradually over the forecast period. It is expected to narrow from 3.70% in 2024 to 3.40% in 2025 and to 3% and 2.60% in 2026 and 2027 respectively. This improvement in public finances is driven by a declining share of expenditure in GDP, which is primarily due to the profile of inflation-mitigation measures and capital expenditure. The share of current revenue in GDP is set to remain broadly stable between 2025 and 2027, but to be lower than the ratio in 2024. This is due to a one-off increase in corporate tax inflows in 2024, and the widening of income tax brackets from 2025, which will dampen the growth in household direct taxes. As a result, the ratio of current taxes on income and wealth to GDP is set to decline in 2025, and to remain broadly unchanged in 2026 and 2027. Other forms of current revenue are set to grow mostly in line with GDP, except for social contributions, whose share in GDP is forecast to decline over time. Capital revenue as a share of GDP is projected to peak in 2026, before declining in 2027, reflecting the profile of EU-funded investment.

The share of current expenditure in GDP is forecast to decline from 2025 onwards, mainly due to the profile of subsidies. This reflects lower anticipated spending on inflation-mitigation measures, in line with the assumed profile for international energy prices. Outlays on intermediate consumption are set to increase at a rate exceeding GDP growth in 2025, but their share in GDP is set to stabilise in 2026 and 2027. Compensation of employees is set to retain an unchanged ratio to GDP in 2025, after having grown strongly in 2024, mainly as a new collective agreement for the civil service counterbalances the negative base effect from one-off payments incurred in 2024 in terms of other collective agreements. The share of interest payments in GDP is set to incrementally rise each year throughout the projection period. This reflects the gradual pass-through of past interest rate increases and higher refinancing needs. Meanwhile, the share of social benefits in GDP is set to decline, in part reflecting the impact of an increase in the statutory retirement age in 2026 and the strong labour market conditions.

The share of capital expenditure in GDP is projected to decline in 2025, following exceptional outlays such as those related to the restructuring of the national airline in 2024. It is then set to remain unchanged in 2026, and to fall again in 2027. This reflects different profiles for the main components of capital expenditure, i.e. gross fixed capital formation ("GFCF") and capital transfers. GFCF is forecast to grow by more than nominal GDP in 2025 and in 2026, driven by the profile of EU-funded investment. This includes projects financed by grants from the RRF programme, which are set to be utilised by 2026. Consequently, EU-funded outlays are set to decline in 2027. The share of domestically-funded investment to GDP is set to decline over the forecast period. Meanwhile, capital transfers are set to decline in both level terms and as a share of GDP.

⁸ The non-accelerating inflation rate of unemployment is the lowest level of unemployment that can be maintained in an economy without triggering accelerating inflation.

The structural budget deficit is projected to narrow substantially over the projection horizon, reaching 2.70% of GDP by 2027 from 4.30% in 2024.⁹ This partly reflects the declining profile of inflation mitigation measures, which are not treated as temporary outlays, and thus affect the structural position. The declining structural deficit reflects slower growth in net nationally financed primary expenditure. The general government debt ratio is projected to peak at 48.70% in 2026 before easing slightly in 2027, driven by narrowing primary deficits and a favourable interest-growth differential.

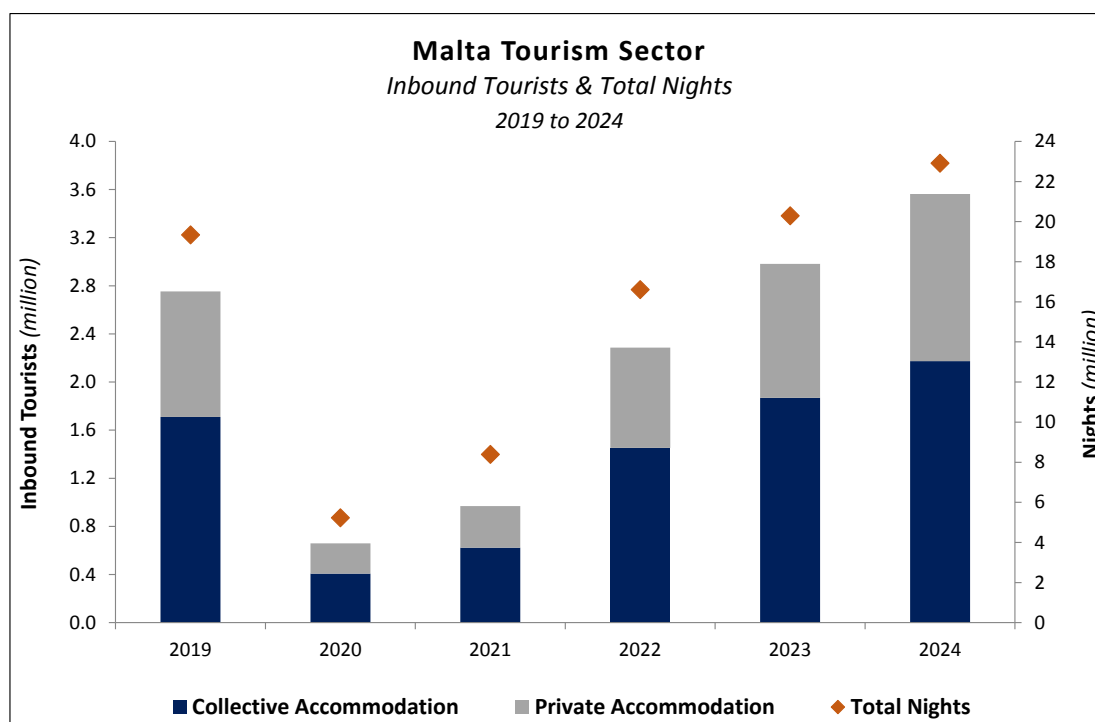
9.1.2 TOURISM & HOSPITALITY ¹⁰

The Maltese tourism sector continued its strong recovery in 2024, recording a total of 3,563,618 inbound tourists. This represents a significant increase of 19.53% compared to 2023, when arrivals stood at 2,981,476, and a remarkable 29.43% rise over 2019, the last pre-pandemic benchmark year, which saw 2,753,240 visitors.

The total number of nights spent by tourists did not increase at the same pace as the growth in inbound tourist arrivals. In 2024, tourists spent a total of 22,916,616 nights in Malta, representing an increase of 12.95% over the 20,289,051 nights recorded in 2023, and a rise of 18.50% when compared to 19,338,860 nights in 2019. As a result, the average length of stay per tourist continued to decline, falling to 6.43 nights in 2024 from 6.81 nights in 2023 and 7.02 nights in 2019. In fact, the proportion of tourists staying for one to three nights increased slightly to 23.76% in 2024, up from 23.28% in 2023 and 21.82% in 2019. Similarly, stays of four to six nights rose to 37.46% in 2024 compared to 35.11% in 2023 and 29.83% in 2019. In contrast, the share of visitors staying for seven nights or more declined to 38.78% in 2024, down from 41.61% in 2023 and 48.35% in 2019. These shifts point to a growing trend towards shorter, yet more frequent, trips – broadly in line with evolving global travel patterns.

Total tourist expenditure in 2024 reached €3.29 billion, marking a substantial 23.05% increase from the €2.67 billion recorded in 2023 and representing a 48.22% rise from €2.22 billion in 2019. Expenditure per tourist also increased to €924 in 2024, compared to €897 in 2023 and €807 in 2019. Furthermore, expenditure per night rose to €144, compared to €132 in 2023 and €115 in 2019, indicating that although tourists are spending fewer nights in Malta, their overall spend per night increased, possibly due to rising travel costs, inflation, or a shift towards higher-value experiences.

Accommodation preferences showed minor shifts in 2024. The percentage of tourists opting for collective accommodation¹¹ decreased slightly to 61.01% from 62.65% in 2023 and 62.11% in 2019. Accordingly, private accommodation¹² usage increased to 38.99%, up from 37.35% in 2023 and 37.89% in 2019. However, when considering the share of total nights spent, collective accommodation accounted for 52.58% of all stays, representing a marginal increase from 52.17% in 2023 and 52.06% in 2019, whilst the remaining share, ranging between 47% and 48%, was spent in private accommodation.



⁹ The structural balance is defined as the cyclically-adjusted balance, net of temporary government measures.

¹⁰ **Source:** National Statistics Office ("NSO") – (i) 'Inbound Tourism Statistics', 30 July 2025, available at: <https://nso.gov.mt/wp-content/uploads/Inbound-Tourism-Selected-Indicators.xlsx>; and (ii) 'Inbound Tourism: June 2025', 30 July 2025, available at: <https://nso.gov.mt/tourism/inbound-tourism-june-2025/https://nso.gov.mt/tourism/>.

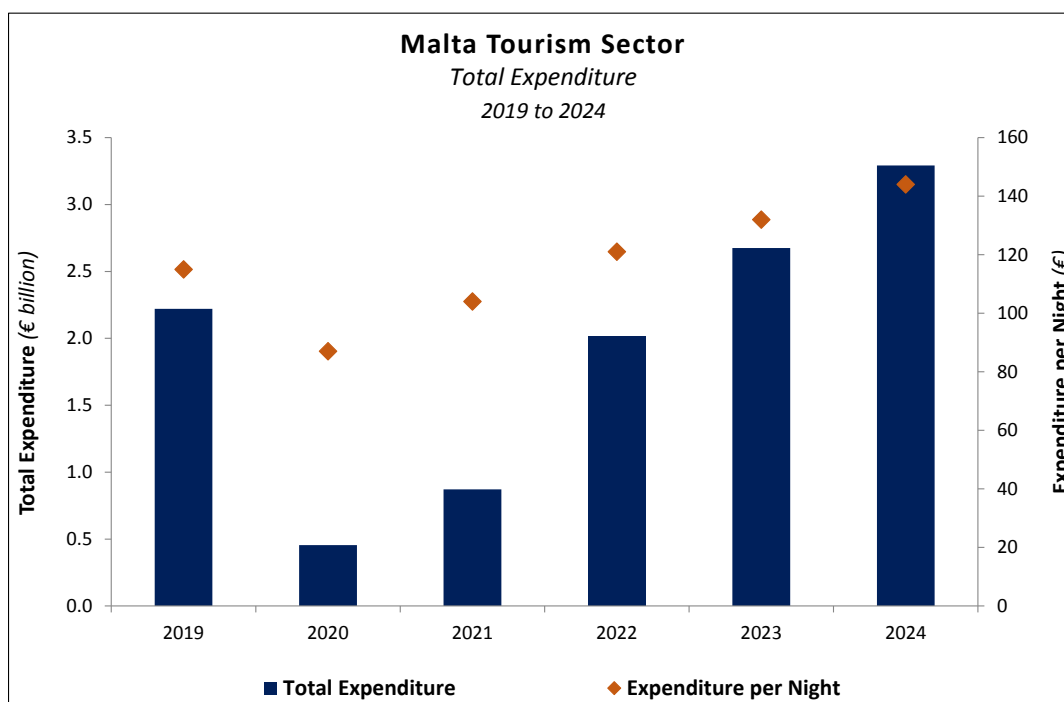
¹¹ Comprising hotels, guesthouses, hostels, tourist villages, holiday complexes, bed and breakfast, and campsites.

¹² Comprising other rented accommodation (such as holiday furnished premises, host families, marinas, paid-convents, rented yachts, and student dormitories) and non-rented accommodation (mainly private residences).

Demographic trends in 2024 reveal a continued shift towards a younger tourist base. The proportion of visitors aged up to 24 years increased to 24.18%, up from 22.12% in 2023 and 19.78% in 2019. Meanwhile, the percentage of tourists aged between 25 years and 44 years declined to 36.60% compared to 38.98% in 2023 and 40.02% in 2019. Similarly, the share of visitors aged between 45 years and 64 years saw a slight decline to 29.54% from 29.80% in 2023 and 30.03% in 2019. The proportion of tourists aged 65 years and over increased slightly to 9.68% in 2024, up from 9.10% in 2023 but still lower than the 10.17% recorded in 2019. These trends suggest that Malta is attracting a growing proportion of younger travellers, potentially influenced by an increase in budget airline connectivity, digital nomad incentives, or events targeting younger demographics.

In terms of arrivals by country of origin, the share of tourists from the European Union declined slightly to 67.19% in 2024 from 67.83% in 2023. Within this group, the proportion from the euro area decreased to 52.49% from 54.69% in 2023. Meanwhile, the share of tourists coming from non-EU countries rose to 32.81% in 2024 from 32.17% in 2023.

Holiday tourism remained the dominant reason for travel, increasing further in 2024, with 92.34% of visitors citing leisure as their primary purpose compared to 90.91% in 2023 and 88.92% in 2019. In contrast, the proportion of tourists visiting Malta for business and professional purposes declined to 4.84% in 2024, down from 5.26% in 2023 and 6.87% in 2019. These figures reinforce the idea that Malta's tourism recovery has been primarily leisure-driven, with the business travel segment lagging somewhat behind.



Patterns in travel organisation showed a continued decline in package holidays, with 24.91% of tourists opting for pre-arranged packages in 2024 compared to 25.21% in 2023 and 29.71% in 2019. This indicates an ongoing shift towards independent travel, likely facilitated by the ease of online bookings and an increasing preference for personalised experiences. Another notable trend has been the continued rise in first-time visitors who accounted for 79.08% of arrivals in 2024, up from 77.44% in 2023 and 74.68% in 2019. Conversely, repeat visitors declined to 20.92% in 2024, compared to 22.56% in 2023 and 25.32% in 2019. While this suggests that Malta is attracting new audiences, the decreasing share of repeat visitors may indicate a need for strategies to enhance visitor retention and encourage return visits.

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In the first six months of 2025, inbound tourists totalled 1.81 million, representing an increase of 13.51% over the same period in 2024, when total arrivals stood at 1.59 million. Collectively, these tourists spent 10.67 million nights, up by 13.22% from 9.42 million nights in the corresponding period of 2024. This resulted in an average length of stay of 5.91 nights, broadly unchanged from 5.92 nights in the first half of 2024. The proportion of tourists staying for one to three nights eased to 26.94% in H1 2025 from 28.77% in the first half of 2024. Stays of four to six nights rose to 40.52% in H1 2025 compared to 38.95% in the corresponding period in 2024. In contrast, the share of visitors staying for seven nights or more stayed broadly unchanged at 32.53%.

During the first half of 2025, total expenditure by inbound tourists amounted to €1.56 billion which was 21.14% higher than the total of €1.29 billion spent between January and June 2024. Accordingly, the expenditure per tourist increased to €866 compared to €812 in the first half of 2024. Similarly, the expenditure per night also increased markedly year-on-year to €147 compared to €137 in the same period in 2024.

The percentage of tourists opting for collective accommodation moved slightly lower to 63.54% in H1 2025 from 63.81% in the first half of 2024. Accordingly, private accommodation usage increased to 36.46%, up from 36.19% in H1 2024. However, when considering the share of total nights spent, collective accommodation accounted for 56.32% of all stays, representing a marginal increase from 55.43% in H1 2024, whilst the remaining share of around 44% was spent in private accommodation.

In terms of the demographic profile of inbound tourists between January and June 2025, 0.35 million (or 19.15%) were below 25 years, 0.66 million (or 36.63%) were aged between 25 years and 44 years, 0.58 million (or 32.30%) were aged between 45 years and 64 years, whilst the remaining portion amounting to 0.22 million (or 11.92%) were over 64 years.

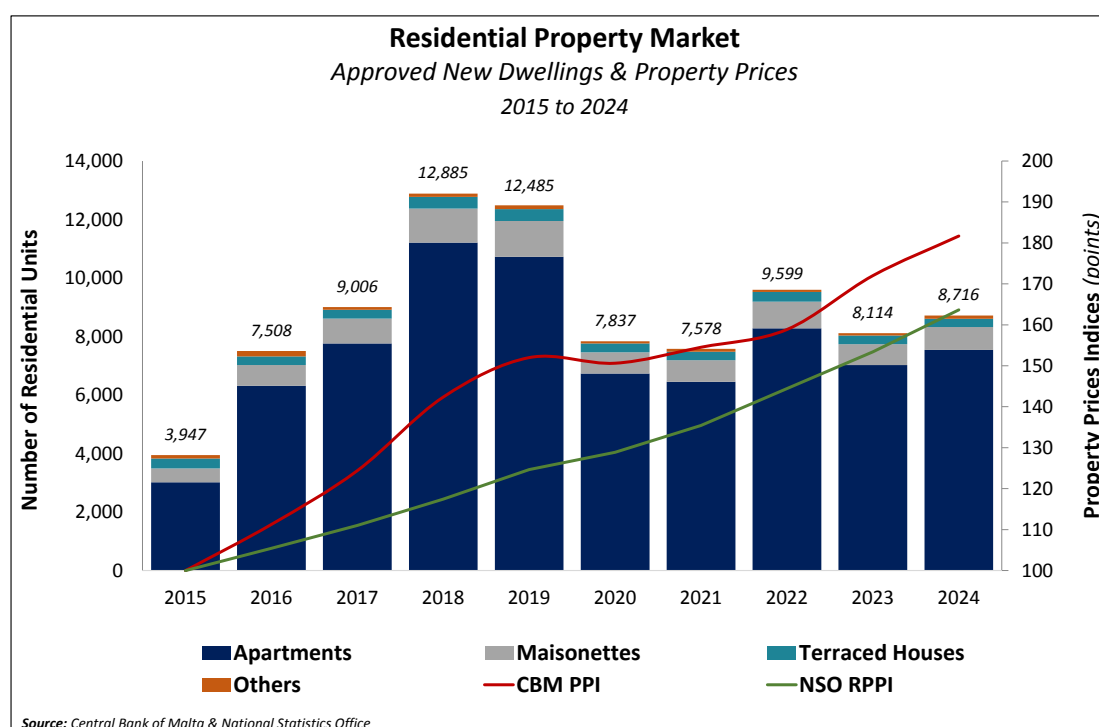
Almost 2 million inbound tourists (or 66.42% of arrivals) came from EU countries, of which 48.73% (or 0.88 million) represented markets within the euro area. Moreover, the bulk of inbound tourists visiting Malta in the half of 2025 were for leisure purposes (1.67 million – or 92.59%). The large majority (1.43 million – or 79.37%) were first-time tourists whilst the tourists who opted for a non-packaged type of stay (1.33 million – or 73.48%) also represented the lion's share of inbound tourists.

9.1.3 PROPERTY MARKET¹³

Data provided by the NSO shows that in 2024, 1,649 permits were granted for the construction of 8,716 new dwellings, representing a year-on-year increase of 7.42%. Most of the approved new dwellings comprised apartments, which totalled 6,177 units (2023: 5,755 units), representing 70.87% of the total number of approved residential units in 2024. The remaining approved new units were penthouses, which totalled 1,366 units (2023: 1,271 units), maisonettes – 783 units (2023: 714 units), terraced houses – 283 units (2023: 292 units), and other types of dwellings including villas, bungalows, town houses, houses of character, and farmhouses, which totalled 107 units (2023: 82 units). By region, the largest number of approved new dwellings was in the Northern Harbour district with 2,529 units (2023: 2,211 units), followed by the Northern district with 1,631 units (2023: 1,851 units) and the South Eastern district with 1,177 units (2023: 1,143 units). The Southern Harbour and Western districts accounted for 1,120 units (2023: 877 units) and 834 units (2023: 791 units) respectively, whilst Gozo and Comino registered 1,425 units (2023: 1,241 units).

In H1 2025, 1,023 permits were granted for the construction of 5,170 new dwellings, representing a year-on-year increase of 9.70% in the supply of residential units. Apartments remained the predominant residential type, accounting for 3,688 units, representing a 9.66% increase from 3,363 units in H1 2024. Terraced houses experienced a similar growth, increasing by 9.09% to 156 units from 143 units in the prior year's comparable period. Maisonettes and other type of dwellings surged by around 50% to 632 units (H1 2024: 423 units) and 72 units (H1 2024: 48 units) respectively, whilst the number of approved penthouses declined by 15.49% to 622 units (H1 2024: 736 units).

By region, the largest number of approved new dwellings in H1 2025 was in the Western district with 648 units (H1 2024: 427 units), followed by the South Eastern district with 741 units (H1 2024: 572 units) and the Southern Harbour district with 774 units (H1 2024: 626 units). All other districts registered marginal year-on-year declines.



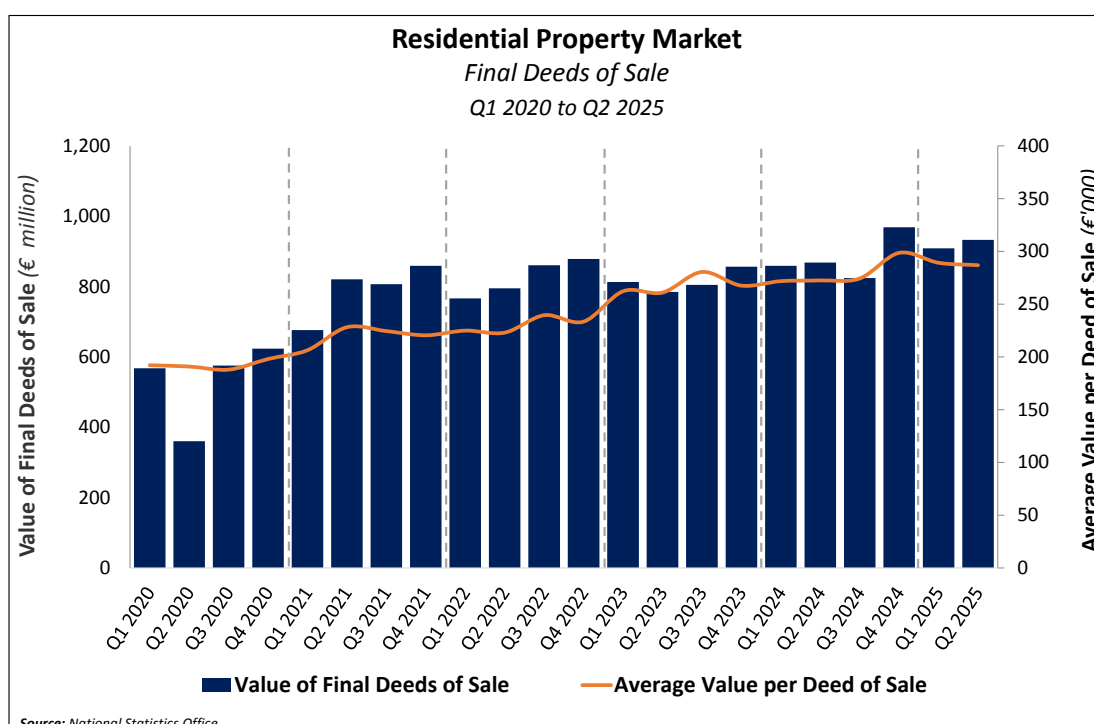
¹³ Sources: (i) CBM – 'Property Prices Index based on Advertised Prices', 28 August 2025, available at: https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xlsx?rnd=20250904145252&revcount=7656&revcount=2717; and (ii) NSO – (a) 'Residential Property Transactions', 12 August 2025, available at: https://nso.gov.mt/wp-content/uploads/Residential_Property-Transactions.xlsx; (b) 'Residential Permits and Dwellings', 3 September 2025, available at: https://nso.gov.mt/wp-content/uploads/Residential_Permits_and_Dwellings.xlsx; and (c) 'Residential Property Price Index', 4 July 2025, available at: <https://nso.gov.mt/wp-content/uploads/Residential-Property-Price-Index.xlsx>.

In nominal terms, the CBM Property Prices Index (“PPI”) – which is based on the advertised sale prices of apartments, maisonnettes, terraced houses, and other types of dwellings – increased by 5.62% in 2024 to 181.68 points. The sharpest year-on-year percentage increase took place in the prices of ‘other property’, comprising townhouses, houses of character, and villas, which advanced by 9.45%. The advertised prices of terraced houses and apartments increased by over 8%, whilst maisonnettes saw their advertised prices increase by 7.49%.

In H1 2025, the CBM PPI rose further to 189.40 points, representing a year-on-year increase of 5.24%. Price momentum remained positive across all categories of dwellings. Other types of property registered the sharpest percentage growth, increasing by 6.81% year-on-year. Terraced houses and maisonnettes followed, with annual increases of 3.62% and 2.53% respectively, whilst apartments recorded marginal year-on-year growth of 1.29%.

The NSO Residential Property Price Index (“RPPI”) – which is based on actual transactions involving apartments, maisonnettes and terraced houses – registered an increase of 6.67% to 163.65 points in 2024. In aggregate, the prices of apartments and maisonnettes, which represent the lion’s share of the market, rose by 6.46%, with apartment prices increasing by 6.50% whilst maisonnette prices recorded a year-on-year increase of 6.33%.

In Q1 2025, the NSO RPPI rose further to 169.09 points, representing a year-on-year increase of 5.69%. In aggregate, the prices of apartments and maisonnettes rose by 5.48%, with apartment prices increasing by 5.31% whilst maisonnette prices recorded a year-on-year increase of 6.21%.



Meanwhile, in terms of transactions, throughout 2024 a total of 12,598 final deeds of sale relating to residential property were registered compared to 12,180 deeds in 2023 and 14,331 deeds in 2022. The total value of final deeds of sale increased by 8.02% in 2024 to a new record of €3.52 billion compared to €3.26 billion in 2023 and €3.30 billion in 2022. Furthermore, the average value per deed of sale increased to €279,362 compared to €267,504 in 2023 and €230,242 million in 2022.

During H1 2025, 6,394 final deeds of sale were registered, slightly higher than the 6,348 deeds recorded in the corresponding period in 2024. The total value of final deeds of sale rose to €1.84 billion compared to €1.73 billion in H1 2024, marking an increase of 6.61% on a year-on-year basis. This led to a 5.84% increase in the average value per deed, which climbed to €287,926 in H1 2025 from €272,038 a year earlier, reflecting continued resilience in transaction values despite a relatively stable volume of concluded deals.

9.2 UAE ECONOMIC UPDATE¹⁴

The UAE economy grew by 4% in 2024. This growth was primarily driven by a 5% expansion of non-hydrocarbon activities and a 1% rebound in the hydrocarbon sector. For 2025, the CBUAE lowered its growth forecast by 30 basis points to 4.40% reflecting the effects of slower global economic activity, increased uncertainty, and falling oil prices. Despite this revision, the projected growth for 2025 remains higher than that observed in 2024. For 2026, the growth projection has also been revised downward by 30 basis points to 5.40%, largely due to weaker external demand and subdued oil prices.

The non-hydrocarbon GDP is expected to grow by 4.50% in 2025, and the growth rate is projected to remain steady in 2026. This sustained growth is primarily driven by the government's strategic plans and policies aimed at attracting foreign investment, fostering innovation and promoting key non-hydrocarbon sectors such as industrial manufacturing, tourism, transport, and the digital economy, which align with key national initiatives within the 'We the UAE 2031' vision.¹⁵

Real GDP Growth in the UAE	2022	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast	Projection
Overall GDP (% year-on-year)	7.50	4.30	4.00	4.40	5.40
Non-Hydrocarbon GDP (% year-on-year)	7.00	7.00	5.00	4.50	4.50
Hydrocarbon GDP (%)	8.90	(3.00)	1.00	4.10	8.10

Source: CBUAE, 'Quarterly Economic Review – June 2025', 25 June 2025.

When it comes to hydrocarbon GDP, during the first four months of 2025, oil production averaged 2.9 million barrels per day, representing a 0.40% decline compared to the same period in 2024. However, oil production is expected to recover in line with OPEC+ production quotas. Gas production in the first quarter of 2025 rose by 2% year-on-year. Based on the OPEC+ production plans, as well as ongoing and planned upstream and midstream activities in the oil and gas sector, the UAE hydrocarbon sector is expected to grow by 4.10% in 2025, followed by a further expansion of 8.10% in 2026.

The CBUAE revised down its inflation forecast for 2025 by 10 basis points to 1.90%, driven by moderating energy prices, partially offset by non-tradeable components of the consumer basket. In addition, easing prices of key non-energy commodities are expected to contribute to a contained inflation rate. In 2026, inflation is expected to remain unchanged at 1.90%, reflecting a 20 basis points downward revision from the previous forecast.

The UAE continues to demonstrate a strong and sustainable fiscal position, supported by low levels of government debt and consistently robust fiscal surpluses. In 2024, the fiscal surplus stood at AED 109.60 billion (or 5.50% of GDP), a slight decline from the AED 111.7 billion surplus (or 5.90% of GDP) recorded in 2023. Total general government revenue increased by 1.20% in 2024, reaching AED 553.4 billion, equivalent to 27.80% of GDP. This growth was primarily driven by a substantial 15.50% increase in tax revenues, which offset a 20.30% decline in other revenue categories. Tax revenue has become an increasingly significant component of government income, rising from 53.20% of total revenue in 2022 to 58% in 2023, and further to 66.20% in 2024.

Government expenditure rose by 2% to AED 443.8 billion in 2024, accounting for 22.30% of GDP, compared to AED 435 billion (or 23% of GDP) in 2023. This increase was driven by higher spending on employee compensation, consumption of goods and services, and social benefits. These increases were partially mitigated by a 50.50% reduction in other expenses. Additionally, capital expenditure by the general government grew by 7.10% to AED 34.9 billion in 2024, reflecting the country's continued commitment to large-scale infrastructure development and the enhancement of its economic and investment environment.

Over the medium term, the outlook for the UAE's fiscal sector remains favourable. The fiscal breakeven oil price – the oil price that is necessary to balance the budget – is projected to stay relatively low, while hydrocarbon exports are expected to increase gradually in the coming years.

UAE residential real estate sales market maintained strong momentum in Q1 2025, with transactions in Abu Dhabi and Dubai increasing by 12.60% year-on-year. Off-plan sales transactions demonstrated 17% year-on-year growth, reflecting sustained investor interest, while ready units saw 5.20% year-on-year growth. Sales of villas increased by 27.70% year-on-year, and the number of sold apartments rose by 10.30% year-on-year.

The median sales price for apartments and villas in Abu Dhabi in the first quarter of 2025 decreased by 6.50% and 12.10% year-on-year respectively. This decline was primarily due to a shift in transaction activity towards mid- and lower-tier locations in Q1 2025, compared to a higher concentration of prime location sales in the same period in 2024. Median villa sales prices in Dubai rose by 17.20% year-on-year, while apartment prices posted a more moderate gain of 4.10% year-on-year.

¹⁴ Source: Central Bank of the United Arab Emirates ("CBUAE"), 'Quarterly Economic Review – June 2025', 25 June 2025, available at: https://www.centralbank.ae/media/yriylfz2/qer-june-2025_en.pdf

¹⁵ 'We the UAE 2031' vision represents a ten-year national plan through which the UAE aims at continuing its development path with a particular focus on specific social, economic, investment, and development targets. The plan seeks to enhance the position of the UAE as a global partner and an attractive and influential economic hub. It also aims to highlight the successful economic model of the UAE, and the opportunities that the country provides to all global partners. Further information about 'We the UAE 2031' is available at: <https://wetheuae.ae/en>

Rental transactions in Abu Dhabi and Dubai in Q1 2025 declined by 5.60% year-on-year. The number of renewed rents fell by 2% year-on-year, while newly registered rents experienced a sharper decline of 11.60% year-on-year. The volume of leased apartments in Q1 2025 declined by 5.50% year-on-year, and the number of villa rents fell by 6%.

Despite the slowdown in transaction volumes, the median apartment rental price in Abu Dhabi in Q1 2025 increased by 2.70% year-on-year, while villa rents remained relatively stable, rising by 1.30% year-on-year. Rental prices in Dubai remained on an upward trend: median apartment rents increased by 11.70% year-on-year, while villa rents saw a more pronounced rise of 15.60% year-on-year.

Dubai's tourism sector maintained strong momentum in Q1 2025, attracting 7.15 million overnight visitors, representing an increase of 7% compared to the same period in 2024. This reinforces the city's position as a premier global destination. The hospitality sector also demonstrated resilience, with hotel occupancy reaching a healthy 83% in April 2025, an increase compared to 81% in the same period in 2024. Revenue per available room held steady, reflecting sustained demand across key tourism segments. These results highlight the continued success of Dubai's efforts to enhance visitor experiences and global connectivity, supporting broader non-oil economic growth and reinforcing confidence in the emirate's long-term tourism strategy.

Etihad Airways, the national airline of the UAE, reported significant growth, transporting 6.7 million passengers in the first four months of 2025, representing a 17.10% increase compared to the same period in 2024. This growth was attributed to the expansion of capacity and a larger operating fleet. As of April 2025, the airline served 99 destinations with a fleet of 72 aircraft, up from 89 destinations and 68 aircraft during the same period in 2024.

Dubai International Airport ("DXB") welcomed 23.40 million passengers through its terminals in Q1 2025, sustaining its strong growth trajectory and reaffirming its standing as one of the world's busiest international airports. This increase highlights both the rising global appeal of Dubai as a destination and DXB's strategic importance as a key travel hub.

Despite setting records in Q1 2025, traffic rose by 1.50% year-on-year. Notably, January 2025 marked a historic milestone, with DXB handling 8.5 million travellers – the highest monthly figure ever recorded at the airport. The UAE's aviation and tourism sectors remain vital drivers of the nation's economic diversification agenda. Their continued growth reflects the success of targeted strategies aimed at strengthening global connectivity, expanding the hospitality sector, and elevating the country's profile as a premier destination for both leisure and business travel.

PART 2 – FINANCIAL REVIEW

10. FINANCIAL ANALYSIS – THE ISSUER

The historical information is extracted from the audited annual financial statements of SD Finance for the years ended 31 March 2023, 31 March 2024, and 31 March 2025.

The forecasts and projections have been provided by the Group and are based on future events and assumptions which SD Holdings believes to be reasonable. Included therein is a proposed bond issuance programme of €60,000,000 which is still subject to regulatory approval.

Accordingly, actual outcomes may be adversely affected by unforeseen circumstances, and the variation between forecasts and projections compared with actual results could be material.

SD Finance plc					
Statement of Comprehensive Income					
For the financial year 31 March					
	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Finance income	3,057	3,059	3,069	4,342	5,259
Finance costs	(2,921)	(2,925)	(2,929)	(3,596)	(5,109)
Administrative expenses	(128)	(126)	(134)	(750)	(145)
Profit / (loss) before tax	8	8	6	(4)	5
Taxation	(3)	(3)	(2)	2	(2)
Profit / (loss) for the year	5	5	4	(2)	3
Total comprehensive income / (expense)	5	5	4	(2)	3

SD Finance plc					
Statement of Cash Flows					
For the financial year 31 March	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from operating activities	54	77	241	871	288
Net cash used in investing activities	-	-	-	(33,000)	(27,000)
Net cash from financing activities	-	-	-	33,000	27,000
Net movement in cash and cash equivalents	54	77	241	871	288
Cash and cash equivalents at beginning of year	3,018	3,072	3,149	3,390	4,261
Cash and cash equivalents at end of year	3,072	3,149	3,390	4,261	4,549

SD Finance plc				
Statement of Financial Position				
As at 31 March				
	2023	2024	2025	
	Actual	Actual	Actual	2026
	€'000	€'000	€'000	Forecast
				2027
				Projection
				€'000
				€'000
ASSETS				
Non-current assets				
Loans receivable	64,333	64,333	64,333	97,333
	64,333	64,333	64,333	97,333
Current assets				
Loans receivable	-	-	-	-
Trade and other receivables	175	204	67	120
Cash and cash equivalents	3,072	3,149	3,390	4,261
	3,247	3,353	3,457	4,381
Total assets	67,580	67,686	67,790	101,714
EQUITY				
Capital and reserves				
Called up share capital	250	250	250	250
Retained earnings	40	45	49	46
	290	295	299	296
LIABILITIES				
Non-current liabilities				
Debt securities	64,585	64,780	64,890	97,992
	64,585	64,780	64,890	97,992
Current liabilities				
Debt securities	-	-	-	-
Trade and other payables	2,705	2,611	2,601	3,426
	2,705	2,611	2,601	3,426
Total liabilities	67,290	67,391	67,491	101,418
Total equity and liabilities	67,580	67,686	67,790	101,714

STATEMENT OF COMPREHENSIVE INCOME

In **FY2025**, the Issuer generated finance income of €3.07 million, against which it incurred finance costs of €2.93 million – in line with the two prior years. Administrative expenses amounted to €0.13 million. Following a marginal tax charge, SD Finance reported a profit after tax of less than €0.01 million.

In **FY2026**, finance income is expected to increase to €4.34 million, reflecting higher interest inflows from amounts advanced to the Group. Finance costs are forecast to rise to €3.60 million, due to the issuance of new debt securities (the “**2025 Bonds**”). Administrative expenses are projected at €0.75 million, resulting in a marginal loss for the year.

In **FY2027**, finance income is projected to rise further to €5.26 million, albeit the increase is expected to be offset by higher finance costs amounting to €5.11 million. After accounting for administrative expenses of €0.15 million and a modest tax charge, the Company is anticipated to register a marginal net profit for the year.

STATEMENT OF CASH FLOWS

In **FY2025**, SD Finance generated €0.24 million from operating activities. With no investing or financing activities undertaken during the year, the Company ended the financial year with a cash balance of €3.39 million.

For **FY2026**, net cash from operating activities is forecast to increase markedly to €0.87 million. On the investing side, the Issuer is expected to deploy €33 million, reflecting the outlay on loans receivable. This is balanced by an equal inflow of €33 million under financing activities, representing proceeds from the issuance of debt securities. Consequently, the net movement in cash is projected at €0.87 million, leading to an end-of-year cash balance of €4.26 million.

In **FY2027**, cash flow from operating activities is anticipated at €0.29 million. Investing activities are forecast to absorb €27 million, representing further advances in loans receivable. This is expected to be offset by an equal inflow of €27 million from financing activities related to the issuance of further debt securities. The net increase in cash for the year is thus projected at €0.29 million, with year-end balances rising modestly to €4.55 million.

STATEMENT OF FINANCIAL POSITION

Total assets amounted to €67.79 million as at the end of **FY2025**, principally comprising loans receivable of €64.33 million and cash balances of €3.39 million. Total equity stood at €0.30 million whilst total liabilities amounted to €67.49 million, of which €64.89 million consisted of debt securities in issue alongside €2.60 million in trade and other payables.

In **FY2026**, total assets are forecast to expand to €101.71 million, driven by an increase in loans receivable to €97.33 million and cash holdings of €4.26 million. Total equity is expected to remain stable at €0.30 million whilst total liabilities are anticipated to grow to €101.42 million, with debt securities accounting for €97.99 million and trade and other payables estimated at €3.43 million.

In **FY2027**, total assets are projected to reach €129 million, mainly comprising €60 million in non-current loans receivable, €64.33 million in current loans receivable, and cash balances of €4.55 million. Total equity is projected to remain flat at €0.30 million, whilst total liabilities are expected to reach €128.70 million, with non-current debt securities at €60 million (the 2025 Bonds), €65 million in current debt securities (the 4.35% unsecured bonds in issue which are due for redemption in April 2027), and current trade and other payables of €3.70 million.

11. FINANCIAL ANALYSIS – THE GUARANTOR

The historical information is extracted from the audited consolidated annual financial statements of SD Holdings for the years ended 31 March 2023, 31 March 2024, and 31 March 2025.

The forecasts and projections have been provided by the Group and are based on future events and assumptions which SD Holdings believes to be reasonable. Included therein is a proposed bond issuance programme of €60,000,000 which is still subject to regulatory approval. Accordingly, actual outcomes may be adversely affected by unforeseen circumstances, and the variation between forecasts and projections compared with actual results could be material.

The estimates for FY2026 and FY2027 assume that the carrying values of the Group's principal properties will neither be revalued upwards nor impaired. Consequently, no adjustments have been made for potential uplifts or impairments in the value of these assets which could materially affect the Statement of Comprehensive Income and the Statement of Financial Position.

SD Holdings Limited					
Statement of Comprehensive Income					
For the financial year 31 March	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Revenue	70,799	88,725	99,202	108,783	377,958
Net operating costs	(46,047)	(57,609)	(63,410)	(76,570)	(197,049)
EBITDA	24,752	31,116	35,792	32,213	180,909
Depreciation and amortisation	(9,555)	(11,042)	(9,786)	(9,552)	(23,150)
Operating profit	15,197	20,074	26,006	22,661	157,759
Net finance costs	(5,289)	(5,348)	(6,613)	(11,228)	(14,342)
Fair value changes of investments	-	232	1,243	-	-
Share of results of associates	5,651	65	451	(275)	1,125
Gain on the disposal of associates	-	-	-	34,511	-
Profit before tax from continuing operations	15,559	15,023	21,087	45,669	144,542
Taxation	(3,185)	(6,170)	(9,504)	(18,104)	(25,354)
Profit for the year from continuing operations	12,374	8,853	11,583	27,565	119,188
Profit after tax from discontinued operations	-	5,421	7,034	-	-
Profit for the year	12,374	14,274	18,617	27,565	119,188
Other comprehensive income					
Fair value movements on land and buildings, net of tax	-	51,053	11,130	-	-
Other movements	126	126	-	-	-
Total comprehensive income (net of tax)	12,500	65,453	29,747	27,565	119,188

SD Holdings Limited Key Financial Ratios	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast	FY2027 Projection
EBITDA margin (%) (EBITDA / revenue)	34.96	35.07	36.08	29.61	47.86
Operating profit margin (%) (Operating profit / revenue)	21.46	22.62	26.22	20.83	41.74
Net profit margin (%) (Profit after tax / revenue)	17.48	16.09	18.77	25.34	31.53
Return on equity (%) (Profit after tax / average equity)	8.41	7.85	8.23	10.90	36.35
Return on assets (%) (Profit after tax / average assets)	3.41	3.36	3.49	3.98	14.79
Return on invested capital (%) (Operating profit / average equity and net debt)	6.83	7.26	7.99	5.10	31.60
Interest cover (times) (EBITDA / net finance costs)	4.68	5.82	5.41	2.87	12.61

STATEMENT OF COMPREHENSIVE INCOME

Revenues surged to €70.80 million in **FY2023** reflecting the strong underlying dynamics of the post-COVID-19 pandemic recovery. Hotel occupancy increased to 85% which was higher than the level of 81% in FY2020 prior to the outbreak of the COVID-19 pandemic. Moreover, the Group's F&B division recorded robust growth partly on the back of the opening of two new restaurants (LOA and Sonora) in St Paul's Bay and six additional Starbucks outlets to a total of 14.

EBITDA grew at a slower pace than revenues and reached €24.75 million. As a result, the EBITDA margin contracted to 34.96% in view of the negative impact of high inflation as well as an increase in payroll costs and other operational and administrative expenses in anticipation of the planned growth of the Group's both in Malta and overseas. Furthermore, the Group benefitted from a lower amount of COVID-19 Wage Supplement (which totalled €0.95 million) when compared to the prior year.

Net finance costs increased by 21.81% to €5.29 million, but the interest cover still improved, albeit marginally, to 4.68 times. Meanwhile, the year-on-year increase in depreciation and amortisation charges (+6.17% to €9.56 million) was offset by the superior performance of the Group's associates which contributed €5.65 million (+26.48%) to the Group's profitability.

Overall, SD Holdings reported a net profit of €12.37 million (+17.13%) which resulted in an upward movement in the return on equity ("ROE") to 8.41% and the return on assets ("ROA") to 3.41%. The return on invested capital ("ROIC") also trended higher year-on-year to 6.83% despite the contraction in the operating profit margin to 21.46%.

Revenues increased by 25.32% to €88.73 million in **FY2024**. The overall occupancy rate of the Group's hotel portfolio increased to 89% reflecting both the buoyant conditions of the local tourism market as well as the attractiveness and competitiveness of the Group's hotels. Furthermore, the F&B sector also experienced better turnover figures amid the opening of four new restaurants and three additional Starbucks outlets to a total of 17.

Cost of sales increased at the same rate as revenues to €57.61 million (FY2023: €46.05 million). As a result, EBITDA surged by 25.71% to €31.12 million whilst the EBITDA margin and interest cover edged higher to 35.07% and 5.82 times respectively.

Although depreciation and amortisation charges trended higher by 15.56% to €11.04 million, operating profit still increased by 32.09% to €20.07 million compared to €15.20 million in the prior year. Furthermore, the operating profit margin and the ROIC improved year-on-year to 22.62% and 7.26% respectively.

The share of results of associates, excluding the contributions from MHC, KAS, and KIS which were reclassified as 'discontinued operations' in FY2025, amounted to €0.07 million. Meanwhile, net finance costs increased marginally to €5.35 million, whilst the Group also registered a minor gain of €0.23 million in relation to the fair value of investments.

After accounting for tax charges of €6.17 million (FY2023: €3.19 million) and a profit after tax of €5.42 million from discontinued operations, the Group recorded a net profit for the year of €14.27 million which corresponded to a margin of 16.09% compared to 17.48% in FY2023. The ROE and ROA moved lower year-on-year to 7.85% and 3.36% respectively.

Total comprehensive income amounted to €65.45 million (FY2023: €12.50 million) and mainly comprised a net gain of €51.05 million in the fair value of Seabank and San Antonio. The uplift in property values resulted from an upward revision in financial forecasts following the strong recovery and the positive performance achieved after the negative impact of the COVID-19 pandemic. The location of the assets, possible future development, and the resulting potential for future income generation were also taken into consideration.

The Group generated revenues of €99.20 million in **FY2025**, marking an increase of €10.48 million, or +11.81%, over FY2024. The growth was underpinned by an expansion in business volumes and improved operating leverage across the Group's key segments. The overall hotel portfolio occupancy remained robust, whilst the F&B sector also experienced improved turnover, reflecting organic growth as well as the inauguration of a new GROM outlet, a Charles & Ron Cafeteria, and the addition of a further Starbucks outlet bringing the total to 18.

Net operating costs rose by 10.07% to €63.41 million, mainly driven by increases in cost of sales and administrative expenses (reflecting higher input costs and activity levels), partly offset by a marked uplift in other operating income which resulted from the recharge of development costs to an associate. Nonetheless, EBITDA surged by 15.03% to €35.79 million whilst the relative margin improved by 101 basis points to 36.08%.

After accounting for depreciation and amortisation charges of €9.79 million, operating profit stood at €26.01 million, representing a growth of 29.55% and translating into an operating profit margin of 26.22%. The ROIC also trended higher year-on-year and reached almost 8%.

Net finance costs increased by €1.27 million to €6.61 million, reflecting higher interest expense as the Group took on additional bank borrowings to support its growth ambitions. The interest cover retracted to 5.41 times, as the sharper rise in net finance costs outpaced the growth in EBITDA.

Fair value gains on investments amounted to €1.24 million whilst the share of results of associates stood at €0.45 million. As a result, profit before tax from continuing operations reached €21.09 million, representing an improvement of €6.06 million, or 40.36%, over the comparable figure of €15.02 million for FY2024.

The tax charge for the year stood at €9.50 million. Consequently, profit after tax from continuing operations amounted to €11.58 million, representing a 30.84% increase over the previous year's figure of €8.85 million. Including discontinued operations, which contributed €7.03 million in FY2025, total profit for the year stood at €18.62 million, corresponding to a net profit margin of 18.77%. The ROE and ROA also edged higher year-on-year, improving to 8.23% and 3.49% respectively.

Other comprehensive income was materially lower in FY2025 when compared to the prior year and amounted to €11.13 million. This comprised the revaluation of the portion of the right-of-use asset within the db St George's Bay Project that is earmarked for development as an owner-occupied property. Overall, total comprehensive income amounted to €29.75 million, representing a reduction of €35.71 million when compared to FY2024.

In **FY2026**, revenue is expected to increase by 9.66% to €108.78 million, principally reflecting further organic growth by Seabank, San Antonio, and the F&B segment, the twelve-month contribution from Xemxija Bay Hotel, as well as the first income from Aki London.

Despite the higher level of activity, EBITDA is forecast to decline by 10% to €32.21 million as the increase in net operating costs is projected to outpace revenue growth mainly due to one-off costs related to the db St George's Bay Project and Aki London. As a result, the EBITDA margin is expected to move lower to 29.61%.

After accounting for depreciation and amortisation charges of €9.55 million, operating profit is forecast at €22.66 million, representing a year-on-year decline of 12.86%. Consequently, the operating profit margin is expected to contract by 539 basis points to 20.83%, whilst ROIC is likewise anticipated to ease to 5.10%.

Net finance costs are expected to increase significantly to €11.23 million, reflecting the higher level of debt supporting the Group's investments. Coupled with the forecast drop in EBITDA, the interest cover is anticipated to weaken considerably to 2.87 times.

Despite the loss of €0.28 million related to the share of results of associates, profit before tax is projected to more than double to €45.67 million on the back of the €34.51 million gain from the disposal of MHC, KAS, and KIS. Taxation for the year is forecast at €18.10 million, thus leading to a net profit of €27.57 million, equating to a margin of 25.34% and a ROE and ROA of 10.90% and 3.98% respectively.

FY2027 is expected to be a milestone year for the Group in view of the expected inauguration of the db St George's Bay Project in the first quarter of the financial year. Total revenues are expected to surge to almost €378 million, driven by further growth at Seabank, San Antonio, and the F&B segment, and boosted by the first full-year contribution from Aki London, the income from the new Hard Rock Hotel St George's Bay, and the recognition of revenue from the sale of a significant number of ORA Residences.

On the back of this expansion, EBITDA is projected to reach nearly €181 million whilst the EBITDA margin is anticipated to strengthen markedly to 47.86%. Excluding the income from the sale of the ORA Residences, the projected normalised EBITDA margin of 32.19% represents a notable year-on-year improvement, reflecting the realisation of synergies and enhanced operating efficiencies at a larger scale.

Depreciation and amortisation charges are expected to increase significantly to €23.15 million mostly due to the start of the operations of the Hard Rock Hotel St George's Bay and the full-year impact of Aki London. Nonetheless, operating profit is expected at €157.76 million, equivalent to an operating profit margin of 41.74% and a ROIC of 31.60%.

Net finance costs are projected at €14.34 million, with the interest cover ratio anticipated to improve significantly to 12.61 times. Meanwhile, the share of results of associates is forecast to turn positive again, at €1.13 million, driven by the contribution from St George's Mall forming part of the db St George's Bay Project.

Overall, profit before tax is projected at €144.54 million. After accounting for a tax charge of €25.35 million, profit for the year is estimated at €119.19 million, equating to a margin of 31.53%. The ROE and ROA are also anticipated to trend higher, reaching 36.35% and 14.79% respectively.

SD Holdings Limited					
Statement of Cash Flows					
For the financial year 31 March	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from operating activities	25,021	30,614	50,507	11,742	148,881
Net cash used in investing activities	(7,697)	(16,078)	(64,366)	(196,302)	(12,375)
Net cash from / (used in) financing activities	(3,051)	2,261	32,693	183,303	(32,489)
Net movement in cash and cash equivalents	14,273	16,797	18,834	(1,257)	104,017
Cash and cash equivalents at beginning of year	39,466	53,739	70,536	89,370	88,113
Cash and cash equivalents at end of year	53,739	70,536	89,370	88,113	192,130
Net capital expenditure*	10,191	14,472	64,644	196,302	12,375
Free cash flow	14,830	16,142	(14,137)	(184,560)	136,506

* Calculated as gross capital expenditure minus the proceeds from the disposal of fixed and, or intangible assets.

STATEMENT OF CASH FLOWS

Net cash generated from operating activities increased to €25.02 million in **FY2023**, reflecting the material growth in business. Cash used in investing activities amounted to €7.70 million and primarily represented outflows relating to the opening of new restaurants and catering outlets, as well as other capital expenditure, partly offset by dividend income from associates amounting to €2.72 million.

Cash outflows relating to financing activities amounted to €3.05 million and comprised net repayment of bank borrowings (€1.43 million) and principal elements of leases (€1.62 million).

Overall, the Group ended FY2023 with a cash balance of €53.74 million, representing a year-on-year increase of €14.27 million.

During **FY2024**, the Guarantor increased its cash balances by €16.80 million to €70.54 million. Net cash from operating activities amounted to €30.61 million whilst a further €2.26 million was generated from financing activities. The latter comprised net proceeds from bank borrowings of €4.47 million, partly offset by the payment of principal elements of leases totalling €2.21 million.

In terms of investing activities, the Group utilised a total of €16.08 million which was predominantly channelled towards property, plant, and equipment ("PPE" – €8.77 million), investment property under development (i.e., outflows related to the db St George's Bay Project – €5.64 million), and financial assets (€2 million).

During **FY2025**, the Group generated €50.51 million in net cash from operating activities, boosted by the strong operational performance and a notable release of working capital which increased to €17.12 million from €2.41 million in FY2024. Taxation movements were also favourable, yielding a net inflow of €0.98 million, whilst net interest paid increased by €0.93 million year-on-year to €3.66 million.

Net cash used in investing activities surged to €64.37 million, primarily reflecting continued investment in the db St George's Bay Project, the acquisition of the remaining two-thirds ownership of Xemxija Bay Hotel, as well as capital expenditure relating to new restaurant openings in Malta and London. Free cash flow turned negative, with an outflow of €14.14 million compared to an inflow of €16.14 million in FY2024.

Net cash from financing activities totalled €32.69 million, driven by the addition of €35.37 million in net bank borrowings as the Group significantly ramped up its use of external debt financing to fund its investment programme. On the other hand, lease liability payments increased marginally year-on-year to €2.68 million.

Overall, SD Holdings registered a net increase in cash and cash equivalents of €18.83 million in FY2025. Consequently, cash and cash equivalents at year-end amounted to €89.37 million, equivalent to 15.10% of the Group's total assets.

In **FY2026**, net cash from operating activities is forecast at €11.74 million. Despite the growth in business, the Group expects a significantly lower release of working capital whilst net interest and tax payments are projected to increase markedly year-on-year.

Investing activities are projected to absorb €196.30 million, attributable to capital expenditure allocated to PPE (€127.27 million) and investment property (€69.04 million) mostly related to the db St George's Bay Project, the RAK Project, and Aki London.

Financing activities, on the other hand, are expected to provide a significant inflow of €183.30 million, comprising net borrowings of €186.05 million partly offset by €2.74 million in lease principal payments.

The net movement in cash and cash equivalents in FY2026 is forecast at a negative €1.26 million, resulting in a marginally lower year-end cash balance of €88.11 million.

In **FY2027**, net operating cash flows are projected to strengthen materially to €148.88 million, reflecting the sharp increase in profitability and lower tax payments partly offset by a negative movement in working capital and higher net interest payments.

Investing activities are projected to decline sharply year-on-year to €12.38 million, following the completion of the db St George's Bay Project and the inauguration of Aki London, thus enabling the Group to shift its focus towards the RAK Project. Free cash flow is projected at €136.51 million, reflecting the sharp rebound in operating cash flows and the moderation of capital expenditure.

Financing activities are forecast to result in a net outflow of €32.49 million, as the Group undertakes net repayments of €29.55 million in bank borrowings coupled with €2.94 million in lease principal payments.

Overall, the net movement in cash and cash equivalents in FY2027 is expected to be positive at €104.02 million, lifting year-end balances to €192.13 million.

SD Holdings Limited				
Statement of Financial Position				
As at 31 March				
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	Projection
				€'000
ASSETS				
Non-current assets				
Property, plant and equipment	184,344	247,681	279,991	441,320
Investment property under development	82,628	18,199	-	-
Intangible assets	929	889	1,221	1,071
Inventories	-	68,901	76,180	143,367
Investments in associates	19,047	24,139	3,724	39,583
Right-of-use assets	15,366	19,702	26,359	23,402
Deferred tax assets	1,952	873	997	2,000
Financial assets	-	2,232	3,475	3,475
Trade and other receivables	335	387	1,487	1,400
Other non-current assets	-	4,244	37,528	-
	304,601	387,247	430,962	655,618
Current assets				
Inventories	2,018	2,182	2,533	2,533
Trade and other receivables	13,546	11,984	65,026	48,685
Current tax assets	1,509	1,509	366	-
Cash and cash equivalents	54,419	71,036	89,548	88,113
Assets held for sale	-	-	402	-
Other current assets	-	-	3,002	-
	71,492	86,711	160,877	139,331
Total assets	376,093	473,958	591,839	794,949
EQUITY				
Capital and reserves				
Share capital	4,000	4,000	4,000	4,000
Reserves	86,879	133,489	144,620	146,620
Retained earnings	61,290	73,890	92,507	114,073
	152,169	211,379	241,127	264,693
LIABILITIES				
Non-current liabilities				
Bonds	64,678	64,780	64,891	101,183
Bank borrowings	12,115	15,666	44,756	152,290
Lease liabilities	60,868	64,857	61,029	43,094
Deferred tax liabilities	19,405	27,110	29,872	29,872
Trade and other payables	12,252	11,394	11,450	8,958
Redeemable preference shares	-	4,673	4,824	4,984
	169,318	188,480	216,822	340,381
Current liabilities				
Bonds	-	-	-	-
Bank overdraft	680	500	178	-
Bank borrowings	4,036	4,856	11,007	56,550
Lease liabilities	9,764	12,367	14,424	11,707
Current tax liabilities	1,186	5,980	14,199	4,984
Trade and other payables	38,940	50,396	94,082	116,634
	54,606	74,099	133,890	189,875
Total liabilities	223,924	262,579	350,712	530,256
Total equity and liabilities	376,093	473,958	591,839	794,949
Total debt				
	152,141	163,026	196,285	364,824
Net debt				
	97,722	91,990	106,737	276,711
Invested capital (total equity plus net debt)				
	249,891	303,369	347,864	541,404

SD Holdings Limited Key Financial Ratios	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast	FY2027 Projection
Net debt-to-EBITDA (times) (<i>Net debt / EBITDA</i>)	3.95	2.96	2.98	8.59	0.72
Net debt-to-equity (times) (<i>Net debt / total equity</i>)	0.64	0.44	0.44	1.05	0.33
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	39.11	30.32	30.68	51.11	25.09
Debt-to-assets (times) (<i>Total debt / total assets</i>)	0.40	0.34	0.33	0.46	0.40
Leverage (times) (<i>Total assets / total equity</i>)	2.47	2.24	2.45	3.00	2.09
Current ratio (times) (<i>Current assets / current liabilities</i>)	1.31	1.17	1.20	0.73	1.63

STATEMENT OF FINANCIAL POSITION

The Group's asset base expanded by 7.47% to €376.09 million in **FY2023**. Year-on-year, the most material increase related to cash balances which rose by €14.23 million to €54.42 million. Furthermore, non-current assets increased by €8.48 million to €304.60 million principally on account of the higher value of investment property under development to €82.63 million, investments in associates to €19.05 million, and right-of-use assets to €15.37 million. On the other hand, non-current deferred tax assets decreased by €2.63 million to €1.95 million.

Total liabilities increased by 7.71% to €223.92 million reflecting the higher level of debt to €152.14 million which was partly offset by the reduction in current and non-current trade and other payables to €51.19 million. During FY2023, the Group reclassified the amounts due to Government in relation to the db St George's Bay Project to lease liabilities in line with the disclosure requirements of IFRS 16 – Leases. Together with the conclusion of other concession agreements related to the operation of additional restaurants, the amount of lease liabilities increased by €60.21 million year-on-year to €70.63 million.

The Group's equity based strengthened to €152.17 million on account of the €10.23 million increase in retained earnings to €61.29 million. However, due to the reclassification of the amounts due to Government in relation to the db St George's Bay Project as part of lease liabilities which translated into a notable increase in debt, the net debt-to-equity ratio and the net gearing ratio trended higher to 0.64 times and 39.11% respectively. Likewise, the net debt-to-EBITDA multiple and the debt-to-assets ratio deteriorated to 3.95 times and 0.40 times respectively. On the other hand, the leverage ratio remained virtually unchanged year-on-year at 2.47 times.

Total assets increased by 26.02% to €473.96 million in **FY2024**, largely reflecting the uplift in the carrying values of Seabank and San Antonio, as well as the higher level of cash and cash equivalents. The carrying amount of the investment in the db St George's Bay Project, reported under 'investment property under development', declined sharply to €18.20 million following the reclassification of €61.76 million to inventories, representing work-in-progress on residential properties for resale, and a further €4.74 million to PPE. Additions to investment property under development during the year amounted to €2.08 million. Meanwhile, development costs allocated to non-current inventories in respect of the db St George's Bay Project totalled €7.14 million, bringing the aggregate carrying value of the residential units to €68.90 million.

Investments in associates increased by €5.09 million to €24.14 million. Right-of-use assets rose by €4.34 million to €19.70 million, reflecting additions of €6.53 million related to newly leased establishments, comprising bars and restaurants, offset by an amortisation charge of €2.20 million.

Total liabilities increased by €38.66 million to €262.58 million, driven by three key factors: (i) an aggregate increase of €12.50 million in tax liabilities, both deferred and current, largely attributable to the uplift in the carrying values of hotel properties; (ii) a net increase of €10.60 million in trade and other payables; and (iii) a €10.89 million rise in total debt to €163.03 million, reflecting higher bank borrowings, which increased by €4.19 million to €21.02 million, as well as a €6.59 million increase in lease liabilities to €77.22 million. During the year, SD Holdings also issued €4.67 million in redeemable preference shares as part of a shareholding reorganisation exercise.

The Group's equity base expanded by almost 39% to €211.38 million reflecting the increase in both retained earnings (+€12.60 million to €73.89 million) and reserves (+€46.61 million to €133.49 million). Coupled with the reduction in net debt to €91.99 million (31 March 2023: €97.72 million), the net debt-to-equity ratio and the net gearing ratio trended lower to 0.44 times and 30.32% respectively. Likewise, the debt-to-assets ratio and the leverage ratio also improved year-on-year to 0.34 times and 2.24 times respectively, whilst the net debt-to-EBITDA multiple strengthened to 2.96 times. On the other hand, as the increase in current liabilities outpaced that in current assets, the current ratio deteriorated to 1.17 times from 1.31 times as at the end of FY2023.

Total assets increased markedly by €117.88 million, or 24.87%, to reach €591.84 million in **FY2025**. The most significant contributor to this growth was the sharp increase in current trade and other receivables, which rose by €53.04 million to €65.03 million mostly

due to the rise in amounts owed by associates. During the year, such entities (namely, MHC, KAS, and KIS) declared dividends totalling €27.62 million. Moreover, the Guarantor invested €6.43 million out of the committed €40 million in the RAK Project (FY2023: €2.23 million).

PPE increased by €32.31 million to €279.99 million, largely attributable to capital expenditure (including the acquisition of the remaining two-thirds ownership of Xemxija Bay Hotel) and the revaluation of the portion of right-of-use asset in the db St George's Bay project earmarked to be developed as an owner-occupied property.

Another notable uplift was registered in other non-current assets, which increased by €33.28 million to €37.53 million, representing deposits made to contractors for the development of the db St George's Bay Project. Meanwhile, cash and cash equivalents rose by €18.51 million to €89.55 million, whilst non-current inventories and right-of-use assets grew by 10.56% and 33.79% to €76.18 million and €26.36 million respectively.

Investment property under development was entirely reclassified, with the bulk under non-current inventory. Elsewhere, the value of investments in associates declined by €20.42 million to €3.72 million, primarily reflecting the declaration of dividends totalling €27.62 million from discontinued operations (namely, MHC – €26.37 million, KAS – €1.19 million, and KIS – €0.06 million).

Equity strengthened further during FY2025, by €29.75 million to €241.13 million, reflecting higher retained earnings, which increased by €18.62 million to €92.51 million, and reserves, which were up by €11.13 million to €144.62 million.

Total liabilities rose by €88.13 million to €350.71 million, primarily driven by a €34.92 million increase in bank borrowings, which reached €55.94 million. Tax liabilities, comprising both deferred and current components, increased by €10.98 million to €44.07 million. Current trade and other payables also increased sharply by €43.69 million to €94.08 million, reflecting the growing scale of the Group's operations, higher amounts of advance deposits received on POSA related to ORA Residences, and increased balances owed to associates.

Despite the increase in total debt by €33.26 million to €196.29 million, the Group's debt ratios remained stable. Net debt increased by €14.75 million to €106.74 million, resulting in a net debt-to-EBITDA multiple of 2.98 times, virtually unchanged from the prior year. The net debt-to-equity ratio remained at 0.44 times, whilst the net gearing ratio trended marginally higher to 30.68%. Similarly, the leverage ratio increased slightly to 2.45 times whilst the debt-to-assets ratio eased to 0.33 times. The current ratio edged slightly higher to 1.20 times, broadly in line with prior years.

In **FY2026**, the Group's total assets are forecast to expand by €203.11 million to €794.95 million. This growth is driven by a material increase in PPE to €441.32 million, together with a significant build-up in inventories to €143.37 million. The value of investments in associates is also expected to increase markedly to €39.58 million driven by the Group's interests in St George's Mall and the RAK Project.

Cash and cash equivalents are expected to decline marginally to €88.11 million, whilst other non-current and current assets are projected to be depleted, reflecting the utilisation of deposits made to contractors in connection with the development of the db St George's Bay Project.

The Group's equity base is anticipated to strengthen to €264.69 million, driven by higher levels of reserves (+€2 million to €146.62 million) and retained earnings (+€21.57 million to €114.07 million).

Total liabilities are projected to rise sharply to €530.26 million reflecting the use of external funding supporting the Guarantor's multi-million investments programme. Bank borrowings are expected to increase by €152.90 million to €208.84 million, whilst debt securities are forecast to reach €101.18 million compared to €64.89 million as at the end of FY2025. Meanwhile, the projected increase in non-current and current trade and other payables is expected to be largely offset by a reduction in lease liabilities to €54.80 million (31 March 2025: €75.45 million).

In view of the upsurge in indebtedness marking the peak of the investment cycle for the Group, all credit-related ratios are expected to deteriorate year-on-year. The net debt-to-EBITDA multiple is forecast to rise to 8.59 times. Net debt-to-equity is projected at 1.05 times whilst net gearing is expected to climb to 51.11%. The debt-to-assets ratio and the leverage ratio are anticipated to reach 0.46 times and 3 times respectively, whilst the current ratio is forecast to fall to 0.73 times.

Total assets are projected to increase moderately to €817.05 million in **FY2027**. PPE is forecast to contract by €18.52 million to €422.81 million, reflecting the completion of major projects (namely db St George's Bay Project and Aki London) and the resulting effects of depreciation. Inventories are expected to decline sharply to €71.86 million amid the sale of real estate forming part of ORA Residences. On the other hand, investments in associates are anticipated to rise further to €53.08 million on the back of additional commitments to the RAK Project, whilst cash balances are forecast to more than double to €192.13 million.

Equity is projected to strengthen materially to €391.04 million, supported by retained earnings rising by €119.19 million to €233.26 million and reserves increasing by €7.16 million to €153.78 million.

Total liabilities are projected to fall substantially to €426 million, reflecting deleveraging as bank borrowings contract by €57.25 million to €151.59 million. Lease liabilities are expected to decline further to €42.72 million, and current and non-current trade and other payables are forecast to fall sharply to €59.75 million. Overall, total debt is anticipated to contract by €41.74 million to €323.09 million despite the rise in debt securities to €128.77 million, whilst net debt is expected to decline at a faster rate by €145.76 million to €130.96 million.

All credit metrics of the Group are projected to strengthen significantly in FY2027. The net debt-to-EBITDA multiple is projected to fall to 0.72 times, reflecting both deleveraging and a significant uplift in earnings. Net debt-to-equity is expected to improve to 0.33 times, and net gearing reducing sharply to 25.09%. The debt-to-assets ratio is forecast to ease to 0.40 times, whilst the leverage ratio is anticipated to decline to 2.09 times. Liquidity is also projected to strengthen markedly, with the current ratio improving to 1.63 times.

12. VARIANCE ANALYSIS – THE GUARANTOR

The following is an analysis of the major variances between the forecast financial information for the year ended 31 March 2025, as included in the Analysis dated 26 September 2024, and the audited annual financial statements for the same period, published on 29 July 2025.

SD Holdings Limited		
Statement of Comprehensive Income		
For the financial year 31 March		
	2025 Actual €'000	2025 Forecast €'000
Revenue	99,202	92,103
Net operating costs	(63,410)	(60,121)
EBITDA	35,792	31,982
Depreciation and amortisation	(9,786)	(15,218)
Operating profit	26,006	16,764
Net finance costs	(6,613)	(7,788)
Fair value changes of investments	1,243	-
Share of results of associates	451	5,387
Profit before tax from continuing operations	21,087	14,363
Taxation	(9,504)	(3,200)
Profit for the year from continuing operations	11,583	11,163
Profit after tax from discontinued operations	7,034	-
Profit for the year	18,617	11,163
Other comprehensive income		
Fair value movements on land and buildings, net of tax	11,130	-
Other movements	-	126
Total comprehensive income (net of tax)	29,747	11,289

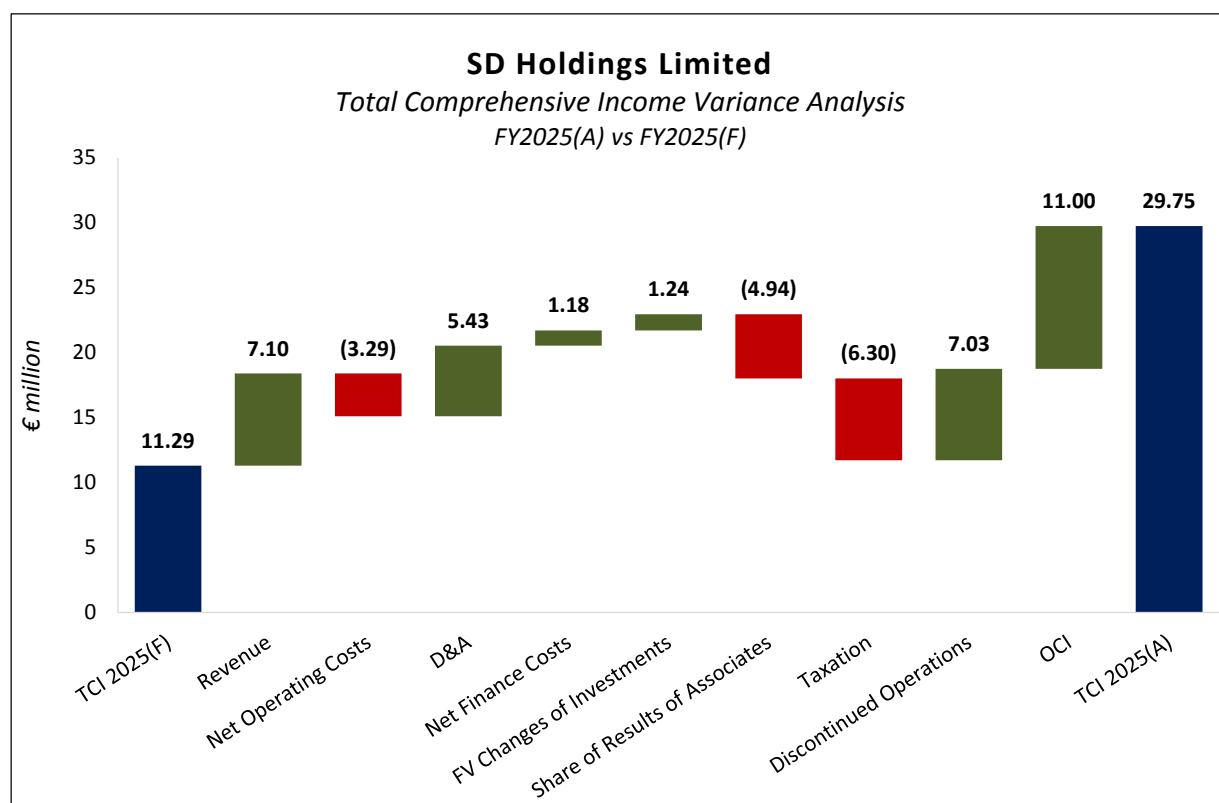
STATEMENT OF COMPREHENSIVE INCOME

During FY2025, the Group generated revenues of €99.20 million, exceeding the forecast of €92.10 million by €7.10 million (or +7.71%) amid better-than-expected business dynamics. Concurrently, net operating costs increased at a slower pace, by 5.47%, and amounted to €63.41 million compared to the forecasted figure of €60.12 million. As a result, EBITDA reached €35.79 million, exceeding the forecast of €31.98 million by €3.81 million or 11.91%.

Depreciation and amortisation charges amounted to €9.79 million, significantly lower than the forecasted €15.22 million, reflecting variances in the carrying amount of PPE and investment property under development. Consequently, operating profit came in at €26.01 million, exceeding the forecast of €16.76 million by €9.24 million or 55.13%.

At €6.61 million, net finance costs were lower than expected by €1.18 million or 15.09% whilst the Group also recognised a net fair value gain of €1.24 million on investments which was not anticipated in the forecast. Furthermore, on a like-with-like basis excluding the reclassification of MHC, KAS, and KIS as 'discontinued operations', the aggregate share of results of associates amounted to €7.49 million compared to the estimated figure of €5.39 million.

Overall, SD Holdings reported a net profit for the year of €18.62 million compared to the forecasted €11.16 million, resulting in a favourable variance of €7.45 million or 66.77%. Other comprehensive income was also significantly higher than expected, amounting to €29.75 million and exceeding the forecast by €18.46 million, driven by a gain of €11.13 million in the fair value of land and buildings.



SD Holdings Limited Statement of Cash Flows For the financial year 31 March			
	2025	2025	
	Actual	Forecast	
	€'000	€'000	
Net cash from / (used in) operating activities	50,507	(1,060)	
Net cash used in investing activities	(64,366)	(96,710)	
Net cash from financing activities	32,693	80,904	
Net movement in cash and cash equivalents	18,834	(16,866)	
Cash and cash equivalents at beginning of year	70,536	70,536	
Cash and cash equivalents at end of year	89,370	53,670	

STATEMENT OF CASH FLOWS

In FY2025, the Group reported a net increase in cash and cash equivalents of €18.83 million, a significant outperformance compared to the forecasted net decrease of €16.87 million. This resulted in a positive variance of €35.70 million, leading to a closing cash balance of €89.37 million versus the forecasted €53.67 million.

Net cash from operating activities amounted to €50.51 million, markedly higher than the projected net outflow of €1.06 million. This positive variance was primarily attributable to favourable movements in working capital as well as a stronger operational performance.

Net cash used in investing activities totalled €64.37 million, lower than the forecasted outflow of €96.71 million by €32.34 million, reflecting reduced capital expenditure. On the other hand, net cash generated from financing activities amounted to €32.69 million, which was €48.21 million lower than the forecasted €80.90 million, on the back of lower-than-expected net bank borrowings.

SD Holdings Limited		
Statement of Financial Position		
As at 31 March		
	2025	2025
	Actual	Forecast
	€'000	€'000
ASSETS		
Non-current assets		
Property, plant and equipment	279,991	306,196
Investment property under development	-	18,199
Intangible assets	1,221	884
Inventories	76,180	106,948
Investments in associates	3,724	43,481
Right-of-use assets	26,359	25,601
Deferred tax assets	997	200
Financial assets	3,475	2,455
Trade and other receivables	1,487	12,870
Other non-current assets	37,528	
	430,962	516,834
Current assets		
Inventories	2,533	2,291
Trade and other receivables	65,026	18,976
Current tax assets	366	1,508
Cash and cash equivalents	89,548	53,670
Assets held for sale	402	-
Other current assets	3,002	-
	160,877	76,445
Total assets	591,839	593,279
EQUITY		
Capital and reserves		
Share capital	4,000	4,000
Reserves	144,620	133,489
Retained earnings	92,507	85,179
	241,127	222,668
LIABILITIES		
Non-current liabilities		
Bonds	64,891	64,780
Bank borrowings	44,756	94,215
Lease liabilities	61,029	68,056
Deferred tax liabilities	29,872	27,110
Trade and other payables	11,450	10,812
Redeemable preference shares	4,824	4,673
	216,822	269,646
Current liabilities		
Bank overdraft	178	-
Bank borrowings	11,007	9,958
Lease liabilities	14,424	12,905
Current tax liabilities	14,199	3,200
Trade and other payables	94,082	74,902
	133,890	100,965
Total liabilities	350,712	370,611
Total equity and liabilities	591,839	593,279
<i>Total debt</i>	<i>196,285</i>	<i>249,914</i>
<i>Net debt</i>	<i>106,737</i>	<i>196,244</i>
<i>Invested capital (total equity plus net debt)</i>	<i>347,864</i>	<i>418,912</i>

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025, the Group's total asset base amounted to €591.84 million, marginally below the forecasted €593.28 million, representing a minor adverse variance of €1.44 million or 0.24%. The variance within investment property under development was mostly due to a reclassification to inventory following the Group's decision to sell part of the db St George's Bay Project to an associated company. Other notable variances were in the amount of PPE, which stood at €279.99 million compared to the forecasted €306.20 million; inventories, which were €30.77 million below expectations; and investments in associates, which were also significantly lower than projected. On the other hand, material positive variances were registered in current and non-current trade and other receivables, cash and cash equivalents, and other non-current assets.

Total equity as at 31 March 2025 stood at €241.13 million, which was €18.46 million higher than the forecasted €222.67 million. This was due to higher-than-expected retained earnings of €92.51 million, or €7.33 million above forecast, and reserves, which surpassed estimates by €11.13 million.

The Group had total liabilities of €350.71 million as at the end of FY2025, €19.90 million less than the forecast amount of €370.61 million. The principal contributor to this variance was bank borrowings, which stood at €55.94 million compared to the expected €104.17 million. Lease liabilities also came in lower than forecast, totalling €75.45 million versus the projection of €80.96 million. However, trade and other payables ended the financial year higher at €94.08 million, exceeding the forecast of €74.90 million by €19.18 million, whilst current tax liabilities were almost €11 million higher than expected.

Total debt as at 31 March 2025 stood at €196.29 million, which was significantly below the forecast of €249.91 million. Net debt was €106.74 million, lower than the expected figure of €196.24 million by €89.51 million. Moreover, despite the higher level of equity, invested capital was also materially lower than anticipated, closing at €347.86 million compared to the projected €418.91 million. Total borrowings (i.e., total debt excluding lease liabilities) amounted to €120.83 million, substantially below the forecasted figure of €168.95 million.

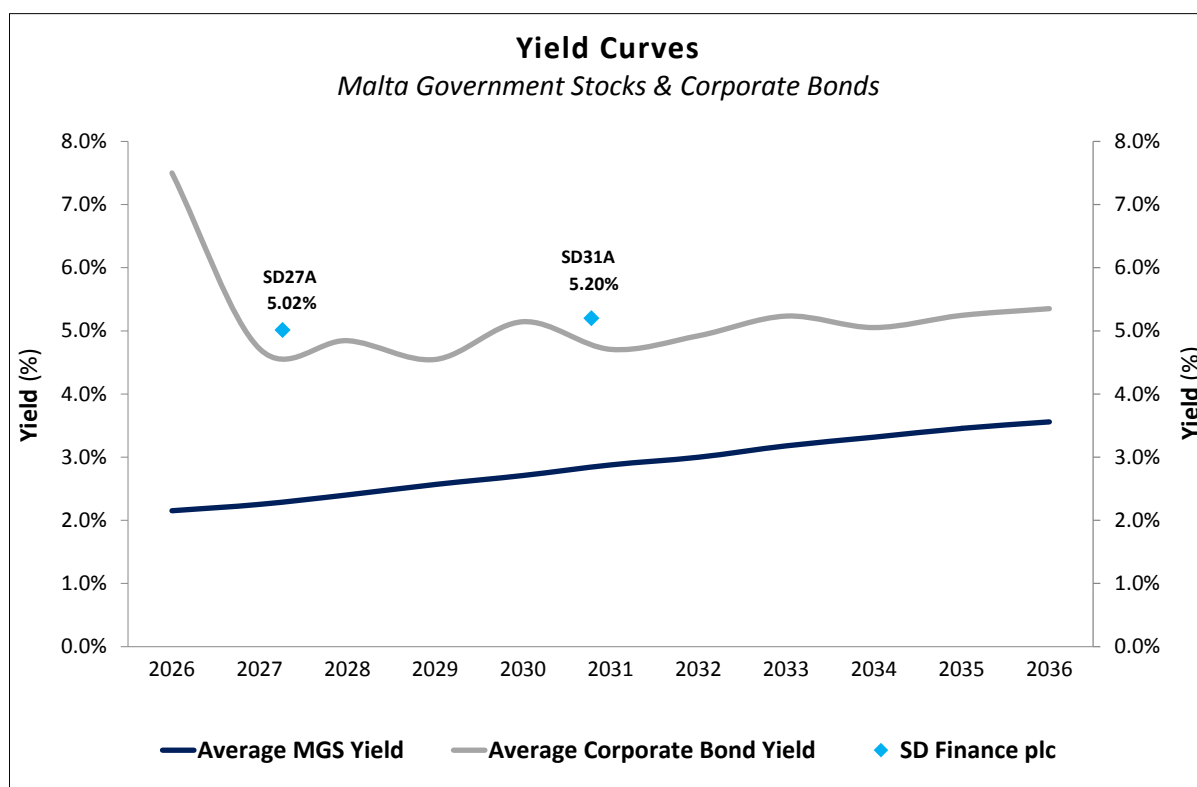
PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business/es and those of other debt issuers, the comparative analysis illustrated in the table below serves as an indication of the relative financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity / Worst (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	6.14	4.93	4.63	73.87	0.55
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	7.76	1.35	11.96	43.62	0.40
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.98	1.46	11.17	43.36	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	13.74	1.96	9.84	84.18	0.55
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	4.64	12.23	2.16	69.41	0.59
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	5.64	1.46	11.17	43.36	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	4.93	3.09	7.54	42.13	0.37
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	4.89	4.88	4.34	67.75	0.57
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	5.02	5.41	2.98	30.68	0.33
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	3.99	4.55	6.93	28.64	0.26
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.24	5.81	2.45	20.10	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	4.00	4.46	5.18	21.99	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	13,832	4.74	110.36	8.31	74.19	0.73
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	21,607	4.27	n/a	1.04	26.65	0.33
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.69	4.88	4.34	67.75	0.57
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.64	5.81	2.45	20.10	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	5.04	2.48	14.28	51.39	0.46
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	5.11	110.36	8.31	74.19	0.73
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.82	4.88	4.34	67.75	0.57
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.28	4.46	5.18	21.99	0.20
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.87	4.88	4.34	67.75	0.57
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	3.09	7.54	42.13	0.37
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.09	3.04	5.78	92.42	0.82
5.25% ACMUS p.l.c. Secured 2028-2030	19,000	5.02	4.49	22.77	72.48	0.70
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	5.10	1.48	9.51	70.42	0.65
5.20% SD Finance plc Unsecured & Guaranteed 2031	33,000	5.20	5.41	2.98	30.68	0.33
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.84	1.46	11.17	43.36	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.56	2.87	8.01	51.84	0.47
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.16	110.36	8.31	74.19	0.73
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.29	3.04	5.78	92.42	0.82
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.98	4.00	5.48	45.91	0.45
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.31	3.09	7.54	42.13	0.37
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.21	1.46	11.17	43.36	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.50	2.35	12.72	77.11	0.69
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	4.73	2.69	7.13	47.59	0.42
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	4.93	1.46	11.17	43.36	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.23	15.06	23.23	58.68	0.48

*As at 18 September 2025

Sources: Malta Stock Exchange, M.Z. Investment Services Limited, and the most recent audited annual financial statements of the respective Issuers and, or Guarantors, except for MM Star Malta Finance p.l.c. and ACMUS p.l.c. (FY2025[F]).



The closing market price as at 18 September 2025 for the **4.35% SD Finance plc unsecured and guaranteed bonds 2027 (SD27A)** was 98.98%. This translated into a yield-to-maturity ("YTM") of 5.02% which was 31 basis points above the average YTM of 4.71% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock ("MGS") yield of equivalent maturity (2.25%) stood at 277 basis points.

The new **5.20% SD Finance plc unsecured and guaranteed bonds 2031** have been priced at a premium of 49 basis points over the average YTM of 4.71% of other local corporate bonds maturing in the same year as at 18 September 2025. The premium over the corresponding average MGS yield of equivalent maturity (2.88%) stood at 232 basis points.

PART 4 – EXPLANATORY DEFINITIONS

STATEMENT OF COMPREHENSIVE INCOME

Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.

PROFITABILITY RATIOS

EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

STATEMENT OF CASH FLOWS

Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of net capital expenditure.

STATEMENT OF FINANCIAL POSITION

Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.

Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

FINANCIAL STRENGTH / CREDIT RATIOS

Interest cover	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital.
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.



FINAL TERMS

DATED 3 OCTOBER 2025

UNSECURED BOND ISSUANCE PROGRAMME OF A MAXIMUM OF €60,000,000

SERIES NO: 1

TRANCHE NO: 1

ISIN: MT0001431213

€33,000,000 5.20% UNSECURED BONDS 2031

ISSUED BY:

SD FINANCE P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 79193

with the joint and several guarantee of*

SD HOLDINGS LIMITED

A PRIVATE LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 40318

* Prospective investors are to refer to the Guarantee contained in Annex I of the Base Prospectus for a description of the Guarantee. Reference should also be made to the section entitled “*Risk Factors*” contained in the Base Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with *inter alia* the Guarantee.

PART A – CONTRACTUAL TERMS

Capitalised terms used herein which are not defined shall have the definitions assigned to them in the Base Prospectus dated 3 October 2025 and which was approved by the MFSA in Malta on 3 October 2025 which constitutes a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the Final Terms of the Bonds described herein for the purposes of article 8 the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Tranche of Bonds under these Final Terms is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the issue of this Tranche of Bonds is annexed to these Final Terms.

The Base Prospectus is available for viewing at the office of the Issuer and on the websites of: (a) the MFSA; and (b) the Issuer (<https://www.dbgroupmalta.com/investors/>) and copies may be obtained free of charge from the registered office of the Issuer (Seabank Hotel, Marfa Road, Mellieha MLH 9064, Malta). A summary of this individual issue is annexed to these Final Terms (Annex I).

The following is a description of the main terms of the Bonds:

1. Issuer	SD Finance p.l.c.
2. Guarantor	SD Holdings Limited
3. (i) Series Number	1
(ii) Tranche Number	1
(iii) ISIN	MT0001431213
4. Specified Currency	Euro (€)
5. Aggregate nominal amount:	
(i) Series	up to €60,000,000 which may be issued solely in Tranches forming part of this Series 1 or in connection with Tranche/s forming part of one or more separate Series
(ii) Tranche	€33,000,000
6. (i) Issue Price of Tranche	€100 in respect of each Bond
(ii) Net proceeds	A maximum of €32,400,000
7. Specified Denomination	€100 in respect of each Bond, subject to the minimum subscription amounts set out hereunder
8. Status of the Bonds	the Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank <i>pari passu</i> without any preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer.
9. Number of Bonds offered for Subscription	Up to 330,000
10. (i) Issue Date	12 November 2025
(ii) Interest Commencement Date	5 November 2025
11. Redemption Date	15 February 2031
12. Redemption Value	Redemption at par
13. Register Cut-Off Date	15 days prior to the Interest Payment Date
INTEREST	
14. Interest	5.20%
15. Interest Payment Date/s	15 February of each year between and including each of the years 2026 and the year 2031, provided that if any such date is not a Business Day, the next following day that is a Business Day. The first interest payment will be effected on 15 February 2026 (covering the period 5 November 2025 to 14 February 2026). When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

GENERAL PROVISIONS

16. Taxation	As per section 18 (" <i>Taxation</i> ") of the Base Prospectus.
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PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the offer for subscription, issue, and admission to trading on the Official List of the Tranche of Bonds described herein pursuant to the Programme of a maximum of €60,000,000 of the Issuer in terms of the Base Prospectus dated 3 October 2025.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Board of Directors of SD Finance p.l.c. by:



Robert Debono
Director



Alan Debono
Director

PART B - OTHER INFORMATION

1. Definitions

Cut-Off Date	close of business of 30 September 2025 (trading session of 26 September 2025);
Intermediaries' Offer	the offer of Bonds, pursuant to these Final Terms, by the Issuer to the Authorised Financial Intermediaries, for their own account and, or for the purposes of allocating the Bonds to their own clients, equal to the balance of the Bonds not subscribed to by Preferred Applicants in terms of the Preferred Applicant Application Forms;
Preferred Applicants	collectively, without any priority or preference amongst themselves: (i) the holders of the €65 million 4.35% unsecured bonds 2027 of a nominal value of €100 per bond issued by the Issuer pursuant to a prospectus dated 27 March 2017 as at the Cut-Off Date; and (ii) directors, employees, and shareholders of any company forming part of the db Group as at the Cut-Off Date;
Preferred Applicant Application Form	the form of Application for subscription for Bonds to be used by Preferred Applicants, a specimen of which is set out in Annex III of these Final Terms;
Offer Period	the period between 7 October 2025 and 24 October 2025 (or such earlier as may be determined by the Issuer) during which the Bonds will be available for subscription by Preferred Applicants.

2. Admission to listing and trading

Admission to Listing	The Bonds were authorised as admissible to listing on the Official List by virtue of a letter of the MFSA dated 3 October 2025.
Admission to Trading	Application has been made to the MSE for the Bonds being issued pursuant to these Final Terms to be admitted to trading thereon. The Bonds are expected to be admitted to the MSE with effect from 12 November 2025 and trading is expected to commence on 13 November 2025.
Previous admission to trading	Not applicable.
Estimate of total expenses relating to Admission to Trading	Approximately €600,000.
Dates of corporate authorisations for issuance of the Bonds: (i) The Issuer (ii) The Guarantor	 The Board of Directors authorised the Bond Issue pursuant to a resolution passed on 25 September 2025. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 25 September 2025.

3. Reasons for the Offer, estimated net proceeds and total expenses

Reasons for the Offer / Use of Proceeds	The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €32,400,000, shall be used for the following purposes:
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	(i) approximately €7,000,000 shall be on-lent to db Porto Hotel Limited. Such amount shall go towards the repayment, in full, of an existing inter-company loan entered into by and between db Porto Hotel Limited (in its capacity as borrower) and the Guarantor (in its capacity as lender), in connection with the acquisition of the property and business of the Xemxija Bay Hotel; (ii) approximately €20,000,000 shall be on-lent to db San Gorg Property Limited. Such amount shall go towards the repayment of an existing inter-company loan entered into by and between db San Gorg Property Limited (in its capacity as borrower) and the Guarantor (in its capacity as lender), in connection with the development of the St. George's Bay Project; and (iii) approximately €5,400,000 shall be utilised for general corporate funding purposes. For the purposes of the uses specified above, the Issuer has entered into an intra-group loan agreement by and between the Issuer (as lender) and the Guarantor (as borrower) (the "Principal Loan Agreement"), which agreement is conditional upon the issue and allotment of the Bonds and the Bonds being admitted to the Official List. The Principal Loan Agreement shall be subject to the payment of interest at 5.50% per annum. The principal shall be paid on 15 January 2031, that is, shortly prior to the Bonds' Redemption Date. The Guarantor (as lender) shall in turn be entering into loan agreements with selected members of the Group to deploy the proceeds from the Bond Issue in the manner indicated above (the "Subsidiary Loan Agreements"). The terms of the Subsidiary Loan Agreements are set out in a template appended to the Principal Loan Agreement, which shall be applied by the Guarantor and the relevant member of the Group for the purposes of constituting the respective loans to be granted to such members of the Group. The Subsidiary Loan Agreements shall also be subject to the same terms as those to which the Principal Loan Agreement is subject. In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and shall apply the net proceeds received in the manner and order of priority set out in (i) to (iii) above.
Estimated Expenses	Approximately €600,000.
Estimated Net Proceeds	Approximately €32,400,000.
Conditions to which the Offer is subject	The Bond Issue is conditional upon the Bonds being admitted to the Official List by no later than 12 November 2025.
4. Yield	
Yield	5.20%
Method of calculating the yield	The gross yield to maturity, calculated on the basis of the rate of Interest on the Bonds, the Issue Price of Series 1 Tranche 1, and the Redemption Value (at par) of Series 1 Tranche 1 of the Bonds at the Redemption Date is 5.20%.
5. Expected Timetable	
i) Preferred Applicant Application Forms mailed to Preferred Applicants	6 October 2025
ii) Offer Period for Preferred Applicants	7 October 2025 to 24 October 2025, both days included
iii) Intermediaries' Offer	27 October 2025 to 29 October 2025, both days included
iv) Commencement of Interest on the Bonds	5 November 2025
v) Announcement of basis of acceptance	5 November 2025
vi) Refunds of unallocated monies (if any) and dispatch of allotment letters	12 November 2025
vii) Expected date of admission of the Bonds to listing	12 November 2025
viii) Expected date of commencement of trading in the Bonds	13 November 2025

The Issuer reserves the right to close the Offer Period before 24 October 2025 in the event that the total level of subscription in the Bond Issue exceeds €33,000,000, in which case: (i) the Intermediaries' Offer will not take place; (ii) the events set out in steps (v) to (viii) above shall be brought forward; and (iii) the revised dates will be communicated by the Issuer by company announcement and, or on its website, without the requirement to amend these Final Terms.

6. Method of Distribution and Allocation

Categories of potential investors to which the Bonds are offered	The Bonds are open for subscription by all categories of investors.
Plan of Distribution and Allotment	The Bonds shall be made available for subscription as follows: (a) the entire €33,000,000 in nominal value of Bonds being issued has been reserved for subscription by Preferred Applicants through the submission of Preferred Applicant Application Forms. Preferred Applicants applying for Bonds are to submit a Preferred Applicant Application Form through any of the Authorised Financial Intermediaries; (b) in the event that, following the allocations made pursuant to paragraph (a) above, there shall still remain unallocated Bonds, such Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer. The allocation of Series 1 Tranche 1 of the Bonds shall be conditional upon the Bonds being admitted to the Official List. Applications may be made through any of the Authorised Financial Intermediaries. It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.
Intermediaries' Offer	In the event that following closing of the Offer Period there are Bonds which remain unallocated, such Bonds shall form part of an Intermediaries' Offer and shall be made available for subscription by Authorised Financial Intermediaries participating in an Intermediaries' Offer. For the purposes of the Intermediaries' Offer, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries, whereby it shall bind itself to allocate Bonds to the Authorised Financial Intermediaries up to any such amount as may not be taken up by the Preferred Applicants and each Authorised Financial Intermediary will bind itself to subscribe for such number of Bonds, subject to the Bonds being admitted to the Official List of the MSE. The subscription agreements will become binding on the Issuer and each of the Authorised Financial Intermediaries upon delivery, provided that these intermediaries would have paid to the Issuer all subscription proceeds in cleared funds on delivery of the subscription agreement. Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading. Completed subscription agreements, together with evidence of payment, are to reach the Manager & Registrar by 12:00 hours on 30 October 2025. The Issuer, acting through the Manager & Registrar, shall communicate the amount allocated under each subscription agreement by 12:00 hours on 30 October 2025. Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Manager & Registrar to the Authorised Financial Intermediary to the account specified in the respective subscription agreement by latest 31 October 2025.
Reservation of Tranche, or part thereof, in favour of specific class of investors	Reservation of Series 1 Tranche 1 in favour of Preferred Applicants.
Minimum amount of application	The minimum subscription amount shall be €2,000 per Application and in multiples of €100 thereafter applicable to each underlying Applicant applying for the Bonds either as a Preferred Applicant or pursuant to the Intermediaries' Offer through Authorised Financial Intermediaries in terms of the subscription agreements. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.
Description of application process	The Series I Tranche 1 Bonds shall be subscribed to in their entirety by Preferred Applicants through the submission of Preferred Applicant Application Forms through any of the Authorised Financial Intermediaries listed in Annex II of these Final Terms. The Preferred Applicant Application Forms will be pre-printed and mailed on or around 6 October 2025 to the Preferred Applicants. Preferred Applicants wishing to subscribe to the Bonds must submit their duly completed Preferred Applicant Application Form to any of the Authorised

	Financial Intermediaries during the Offer Period. In the eventuality that the Intermediaries' Offer takes place, other investors may subscribe for the Series 1 Tranche 1 Bonds through any Authorised Financial Intermediary. The Authorised Financial Intermediaries shall enter into conditional subscription agreements with the Issuer pursuant to which the Issuer shall bind itself to allocate Bonds to the said Authorised Financial Intermediaries up to any such amount as may not be taken up by the Preferred Applicants and each Authorised Financial Intermediary will bind itself to subscribe for such number of Bonds, subject to the Bonds being admitted to the Official List of the MSE. Completed subscription agreements, together with evidence of payment, are to reach the Manager & Registrar by latest 12:00 hours on 29 October 2025.
Allocation policy	The Issuer shall allocate the Bonds on the basis of the following allocation policy, and order of priority: (a) the Issuer has reserved the entire €33 million in nominal value of Bonds for subscription by Preferred Applicants. The amount of Bonds subscribed for shall be allocated Preferred Applicants <i>pari passu</i> without priority or preference between them; (b) in the event that, following the allocations made pursuant to paragraph (a) above there shall still remain unallocated Bonds, such Bonds shall be allocated to Authorised Financial Intermediaries through an Intermediaries' Offer.
Results of the Offer	The results of the Offer shall be communicated by the Issuer through a company announcement on its website: https://www.dbgroupmalta.com/investors/ by latest 5 November 2025.
Selling Commission	1.25%

7. Interests of Natural and Legal Persons involved in the Offer

Save for the subscription for Bonds by Authorised Financial Intermediaries (which includes M.Z. Investment Services Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar), and any fees payable in connection with the Bond Issue to the advisors listed in section 5.1 of the Base Prospectus, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

ANNEX I – ISSUE SPECIFIC SUMMARY

This summary is issued in accordance with the provisions of the Prospectus Regulation and the Capital Markets Rules. Capitalised terms used but not otherwise defined in this Summary shall have the meanings assigned to them in the “Definitions” section of the Base Prospectus and the Final Terms, as the case may be.

1. INTRODUCTION AND WARNINGS

Prospective investors are hereby warned that:

- (a) this Summary should be read as an introduction to the Base Prospectus and the Final Terms;
- (b) any decision to invest in the Bonds should be based in consideration of the Base Prospectus and the Final Terms as a whole by the prospective investor;
- (b) a prospective investor may lose all or part of the capital invested in subscribing for Bonds;
- (d) where a claim relating to the information contained in the Base Prospectus or the Final Terms is brought before a court, the plaintiff investor might, under Maltese law, have to bear the costs of translating the Base Prospectus and the Final Terms before the legal proceedings are initiated; and
- (e) civil liability attaches only to those persons who have tabled the Summary including any translation thereof and who applied for its notification, but only if the Summary, when read together with the other parts of the Base Prospectus and the Final Terms, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

International Securities Identification Number (ISIN) of the Bonds: MT0001431213

Full legal and commercial name of the issuer	SD Finance p.l.c.
Registered address	Seabank Hotel, Marfa Road, Mellieha, MLH9064, Malta
Registration number	C 79193
Legal Entity Identification (LEI) number	549300OYE47PF4MSZ102
Date of Registration	20 January 2017
Telephone number	(+356) 22891808
Email	info@dbgroupmalta.com
Website	https://www.dbgroupmalta.com/investors/

The Base Prospectus has been approved by the MFSA which is the competent authority in Malta for the purposes of the Prospectus Regulation, on 3 October 2025. The MFSA has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or of the quality of the Bonds.

The address of the MFSA is Malta Financial Services Authority, Triq L-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. Its telephone number is (+356) 2144 1155 and its website is www.mfsa.mt.

2. KEY INFORMATION ON THE ISSUER

a. Who is the issuer of the securities?

i. *Domicile and legal form, its LEI and country of incorporation*

The Issuer is SD Finance p.l.c., a public limited liability company registered in Malta in terms of the Act. The legal entity identifier (LEI) number of the Issuer is 549300OYE47PF4MSZ102.

ii. *Principal Activities of the issuer*

The Issuer carries on the business of a finance company. The Issuer does not itself carry on any trading activities apart from the raising of capital and advancing thereof to members of the Group as and when the demands of their business so require. Accordingly, the Issuer is economically dependent on the Group.

The Guarantor is the parent holding company of the Group and holds investments in a number of subsidiaries operating in the following sectors: hospitality; F&B; and property development.

iii. *Major Shareholders of the Issuer*

The Issuer's majority shareholder is the Guarantor which holds all of the issued share capital of the Issuer except for one (1) share, with the one (1) remaining share held by Mr Silvio Debono.

iv. *Board of Directors of the Issuer*

The Board of Directors is composed of the following persons: Silvio Debono (Chairman); Robert Debono (director and chief executive officer); Alan Debono (executive director); Philip Micallef (independent non-executive director); Vincent Micallef (independent non-executive director); and Stephen Muscat (independent non-executive director).

v. *Statutory Auditors*

The auditors of the Issuer as of the date of this Summary are Ernst & Young Malta of Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta. The Accountancy Board registration number of Ernst & Young Malta is AB/26/84/96.

b. What is the key financial information regarding the Issuer?

The following historical financial information of the Issuer is extracted from the audited financial statements of the Issuer for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025:

Income Statement For the year ended 31 March	2023 (€'000)	2024 (€'000)	2025 (€'000)
Profit before tax	8	8	6

Statement of Financial Position As at 31 March	2023 (€'000)	2024 (€'000)	2025 (€'000)
Net debt	61,513	61,631	61,500

Statement of Cash Flows For the year ended 31 March	2023 (€'000)	2024 (€'000)	2025 (€'000)
Net cash from operating activities	54	77	241
Net cash from financing activities	-	-	-
Net cash used in investing activities	-	-	-

c. What are the key risks that are specific to the Issuer?

The most material risk factor specific to the Issuer, which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, is as follows:

i. Risks associated with the dependency of the Issuer on the performance of its Subsidiaries

The Issuer operates as the Group's finance and investment arm, established primarily to finance Group funding requirements. As a finance company, the Issuer's assets consist mainly of loan receivables from Group companies, with interest payments on these loans representing its sole revenue source. The Issuer is economically dependent on the Group's operational results, financial position, and performance. Group companies' ability to repay principal and interest depends on their cash flows and earnings, which may be constrained by regulatory changes, contractual agreements, existing indebtedness terms, or other factors beyond their control. Consequently, the Group's business prospects and operating results directly affect the Issuer's financial position and performance. All risks inherent in the Group's business and operations directly impact the Issuer's ability to meet its obligations under the Bonds.

3. KEY INFORMATION ON THE SECURITIES

a. What are the main features of the securities?

(i) Tranche Number (ii) ISIN	1 MT0001431213
Specified Currency	Euro (€)
Aggregate nominal amount:	Up to €33,000,000
(i) Issue Price of Tranche (ii) Net proceeds	€100 in respect of each Bond a maximum of €32,400,000
Denomination	€100 in respect of each Bond, subject to the minimum subscription amounts set out hereunder.
Number of Bonds offered for subscription	Up to 330,000
(i) Issue Date (ii) Interest Commencement Date	12 November 2025 5 November 2025
Redemption Date	15 February 2031
Redemption Value	Redemption at par
Register Cut-Off Date	15 days prior to the Interest Payment Date

Interest	5.20%
Interest Payment Date/s	15 February of each year between and including each of the years 2026 and the year 2031, provided that if any such date is not a Business Day, the next following day that is a Business Day. The first interest payment will be effected on 15 February 2026 (covering the period 5 November 2025 to 14 February 2026). When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.
Rights	the only rights attached to the Bonds are the right to: (a) the repayment of capital; (b) the payment of interest; (c) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions; (d) right to seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the Terms and Conditions of the Bonds; and (e) the enjoyment of all such other rights attached to the Bonds emanating from the Base Prospectus and these Final Terms.
Status	the Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank <i>pari passu</i> without any preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer.
Form	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer.
Transferability	the Bonds shall be freely transferable.
Guarantee	payments of principal and Interest in respect of the Bonds will be guaranteed by SD Holdings (the Guarantor) in accordance with the terms and conditions of the Guarantee.

b. Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on the Official List.

c. Is there a guarantee attached to the securities?

The Bonds shall be guaranteed in respect of both the principal amount and Interest due thereon by the Guarantor on a joint and several basis which shall become effective upon the admission to listing of the Bonds on the Official List. Pursuant to the Guarantee, the Bondholders shall be entitled to request the Guarantor to pay both the principal amount and Interest due under the Bonds if the Issuer fails to effect any payment due in respect of the Bonds.

d. The Guarantor

The Guarantor is SD Holdings Limited, a private limited liability company registered under the laws of Malta in terms of the Act. The Guarantor was registered as a limited liability company in Malta on 19 December 2006. The Guarantor has LEI number 485100V5BS4SNBDLUS54.

The auditors of the Guarantor as of the date of this Summary are PricewaterhouseCoopers Malta of 78, Mill Street, Zone 5, Central Business District, Qormi CBD 5090, Malta. The Accountancy Board registration number of PricewaterhouseCoopers Malta is Malta is AB/26/84/38.

e. What is the key financial information regarding the Guarantor

The following historical financial information of the Guarantor is extracted from the audited consolidated financial statements of the Guarantor for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025:

Income Statement	2023	2024	2025
For the year ended 31 March	(€'000)	(€'000)	(€'000)
Operating profit	15,197	20,074	26,006
Statement of Financial Position	2023	2024	2025
As at 31 March	(€'000)	(€'000)	(€'000)
Net debt	97,722	91,990	106,737
Statement of Cash Flows	2023	2024	2025
For the year ended 31 March	(€'000)	(€'000)	(€'000)
Net cash from operating activities	25,021	30,614	50,507
Net cash from financing activities	(3,051)	2,261	32,693
Net cash used in investing activities	(7,697)	(16,078)	(64,366)

f. What are the key risks that are specific to the Guarantor?

i. Risks associated with the exposure to economic conditions of the Maltese market

The Group remains heavily dependent on the Maltese market despite recent internationalisation efforts. This concentration exposes the business to Malta's economic fluctuations, including changes in consumer demand, inflation, property values, interest rates, taxation, and government spending priorities. The business is particularly vulnerable to downturns in tourism, services, and property development sectors. Economic challenges could reduce demand for the Group's offerings, increase operational costs, lower consumer spending power, trigger asset impairments, and diminish the value of property-based security interests. Additionally, sociopolitical instability, unrest, or government deadlock could further undermine demand and operational performance. This geographic concentration could have a material adverse effect on the Group's business, results of its operations, financial condition or prospects.

ii. Risk of loss of key senior personnel and specialist personnel

The Group's growth depends significantly on its executive management team and specialist personnel, including project managers, sector experts, and other key staff. The business relies on its ability to attract, develop, and retain qualified personnel with relevant experience and leadership capabilities. Loss of key personnel, particularly to competitors, could adversely affect stakeholder relationships, operational results, financial position, and growth prospects. The Group may struggle to replace such individuals quickly, potentially causing material harm to business performance. This risk is heightened during acquisitions or divestitures when employee motivation and focus become challenging to maintain. The Group's failure to train and motivate personnel to adapt to evolving industry trends could reduce overall quality and efficiency. Without adequate infrastructure to transfer knowledge and skills, the departure of key employees' risks losing valuable accumulated expertise. These factors could adversely impact the Group's business, results of operations or cash flows.

iii. Risks common to the hospitality industry

The Group's hospitality and leisure operations face numerous internal and external factors that could adversely affect business performance, many of which are common to the industry and beyond the Group's control. Key risk factors include: changes in travel patterns, seasonal variations, and consumer preferences regarding price, quality, and location; increased travel-related taxes, fuel surcharges, airline cutbacks, or travel restrictions which could result in a reduction in visitor numbers to Malta; regulatory changes affecting hotel operations, employment, health and safety, licensing, environmental requirements, and related compliance costs; rising operating expenses from inflation, employment costs, utilities, taxes, and insurance which could impact margins and operational viability; socio-demographic changes and economic downturns; changes in the sales terms and conditions of main sales channels; the termination, non-renewal and, or the renewal on less favourable terms of material agreements entered into with local or international intermediaries; and intensifying competition from alternative accommodation providers, including web-based platforms. These factors, individually or collectively, may reduce room rates and occupancy levels at the Group's hotel or otherwise cause a reduction in its revenue or profitability, which could have a material adverse effect on the Group's business, financial condition, and results of operation.

iv. Risks common to the food and beverage industry

The Group's hospitality and leisure operations face risks specific to the food and beverage industry. Economic conditions affecting consumer confidence, disposable income, and discretionary spending directly impact performance. The business faces intense competition regarding pricing, rental costs, service quality, location, and food consistency. Supply chain delays and disruptions can increase operational costs, whilst demographic changes, shifting traffic patterns, and new competing establishments affect customer flow. These factors could reduce income from leisure establishments, limit pricing flexibility, or require costly modifications to concepts and facilities. The Group's operations depend critically on maintaining product quality and service standards, as any degradation could undermine customer confidence, result in customer loss, and hinder new customer acquisition. The business of the Group could be adversely affected by such delays, errors, failures, or faults.

v. Risks common to the property development and construction industry

The Group faces risks common to the property development and construction industry as a result of the Group's property development activities, including the ongoing St. George's Bay Project and the RAK Project commencing in January 2026. Key risks include resource shortages, funding constraints, cost overruns, and market risks affecting anticipated pricing and sales timelines. Industry challenges encompass real estate market cycles, economic downturns, oversupply, reduced demand, and regulatory delays in obtaining permits. Additional risks include unrecoverable development costs, legal complexities, resource constraints from high sector activity, and supply chain disruptions from government restrictions. The occurrence of any of such factors could have a material adverse effect on the Group's business, financial condition, and results of operations, including the increase in projected costs and completion times.

vi. Risks relating to the emphyteutical concession

St. George's Site is held by the Group under a title of a 99-year temporary emphyteusis granted unto DB San Gorg Property Limited by the Commissioner of Land (on behalf of the Government of Malta) on 1 February 2017. The emphyteutical concession over the St. George's Site is subject to a number of terms and conditions, including but not limited to, restrictions on permitted use, the obligation to pay annual ground rent, the requirement to maintain adequate insurance cover, compliance with applicable development permits, and the obligation to carry out necessary maintenance and repairs. Failure to abide with the terms and conditions to which the emphyteutical grant is subject may have an adverse material effect on the operations of the Group.

vii. Risks relating to the engagement and, or the involvement of third parties in connection with the Group's operations in the property sector

The Group places a degree of reliance on third-party architects, contractors, sub-contractors, and suppliers for property development activities including valuation, demolition, excavation, and finishing work. This gives rise to counterparty risk in those instances where such counterparties fail to perform according to contractual obligations due to insolvency, liquidity issues, market downturns, operational failures, or other factors beyond the Group's control. Such defaults could materially impact development projects, potentially preventing completion within deadlines or required specifications, resulting in revenue loss and reduced profitability. The Group's ability to source qualified contractors with necessary sector-specific expertise and resources could adversely affect its competitive positioning in the property development market. If these risks were to materialise, this would have an adverse impact on the Group's business, its financial condition, results of operations, and prospects.

viii. Risks associated with relations with suppliers

The Group's leisure business profitability depends in part on anticipating and responding to supply cost changes and relies on frequent, timely supplier deliveries. The Group may struggle to acquire suitable products in sufficient quantities or on acceptable terms in future. Deteriorating supplier relationships or less favourable supply terms could adversely affect operations. External factors beyond the Group's or suppliers' control, including adverse weather, regulatory changes, product recalls, and similar disruptions, could materially impact the availability, quality, and costs of its products.

g. What are the key risks that are specific to the securities?

i. Suitability

An investment in the Bonds may not be suitable for all recipients of the Base Prospectus and prospective investors are urged to read and fully understand the Base Prospectus and the Final Terms, and to consult an independent investment advisor before making an investment decision, with a view to ascertaining that an investment in the Bonds is suitable for the investor's risk profile.

ii. No prior market for the Bonds

Prior to the Programme and admission of the Bonds to listing and trading, there has been no public market for the Series 1 Tranche 1 Bonds within or outside Malta. Due to the absence of any prior market for the Series 1 Tranche 1 Bonds, there can be no assurance that the price of the Series 1 Tranche 1 Bonds will correspond to the price at which the Series 1 Tranche 1 Bonds will trade in the market subsequent to the Bond Issue.

iii. Ranking of the Bonds

Any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

iv. Subsequent changes in interest rate and potential impact of inflation

The Bonds are fixed rate debt securities and investment therein involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. The price of fixed income securities tends to move in a way that is inversely proportional to changes in interest rates. Moreover, the coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

v. Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

vi. Risks relating to the Guarantee

In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

a. Under which conditions and timetable can I invest in this security?

Timetable

i) Preferred Applicant Application Forms mailed to Preferred Applicants	6 October 2025
ii) Offer Period for Preferred Applicants	7 October 2025 to 24 October 2025, both days included
iii) Intermediaries' Offer	27 October 2025 to 29 October 2025, both days included
iv) Commencement of Interest on the Bonds	5 November 2025
v) Announcement of basis of acceptance	5 November 2025
vi) Refunds of unallocated monies (if any) and dispatch of allotment letters	12 November 2025
vii) Expected date of admission of the Bonds to listing	12 November 2025
viii) Expected date of commencement of trading in the Bonds	13 November 2025

The Issuer reserves the right to close the Offer Period before 24 October 2025 in the event that the total level of subscription in the Bond Issue exceeds €33,000,000, in which case: (i) the Intermediaries' Offer will not take place; (ii) the events set out in steps (v) to (viii) above shall be brought forward; and (iii) the revised dates will be communicated by the Issuer by company announcement and, or on its website, without the requirement to amend these Final Terms.

Method of Distribution and Allocation

Plan of Distribution and Allotment	The Bonds are open for subscription to all categories of investors. The Bonds shall be made available for subscription as follows: (a) the entire €33,000,000 in nominal value of Bonds being issued has been reserved for subscription by Preferred Applicants through the submission of Preferred Applicant Application Forms. Preferred Applicants applying for Bonds are to submit a Preferred Applicant Application Form through any of the Authorised Financial Intermediaries; (b) in the event that, following the allocations made pursuant to paragraph (a) above, there shall still remain unallocated Bonds, such Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer. The allocation of Series 1 Tranche 1 of the Bonds shall be conditional upon the Bonds being admitted to the Official List. Applications may be made through any of the Authorised Financial Intermediaries. It is expected that an allotment advice will be dispatched to Applicants within five Business Days of the announcement of the allocation policy.
Intermediaries' Offer	In the event that following closing of the Offer Period there are Bonds which remain unallocated, such Bonds shall form part of an Intermediaries' Offer and shall be made available for subscription by Authorised Financial Intermediaries for their own account or for the account of underlying customers. Pursuant to the subscription agreements to be entered into between the Issuer and the Authorised Financial Intermediaries, the Issuer shall bind itself to allocate Bonds to the Authorised Financial Intermediaries up to any such amount as may not be taken up by the Preferred Applicants and each Authorised Financial Intermediary will bind itself to subscribe for such number of Bonds, subject to the Bonds being admitted to the Official List of the MSE. Completed subscription agreements, together with evidence of payment, are to reach the Manager & Registrar by 12:00 hours on 29 October 2025. The Issuer, acting through the Manager & Registrar, shall communicate the amount allocated under each subscription agreement by 12:00 hours on 30 October 2025. Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Manager & Registrar to the Authorised Financial Intermediary to the account specified in the respective subscription agreement by latest 31 October 2025.
Minimum amount of application	The minimum subscription amount shall be €2,000 per Application and in multiples of €100 thereafter applicable to each underlying Applicant applying for the Bonds through Authorised Financial Intermediaries in terms of the Subscription Agreements.

Allocation policy	The Issuer has reserved the entire €33,000,000 in nominal value of Bonds for subscription by Preferred Applicants. The amount of Bonds subscribed for shall be allocated Preferred Applicants <i>pari passu</i> without priority or preference between them. In the event that, following the allocations made as aforesaid, there shall still remain unallocated Bonds, such Bonds shall be allocated to Authorised Financial Intermediaries through an Intermediaries' Offer.
Results of the Offer	The results of the Offer shall be communicated by the Issuer through a company announcement.
Underwriting	The Bond Issue is not underwritten.

b. Why is this prospectus being produced?

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €32,400,000 shall be used for the following purposes:

- (i) approximately €7,000,000 shall be on-lent to db Porto Hotel Limited. Such amount shall go towards the repayment, in full, of an existing inter-company loan entered into by and between db Porto Hotel Limited (in its capacity as borrower) and the Guarantor (in its capacity as lender), in connection with the acquisition of the property and business of the Xemxija Bay Hotel;
- (ii) approximately €20,000,000 shall be on-lent to db San Gorg Property Limited. Such amount shall go towards the repayment of an existing inter-company loan entered into by and between db San Gorg Property Limited (in its capacity as borrower) and the Guarantor (in its capacity as lender), in connection with the development of the St. George's Bay Project; and
- (iii) approximately €5,400,000 shall be utilised for general corporate funding purposes.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and shall apply the net proceeds received in the manner and order of priority set out in (i) to (iii) above.

c. Interests of Natural and Legal Persons involved in the Offer

Save for the subscription for Bonds by Authorised Financial Intermediaries (which includes M.Z. Investment Services Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar), and any fees payable in connection with the Bond Issue to the Issuer's advisors, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

ANNEX II – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2560 3404
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011 (Applications accepted from all Branches, Wealth Management, and Investment Centres)	2275 1732
Calamatta Cuschieri Investment Services Limited	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
CiliaFormosa Financial Advisors Ltd	Triq id-Delu, Mosta MST 3355	2226 0200
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Limited	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
HSBC Bank (Malta) p.l.c.	116, Archbishop Street, Valletta VLT 1444	2380 2380
Jesmond Mizzi Financial Advisors Limited	67, Level 3, South Street, Valletta VLT 1105	2122 4410
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1112
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne' Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Limited	The Brokerage, Level 0A, St Marta Street, Victoria, Gozo VCT 2551	2258 7010
MZ Investment Services Limited	63, St. Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000
Timberland Invest Ltd	CF Business Centre, Gort Street, St Julian's STJ 9023	2090 8100

ANNEX III – SPECIMEN PREFERRED APPLICANT APPLICATION FORM



SD FINANCE P.L.C. €33,000,000 5.20% UNSECURED BONDS 2031 GUARANTEED BY SD HOLDINGS LIMITED APPLICATION FORM - PREFERRED APPLICANTS

This Application Form is not transferable and entitles you to subscribe for the SD Finance p.l.c. 5.20% Unsecured Bonds 2031 as a Preferred Applicant. Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO ☐	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
SD Finance p.l.c. 5.20% Unsecured Bonds 2031 guaranteed by SD Holdings Limited (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Final Terms dated 3 October 2025 (the "Final Terms"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Base Prospectus dated 3 October 2025 (the "Base Prospectus") and the Final Terms.			
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10 & 11) (to be completed ONLY if the Applicant is a resident of Malta)			
☐ I/We elect to receive interest NET of FWT		☐ I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
☐ NOT resident in Malta but resident in the European Union		☐ NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Base Prospectus and the Final Terms, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)		Date	
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER	



Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Base Prospectus and the Final Terms regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 16 of the Base Prospectus, dated 3 October 2025. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Base Prospectus and/or the Final Terms.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the holders of SD Finance p.l.c. 4.35% unsecured bonds 2027 has been preprinted in Panel A and reflects the MSE account number on the respective register held at the CSD as at 30 September 2025 (trading session of 26 September 2025). Preferred Applicants as at 30 September 2025 are to insert full personal details in Panel A (including MSE account number which is mandatory). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **PREFERRED APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 18 of the Base Prospectus, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest, refund (where applicable) and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Offer Period will open at 08:30 hours on 7 October 2025 and will close at 12:00 hours on 24 October 2025, or earlier as may be determined by the Issuer. Application for Bonds may be lodged with any Authorised Financial Intermediary listed in Annex II of the Final Terms during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult a financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.