



VBL Group



**VBL Plc (C56012)**  
**(“the Company”)**  
**COMPANY ANNOUNCEMENT**  
**Financial Analysis Summary**

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**Date: 26 June 2026**  
**Ref. VBL07/2026**

This is a Company Announcement made by the Company in compliance with the Capital Markets Rules.

The Company hereby announces that the 2026 Financial Analysis Summary compiled by Calamatta Cuschieri Investment Services Limited is attached herewith and may be accessed on the Company’s website: <https://vbl.com.mt/investors/>

**Signed by:**

*Dr Mikiel Calleja*

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**Dr Mikiel Calleja**  
Company Secretary

The Directors  
**VBL p.l.c.**  
54,  
Marsamxett Road,  
Valletta,  
Malta

26 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 VBL p.l.c. (the “**Issuer**”). The data is derived from various sources, including the prospectus dated 4 October 2024 published by the Issuer (the “**Prospectus**”), or is based on our own computations as follows:

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

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

Yours sincerely,



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Patrick Mangion  
Head of Capital Markets



# FINANCIAL ANALYSIS SUMMARY 2026



# VBL Group

## VBL p.l.c.

26 June 2026

Prepared by Calamatta Cuschieri  
Investment Services Limited



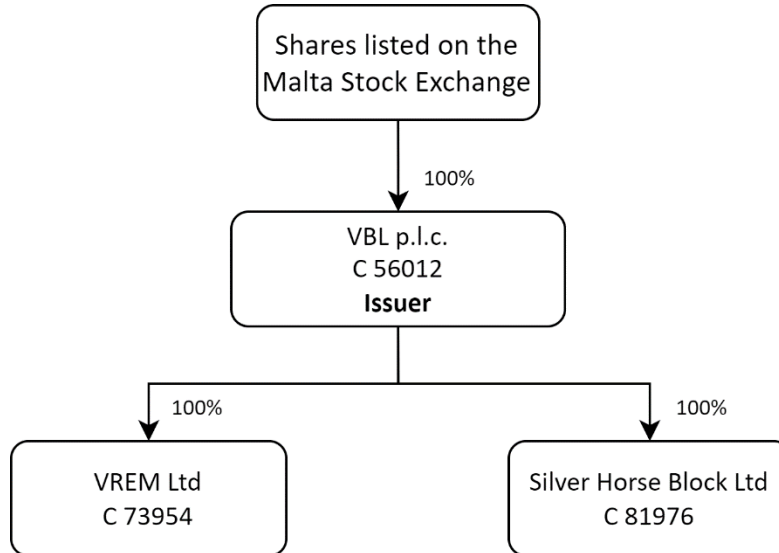
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## Part 1 - Company Information

### 1.1 Key Activities and Structure

The organisational structure of the Issuer as at the date of this Analysis is illustrated in the diagram below:



The Issuer was incorporated on 18 April 2012 as a private limited liability with company registration number C 56012. It changed its status to a public limited company on 14 September 2020. VBL has an authorised share capital of €66,000,000 made up of 330,000,000 ordinary shares of €0.20 each. The issued share is of €49,835,836.60, comprising 249,179,183 ordinary shares of €0.20.

As per the Issuer's audited financial statements for the year ended 31 December 2025, its shares are held as follows:

- Approximately 54.3% are held directly, or indirectly through VBLM Limited (C 60381), by its three executive directors, namely; Andrei Imbroll; Geza Szepalmi; and Julian Tzvetkov;
- Approximately 17.7% are held by Artur Haze, who is one of the Issuer's non-executive directors; and
- Approximately 28% are held by the general public.

VREM Ltd ("**VREM**") was incorporated on 15 January 2016 as a private limited liability with company registration number C 73954. It has an authorised and issued share capital of €10,000 made up of 10,000 ordinary shares of €1 each. VREM is a wholly-owned subsidiary of VBL.

Silver Horse Block Ltd ("**Silver Horse**") was incorporated on 14 September 2017 as a private limited liability with company registration number C 81976. It has an authorised and issued share capital of €1,200 made up of 1,200 ordinary shares of €1 each. Silver Horse is a wholly-owned subsidiary of VBL and is currently inactive.

The "**Group**" (being VBL and its two aforementioned subsidiaries), in essence, invests in and manages properties in Valletta.

The Group's strategy to achieve this is based on five pillars;

- *Acquire*: acquisition of unkept property at commercially attractive prices;
- *Conceptualise*: designing a unique concept for each property depending on the property's specifics and location;
- *Restructure*: resolve any legal issues tied with the property, opening it up to development;
- *Develop*: construction and finishing works on the property; and
- *Operate*: properties are then mainly held for rental.

The Group has been dealing in property acquisition, regeneration and property management for over 14 years. Its property portfolio, predominantly based in Valletta, Malta is further described in section 1.3 below.

## 1.2 Directors and Key Employees

### Board of Directors

Name	Designation
Dr Geza Szephalmi	Chairman and Executive Director
Dr Andrei Imbroli	Executive Director
Mr Julian Tzvetkov	Executive Director
Mr Artur Haze	Non-executive Director
Mr David Galea Souchet	Independent non-executive director
Ms Isabella Vella	Independent non-executive director
Dr John Attard (appointment expired on 31 July 2025)	Independent non-executive director

The business address for all the directors is the registered office of the Issuer, which is located at 54, Marsamxett Road, Valletta VLT 1853, Malta.

Dr Joseph Borg Bartolo and Dr Mikiel Calleja are the company secretaries of the Issuer.

Geza Szephalmi is the chairman and one of the three executive directors of VBL. Andrei Imbroli and Julian Tzvetkov are the other two executive directors. Artur Haze, David Galea Souchet and Isabella Vella serve on the board of the Issuer in a non-executive capacity. The latter two are considered independent directors since they are free of any significant business, family or other relationship with the Issuer, its major shareholders or the management of either, that could create a conflict of interest such as to impair their judgement.

### 1.3 Major Assets Owned by the Issuer

Being a property operation, the Group's assets mainly consist of investment properties, valued at €87.3m as at 31 December 2025. As at the date of this Analysis, only about 30% of the Issuer's portfolio is developed and operational, with the remaining being under development or prepared for development in the future.

The Issuer owns a portfolio of properties in Valletta, with the below being some of the more prominent holdings:

- Coliseum Shopping Arcade – a property measuring 2,503 sqm currently at conceptualisation stage;
- Orangery Lodge Phase 2 is made up of a) a property situated in West Street, Valletta measuring *circa*

651 sqm, currently under development for hospitality and/or residential use; b) a retail unit in West Street, Valletta measuring *circa* 97 sqm, currently under development; and c) the common area and airspace measuring *circa* 287 sqm forming part of and servicing Orangery Lodge Block (Phase 1 and Phase 2). Orangery Lodge Phase 1 is a property consisting of eight residential units, renovated in the past by the Issuer, all of which were sold;

- The Gut – (Silver Horse Phase 1 – “SHB1”) forming part of the Silver Horse Project, a property measuring *circa* 1,331 sqm consisting of nine renovated and operational commercial outlets. Eight of the nine commercial outlets making up the Gut are currently leased on long-term contracts, with the remaining unit currently affected by the development and not rented (part of the Silver Horse Development explained in section 1.4 below);
- Silver Horse Phase 2 (“SHB2”) – a property measuring *circa* 5,808 sqm of gross development area, currently comprising a block spanning over six floors. This property is currently in advanced stage of development, as explained in section 1.4 below);
- Silver Horse Phase 3 (“SHB3”)– are several properties situated in Strait Street and Old Bakery Street, including “Little Horse” and “Stone Mason’s House”, measuring in aggregate *circa* 992 sqm, adjacent to the property and part of Silver Horse Project. Silver Horse Phase 3 may also include any other building in close proximity of the aforesaid, as may be acquired in future, inclusive of properties currently under promise of sale agreements, for eventual use as hospitality assets or as a possible extension to the Silver Horse Project. The units are in initial stage of assessment and development is not expected to be started prior to 2028.

### 1.4 Operational Developments

The main activity of VBL revolves around the five pillars explained in section 1.1. The most material ongoing property developments are as follows:

#### Silver Horse Phase 2

The SHB2 is currently the largest ongoing development of the VBL Group. Said project is undergoing development for use as an 88-room high specification hotel, according to the relevant Planning Authority permit. The property is in advanced stage of completion and projected to be completed before the end of the current year. Following

completion, the hotel will be operated by the tenant with which VBL has already signed a 30-year lease agreement, for a fixed minimal rent and a potential positive operational variable rent, representing an upside for VBL. Following completion of this development the SHB2 building will be one of the highest standard developments in Valletta, with very high level of technical content and also in compliance with the Group's ESG declarations. The property will be the largest hotel within city and the first international branded hotel in Valletta. The SHB2 development is overlying Silver Horse Phase 1 (SHB1) and adjacent to Silver Horse Phase 3 (SHB3), which represents further expansion and enlargement opportunities in the future.

VBL expects the total remaining cost of the development to be around €11.3m, excluding the cost of potential variations and additional new development content. The total project development costs to VBL – including the investments made in prior periods and the expected reimbursements for tenant requested modifications – are projected to remain within the originally planned overall CAPEX and the industry specific 10-20% contingency variations.

#### Orangery Lodge Phase 2

This property, adjacent to the Orangery Lodge Phase 1 explained in the previous section 1.3, will be developed into nine apartments for accommodation. One of the units has already been developed and sold as development works were conducted in parallel with that of Orangery Lodge Phase 1. VBL is in possession of the full development permit to work on the Orangery Lodge Phase 2 project, however, the development has been rescheduled to a later stage in

order to prioritise the Company's existing management and development resources to its ongoing flagship development project, the Silver Horse Block Phase 2 hotel, resulting in a delay of the physical start of the development and subsequent completion of the Orangery Lodge Phase 2.

#### Golden Lion

This a property fully owned by VBL, which has in the meantime been completely vacated and prepared for future development. Currently the property is being assessed and planned for future development of a potential guest house, the Planning Authority permits to which are planned to be obtained in the future. The development concept are not yet decided in its final form and depends on various technical, physical and market parameters.

#### Coliseum Shopping Arcade

The Coliseum Shopping Arcade is considered to be the next flagship development of the VBL Group. The Company has started the preparatory explorations and conceptualisation of the asset. Currently the various potential utilisation models and rental concepts are being assessed by the Company's management, with final utilisation concept to be decided based on the specific market demand, expected development trends and overall economic conditions. This development is planned to be developed over the next development cycle(s).

## Part 2 - Historical Performance and Forecasts

The historical financial information for the Group for the financial years ended 31 December 2023, 2024 and 2025, as extracted from the audited financial statements of the Group, as well as the projected financial information for the year ending 31 December 2026, are presented in this section 2.

Projected financial information relates to events in the future and is based on assumptions that the Issuer believes to be reasonable, based on the available information and its current best knowledge. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

### 2.1 Income Statement

Group Income Statement for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Revenue	3,246	4,065	4,693	4,910
Investment income	2,042	2,559	1,424	2,010
Cost of sales	(1,696)	(1,702)	(1,726)	(2,200)
<b>Gross profit</b>	<b>3,592</b>	<b>4,922</b>	<b>4,391</b>	<b>4,720</b>
Other operating income	28	22	21	2
Administrative expenses	(1,046)	(1,221)	(1,258)	(1,477)
<b>EBITDA</b>	<b>2,574</b>	<b>3,722</b>	<b>3,155</b>	<b>3,245</b>
Depreciation and amortisation	(312)	(466)	(643)	(607)
<b>EBIT</b>	<b>2,262</b>	<b>3,255</b>	<b>2,511</b>	<b>2,638</b>
Interest income	10	18	117	83
Gain on disposal of financial assets	-	-	49	
Receivable written off	(20)	-	-	
Finance costs	(231)	(327)	(815)	(763)
<b>Profit before tax</b>	<b>2,021</b>	<b>2,946</b>	<b>1,862</b>	<b>1,958</b>
Income tax expense	(322)	(464)	(288)	(338)
<b>Profit after tax</b>	<b>1,699</b>	<b>2,482</b>	<b>1,574</b>	<b>1,620</b>
Revaluation of financial assets at FVOCI, net of tax	-	(9)	49	-
<b>Total comprehensive income</b>	<b>1,699</b>	<b>2,473</b>	<b>1,623</b>	<b>1,620</b>
<b>EBITDA excluding investment income</b>	<b>532</b>	<b>1,163</b>	<b>1,731</b>	<b>1,235</b>

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
<i>Profitability</i>				
Growth in Revenue (YoY Revenue Growth)	40.2%	25.2%	15.4%	4.6%
EBITDA Margin (EBITDA* / Revenue)	16.4%	28.6%	36.9%	25.1%
Operating (EBIT) Margin (EBIT* / Revenue)	6.8%	17.1%	23.2%	12.8%
Net Margin (Profit for the year / Revenue)	52.3%	61.1%	33.5%	33.0%
Return on Common Equity (Net Income / Average Equity)	2.6%	3.7%	2.3%	2.3%
Return on Assets (Net Income / Average Assets)	2.2%	2.8%	1.6%	1.6%

\*EBITDA / EBIT excluding investment income

The Group generates revenue primarily from renting out and managing owned properties (both hospitality and commercial) and managing properties of third parties through property management agreements.

Revenue increased by €628k in FY25, as the Group driven by increases in rental income (+€241k), service fee income

(+€172k) and other revenue (+217k). The increase in rental income is driven by the new hospitality properties and better overall performance. Service fee income reflects payments received by the Company related to development projects which has been allocated along a period of several years, linked to the ongoing developments and their completion schedule. Accordingly, due to the applied accounting principle, the majority of these revenues has been

recognised in FY25. Despite the ongoing construction at Silver Horse Phase 2 dampening rental potential in "the Gut," FY26 revenue is still expected to climb 4.6%. This growth is propelled by an expansion in the third-party managed properties portfolio and the completion of key developments, including the already-operational and fully ramped-up Grand Terrace (5 sea-front units).

A €1.4m increase in the fair value of investment properties, reflected as investment income, was also recognised in FY25. The increase is reflective of the implemented and ongoing developments, market conditions and also a result of the implementation of the Group's overall development and operational strategy. A conservative increase of €2.0m in the fair value of investment properties is projected in FY26, which would increase further following the handover of the Silver Horse Phase 2.

Cost of sales remained stable in FY25, compared to FY24, notwithstanding the 15% increase in revenue, including higher proportion of Other Revenues (€470K in FY2025). However, the projected to increase in FY2026 is reflecting the proportionally higher hospitality revenues forecasted and lower Other Revenues (€233K) projected to FY2026. Administrative expenses, which predominantly consist of staff costs and management fees remained consistent with the prior year, with the increase in staff costs (+€99k) partially offset by the decrease in management fees (-€71k). Operating expenditure is projected to increase in FY26 as result of the increasing business operations, as well as inflationary cost increases.

The Group's operational EBITDA (EBITDA excluding investment income) grew year-on-year, both in absolute terms (+€568k) and EBITDA margin (+8.3 percentage points).

### 2.1.1 Variance Analysis

Income Statement	FY2025P	FY2025A	Variance
	€000s	€000s	€000s
Revenue	4,302	4,693	391
Investment income	1,172	1,424	252
Cost of sales	(2,069)	(1,726)	343
<b>Gross profit</b>	<b>3,405</b>	<b>4,391</b>	<b>986</b>
Other operating income	10	21	11
Administrative expenses	(1,109)	(1,258)	(149)
<b>EBITDA</b>	<b>2,306</b>	<b>3,155</b>	<b>849</b>
Depreciation and amortisation	(460)	(643)	(183)
<b>EBIT</b>	<b>1,846</b>	<b>2,511</b>	<b>665</b>
Interest income	98	117	19
Gain on disposal of financial assets	-	49	
Finance costs	(669)	(815)	(146)
<b>Profit before tax</b>	<b>1,275</b>	<b>1,862</b>	<b>587</b>

Management anticipates that operational EBITDA for FY26 will be slightly lower than that achieved in FY25 as a result of the rise in operating expenditure and the impact of the one-off type other revenues (incl. service fee income), related to the development activity of the Company. Total EBITDA then varies by the realised investment property value and the positive impact of the implemented development strategy and potential new acquisitions.

Interest income increased by €99k, predominantly due to interest income generated from the utilisation of temporary free cash held and invested in quoted debt instruments held by the Group, the majority of which were acquired in FY24. During the year, the Group disposed of €5.2m of its quoted debt instruments, recognising a €49k gain on disposal. Finance costs increased by €488k in FY25 compared to FY24, predominantly due to the full year of interest incurred on the issued bond, compared to the two months of interest incurred in FY24.

After accounting for depreciation, interest costs on borrowings and income tax, the Issuer reported €1.6m net profit for the year ended 31 December 2025. In addition, the Group recognised a fair value gain of €49k in other comprehensive income on the quoted debt instruments which it currently holds

Net profit margin (including investment income) reached 33.5% in FY25, with the decline compared to the prior year attributable mainly to lower investment income, a result mainly driven by difference due to the project development particularities and lower revaluation gains. Net profit margin is projected to remain in line with the prior year in FY26 (33.0%). The return on equity and return on assets ratios are expected to remain in line with actuals achieved in 2025.

Income tax expense	(105)	(288)	(183)
<b>Profit after tax</b>	<b>1,170</b>	<b>1,574</b>	<b>404</b>
Revaluation of financial assets at FVOCI, net of tax		49	49
<b>Total comprehensive income for the year</b>	<b>1,170</b>	<b>1,623</b>	<b>453</b>
<b>EBITDA excluding investment income</b>	<b>1,134</b>	<b>1,731</b>	<b>597</b>

Actual revenue and investment income were €391k and €252k higher than expected respectively. Actual revenue was higher due to the realised other revenues (incl. service fee income), while investment income was higher as a result of the Company's development activity and overall favourable market conditions. Cost of sales was €343k lower than expected mainly due to lower revenues shares paid and lower direct costs related to the hospitality operations, leading to a €986k positive variance in gross profit.

Administrative expenses were €149k higher, mainly due to higher HR-costs and other management and professional services. Depreciation & amortisation were €183k higher than budgeted, due to higher amortisation as a result of

added new managed properties under financial lease (lease agreements), and their respective accounting under the applicable IFRS rules. Interest income was in line with FY25 forecasts.

Finance costs were €146k higher than anticipated as the projections had assumed that a higher portion of finance costs will be capitalised while the income tax charge exceeded projections by €183k, primarily due to higher deferred tax recognised on investment income and the higher profit generated. All this led to an increase in EBITDA excluding investment income, profit before tax and total comprehensive income of €597k, €587k and €453k respectively, when compared to FY25 projections.

## 2.2 Statement of Financial Position

Group Statement of Financial Position as at 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	96	53	10	-
Property, plant and equipment	800	736	684	634
Investment property	77,128	83,351	87,304	97,617
Investment in subsidiary	1	1	1	1
Financial assets at fair value through other comprehensive income	-	3,898	-	
Deferred tax asset	142	374	314	314
<b>Total non-current assets</b>	<b>78,167</b>	<b>88,413</b>	<b>88,313</b>	<b>98,566</b>
<b>Current assets</b>				
Financial assets at fair value through other comprehensive income	-	5,207	6,044	-
Inventory	2	2	1	1
Current tax receivable	-	3	6	-
Loans receivable	120	126	132	142
Trade and other receivables	261	540	883	743
Cash and cash equivalents	932	1,086	1,078	3,069
<b>Total current assets</b>	<b>1,315</b>	<b>6,965</b>	<b>8,146</b>	<b>3,955</b>
<b>Total assets</b>	<b>79,482</b>	<b>95,378</b>	<b>96,460</b>	<b>102,521</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	49,836	49,836	49,836	49,836
Share premium	1,085	1,086	1,086	1,086
Other reserves	330	298	324	324
General reserves	1	1	1	1
Retained earnings	14,180	16,497	17,897	19,331
<b>Total equity</b>	<b>65,432</b>	<b>67,718</b>	<b>69,144</b>	<b>70,578</b>
<b>Non-current liabilities</b>				
Borrowings	7,842	18,546	18,586	23,408
Lease liabilities	271	1,362	1,134	927
Deferred tax liabilities	4,374	5,049	5,128	5,229
Trade and other payables	106	123	137	137
<b>Total non-current liabilities</b>	<b>12,593</b>	<b>25,080</b>	<b>24,986</b>	<b>29,700</b>
<b>Current liabilities</b>				
Income tax payable	-	26	124	176
Borrowings	428	591	872	505
Lease liabilities	16	234	291	291
Trade and other payables	1,013	1,731	1,043	1,270
<b>Total current liabilities</b>	<b>1,457</b>	<b>2,581</b>	<b>2,330</b>	<b>2,242</b>
<b>Total liabilities</b>	<b>14,050</b>	<b>27,660</b>	<b>27,316</b>	<b>31,942</b>
<b>Total equity and liabilities</b>	<b>79,482</b>	<b>95,378</b>	<b>96,460</b>	<b>102,520</b>

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
<i>Financial Strength</i>				
Gearing 1 (Net Debt / Net Debt and Total Equity)	10.4%	22.5%	22.3%	23.8%
Gearing 2 (Total Liabilities / Total Assets)	17.7%	29.0%	28.3%	31.2%
Gearing 3 (Net Debt / Total Equity)	11.7%	29.0%	28.6%	31.3%
Net Debt / EBITDA*	14.3x	16.9x	11.4x	17.9x
Current Ratio (Current Assets / Current Liabilities)	0.9x	2.7x	3.5x	1.8x
Interest Coverage level 1 (EBITDA* / Cash interest paid)	1.0x	2.0x	2.2x	1.0x
Interest Coverage level 2 (EBITDA* / Finance costs)	2.3x	3.6x	2.1x	1.6x

\*EBITDA excluding Investment Income

The Group's total assets have increased year-on-year, rising from €79.5m in FY23 to €96.5m in FY25. The largest component of VBL's asset base remains investment property which consists of properties (both owned and leased) that are being utilised as rental assets by the Issuer, as detailed in section 1.3 of this Analysis. The €3.9m increase in investment property (net of depreciation) as at December 2025 is linked to €3.1m of actual additions, of which €434k relate to additions to right-of-use assets, and a fair value gain of €1.4m. Looking forward, the next major impact on the portfolio is forecast to come from the completion of the development of Silver Horse Phase 2, the value of which is gradually increasing as the development progresses. Management explained that the said project is one of the major contributors to the projected increase in value by end of FY26. The full value of the property will be recognised after handover, expected in FY27.

The Issuer, as part of its cash management policy, opted to invest part of the bond proceeds that are currently not being used into quoted debt instruments. The duration of such instruments is aligned to the expected liquidity needs of the Issuer, and have been partly liquidated in FY25 to finance the identified developments. These items are listed under "Financial assets at fair value through other comprehensive income" ("FVOCI") and were not included in our calculation of net debt.

Equity is primarily made up of the Issuer's share capital, share premium, and retained earnings. The main variable in the Group's total equity is its retained earnings, which moves in line with its profit at the end of each year.

The Group's non-current liabilities are made up of borrowings, deferred tax liabilities, lease liabilities, and trade and other payables.

Borrowings increased by €321k between FY24 and FY25, primarily due to further drawdowns from the bank loan of €14.5m, which was secured to fund the Group's development and acquisitions programme. The Group expects to further utilise the available funds from said loan in FY26, in line with the development plans announced (as described in section 1.4 of this Analysis). Borrowings included under current liabilities reflect amounts repayable in less than one year.

Deferred tax liabilities relate to the accumulated tax liability as a result of revaluation of investment properties. Note that deferred tax liabilities are payable only in the case of property sales, which is not part of the Group's current plan. Lease liabilities decreased by €170k between FY24 and FY25 in line with present value of the remaining lease payments.

The decrease in trade and other payables during FY25 was predominantly driven by a decrease in amounts due to a related party. Management expect trade and other payables to increase by €227k in FY26 as a result of the ongoing investment programme and status of Silver Horse Phase 2.

Gearing ratios show low indebtedness when compared to the equity capital of the company in both historical and forecasted periods. The Bond issue increased the Gearing 1 ratio to 22.5% in FY24 and has remained at a similar level in FY25 (22.3%). Gearing 1 is forecast to remain on similar levels in FY26, implying a healthy and conservatively leveraged capital structure. The Group's interest coverage ratio increased from 2.0x in FY24 to 2.2x in FY25. Such ratio has consistently remained above 1.0x throughout all periods, indicating that it has maintained, and is expected to continue maintaining, sufficient earnings to meet its interest obligations during the forecasted period.

### 2.3 Statement of Cash Flows

Group Statement of Cash Flows for the year ending 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
<b>Cash flows from operating activities</b>				
Profit before tax	2,021	2,946	1,862	1,958
Depreciation and amortisation	313	466	643	607
Amortisation of bond issuance costs		6	35	35
Receivable written off	20	-	-	-
Investment income	(2,043)	(2,559)	(1,424)	(2,010)
Impairment on inventory	-	-	-	-
Interest income	(10)	(18)	(117)	(83)
Interest expense	231	327	815	763
Tax paid	-	(1)	(43)	(238)
<b>Cash flows generated before working capital changes</b>	<b>532</b>	<b>1,169</b>	<b>1,773</b>	<b>1,032</b>
Movement in inventory	-	(1)	1	(0)
Movement in trade and other receivables	191	(270)	(236)	138
Movement in trade and other payables	(216)	687	(1,289)	(594)
<b>Net cash generated from operating activities</b>	<b>507</b>	<b>1,584</b>	<b>249</b>	<b>576</b>
<b>Cash flows from investing activities</b>				
Purchase of intangible assets	(25)	-	-	-
Purchase of property, plant and equipment	(23)	(9)	(22)	(34)
Proceeds from sale of investment property	467	-	-	-
Acquisition of and development of investment properties	(965)	(2,332)	(2,669)	(8,035)
Purchase / sale of financial assets at FVOCI	-	(9,114)	(2,096)	-
Redemptions of financial assets at FVOCI	-	-	5,206	6,044
<b>Net cash used in investing activities</b>	<b>(546)</b>	<b>(11,455)</b>	<b>419</b>	<b>(2,024)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from issuance of share capital	295	-	-	-
Proceeds from bond issue	-	9,641	-	-
Interest paid on borrowings	(514)	(413)	(450)	(974)
Dividends paid	(180)	(200)	(190)	(220)
Movement in borrowings	55	1,166	286	4,929
Principal lease repayments	(13)	(95)	(239)	(229)
Interest paid on leases	(19)	(74)	(83)	(67)
<b>Net cash generated from / (used in) financing activities</b>	<b>(376)</b>	<b>10,025</b>	<b>(675)</b>	<b>3,438</b>
<b>Net movement in cash and cash equivalents</b>	<b>(415)</b>	<b>154</b>	<b>(7)</b>	<b>1,990</b>
Cash and cash equivalents at start of year	1,347	932	1,086	1,079
<b>Cash and cash equivalents at end of year</b>	<b>932</b>	<b>1,086</b>	<b>1,079</b>	<b>3,069</b>

Ratio Analysis	FY2023A	FY2024A	FY2025A	FY2026F
<i>Cash Flow</i>	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	(39)	(757)	(2,442)	(7,492)

Cash flow generated from operating activities before working capital changes in FY25 increased significantly compared to previous years as EBITDA improved after adjusting for the non-cash investment income. After accounting for a €1.5m net working capital outflow, the final net cash generated from operating activities stood at €249k. Management expects net operating cash flow before working capital changes to decrease compared to the cash generation achieved in FY25, as a result of the projected rise in operating expenditure.

Cash flows from investing activities in FY25 include outflows of €2.7m related mainly to the development of the Company's owned investment property, as explained and detailed in chapter 1.3. above. Moreover, the Group opted to liquidate part of its investment in sovereign quoted debt instruments in FY25 to finance the investment in its property portfolio, and is expected to liquidate the remaining debt instruments gradually in FY26, as part of its financing strategy. The debt instruments were originally acquired in FY24, serving as a strategic investment for the Company's temporarily unutilised bond proceeds, helping offset the cost of the bond coupon. The Group will also utilise its unutilised bank loan facility to part finance its projected property investment in FY26. The Company's cash management policy considers the needs and cash necessary to finance the projected developments in FY26 and the liquidity reserves are handled accordingly.

Given the above, the Group's financial assets held at FVOCI and cash and cash equivalents are effectively one and the same thing for VBL and are classified separately due to IFRS classifications.

The Group's financing activities revolve around its bank and bond borrowings and dividends paid on its existing shares on the Malta Stock Exchange. In FY25, the Group's financing outflows included €450k in interest payments on borrowings, a cash dividend of €190k and €321k in lease payments.

The Company's free cash flow is negative in both the historical and forecasted periods, mainly as a consequence of its intensive acquisition and development strategy. This is expected to change as conversion of major projects is completed and the assets will become revenue generating properties. The nature of the Group's business requires heavy upfront investment into acquisition and renovation of properties which will then return stable recurring revenues for prolonged periods of time and so it is therefore expected for current free cash flow to be negative. Revaluation gains are excluded from free cash flow as they are non-cash in nature and would only enhance the Group's cash position in the event that a property is actually sold.

## Part 3 - Key Market and Competitor Data

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation. These include factors such as the health of the local and international property and tourism markets, inflation and fluctuations in interest rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

### 3.1 Economic Update<sup>1</sup>

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

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

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

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

<sup>1</sup> Central Bank of Malta – Economic update – 05/2026

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

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

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

### 3.2 Economic Outlook<sup>2</sup>

According to the Bank's latest forecasts, Malta's real GDP growth is projected at 3.7%, 3.6% and 3.8% over the period 2026-2028. Compared to the Bank's previous projections, the outlook for GDP growth has been revised down by 0.1 p.p. in 2027 and upwards by 0.1 p.p. in 2028. Against an uncertain global backdrop due to the Middle East conflict, the Maltese economy is expected to present some degree of resilience to these effects in 2026, though a marginal delayed impact on GDP and prices is envisaged to materialise in 2027.

Growth over the projection horizon is expected to be led by private consumption, which is projected to continue to grow at a brisk pace, in part supported by recent changes to income tax bands. Employment growth is expected to moderate gradually to 2.3% by 2028. The unemployment rate is forecast to edge down to 2.9% over the projection horizon. Wage growth is set to remain strong, driven by labour market tightness, but is set to ease to 3.9% in 2028 from 4.2% last year. HICP inflation is projected to be impacted by the war in the Middle East, primarily through the channel of higher imported inflation, particularly in goods and food components as continued fiscal support mitigates the propagation of the energy shock on domestic energy prices. Overall HICP inflation is thus projected to increase to 2.5% in 2026 and is set to remain at that level in 2027.

<sup>2</sup> Central Bank of Malta – Economic projections – 2025 - 2028

It is then expected to ease to 2.2% in 2028, driven primarily by lower services and NEIG inflation. Compared to the Bank's previous forecast publication, overall HICP inflation has been revised up by 0.2 percentage points in 2026 and 2028 and by 0.4 percentage points in 2027. The general government deficit-to-GDP ratio is projected to continue to decline over the forecast horizon, albeit in a more gradual manner. It is set to narrow to 1.9% in 2026, 1.7% in 2027 and to 1.6% by 2028. The general government debt-to-GDP ratio is expected to decline further from 46.4% in 2025 to 46.0% in 2026 and subsequently to 44.1% by 2028. Risks to growth are tilted to the downside.

These risks largely emanate from the uncertainty surrounding the duration and intensity of the conflict in the Middle East which may lead to a weaker external environment and hence a more subdued trajectory in foreign demand. Disruptions to transport through the Strait of Hormuz have also raised concerns on fuel shortages in trading partner countries which may negatively impact tourism, aviation and the shipping industry. However, this downside risk to tourism could be mitigated potentially by the redirection of tourists towards safer destinations like central and western Mediterranean. Risks to inflation are tilted to the upside over the projection horizon. Upside risks to inflation primarily reflect stronger disruptions to energy markets than assumed in the technical assumptions.

Although the direct impact on domestic energy prices continues to be mitigated by the Government's commitment to its fixed energy price policy, higher than envisaged global energy prices could generate stronger imported inflation, with potential further amplification via indirect effects on wages and profit margins. Inflation could also be higher than expected if supply disruptions were to spread to non-energy markets, although alternative supplies from other regions could mitigate this effect. On the fiscal side, risks are assessed to be tilted to the downside (deficit-increasing). These predominantly stem from the possibility of slippages in current expenditure, notably higher-than-expected spending on energy support measures should commodity prices exceed assumptions. These risks are partly mitigated by the likelihood of higher-than-forecast increases in tax revenue, brought about by additional improvements in tax administration.

### 3.3 Tourism and the short-let property market

The short-let industry has rapidly become a prominent segment within the global real estate market, driven by the increasing demand for short-term accommodation among tourists and business travellers. This emerging model, where residential properties are rented for short periods, has been spurred by the rise of platforms such as Airbnb and Booking.com, which offer property owners the ability to market their homes to a global audience. While international standards and regulations surrounding short-let operations are still evolving, the sector has grown significantly over the past decade, resulting in a volatile yet lucrative market environment for property owners and investors alike.

Short-let rentals offer property owners the potential for higher returns than traditional long-term leases, especially in popular tourist destinations. This is particularly attractive in urban centres where real estate values are high and demand for short-term stays is consistent throughout the year. However, operating a short-let property is not without its challenges. Managing bookings, handling guest inquiries, and ensuring that the property is well-maintained between stays requires a level of attention that many property owners may find overwhelming. As a result, professional property management companies have emerged as essential players in this industry, providing services that streamline operations and reduce the burden on property owners.

Property management companies specialising in short-let operations offer a wide range of services designed to maximize occupancy rates and income for property owners while maintaining the quality and upkeep of the assets. These services often include marketing, booking management, guest communication, cleaning, and maintenance, ensuring that properties are always guest-ready. Some management companies also handle the more complex aspects of the business, such as obtaining licenses, managing regulatory compliance, and even overseeing renovations or upgrades to make properties more competitive in the market. These full-service solutions allow property owners to benefit from the short-let market without needing to be directly involved in the daily operations.

According to the National Statistics Office (NSO)<sup>3</sup>, Malta's tourism sector experienced robust growth in 2025, with increases in tourist arrivals, guest nights and expenditure compared to the previous year.

Such growth appears to be continuing in 2026 with inbound tourists for the first three months of 2026 amounting to

<sup>3</sup> National Statistics Office – Inbound Tourism (NR 074/2026)

815,317, an increase of 16.3% compared to the corresponding period in 2025. Similarly, total nights spent during the January – March 2026 period rose by 11.9%, reaching 4,451,453 nights from 3,976,580 nights over the same period in 2025.

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

Data from the National Statistics Office (NSO)<sup>3</sup> indicates that approximately 25.4% of tourists in Q1 2026 opted for private rented accommodation (such as short-term rentals) over collective establishments like hotels.

According to the European Travel Commission Q4 2025 report<sup>4</sup>, European tourism remained strong in 2025, amid signs of shifting preferences and resilient spending. Rising travel costs have triggered contrasting behaviours. While some travellers are prioritising value by choosing off-peak periods and lesser-known destinations, others are opting for shorter trip durations. Despite these shifting patterns, international arrivals are projected to climb by 6.2% year-on-year in 2026. This growth is increasingly fuelled by long-haul travel, specifically from the Asia-Pacific region, to the benefit of European markets catering to these high-exposure demographics.

### 3.4 Commercial property market<sup>5</sup>

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

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

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

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

<sup>4</sup> European Travel Commission - European Tourism: Trends & Prospects (Q4/2025)

<sup>5</sup> KPMG & Malta development Association – Construction Industry and Property Market Report 2025

### 3.5 Comparative Analysis

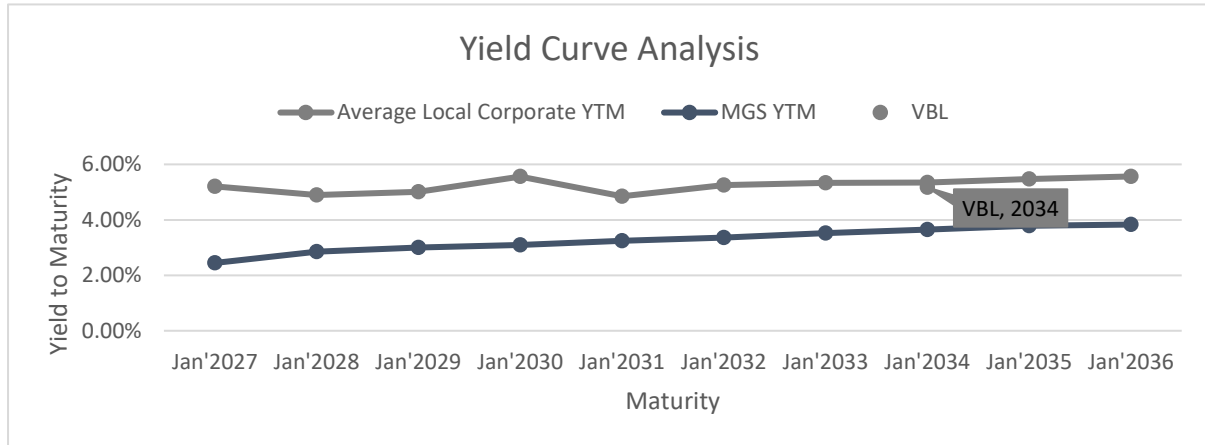
The purpose of the table below compares the Bond issued by the Issuer to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

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)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
6.25% Camilleri Finance plc € Unsecured 2034	15,000	5.91%	(.3)x	48.0	16.1	66.5%	55.3%	N/A	0.8x	-7.0%	-6.1%	1.4%
4.50% The Ona plc Secured € 2028-2034	16,000	5.11%	4.0x	39.5	9.0	77.3%	73.3%	7.6x	1.3x	-12.5%	-9.9%	47.3%
5.35% Hal Mann Vella Group plc Secured € 2031-2034	23,000	5.12%	3.4x	132.0	57.4	56.5%	48.2%	7.0x	1.4x	6.1%	10.9%	18.2%
5.3% Mercury Projects Finance plc Secured € 2034	20,000	5.30%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5.2% VBL plc Secured € 2030-2034	10,000	5.17%	3.9x	96.5	69.1	28.3%	22.3%	6.3x	3.5x	2.3%	33.5%	15.4%
5.2% TUM Finance plc Secured Callable € 2031 -2034	12,000	5.27%	6.4x	183.9	65.2	64.5%	49.2%	7.0x	8.2x	19.5%	519.7%	31.1%
Average*		5.34%										

Source: Latest available audited financial statements

Last price as at 19/06/2026

\*Average figures do not capture the financial analysis of the Group



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

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of the VBL p.l.c. bond.

As at 19 June 2026, the average spread over the Malta Government Stocks (MGS) for issuers with a maturity range

of 9 years (2034) was 169 basis points. The VBL p.l.c. bond is trading at YTM of 5.17%, meaning a spread of 152 basis points over the equivalent MGS, and therefore at a discount to the average on the market of 17 basis points. It is pertinent to note that the analysis has been done on a maturity matching basis and as such the industry of the Issuer differs significantly to the corporates identified.

## Part 4 - Glossary and Definitions

<i>Income Statement</i>	
<b>Revenue</b>	Total revenue generated by the Group/Company from its principal business activities during the financial year.
<b>Costs</b>	Costs are expenses incurred by the Group/Company in the production of its revenue.
<b>EBITDA</b>	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
<b>EBIT (Operating Profit)</b>	EBIT is an abbreviation for earnings before interest and tax.
<b>Depreciation and Amortisation</b>	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.
<b>Net Finance Costs</b>	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
<b>Profit After Taxation</b>	The profit made by the Group/Company during the financial year net of any income taxes incurred.
<i>Profitability Ratios</i>	
<b>Growth in Revenue (YoY)</b>	This represents the growth in revenue when compared with previous financial year.
<b>Gross Profit Margin</b>	Gross profit as a percentage of total revenue.
<b>EBITDA Margin</b>	EBITDA as a percentage of total revenue.
<b>Operating (EBIT) Margin</b>	Operating margin is the EBIT as a percentage of total revenue.
<b>Net Margin</b>	Net income expressed as a percentage of total revenue.
<b>Return on Common Equity</b>	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).
<b>Return on Assets</b>	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
<i>Cash Flow Statement</i>	
<b>Cash Flow from Operating Activities (CFO)</b>	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
<b>Cash Flow from Investing Activities</b>	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
<b>Cash Flow from Financing Activities</b>	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
<b>Capex</b>	Represents the capital expenditure incurred by the Group/Company in a financial year.
<b>Free Cash Flows (FCF)</b>	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.
<i>Balance Sheet</i>	
<b>Total Assets</b>	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
<b>Non-Current Assets</b>	Assets, full value of which will not be realised within the forthcoming accounting year
<b>Current Assets</b>	Assets which are realisable within one year from the statement of financial position date.
<b>Inventory</b>	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
<b>Total Equity</b>	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
<b>Total Liabilities</b>	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
<b>Non-Current Liabilities</b>	Obligations which are due after more than one financial year.

<b>Current Liabilities</b>	Obligations which are due within one financial year.
<b>Total Debt</b>	All interest-bearing debt obligations inclusive of long and short-term debt.
<b>Net Debt</b>	Total debt of a Group/Company less any cash and cash equivalents.

#### *Financial Strength Ratios*

<b>Current Ratio</b>	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.
<b>Quick Ratio (Acid Test Ratio)</b>	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.
<b>Interest Coverage Ratio</b>	The interest coverage ratio is calculated by dividing EBITDA of one period by finance costs of the same period.
<b>Gearing Ratio</b>	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
<b>Gearing Ratio Level 1</b>	Is calculated by dividing Net Debt by Net Debt and Total Equity.
<b>Gearing Ratio Level 2</b>	Is calculated by dividing Total Liabilities by Total Assets.
<b>Gearing Ratio Level 3</b>	Is calculated by dividing Net Debt by Total Equity.
<b>Net Debt / EBITDA</b>	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

#### *Other Definitions*

<b>Yield to Maturity (YTM)</b>	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
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