

The Directors

Central Business Centres p.l.c.

Cortis Buildings,
Mdina Road,
Żebbuġ ZBG 4211,
Malta

17 June 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Central Business Centres p.l.c. (the “**Company**” or “**Issuer**”) as explained in Part 1 of the Analysis. The data is derived from various sources, including the most recent prospectus dated 23 October 2025 published by the Issuer (the “**Prospectus**”), or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2023, 2024, and 2025 has been extracted from the audited financial statements of the Issuer for the three years in question.
- (b) The forecast data for the financial year ending 2026 has been provided by management.
- (c) Our commentary on the Issuer’s results and financial position is based on the explanations provided by management.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the websites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer’s securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer’s securities.

Yours sincerely,



Patrick Mangion

Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2026



Central Business Centres p.l.c.

17 June 2026

Prepared by

Calamatta Cuschieri Investment Services Limited

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1. Information about the Company

1.1. Issuer's Key Activities and Structure

Central Business Centres p.l.c. ("CBC" or "Issuer") was set up on 20 June 2014 and is principally engaged in the ownership, development and leasing of commercial property in Malta. Upon incorporation, CBC's total issued share capital of 250,000 ordinary shares was equally held by 6 shareholders, namely Joseph Cortis, Raymond Cortis, Paul Cortis, Anthony Cortis, Francis Cortis, and Philip Cortis. In January 2019, CBC underwent a succession planning exercise and at present, no individual shareholder has a holding of more than 10% in CBC.

On 27 June 2025, during the Annual General Meeting of the Company, the authorised share capital was increased to 500,000 shares of €1.00 each. The principal activity of the Issuer is to hold property for investment purposes and generate returns from this property through rental agreements. The Issuer's aim is to develop the "Central Business Centre" brand through a portfolio of commercial properties in Malta, focused on office, retail and mixed-use space.

As at 31 December 2025, CBC's property portfolio comprised business centres in Żebbuġ, Gudja, St. Julian's, Mrieħel and Valletta, together with a commercial property in Qormi acquired in December 2025. The assets are leased to third-party tenants on medium to long-term contracts, with periodic contractual rental increments. The Issuer has no direct employees and subcontracts administrative, maintenance and other operational services.

1.2. Directors and Key Employees

Board of Directors - Issuer

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

Name	Office Designation
Mr Joseph Cortis	Executive Director, Chairman
Dr Petra May Attard Cortis	Non-Executive Director
Ms Adriana Cutajar	Non-Executive Director
Mr Joseph Mary Formosa	Non-Executive Director
Ms Crystielle Farrugia Cortis	Non-Executive Director
Ms Barbara Helga Ellul	Non-Executive Director

The executive director oversees the daily management of CBC, supported by the collective experience of the Board. The directors' registered business address is that of the Issuer.

As at 31 December 2025, the Issuer had no direct employees (FY2024: 0) and CBC continued to subcontract administrative, maintenance and other operational services.

1.3. Major Assets owned by the Company

Currently, the Issuer's major assets can be split into four Business Centres (Żebbuġ Business Centre, Gudja Business Centre, St. Julian's Business Centre including Villa Fieres, and Mrieħel Business Centre), one Mixed Use Centre (Valletta Business Centre) and one Commercial Centre (Żebbuġ Commercial Centre). In addition, in December 2025 CBC completed the acquisition of a fully-leased commercial property in Qormi, which is expected to contribute to rental income from 2026 onwards.

As at 31 December 2025, investment property amounted to approximately €77.0m and represented the large majority of total assets of approximately €86.3m. The portfolio is entirely Malta-based and concentrated in income-generating commercial and mixed-use assets, with further lettable area under development or refurbishment at Valletta and Mrieħel.

1.3.1. Central Business Centre Żebbuġ ("CBC Żebbuġ")

CBC Żebbuġ comprises a business centre and a commercial centre. The development includes approximately 1,509m² of office space, 6,220m² of commercial space, 113 internal car spaces, and 156 external car spaces.

The land over which the Żebbuġ Commercial Centre has been developed consists of four parcels of land, namely:

- one parcel owned by CBC;
- one parcel leased from the Lands Authority; and
- two parcels leased from SMW Cortis (acquired by CBC on 22 May 2026).

As at 31 December 2025, management reported that CBC Żebbuġ was fully leased to 14 tenants and operating at 100% occupancy, with full occupancy expected to be maintained in the near term.

1.3.2. Central Business Centre, Gudja ("CBC Gudja")

CBC Gudja comprises 1,515m² of office and commercial space along with 19 car spaces. The centre is currently leased to seven tenants and achieved full occupancy following the expansion of an existing tenant's space. Full occupancy is expected to be maintained throughout 2026 and over the forecast period.

1.3.3. Central Business Centre, St. Julian's ("CBC St. Julian's")

The St. Julian's Business Centre, including Villa Fieres (the "Villa"), comprises 1,360m² of office space, six outlets, 17 car spaces and a corporate office with a footprint of 1,100m². Restoration works on the Villa have been completed and it is fully leased. CBC St. Julian's occupancy rate decreased from 88% in 2024 to 82% in 2025, with management projecting a high level to be broadly maintained in 2026.

1.3.4. Central Business Centre, Mrieħel ("CBC Mrieħel")

The Issuer purchased a property in Mrieħel in 2024 with a net rentable area of 2,530m², including 55 parking spaces. As at 31 December 2025, occupancy stood at 33%, reflecting the early stages of commercialisation. Management anticipates an increase in occupancy as further areas are completed to tenant specification and additional leases are secured.

1.3.5. Central Business Centre, Valletta ("CBC Valletta")

In 2021, the Issuer acquired a property in Valletta known as The Savoy, comprising a retail area of 1,118m² across Level -1 and Level 0. Following the acquisition, the property continued to operate as a retail complex while the Issuer progressed plans to reposition and enhance the asset as part of the CBC Valletta project.

Upon completion of the planned works, the total rentable area is expected to increase significantly through the addition of approximately 2,400m² across the upper levels, bringing the total project footprint to approximately 3,518m². A further 200m² extension on Level 4 remains subject to planning approval.

1.3.6. Central Business Centre, Qormi ("CBC Qormi")

On 19 December 2025, the Company acquired a commercial property located in Mdina Road c/w Triq Guze Duca, Qormi, known as the FXB Building, for a total consideration of €5.5 million. The acquisition was financed through the issuance of 5.7% unsecured bonds and forms part of the Company's strategy to further consolidate its asset base and broaden its service offering. Following its acquisition, the property is referred to as Central Business Centre Qormi.

As at 31 December 2025, CBC Qormi was operating at 100% occupancy and formed part of the Company's portfolio of completed investment properties that are fully operational and being leased. The property is fully leased to two third-party tenants.

1.4. Operational Developments

1.4.1. CBC Żebbuġ

On 21 December 2023, the Issuer executed a Deed of Temporary Emphyteusis with LIDL Immobiliare Malta Limited ("LIDL Malta"), following a Promise of Sale Agreement dated 19 October 2017, in relation to the development of part of the Żebbuġ site.

Under this agreement, LIDL Malta undertook the development of two components:

- Part A, fronting Mdina Road, consists of a supermarket together with ancillary facilities, including warehouse facilities, utility spaces, parking spaces, and loading/unloading ramp and bay. Management confirmed that this part of the development has been completed and is being used by LIDL Malta in accordance with the intended use set out in the emphyteutical grant.
- Part B, fronting Attard Road and underlying Part A, consists of a factory, warehouse facilities, retail store, yard, and an internal/external-car park. While Part B had been scheduled for completion by the beginning of Q4 2025, the Company subsequently took over responsibility for the completion of the CBC Żebbuġ Commercial Centre from LIDL.

In February 2026, the Company reached an amicable agreement with LIDL, formally resolving the dispute relating to the completion and delivery of Part B of the Żebbuġ site to the Company, as previously referred to in company announcements issued in December 2025 and January 2026. Following this resolution, the Company is now positioned to enter into an agreement with the Cortis Group for the lease of the remaining area of the property.

The Cortis Group (also referred to as SMW Cortis) collectively comprises SMW Cortis Ltd and its associated entities, namely Cortis Timber and Wood Products Ltd, and Calibre Enterprises Ltd.

1.4.2. CBC Valletta Acquisition

CBC Valletta is undergoing a significant refurbishment and rebranding programme, in line with the intended use of proceeds from the previous bond issue. The existing lower and ground floor-level retail space has remained 100% occupied, providing an operational base while redevelopment works progress on the upper floors.

As at the current year of focus, 2026, the newly developed upper levels are expected to be leased progressively as works are finalised, with projected completion date Q1 of 2027.

1.4.3. Purchase of Commercial Property in Qormi

CBC Qormi is one of the Company's completed business centres and was, as at the end of 2025, among the properties operating at full capacity, alongside CBC Żebbuġ and CBC Gudja. Management expects the property to continue contributing stable rental income in 2026, supported by its full occupancy profile and positive tenant retention indicators.

The Company has also indicated that, alongside the extensive refurbishment of the Valletta property, the renovation of the Qormi property, and the continued upgrade of Mrieħel, higher occupancy levels across the wider portfolio are expected to support increased revenues going forward.

1.4.4. Purchase of Properties from Cortis Group

SMW Cortis transferred several residential, commercial, retail and parcels of land to CBC. The Issuer acquired the Cortis Property on 22 May 2026.

1.5. Listed Debt Securities of the Issuer

CBC has the following outstanding debt securities:

Debt Security	ISIN	€m
4.40% Central Business Centres p.l.c. Unsecured € 2027 S1/17 T1	MT0000881228	6
4.00% Central Business Centres p.l.c. Unsecured Bonds 2027-2033	MT0000881236	21
5.70% Central Business Centres p.l.c. € Unsecured 2030-2035 S1 T1	MT0000881244	13.25

2. Historical Performance and Forecasts

The Issuer's historical financial information for the three years ending 31 December 2023, 2024 and 2025, as set out in the audited financial statements of the Issuer can be found in section 2.1 to 2.4 of this Analysis. These sections also include the forecast performance of the Issuer for the period ending 31 December 2026 and 2027.

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

2.1. Issuer's Income Statement

Income Statement for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
	€000s	€000s	€000s	€000s	€000s
Revenue	1,755	2,373	2,583	3,260	4,514
Administrative expenses	(362)	(323)	(320)	(492)	(505)
EBITDA	1,392	2,050	2,264	2,769	4,009
Depreciation	(57)	(71)	(150)	(284)	(284)
EBIT	1,336	1,979	2,113	2,485	3,726
Finance income	20	15	13	-	-
Finance cost	(1,302)	(1,603)	(1,832)	(2,313)	(2,550)
Fair value movements	-	6,252	1,342	2,500	-
Other income	-	-	163	210	-
Profit / (loss) before tax	54	6,643	1,799	2,882	1,176
Taxation	(15)	(3,162)	(832)	(1,016)	(411)
Profit / (loss) after tax	38	3,481	966	1,866	764

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
Profitability					
Growth in Revenue (YoY Revenue Growth)	-1.8%	35.2%	8.9%	26.2%	38.5%
EBITDA Margin (EBITDA / Revenue)	79.3%	86.4%	87.6%	84.9%	88.8%
Operating (EBIT) Margin (EBIT/Revenue)	76.1%	83.4%	81.8%	76.2%	82.5%
Net Margin (Profit for the year / Revenue)	2.2%	146.7%	37.4%	57.2%	16.9%
Return on Common Equity (Net Income / Average Equity)	0.2%	13.6%	3.5%	6.4%	2.5%
Return on Assets (Net Income / Average Assets)	0.1%	4.9%	1.2%	2.1%	0.8%

Revenue Segmental Analysis	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
	€000s	€000s	€000s	€000s	€000s
CBC Żebbuġ	473	762	700	791	1,029
CBC Gudja	145	152	136	165	170
CBC St. Julian's	868	1,034	1,055	1,144	1,178
CBC Valletta	280	418	558	573	1,501
CBC Mrieħel	-	37	134	185	222
Other Income / (Maintenance fee) *	(11)	(29)	-	-	-
New Qormi Property	-	-	-	401	413
Total revenue	1,755	2,373	2,583	3,260	4,514

*The Historical figures relate to a balancing figure to reconcile Rental Revenue with Total Revenue whilst the projected amounts relate to Maintenance Fee Income.

% Composition	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
CBC Żebbuġ	27.0%	32.1%	27.1%	24.3%	22.8%
CBC Gudja	8.3%	6.4%	5.3%	5.1%	3.8%
CBC St. Julian's	49.5%	43.6%	40.8%	35.1%	26.1%
CBC Valletta	16.0%	17.6%	21.6%	17.6%	33.2%
CBC Mrieħel	N/A	1.6%	5.2%	5.7%	4.9%
Other Income / (Maintenance fee) *	N/A	N/A	N/A	N/A	N/A
New Qormi Property	N/A	N/A	N/A	12.3%	9.2%

% Growth	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
CBC Żebbuġ	-26.0%	61.1%	-8.1%	13.0%	30.1%
CBC Gudja	5.8%	4.8%	-10.5%	21.3%	3.0%
CBC St. Julian's	24.2%	19.1%	2.0%	8.5%	3.0%
CBC Valletta	-10.3%	49.3%	33.4%	2.8%	162.0%
CBC Mrieħel	N/A	N/A	262.5%	38.5%	19.7%
Other Income / (Maintenance fee) *	N/A	N/A	N/A	N/A	N/A
New Qormi Property	N/A	N/A	N/A	N/A	3.0%
Overall revenue growth	-1.8%	35.2%	8.9%	26.2%	38.5%

Revenue

The Issuer's revenue is derived predominantly from rental income and maintenance fees charged to tenants across its portfolio. Revenue increased from €2.37m in FY2024 to €2.58m in FY2025, representing year on year growth of 8.9%, driven primarily by stronger contributions from CBC St. Julian's, CBC Valletta and CBC Mrieħel, as well as the continued full occupancy at CBC Żebbuġ and CBC Gudja. On a segmental basis, the main contributors in FY2025 were CBC St. Julian's (€1.05m), CBC Żebbuġ (€0.70m) and CBC Valletta (€0.56m), with CBC Mrieħel contributing €0.13m as it continues its ramp-up phase.

According to management's projections, revenue is expected to increase to €3.26m in FY2026 and €4.51m in FY2027. The projected growth reflects: (i) a full year contribution from the Qormi property from FY2026 onwards; and, (ii) further improvements in occupancy at CBC Valletta and CBC Mrieħel as refurbishment and upgrades are completed.

Expenditure

Administrative expenses, which include administration and management fees, professional fees and insurance, decreased slightly from €323k in FY2024 to €320k in FY2025, remaining broadly stable in absolute terms. As a percentage of revenue, administrative expenses declined, reflecting operating leverage as the revenue base expanded. Management forecasts administrative expenses to increase to €492k in FY2026 and €505k in FY2027, mainly as a result of higher activity levels and portfolio growth, although the EBITDA margin is expected to remain strong.

EBITDA increased from €2.05m in FY2024 to €2.26m in FY2025, with the EBITDA margin rising from 86.4% to 87.6%. Depreciation charges increased from €71k in FY2024 to €150k in FY2025, as more assets transitioned to their operational phase and started being subject to depreciation. EBIT accordingly increased to €2.11m in FY2025, compared to €1.98m in FY2024, with an EBIT margin of 81.8%.

Finance cost

Finance income amounted to €13k in FY2025 (FY2024: €15k), reflecting the relatively modest level of surplus cash balances during the year. Finance costs increased from €1.60m in FY2024 to €1.83m in FY2025, mainly due to the impact of the 2025 bond issue and the overall higher level of interest-bearing debt. The majority of finance costs relate to interest on listed bonds, interest on lease liabilities and the amortisation of bond issue costs.

On a forecast basis, finance costs are expected to increase further to €2.31m in FY2026 and €2.55m in FY2027, consistent with a higher average level of debt following the planned second tranche of bonds and continued investment in the portfolio. Interest coverage (EBITDA/finance costs) is projected to remain at or above 1.2x over the forecast period, supported by growth in EBITDA.

Profit after tax

The Issuer's results remain influenced by fair value movements on investment property. In FY2024, fair value gains of €6.25m significantly boosted profitability, whereas in FY2025 fair value gains decreased to €1.34m. Together with the increase in finance costs, this led to a reduction in profit before tax from €6.64m in FY2024 to €1.80m in FY2025.

Taxation amounted to €832k in FY2025 (FY2024: €3.16m), largely reflecting the lower level of fair value gains compared to the prior year. Profit after tax decreased from €3.48m in FY2024 to €966k in FY2025, implying a net margin of 37.4%. Looking ahead, management expects profit after tax to increase to €1.87m in FY2026 and €764k in FY2027, as recurring rental income continues to grow and fair value movements revert towards more normalised levels after the significant uplift recorded in FY2024.

2.2. Issuer's Income Statement – Variance Analysis

Income Statement for the year ended 31 December	FY2025F	FY2025A	Variance
	€000s	€000s	€000s
Revenue	3,749	2,583	(1,166)
Administrative expenses	(381)	(320)	61
EBITDA	3,368	2,264	(1,105)
Depreciation	-	(150)	(150)
EBIT	3,368	2,113	(1,255)
Finance income	38	13	(25)
Finance cost	(1,754)	(1,832)	(79)
Fair value movements	4,000	1,342	(2,658)
Other income	-	163	163
Profit / (loss) before tax	5,652	1,799	(3,854)
Taxation	(812)	(832)	(20)
Profit / (loss) after tax	4,840	966	(3,873)

Revenue Segmental Analysis	FY2025F	FY2025A	Variance
	€000s	€000s	€000s
CBC Żebbuġ	767	700	(66)
CBC Gudja	163	136	(27)
CBC St. Julian's	1,209	1,055	(154)
CBC Valletta	613	558	(55)
CBC Mrieħel	141	134	(7)
Other Income / (Maintenance fee) *	224	-	(224)
New Qormi Property	-	-	-
Cortis 2 Property	153	-	(153)
Rental income under dispute	480	-	(480)
Total revenue	3,749	2,583	(1,166)

FY2025 results were below the financial projections primarily due to delays in the timing of the bond issue and related deployment of proceeds, together with project-specific timing differences. Revenue amounted to €2.58m compared to a forecast of €3.75m, resulting in a negative variance of €1.17m (-31.1%). This shortfall mainly reflects lower-than-expected income from certain properties and the deferral of revenue linked to assets which were assumed to be contributing in full during FY2025.

From a segmental perspective, CBC Żebbuġ, CBC Gudja, CBC St. Julian's, CBC Valletta and CBC Mrieħel all registered revenue below forecast, with variances ranging from approximately 5% to 17%. Management attributes these shortfalls to temporary re-letting gaps, an early lease termination at Valletta and a once-off concession at Mrieħel. During 2025, actual revenue fell below its forecast value due to a combination of tenant replacements and delays in

finalizing the bond issue, concluding relevant acquisitions, and resolving outstanding legal disputes.

Administrative expenses totalled €320k against a forecast of €381k, resulting in a favourable variance of €0.06m (-16.1%). This variance is principally attributable to lower revenue-related expenditure and timing of certain professional and other operating costs. EBITDA for FY2025 consequently stood at €2.26m, compared to a projected €3.37m, representing a negative variance of €1.10m (-32.8%).

Below EBITDA, several items also diverged from forecast. In FY2025, depreciation amounted to €150k, compared to a nil forecast, reflecting a change in accounting policy. Finance income of €13k was lower than the projected €38k, mainly due to lower average cash balances and the later-than-assumed bond drawdown. Finance costs amounted to €1.83m versus a forecast €1.75m, with the small negative

variance of €0.08m (4.5%) reflecting differences in the timing and structure of interest-bearing borrowings.

Fair value movements on investment property were the main driver of the variance at profit-before-tax level. FY2025 fair value gains of €1.34m were significantly below the projected €4.00m. The difference is attributable to a timing difference as a result of a dispute with a third party which delayed the development of a Żebbuġ property. The dispute has now been resolved and the fair value movement will be

reflected in 2026 rather than 2025. Other income, mainly comprising maintenance fees and non-cash rent discounts, amounted to €163k, whereas no such income had been initially forecast.

As a result, profit before tax was €1.80m compared to a forecast €5.65m, representing an adverse variance of €3.85m (-68.2%). Profit after tax amounted to €996k versus a projected €4.84m, an adverse variance of €3.87m (-80.0%).

2.3. Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
	€000s	€000s	€000s	€000s	€000s
Assets					
Non-current assets					
Investment properties	57,161	69,125	77,019	86,893	87,859
Improvements, fixtures and furniture	387	489	453	1,250	-
Right of use assets	5,374	5,196	5,196	1,237	1,237
Deferred tax asset	1,874	1,867	1,845	1,855	1,855
Total non-current assets	64,796	76,677	84,513	91,235	90,951
Current assets					
Trade and other receivables	403	53	625	625	625
Financial assets at fair value through profit or loss	81	27	18	18	18
Cash and cash equivalents	372	819	1,098	330	1,433
Total current assets	856	898	1,741	973	2,076
Total assets	65,652	77,575	86,253	92,208	93,027
Equity and liabilities					
Equity					
Share capital	250	250	250	250	250
Reserves	16,100	16,100	16,100	16,100	16,100
Retained earnings	7,475	10,953	11,917	13,803	14,567
Total equity	23,825	27,303	28,267	30,153	30,917
Non-current liabilities					
Borrowings	29,898	26,719	39,683	50,254	50,309
Lease liabilities	5,354	5,304	5,270	961	961
Deferred tax liabilities	5,804	8,769	9,462	9,462	9,462
Lease deposits	-	-	-	91	91
Total non-current liabilities	41,055	40,792	54,416	60,768	60,823
Current liabilities					
Borrowings	-	6,269	-	-	-
Capital creditor	-	2,250	2,250	-	-
Trade and other payables	771	877	1,200	1,121	1,121
Current tax liabilities	1	85	120	-	-
Amount due to related party	-	-	-	-	-
Lease liabilities	-	-	-	165	165
Total current liabilities	772	9,480	3,571	1,286	1,286
Total liabilities	41,827	50,272	57,986	62,055	62,110
Total equity and liabilities	65,652	77,575	86,253	92,208	93,027
Net assets	23,825	27,303	28,267	30,153	30,917

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
Financial Strength					
Gearing 1 (Net Debt / Net Debt and Total Equity)	59.4%	57.8%	60.8%	62.9%	61.8%
Gearing 2 (Total Liabilities / Total Assets)	63.7%	64.8%	67.2%	67.3%	66.8%
Gearing 3 (Net Debt / Total Equity)	1.5x	1.4x	1.6x	1.7x	1.6x
Net Debt / EBITDA	25.1x	18.3x	19.4x	18.4x	12.5x
Current Ratio (Current Assets / Current Liabilities)	1.1x	0.1x	0.5x	0.8x	1.6x
Interest Coverage level 1 (EBITDA / Cash interest paid)	1.1x	1.6x	1.7x	1.2x	1.6x
Interest Coverage level 2 (EBITDA / Finance costs)	1.1x	1.3x	1.2x	1.2x	1.6x

Assets

Total assets increased from €77.6m as at 31 December 2024 to approximately €86.3m as at 31 December 2025. This growth was mainly driven by additions to investment property, including further capital expenditure on existing assets and the acquisition of the Qormi property. Investment properties amounted to approximately €77.0m in FY2025 and continued to represent the predominant component of the Issuer's asset base. This trend is expected to continue over the forecast period with investment properties reaching €87.9m by 2027.

Other non-current assets included improvements, fixtures and fittings, right of use assets and deferred tax assets, which together form a smaller portion of total assets. Current assets remained relatively modest at around €1.74m and mainly composed of trade and other receivables, financial assets at fair value and cash and cash equivalents of approximately €1.10m.

Equity

Total equity increased from €27.3m as at 31 December 2024 to approximately €28.3m as at 31 December 2025, largely driven by the profit retained for the year. Share capital and capital reserves remained unchanged, while retained earnings increased in line with the Issuer's profitability. The capital reserve of €16.1m originates from subordinated loans provided by related parties, which were subsequently waived and used to partially finance the acquisitions of the CBC Žebbuġ, Gudja, and St. Julian's properties, and thus were recognised within equity.

Liabilities

Total liabilities increased to approximately €58.0m as at 31 December 2025, mainly reflecting higher non-current borrowings and deferred tax liabilities. Non-current borrowings stood at about €39.7m, principally comprising listed bonds. Non-current lease liabilities and deferred tax liabilities amounted to approximately €5.3m and €9.5m respectively, the latter reflecting the tax effect of cumulative fair value gains on investment property.

Current liabilities amounted to around €3.6m and mainly included trade and other payables, current tax liabilities and current lease liabilities; no current interest bearing borrowings were outstanding at year-end, following the refinancing initiatives undertaken in 2025. The current ratio was 0.5x, indicating a tight short-term liquidity position, but the Issuer's model remains based on long-term funding and recurring rental inflows rather than reliance on large cash balances.

Key leverage indicators for FY2025 included Net Debt to EBITDA of approximately 19.4x and Gearing 1 (Net Debt / (Net Debt + Equity)) of around 60.8%, which are elevated but considered in the context of the Issuer's strategy, substantial tangible asset backing and long-term rental contracts.

2.4. Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
	€000s	€000s	€000s	€000s	€000s
Cash flows from operating activities					
Profit / (loss) before tax	54	6,643	1,799	2,882	1,176
Adjustment for:					
Net finance costs / (income)	1,282	1,588	1,820	2,313	2,550
Depreciation charge	57	71	150	284	284
Fair value movement relating to investment property	-	(6,252)	(1,342)	(2,500)	-
Non-cash rent discount	-	-	(163)	-	-
Total adjustments	1,338	(4,593)	465	97	2,834
Movement in working capital:					
(Increase) / Decrease in trade and other receivables	(88)	365	(560)	-	-
Increase / (Decrease) in trade and other payables	279	2,353	72	-	-
Net change in working capital	191	2,718	(488)	-	-
Cash flows from operations	1,583	4,768	1,776	2,979	4,009
Taxation (paid) / received	(108)	(104)	(79)	(1,016)	(412)
Net cash generated from / (used in) operating activities	1,476	4,664	1,697	1,963	3,598
Cash flows from investing activities					
Acquisition and development costs of investment property	8	(5,884)	(6,666)	(7,500)	-
Improvements, fixtures, and furniture	-	-	-	(1,250)	-
Movement in financial instruments	-	54	9	(76)	148
Net cash generated from / (used in) investing activities	8	(5,830)	(6,657)	(8,826)	148
Cash flows from financing activities					
Finance costs paid	(1,260)	(1,261)	(1,371)	(2,313)	(2,550)
Repayment of borrowings	(5)	(6)	(6,224)	(8,250)	-
Proceeds from issuance of notes	-	2,972	-	-	-
Proceeds from issuance of bonds	-	-	12,927	16,750	-
Payment of lease liabilities	(40)	(90)	(90)	(90)	(90)
Dividends paid	(3)	(3)	(3)	(3)	(3)
Net cash generated from / (used in) financing activities	(1,308)	1,612	5,239	6,095	(2,643)
Net movement in cash and cash equivalents	176	447	279	(768)	1,103
Cash and cash equivalents at start of year	196	372	819	1,098	330
Cash and cash equivalents at end of year	372	819	1,098	330	1,433

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F	FY2027F
	€000s	€000s	€000s	€000s	€000s
Cash Flow					
Free Cash Flow (Net cash from operations - Capex)	1,484	(1,220)	(4,969)	(6,787)	3,598
Free Cash Flow (Net cash from operations + Interest - Capex)	2,786	383	(3,136)	(4,474)	6,148

Cash flows from operating activities

Net cash generated from operating activities amounted to approximately €1.70m in FY2025 (FY2024: €4.66m). Cash flows from operations were driven by the Issuer's rental income and maintenance fees, partially offset by administrative expenses, finance costs and tax payments, as well as movements in working capital. The reduction compared to FY2024 comes as a result of outflows due to working capital movements seen in 2025.

Cash flows from investing activities

Net cash used in investing activities totalled approximately €6.66m in FY2025. This primarily related to acquisition and development costs of investment property, including expenditure on existing assets such as CBC Valletta and CBC Mrieħel and the outlay for the Qormi acquisition.

Cash flows from financing activities

Net cash generated from financing activities amounted to approximately €5.24m in FY2025. The main inflow related to the proceeds from the 2025 bond issue, while outflows comprised repayments of existing borrowings, finance costs paid, lease payments and a small dividend payment.

Net movement in cash and cash equivalents

The combined effect of operating, investing and financing cash flows resulted in an increase in cash and cash equivalents of approximately €280k during FY2025. Free cash flow (net cash from operations less capital expenditure) was negative, at around €5.0m, consistent with the Issuer's current investment phase.

Cash and cash equivalents at the start of FY2025 amounted to approximately €819k. This figure reflected the position at the end of FY2024 after taking into account the strong cash generation and financing activities in that year.

As a result of the above movements, cash and cash equivalents at the end of FY2025 totalled approximately €1.10m. Over the forecast period, management anticipates that operating cash flows will improve as recently completed and refurbished properties contribute for a full year, while capital expenditure is expected to moderate once the current development cycle is completed, leading to a strengthening of the Issuer's liquidity position.

3. Key Market and Competitor Data

3.1. General Market Conditions^{1,2}

The Issuer is exposed to general market and economic risks that may affect property developments and their timely completion within budget. These include risks linked to macroeconomic conditions – such as inflation, interest rate developments, and broader uncertainty – which may influence demand, financing conditions, and costs.

In this regard, the Central Bank of Malta's *Economic Update 5/2026* notes that while economic sentiment remains above its long-term average, it weakened in April 2026 and that there was less economic certainty surrounding business decisions¹. This environment is relevant for property development planning because weaker sentiment and uncertainty can translate into slower decision-making and changes in investment behaviour.¹

Separately, the Central Bank of Malta's *Outlook for the Maltese Economy 2026:1* projects that real GDP growth is expected to moderate from 7.0% (2024) to 3.6% (2025), stabilising at around 3.7% thereafter¹. This moderation – together with ongoing risks to international conditions and geopolitical uncertainty – can impact the Issuer's assumptions regarding market demand and project timelines.²

Therefore, if general economic and property market conditions were to deteriorate beyond what is contemplated in the Issuer's development planning, this could adversely affect the Issuer's financial condition and may impair its ability to meet obligations under the Bonds.

3.2. Malta Economic Update

According to the Central Bank of Malta's *Economic Update 5/2026*, the Business Conditions Index (BCI) indicated that in April 2026 annual growth in business activity had moderated and returned to its long-term average. The Bank attributed this to below-average growth in tax revenue and industrial production, together with a weaker reading of the Economic Sentiment Indicator (ESI), although building permits and inbound tourism continued to record above-average growth.¹

Economic sentiment weakened in April 2026, with the decline driven principally by weaker sentiment in industry and the services sector. By contrast, consumer expectations regarding the general economic situation became less negative, while in construction, overall order book levels turned positive even though employment expectations weakened. The Bank further noted that, on balance, economic uncertainty remained low, although the services and retail sectors reported higher levels of uncertainty, with the latter recording the highest level.¹

As regards real activity, industrial production contracted by 3.6% year-on-year in March 2026, while the index of services production rose by 1.5% in February 2026 following three consecutive monthly declines. Retail trade increased by 7.5% in March 2026, albeit at a more moderate pace than in the previous month, while tourism expenditure also continued to rise, though at a slower rate.¹

The labour market remained comparatively tight, although signs of easing emerged. The seasonally adjusted unemployment rate stood at 3.5% in March 2026, unchanged for the third consecutive month, but above the 3.1% recorded in March 2025. Jobsplus data also showed that the number of persons on the unemployment register increased year-on-year.¹

In the property market, the Bank reported that commercial permits increased month-on-month in April 2026, while residential permits declined on a month earlier; however, on an annual basis, residential permits increased, whereas commercial permits were lower than a year earlier. At the same time, both residential promise-of-sale agreements and final deeds of sale increased in April 2026 when compared with the corresponding month of the previous year.¹

Inflationary pressures remained contained but persistent. Malta's annual HICP inflation rate stood at 2.5% in April 2026, up from 2.3% in March, while HICP excluding energy and food stood at 2.4%. Inflation based on the Retail Price Index (RPI) rose to 2.8% in April 2026 from 2.7% in March.¹

¹ [Central Bank of Malta – Economic Update 5/2026](#)

² [Central Bank of Malta - Outlook for the Maltese Economy 2026:1 \(2025-2028\)](#)

Public finance data showed a wider deficit in the short term. In March 2026, the Consolidated Fund deficit amounted to €313.9 million, compared with €145.4 million a year earlier, reflecting increased expenditure together with lower revenue. During the same period, Maltese residents' deposits grew by 7.5% year-on-year, while credit to residents grew by 7.8%, broadly unchanged from the previous month.¹

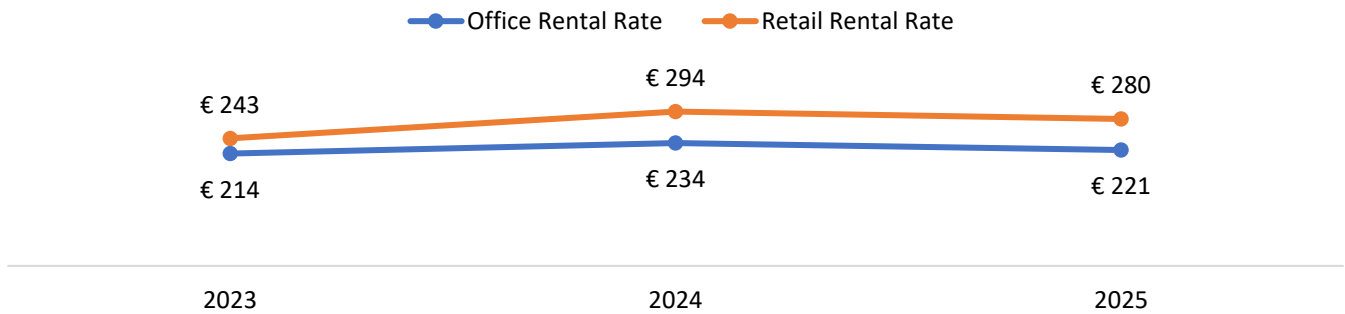
Looking ahead, the Central Bank's baseline projections envisaged real GDP growth of 3.7% in 2026, overall HICP inflation of 2.3%, and an unemployment rate of 2.8%, with domestic demand expected to remain the main driver of growth.²

3.3. The Commercial Property Market³

KPMG's latest *Construction Industry and Property Market Report 2025* reported that the majority of commercial property on the market is available on a rental basis rather than being offered for sale. In 2025, the average asking rental rates for office space was €221/m² in 2025, slightly down from €234/m² in 2024, while average asking rental rates for retail properties stood at €280/m², down from €294/m² in 2024.

Commercial Property Market

Asking rental rate (€/m²)



Office Space

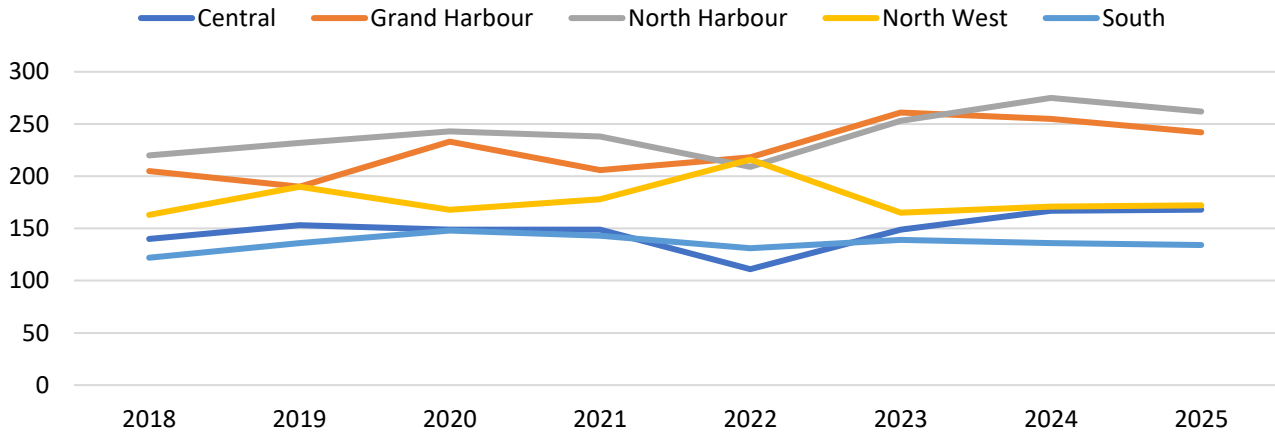
KPMG noted that rental data for office space was consistent with the generally sluggish commercial environment highlighted by market participants during stakeholder consultations. Feedback suggested that market activity remained subdued, characterised by weak demand and limited transactional momentum, while also noting that advertised asking rents may not fully reflect the extent of negotiation that takes place in actual transactions, which given these market conditions may be expected to be substantial.

At regional level, office rental rates continued to vary materially. KPMG reported that the Central region recorded modest growth, reaching €168/m² (2024: €167), while the North Harbour region remained the highest-priced office location at €263/m², while the Southern region remains the most affordable, with an average rate of €134/m². Data for the Grand Harbour, North Harbour, and Southern regions resulted in declines in office rental rates of 5.7%, 4.2%, and 1.5%, respectively. Gozo has been excluded from this analysis due to an insufficient sample size to produce statistically meaningful results.

³ [KPMG – Construction Industry and Property Market Report 2025](#)

Average asking rental rates for office space by region

Asking rental rate (€/m²)

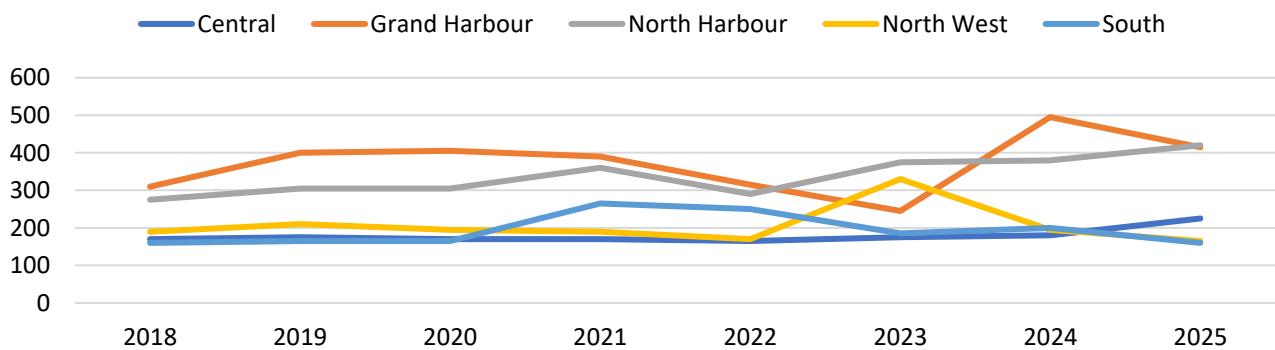


Retail Properties

Regarding retail properties for rent, the most pronounced increase in average rental rates was recorded in the North Harbour region, where average asking prices for retail space rose by 10.9% in 2025, reaching €422/m². This development positions the North Harbour as the most expensive retail location. The Grand Harbour region ranks second, with an average rate of €414/m², despite experiencing a decline of 16.1% compared to 2024. The North West and Southern regions remain the least expensive areas for retail space, at €164/m² and €161/m² respectively, both registering modest growth over the prior year. The declines observed across several regions are likely attributable to sample limitations within the previous year's dataset. As with earlier analyses, Gozo has been excluded due to an insufficient sample size to derive meaningful insights.

Average asking rental rates for retail space by region

Asking rental rate (€/m²)



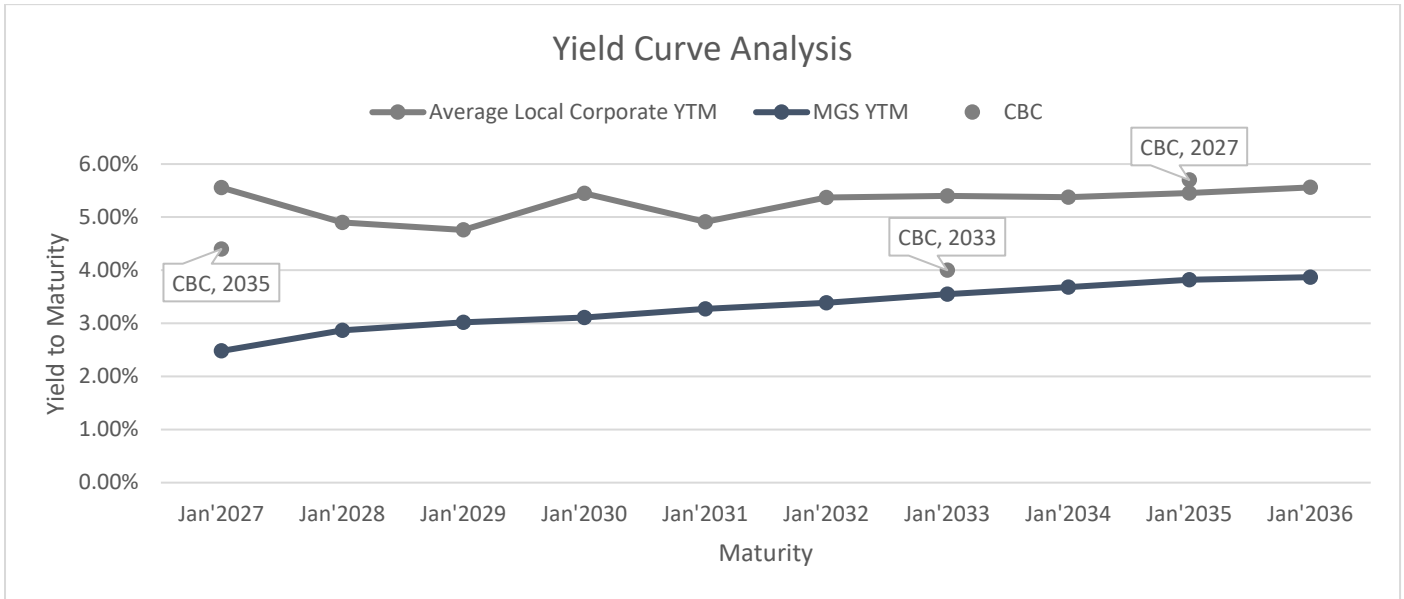
KPMG's analysis of property locations within its 2025 database indicates that the Northern Harbour region accounts for the highest proportion of office properties, representing 51.1% of all listings, followed by the Central region at 30.2%. In the case of retail properties, the North Harbour and Central regions similarly dominate the market, comprising 29.7% and 32.4% of total listings, respectively.

3.4. Comparative Analysis

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

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'million s)	(€'million s)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
3.75% Mercury Projects Finance p.l.c. Secured € 2027	11,500	7.09%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
4.4% Central Business Centres p.l.c. Unsecured € 2027 S1/17 T1	6,000	6.93%	1.7x	86.3	28.3	67.2%	60.8%	19.4x	0.5x	3.4%	37.4%	8.9%
3.75% AX Group p.l.c. Unsec 2029 Series II	10,000	4.06%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4.25% Mercury Projects Finance p.l.c. Secured € 2031	11,000	4.91%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
3.65% IHI p.l.c. Unsecured € 2031	80,000	5.03%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
3.5% AX Real Estate p.l.c. Unsecured € 2032	40,000	5.06%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4.3% Mercury Projects Finance p.l.c. Secured € 2032	50,000	4.90%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5.85% AX Group p.l.c. Unsecured € 2033	40,000	5.47%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4% Central Business Centres p.l.c. Unsecured € 2027-2033	21,000	5.69%	1.7x	86.3	28.3	67.2%	60.8%	19.4x	0.5x	3.4%	37.4%	8.9%
6% International Hotel Investments p.l.c. 2033	60,000	5.99%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
5.3% Mercury Projects Finance p.l.c. Secured € 2034	20,000	5.61%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5.30% International Hotel Investments € Unsec 2035	35,000	5.26%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
5.70% Central Business Centres p.l.c. € Unsec 2030-2035 S1 T1	13,250	5.84%	1.7x	86.3	28.3	67.2%	60.8%	19.4x	0.5x	3.4%	37.4%	8.9%
Average*		5.53%										

Source: Latest Available Audited Financial Statements
Last price update as at 12/06/2026



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Yaxis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a standalone basis, the issuer’s existing yields of its outstanding bonds.

As at 12 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 1-3 years was 228 basis points. The “4.4% Central Business Centres p.l.c. Unsecured € 2027 S1/17 T1” bonds are currently trading at a YTM of 693 basis points, meaning a spread of 445 basis points over the equivalent MGS. This means that this bond is trading at a premium of 137 basis points in comparison to the market.

As at 12 June 2026, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 4-7 years was 195 basis points. The “4% Central Business Centres p.l.c. Unsecured € 2027-2033” bonds are currently trading at a YTM of 569 basis points, meaning a spread of 153 basis points over the equivalent MGS. This means that this bond is trading at a premium of 29 basis points in comparison to the market.

As at 12 June 2026, the average spread over the MGS for corporates with maturity range of 8-10 years was 167 basis points. The “5.70% Central Business Centres p.l.c. € Unsec 2030-2035 S1 T1” bonds are currently trading at a YTM of 584 basis points, meaning a spread of 201 basis points over the equivalent MGS. This means that this bond is trading at a premium of 38 basis points in comparison to the market.

4. Glossary and Definitions

<i>Income Statement</i>	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
EBIT (Operating Profit)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Profit After Taxation	The profit made by the Group/Company during the financial year net of any income taxes incurred.

<i>Profitability Ratios</i>	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).

<i>Balance Sheet</i>	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Current Liabilities	Obligations which are due within one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.

Cash Flow Statement

Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Financial Strength Ratios

Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions

Cortis Group, or SMW Cortis	The Cortis Group (also referred to as SMW Cortis) collectively comprises SMW Cortis Ltd and its associated entities, namely Cortis Timber and Wood Products Ltd, and Calibre Enterprises Ltd.
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held to maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

Calamatta Cuschieri

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