BASE PROSPECTUS

DATED 18 NOVEMBER 2026

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

UNSECURED BOND ISSUANCE PROGRAMME OF A MAXIMUM OF €40,000,000

by

SD FINANCE P.L.C.

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

with the joint and several guarantee* of

SD HOLDINGS LIMITED

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

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

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

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

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

SPONSOR	MANAGER & REGISTRAR	LEGAL COUNSEL
MZ INVESTMENTS	BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

APPROVED BY THE BOARD OF DIRECTORS

Robert Debono **Alan Debono**

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

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IMPORTANT INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the laws of Malta);
Applicant/s	any person or persons, natural or legal, who apply to subscribe for the Bonds;
Application/s	any application to subscribe for the Bonds made by an Applicant/s in accordance with the terms of the applicable Final Terms;
Authorised Financial Intermediary/ies	the financial intermediary/ies whose details shall be annexed to the applicable Final Terms;
Base Prospectus	this document in its entirety, together with any supplement(s);
Bond Issue	the issue of the Bonds pursuant to the Programme;
Bondholder/s	a holder of Bonds;
Bonds	the bonds to be issued by the Issuer in terms of the Programme;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Capital Markets Rules	the capital markets rules issued by the MFSA in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), as may be amended from time to time;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Directors or **Board of Directors** or **Board**	the directors of the Issuer whose names are set out in section 10.1 of this Base Prospectus under the heading "*The Board of Directors of the Issuer*";
Euro or **€**	the lawful currency of the Republic of Malta;
F&B	food and beverage;
Final Terms	the final terms issued by the Issuer from time to time in the form set out in this Base Prospectus;
Franchise Brands	the portfolio of international brands operated by the db Group in Malta under franchise or licensing agreements;
Government of Malta or **Government**	the government of the Republic of Malta;
Group or **db Group**	collectively, the Guarantor and its direct or indirect Subsidiaries;
Guarantee	the corporate guarantee provided by the Guarantor appended to this Base Prospectus as Annex I;
Guarantor or **SD Holdings**	SD Holdings Limited, a private limited liability company registered under the laws of Malta, bearing company registration number C 40318, and having its registered office at DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha MLH 9064, Malta;
Interest	the applicable rate of interest on the Series of Bonds, as specified in the applicable Final Terms;
Interest Commencement Date/s	the Issue Date or such other date as may be specified in the relevant Final Terms;
Interest Payment Date/s	the date/s specified in the applicable Final Terms for when interest on the relevant Series falls due;
Issue Date/s	the date of issue of a Tranche of Bonds, as specified in the applicable Final Terms;
Issue Price	the issue price in respect of each Tranche as set out in the relevant Final Terms;
Issuer or **Company**	SD Finance p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 79193, and having its registered address at Seabank Hotel, Marfa Road, Mellieha MLH 9064, Malta;
Lifestyle Group	means the group of restaurants owned and operated by S.R.G.N. Company Limited (C 15435) and db Lifestyle Group Limited (UK Company Reg. No. 13765303) and their Subsidiaries;
Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Manager & Registrar	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of this Base Prospectus. The terms "**Memorandum**", "**Articles**" and "**Articles of Association**" shall be construed accordingly;
MFSA	the Malta Financial Services Authority, appointed as the competent authority to approve prospectuses for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);
Offer Period	the period during which each Tranche will be on offer for subscription, details of which will be specified in the applicable Final Terms;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;

Programme	the unsecured bond programme of up to €40,000,000 being made by the Issuer pursuant to this Base Prospectus (and any supplement thereto) and the applicable Final Terms;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time;
RAK Project	refers to the project in Ras Al Khaimah, UAE, which is further described in section 8.3.3.2 of this Base Prospectus;
Redemption Date	the date of redemption of a Series of Bonds, as specified in the applicable Final Terms;
Redemption Value	the nominal amount of each Bond to be paid on the Redemption Date;
Series or **Series of Bonds**	one or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, except for the Issue Date, the Interest Commencement Date, the first Interest Payment Date and the Issue Price;
Sponsor	M.Z. Investment Services Limited, a private limited liability company registered in Malta, with company registration number C 23936 and having its registered office at 63, MZ House, St. Rita Street, Rabat RBT 1523, Malta. M.Z. Investment Services Limited is authorised to act as Sponsor - Main Market by the Malta Financial Services Authority pursuant to Article 12B of the Financial Markets Act (Chapter 345 of the Laws of Malta);
St. George's Bay Project	has the meaning assigned to it in section 8.3.3.1 of this Base Prospectus;
St. George's Site	the mixed-use development site in St George's Bay, St Julian's, Malta, comprising: (i) two residential towers (the "**ORA Residences**"); (ii) a 5-star hotel to be operated under the 'Hard Rock' international brand (the "**Hard Rock Hotel**"); and (iii) a shopping mall, housing globally renowned brands, extensive underground parking facilities, and various amenities such as international bars and restaurants ("**St. George's Mall"**);
Subsidiary	means an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "**Subsidiaries**" shall collectively refer to the said entities;
Terms and Conditions	the terms and conditions of the Bonds contained in section 16 of this Base Prospectus; and
Tranche or **Tranche of Bonds**	a tranche of Bonds forming part of a Series of Bonds which may from time to time be issued by the Issuer, in accordance with the provisions of this Base Prospectus and the applicable Final Terms.

Unless it appears otherwise from the context:

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

2. OVERVIEW OF THE PROGRAMME

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

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

Issuer:	SD Finance p.l.c.
Issuer Legal Entity Identifier (LEI):	549300OYE47PF4MSZ102
Sponsor:	M.Z. Investment Services Limited
Manager & Registrar:	Bank of Valletta p.l.c.
Description:	Bond Issuance Programme
Risk factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Bonds issued under the Programme. These are set out under "Risk Factors" (section 3) below.
Programme size:	Up to €40,000,000

Issuance in Series:	Bonds may be issued in Series. Each Series may comprise one or more Tranches which will all be subject to identical terms, except that the Issue Date, Interest Commencement Date, first Interest Payment Date, and Issue Price may be different in respect of different Tranches within the Series. Application will be made in respect of the admission to trading of individual Tranches on the Official List.
Final Terms:	Each Tranche that may be issued under the Programme will be issued on the terms set out in the Terms and Conditions as completed by the relevant Final Terms.
Distribution:	The Bonds may be distributed by way of offers to the public, placement agreements, and, or intermediaries' offers via Authorised Financial Intermediaries, for their own account, or on account of their underlying clients. The method of distribution of each Tranche will be stated in the applicable Final Terms. Subject to the restrictions and conditions set out in this Base Prospectus, the categories of prospective investors to which the Bonds are intended to be offered are retail and non-retail investors in Malta. There are no restrictions on the free transferability of the Bonds.
Status of the Bonds:	The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank *pari passu* without any preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer.
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer.
Denomination:	All Bonds issued under the Programme will have a denomination of €100.
Currency:	Euro (€).
Redemption Date/s:	The redemption date for each Tranche of Bonds will be determined by the Issuer and specified in the relevant Final Terms.
Issue Price:	At par (€100 per Bond).
Interest:	Interest on the Bonds shall accrue at a fixed rate, as shall be set out in the relevant Final Terms.
Taxation:	Unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes – in this case there is no option to receive the interest gross of the withholding tax) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. For further information, see section 18 of this Base Prospectus, entitled "Taxation".
Listing and admission to trading:	The MFSA has authorised the admissibility of the Bonds to be issued under the Programme to be admitted to listing and trading on the Official List.
Governing law:	The Bonds, all the rights and obligations of the Bondholder and the Issuer, and any non-contractual obligations arising out of or in connection therewith, will be governed by, and construed in accordance with, Maltese law.
Jurisdiction:	The Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.
Underwriting:	The Bonds will not be underwritten.
No credit rating:	The Issuer shall not obtain any credit rating in respect of any of the Bonds.
Use of proceeds:	The precise use/s of proceeds for a given Tranche shall be stated in the applicable Final Terms.

3. RISK FACTORS

3.1. GENERAL

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW.

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND, OR THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY, OR MAY NOT, OCCUR AND THE ISSUER, AND THE DIRECTORS, ARE NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

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

IN EACH CATEGORY, THE RISK FACTORS HAVE BEEN LISTED IN A MANNER THAT IS CONSISTENT WITH THE DIRECTORS' ASSESSMENT OF THEIR MATERIALITY AS AT THE DATE OF THIS BASE PROSPECTUS. IN MAKING THIS ASSESSMENT, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, OR THE GUARANTOR, IF THE RISK FACTOR WERE TO MATERIALISE.

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

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

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

3.2 FORWARD-LOOKING STATEMENTS

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

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

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

3.3 RISKS RELATING TO THE ISSUER

3.3.1 Risks associated with the dependency of the Issuer on the performance of the Group

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

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

and earnings of the relative Group company, which may be restricted by changes in applicable laws and regulations, the terms of agreements to which they are or may become party, including the agreement governing their existing indebtedness, if any, and, or other factors beyond the control of the relative Group company and, or the Issuer.

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

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

3.4.1 Economic and financial risks

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

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

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

3.4.1.2 Risks associated with the Group's indebtedness

The Group has a material amount of debt, amounting to *circa* €211 million as at 31 March 2026, and it may, from time to time, incur additional debt for the purpose of refinancing indebtedness as well as to fund future growth in terms of acquisitions and developments.

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

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

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

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

3.4.2 Business and operational risks

3.4.2.1 Risks relating to the Group's business generally

3.4.2.1.1 Risk of loss of key senior personnel and specialist personnel

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

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

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

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

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

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

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

There is a growing expectation for businesses to ensure that they conduct their business in a sustainable and environmentally responsible manner, including by taking proactive measures to reduce their carbon footprint, maximise the use of recycled and recyclable or biodegradable materials, reduce the use of plastic, and increase the use of alternative and sustainable means of design, production, manufacturing, and construction. This trend is driven not only by growing concern surrounding the depletion of the natural environment and natural resources, the adverse effects of climate change, and the consequential negative effects of unsustainable practices, but also by legal and regulatory requirements.

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

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

3.4.2.1.4 Risks relating to the Group's insurance cover

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

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

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

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

A failure or disruption in the I.T. Systems that support the Group's business could lead to loss of control over its online reservation systems, critical

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

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

3.4.2.2.1 Risks common to the hospitality industry

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

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

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

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

3.4.2.2.2 Risks common to the food and beverage industry

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

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

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

3.4.2.2.3 Competition risk

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

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

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

3.4.2.2.5 Risks associated with franchise agreements

As further described in section 8.3.2.3 of this Base Prospectus, db Group has, over the years, introduced several internationally renowned brands to the Maltese market, including but not limited to, the Hard Rock Café and Starbucks brands, and has entered into franchise agreements with their respective international brand owners. More recently, db Group has entered into franchise agreements with a number of high profile leisure and restaurant brands including Bagatelle, EL&N and Tatel.

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

a) the ability of the Group to develop and pursue appropriate marketing strategies in order to maintain and enhance the name recognition, reputation and market perception of the Franchise Brands, and to introduce and develop new products;
b) the goodwill associated with the Franchise Brand trademarks;
c) a continued cooperative franchise relationship of the Group with its franchisors. While the majority of franchise agreements entered into by the Group are long-term in nature, typically ranging between ten and twenty years, and generally extendable or renewable for a further five to ten years, and while every effort is expected to be made to maintain a positive relationship with the franchisors, there can be no assurance that events or circumstances in the future will not adversely affect those relationships or that the franchisors will not enforce their respective contractual rights in a manner that is adverse to the Group. In particular, there is no guarantee that the franchisors will not exercise their right to terminate the agreements prior to the expiry of their term, nor that the Group will be successful in securing renewals or extensions of the franchise agreements;
d) while the Group holds exclusivity rights within the territory of Malta under the franchise agreements, such exclusivity is subject to certain limitations and reservations. In particular, the failure by the Group to open new outlets by the target opening date may result in a material breach of the agreement, which may in turn result in the franchisor exercising its right to terminate the franchise agreement; and
e) the continued vitality of the Franchise Brands and the success, quality, and management of the franchisors' overall systems. Any adverse changes in the franchisors' own statuses and performances may materially adversely affect the Group's financial and operational position and performance. Furthermore, as the operations of the franchisors are international, the success of the franchisors is susceptible to regional economic, political, legal, security, and social conditions, which may vary considerably between one region and another. Any adverse changes to the aforementioned conditions may adversely impact either or both of the franchisors and, in turn, adversely impact the Group and its business.

3.4.2.2.6 Risks associated with relations with suppliers

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

3.4.2.3 Risks relating to the real estate business of the Group

3.4.2.3.1 Risks relating to the sale of property

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

3.4.2.3.2 Risks common to the property development and construction industry

As further set out in sections 8.3.3.1 and 8.3.3.2 of this Base Prospectus, the St. George's Bay Project is substantially complete and operational, with the ORA Residences expected to be completed by April 2027, whereas development of the RAK Project is set to commence in H1 2027 and is expected to be completed in 2029. Consequently, the Group is subject to several specific risks common to activities in the property development and construction industry, including:

a) the risk of insufficient or unavailable resources to complete the development projects in the manner or within the timeframes envisaged;
b) the risk of cost overruns and unexpected increases in project execution costs;
c) the risk that rental or sales transactions may not be effected at the prices and within the timeframes envisaged, which may lead to difficulty in obtaining payment from third parties and risks of ultimate unfeasibility of development projects;
d) general industry trends, including the cyclical nature of the real estate market, economic depressions, change in market conditions including an oversupply of similar properties, a reduction in demand for real estate, changes in local preferences and tastes, and increased competition in the jurisdictions where the development projects are located;
e) delays or refusals in obtaining all necessary zoning, land use, building, development, modifications, occupancy, and other required permits and authorisations, including such permits and authorisations from the planning and environment protection authorities, together with legal complexities, and inconsistencies and inaccuracies in the land registration systems;
f) the risk of not recouping costs associated with property surveys, valuation reports, title and environmental investigations if a proposed investment does not proceed to completion after such costs have been incurred;
g) covenants, conditions, restrictions, and easements relating to the properties or their use, whether arising by operation of law or by contractual arrangement;

h) laws, rules, and regulations, including those relating to acquisition, development, construction, planning, zoning, environmental protection,

health and safety, financing, taxation, fiscal policies, insurance, and trade restrictions, which may impact the development sector;

i) high levels of activity in the sector may place a strain on the availability of human and other capital resources required to undertake and complete the development projects that the Group is committed to, or may wish to undertake, from time to time; and

j) government restrictions concerning the free movement of people and goods, which might result in delays or changes to established trade supply routes, changes in macro-economic conditions, as well as market and regulatory changes affecting the construction and property development processes.

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

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

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

3.4.2.3.4 Risks relating to geopolitical instability and conflict in the Middle East affecting the RAK Project

A part of the Group's international growth strategy is represented by the RAK Project. The Emirate of Ras Al Khaimah forms part of the United Arab Emirates and of the wider Gulf region, which lies in proximity to the Strait of Hormuz and to jurisdictions that are, or may become, directly or indirectly involved in armed conflict, military action, or heightened geopolitical tension in the Middle East. Since the escalation of hostilities involving Iran in early 2026, including military strikes, retaliatory action affecting neighbouring states in the Gulf, and disruption to, or the threat of disruption to, shipping and air traffic through and over the region, the operating environment across the Middle East has become subject to a materially increased degree of uncertainty, over which the Group has no control.

The continuation, escalation, or geographical extension of any such conflict could have a material adverse effect on the RAK Project and on the Group's interests in the United Arab Emirates. In particular, armed conflict or regional instability could: (a) interrupt or delay construction on site, including through the disruption of regional and international supply chains, shipping routes, and air travel, and the consequent unavailability of, or increases in the cost of, construction materials, equipment, fuel, and labour; (b) result in cost overruns, delays in reaching key development milestones, or the suspension of works; (c) depress demand for, and the achievable prices of, the branded residences earmarked for sale, and reduce hotel occupancy levels, room rates, and visitor numbers to the region, which is dependent on the continued attractiveness and perceived safety of Ras Al Khaimah and the surrounding area as a tourism, lifestyle, and investment destination; (d) increase the cost, or reduce the availability, of insurance cover and of financing for the RAK Project; and (e) affect the ability of the Group's joint venture partner, contractors, sub-contractors, consultants, and other counterparties engaged in connection with the RAK Project to perform their respective obligations. Any such conflict may also contribute to higher international oil, gas, and commodity prices, financial market volatility, and inflationary pressures, which could in turn adversely affect the Group's development costs, financing costs, and the wider economic conditions in the markets in which the Group operates.

The Group does not control, and is not in a position to predict, the incidence, duration, intensity, or consequences of any armed conflict or geopolitical event in the Middle East, and the mitigation measures available to the Group in respect of the RAK Project may be limited. Should any of the risks described above materialise, whether individually or in combination, they could have a material adverse effect on the RAK Project.

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

On 12 July 2023, the Group secured an executable full development permit for the development of the St. George's Bay Project, and after securing the approvals of the planning authority in Ras Al Khaimah in respect of the "pre-concept design" in 2026, in due course HR Hotel FZ LLC (an associate entity in which SD Holdings has a 50% interest) will be applying for the final planning permission in Ras Al Khaimah for the RAK Project.

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

3.4.2.3.6 Risk relating to the emphyteutical concession

As further described in section 8.3.3.1 of this Base Prospectus, the St. George's Site is held by the Group under a title of a 103-year temporary emphyteusis granted unto DB San Gorg Property Limited by the Commissioner of Land (on behalf of the Government of Malta) on 1 February 2017, as extended by the Deed of Modification dated 11 March 2026.

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

3.4.3 Legal, regulatory and compliance risks

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

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

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

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

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

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

3.4.3.3 Risks relating to health and safety

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

3.4.4 Risks relating to the Bonds

3.4.4.1 Suitability

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

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

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

3.4.4.2 Subsequent changes in interest rate and potential impact of inflation

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

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

3.4.4.3 No prior market for the Bonds

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

3.4.4.4 Orderly and liquid secondary market

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

3.4.4.5 Ranking of the Bonds

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

3.4.4.6 Future public offers

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

3.4.4.7 Currency of reference

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

3.4.4.8 Continuing obligations

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

3.4.4.9 Amendments to the Terms and Conditions

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

3.4.4.10 Changes in law

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

3.5 RISKS RELATING TO THE GUARANTEE

3.5.1 Risks relating to the business of the Guarantor

The risk factors contained in section 3.4 of this Base Prospectus, entitled "Risks relating to the Guarantor and the business of the Group" apply to the business of the Guarantor and the Group. If any of the risks mentioned in the said sections of this Base Prospectus were to materialise, they could have a material adverse effect on the ability of the Guarantor to satisfy its obligations under the Guarantee.

3.5.2 Risks relating to the Guarantee

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

4. RESPONSIBILITY, AUTHORISATION STATEMENT, AND CONSENT FOR USE

4.1 PERSONS RESPONSIBLE

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

4.2 AUTHORISATION STATEMENT

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

4.3 CONSENT FOR USE OF BASE PROSPECTUS

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

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

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

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of this Base Prospectus. If the investor is in doubt as to whether it can rely on this Base Prospectus and, or who is responsible for its contents, it should obtain legal advice.

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

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

Any resale, placement, or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with

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

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

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

5. IDENTITY OF ADVISORS AND AUDITORS

5.1 ADVISORS

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

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

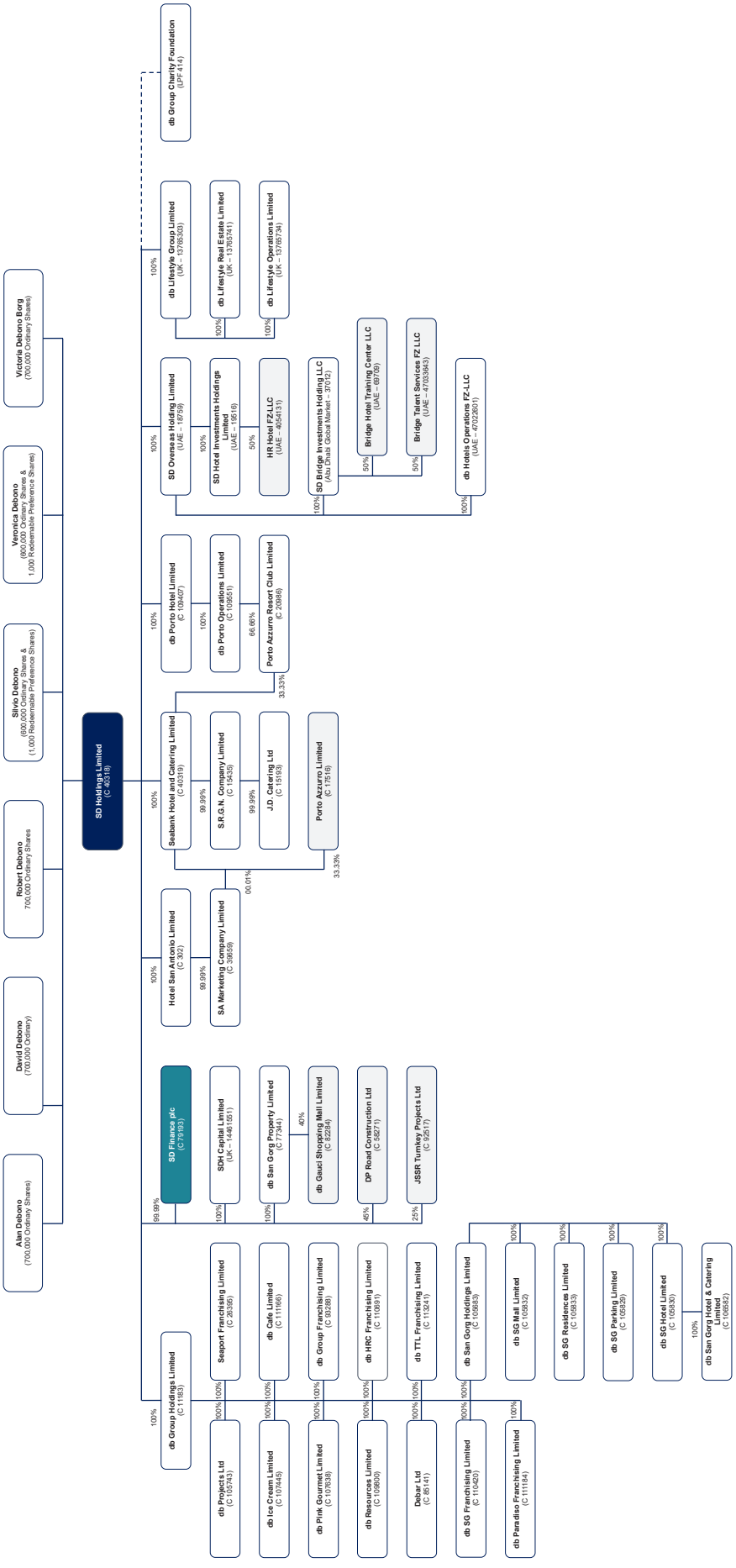
5.2 AUDITORS

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

The annual statutory financial statements of the Issuer and the annual statutory financial statements of the Guarantor for the financial years ended 31 March 2026, 31 March 2025 and 31 March 2024 have been audited by Ernst & Young Malta Limited. Ernst & Young Malta Limited is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) and a practicing certificate to act as auditors. The Accountancy Board registration number of Ernst & Young Malta Limited is AB/26/84/96.

6. ORGANISATIONAL STRUCTURE OF THE GROUP

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



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

DB Gauci Shopping Mall Limited (C 82284): 60% PACLA Limited (C 109997);
HR Hotel FZ LLC (UAE Reg. No. 0000004054131): 50% Marjan Hospitality LLC OPC (39740);
DP Road Construction Ltd (C 58271): 45% Northwind Investments Limited (C 58232); 10% Arthur Gauci; 5% Romano Tabone;
JSSR Turnkey Projects Ltd (C 92517): 25% Recube Insaat ve Proje Yonetimi Limited Sirketi (Turkish Reg. No. 165097-5); 25% JCL Holdings Limited (C 80181); 25% Stephen Bezzina;
Porto Azzurro Limited (C 17516): 33.33% Polidano Ventures Ltd (C 99886); 23.33% Shawncara Ltd (C 12154); 10% Marclem Limited (C 10169).

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

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

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

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

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

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

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

The third phase of the reorganisation, which is envisaged to be undertaken over the course of 2027, will involve the consolidation of operating companies that hold immovable property, under db Group Holdings Limited. Similarly to the second phase, a number of intra-group share transfers will take place, pursuant to which the shareholding in the property-owning companies will be transferred to db Group Holdings Limited.

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

Subsidiaries of db Group Holdings Limited (C 111183)

- **db Group Holdings Limited (C 111183):** db Group Holdings Limited was incorporated on 17 February 2025 to act as the central parent entity within the group structure, holding investments in the subsidiary companies illustrated in the organisational structure chart above. The following are the main subsidiary companies of db Group Holdings Limited:
  - **db Projects Ltd (C 105743)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 22 June 2023. db Projects Ltd acts as a general contractor specialising in construction, finishes and turnkey project services;
  - **db Ice Cream Limited (C 107445)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 10 January 2024. db Ice Cream Limited operates the 'GROM' franchise;
  - **db Pink Gourmet Limited (C 107638)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 5 February 2024. db Pink Gourmet Limited is responsible for operating the EL&N franchise locally;
  - **db Resources Limited (C 109800)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 16 October 2024. db Resources Limited is responsible for the operation of laundry and other human resources services owned by the Group;
  - **Db Ttl Franchising Limited (C 113241)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 19 September 2025. db Ttl Franchising Limited is responsible for operating the TATEL franchise in Malta;
  - **Debar Ltd (C 85141)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 28 February 2018. Debar Ltd operates the Starbucks franchise;
  - **db SG Franchising Limited (C 110420)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 28 November 2024. db SG Franchising Limited is responsible for operating the Bagatelle franchise in Malta;

- **Sea Port Franchising Limited (C 26395)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 17 May 2000. Sea Port Franchising Limited was previously responsible for managing all agreements related to the Hard Rock franchise outlets in Malta and overseeing the associated financing operations. Matters are now in the process of being taken over by db HRC Franchising Limited;
- **db Group Franchising Limited (C 93288)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 18 September 2019. db Group Franchising Ltd owns the royalty rights over db hotels and other locally branded restaurants;
- **db HRC Franchising Limited (C 110691)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 17 December 2024. db HRC Franchising Limited was incorporated to take over the management of agreements related to the Hard Rock franchise outlets in Malta and oversee the associated financing operations, with the transition currently ongoing;
- **db San Gorg Holdings Limited (C 105683)** is a wholly owned subsidiary of db Group Holdings Limited and was incorporated on 22 June 2023. db San Gorg Holdings Limited is the parent company of: db SG Mall Limited (C 105832), db SG Parking Limited (C 105829), db SG Residences Ltd (C 105833), db SG Hotel Ltd (C 105830) and db San Gorg Hotel & Catering Ltd (C 106582), companies which operate or will operate various parts of the St.George's Bay Project.

The Lifestyle Group

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

Hospitality and real estate operations

- **Seabank Hotel and Catering Limited (C 40319)** was incorporated on 19 December 2006. Seabank Hotel and Catering Limited owns and operates db Seabank Resorts + Spa;
- **Hotel San Antonio Limited (C 302)** was incorporated on 22 April 1966. Hotel San Antonio Ltd owns and operates the db San Antonio Hotel & Spa;
  - **SA Marketing Company Limited (C 39659)** was incorporated on 2 October 2006. As at the date of this Base Prospectus, the company is not operational;
- **db Porto Hotel Limited (C 109407)** was incorporated on 2 August 2024. db Porto Hotel Limited owns the Xemxija Bay Hotel;
  - **db Porto Operations Limited (C 109551)** was incorporated on 6 September 2024. db Porto Operations Limited is responsible for operating the Xemxija Bay Hotel;
  - **Porto Azzurro Resort Club Limited (C 20986)** was incorporated on 20 January 1997. Porto Azzurro Resort Club Limited holds rights over timeshare contracts at the Xemxija Bay Hotel;
  - **Porto Azzurro Limited (C 17516)** was incorporated on 13 January 1995 and, as at the date of this Base Prospectus, is not operational;
- **db San Gorg Property Limited (C 77344)** was incorporated on 22 September 2016. db San Gorg Property Limited has been granted a temporary emphyteusis over the St. George's Site on which the St. George's Bay Project is being developed;
- **db Gauci Shopping Mall Limited (C 82284)** was incorporated on 24 August 2017. db Gauci Shopping Mall Limited is responsible for leasing and operating the St. George's Mall;
- **DP Road Construction Ltd (C 58271)** was incorporated on 20 November 2012. As at the date of this Base Prospectus, DP Road Construction Ltd is not operational;
- **JSSR Turnkey Projects Ltd (C 92517)** was incorporated on 9 July 2019. As at the date of this Base Prospectus, JSSR Turnkey Projects Ltd is not operational.

Overseas operations

- **SDH Capital Limited (14461551)** was incorporated on 4 November 2022 under the laws of England and Wales. SDH Capital Limited operates the Group's London office and is entrusted with the Group's international expansion and investments;
- **SD Overseas Holdings Limied (UAE Reg. No. 18759)** was incorporated on 4 June 2024 under the laws of the United Arab Emirates. SD Overseas Holdings Limited a subsidiary of SD Holdings, is a holding company that holds investments in the UAE-registered companies listed below, which have been established for the purpose of operating and managing hospitality and real estate projects in the UAE;
- **db Hotels Operations FZ-LLC (UAE Reg. No. 47022601)** was incorporated on 30 June 2025 under the laws of the United Arab Emirates. db Hotels Operations FZ-LLC operates and manages international hotels;
- **SD Hotel Investments Holding Ltd (UAE Reg. No. 19516)** was incorporated on 20 June 2024 under the laws of the United Arab Emirates. The company holds investments in HR Hotel FZ-LLC;
  - **HR Hotel FZ-LLC (UAE Reg. No. 0000004054131)** was incorporated on 12 July 2024 under the laws of the United Arab Emirates. It is a joint venture company that is 50% owned by the db Group through SD Hotel Investments Holdings Ltd, with the remaining 50% owned Marjan Hospitality LLC OPC (39740). HR Hotel FZ-LLC will operate and own the RAK Project, further described in section 8.3.3.2 of this Base Prospectus.

7. INFORMATION ON THE ISSUER AND THE GUARANTOR

7.1 GENERAL INFORMATION ABOUT THE ISSUER

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

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

7.2 GENERAL INFORMATION ABOUT THE GUARANTOR

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

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

8. BUSINESS OVERVIEW OF THE GROUP

8.1 PRINCIPAL ACTIVITIES

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

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

8.2 PRINCIPAL MARKETS

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

8.3 OVERVIEW OF THE BUSINESS OF THE GROUP

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

Since 2006, the Group was involved in the healthcare sector through its investment in Malta Healthcare Caterers Limited (C 39636). The Malta Healthcare Caterers group operates in the health and social care sectors, providing services such as in-patient catering, healthcare staff outsourcing, domiciliary care and general healthcare management services. Additionally, the Group was historically involved in the inflight catering business through its investment in Kore Air Services Limited (C 40070) and Kore Inflight Services Limited (C 41130). The Kore group specialised in the operation of catering services within the aviation sector.

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

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

8.3.1 Hospitality & leisure

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

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

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

8.3.1.1 db Seabank Resort + Spa

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

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

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

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

8.3.1.2 db San Antonio Hotel & Spa

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

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

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

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

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

8.3.1.3 Melior Boutique Hotel

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

8.3.1.4 Xemxija Bay Hotel

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

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

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

8.3.1.5 Hard Rock Hotel Malta

Hard Rock Hotel Malta is a five-star lifestyle resort located in St George's Bay, St Julian's, forming the hotel component of the Group's flagship St George's Bay Project (further described in section 8.3.3.1 of this Base Prospectus). It is the first Hard Rock-branded hotel in Malta and is operated by the Group under a licence agreement with Hard Rock International. The hotel comprises 397 rooms and suites, most enjoying panoramic views over St George's Bay, and including 26 suites with private pools, together with two executive club floors. Its facilities include more than ten restaurant, bar, lounge and club concepts, eleven swimming pools (comprising three indoor and eight outdoor pools), including a rooftop cantilever pool which is the only one of its kind in Malta, a 466 sqm ballroom, and extensive meetings and events space. The hotel also houses the Rock Spa and Body Rock wellness and fitness centre spanning *circa* 3,800 sqm, being one of the largest such facilities in Malta, as well as the largest Hard Rock Café outlet in Malta.

The development of the Hard Rock Hotel Malta, together with the wider St George's Bay Project, represents a total direct investment of *circa* €300 million. The hotel was officially inaugurated on 2 September 2026 and commenced operations thereafter. The hotel's opening has been accompanied by the roll-out of a portfolio of dining and lifestyle concepts at the site, including TATEL, Hard Rock Café, Tanvi, C&R, Starbucks, EL&N, Amami Food Bar, and Matto, materially expanding the Group's premium hospitality offering.

8.3.1.6 Pipeline hospitality projects

In addition to the existing hotels within the db Group's portfolio described above, a new property will be added through a strategic investment, namely the Hard Rock Hotel and Residences in Ras Al Khaimah, UAE (further described in section 8.3.3.2 of this Base Prospectus).

This addition is expected to enhance the Group's brand portfolio and further solidify its position in international hospitality markets.

8.3.2 Food & beverage

8.3.2.1 Restaurants operated by the Lifestyle Group

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

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

- **AKI:** In February 2020, with an investment of €1.2 million, db Group opened AKI, a restaurant and lounge bar in the heart of Valletta, serving a unique gastronomical haute Japanese cuisine experience. Since its opening, the AKI restaurant has maintained its position in the Michelin Guide Malta for five consecutive years and has also landed a two-fork rating from the Forbes Travel Guide Star Awards, which guide recognizes the finest restaurants on the island;

- **Amami:** In 2018, db Group opened Amami, a Japanese and Asian haute cuisine restaurant located at the Adeera Complex, Mellieha. Amami Food Bar, located within the University Campus Hub, being a high-traffic area frequented by thousands of students, was introduced in July 2022. As the sister establishment of Amami, the food bar has been specifically designed to align with students' lifestyles, offering a flexible working space along with a fast, on-the-go service. A second Amami Food Bar outlet was launched in July 2026 at the St. George's Mall;

- **LOA:** LOA opened its doors in April 2022 as an upmarket South American restaurant and lounge bar, contributing to the gentrification of the area surrounding the Sirens Aquatic Club in St. Paul's Bay. During its first year of operation, LOA delivered solid performance and was well received by both locals and tourists. In 2023, LOA was included in the 2023 Michelin Guide for the first time and was re-affirmed with this status up to 2026;

- **TORA:** In May 2023, db Group launched TORA. TORA, located at the Tigne Seafront in Sliema, pays homage to traditional Oriental cuisine but with a contemporary twist. Within its first year of operation, TORA established itself as one of Malta's most highly-rated restaurants, according to TripAdvisor;

- **MANTA:** Opened in June 2023, MANTA is a Mediterranean fusion restaurant and lido set on the Tigne Seafront in Sliema, just under TORA restaurant. It offers a premium poolside dining experience complemented by entertainment;

- **Nine Lives:** Opened in June 2019, Nine Lives is a popular beach club in St. Paul's Bay that has established itself as a destination of choice for both locals and tourists. A refurbishment was carried out during the first quarter of 2024 to enhance the guest experience in its fifth year of operations;

- **Blu Beach Club:** Located at the Adeera Complex in Mellieha and set right on the water's edge of Għadira Bay, Malta's largest sandy beach, Blu Beach Club offers a beach club, restaurant and lounge bar;

- **Westreme:** Also located at the Adeera Complex in Mellieha, Westreme is a family-friendly restaurant offering an extensive and competitively-priced menu;

- **Verani:** Opened in April 2023, Verani is a fast-casual food outlet in the departure lounge of the Malta International Airport. In its first year of operation, the outlet significantly outperformed budgeted expectations and was well-received by travellers.

- **TANVI:** Opened in July 2026 at the St George's Bay Mall, TANVI offers modern Indian cuisine reimagined through bold flavours and botanical cocktails, developed in conjunction with the co-founders of the London restaurant Kricket, Will Bowlby and Rik Campbell;

- **MATTO:** Opened in July 2026, MATTO offers vibrant all-day-dining Italian restaurant at the St George's Bay Mall, designed for families, friends, and social occasions;

- **The Arbour:** A private members' club located at the St. George's Mall, opened in November 2026. The Arbour was developed by the Group with industry expert Jamie Caring, the son of the founder of London's exclusive private members' club 'Anabel's'. It aims to offer seasonal Mediterranean cuisine, a cocktail lab, cultural programming, and a community space for the island;

- **KIRU:** A premium and immersive Korean fusion steakhouse and barbecue concept at the St George's Bay Mall combining fire, flavour, and theatre, expected to open in Q1 2027; and

- **St George's Pub:** Expected to open in Q1 2027, St George's Pub is set to be a contemporary British gastro-pub also located at the St George's Bay Mall, serving elevated classics and craft beers in a relaxed seafront setting with live sports.

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

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

Building on its success in Malta, the Group has taken its first step toward international expansion. db Lifestyle Real Estate Ltd has secured a 35-year lease at Cavendish Square, Marylebone, London, with the lease set to expire on 11 February 2060. With an investment of around £15 million, this prime central London location will host the Group's flagship offshore restaurant under the AKI brand. This landmark establishment is expected to serve as a strategic brand ambassador for the Lifestyle Group, strengthening its presence in the global hospitality sector.

The AKI London restaurant opened in September 2025. The London restaurant has made it to the latest edition of the Michelin Guide less than a year after opening its doors, following the success of Aki's original Valletta branch which has been listed in the Michelin Guide for five consecutive years. In October 2026 it was also awarded 2 AA Rosettes by the prestigious AA Hotel and Hospitality Services.

8.3.2.3 Franchises

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

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

Hard Rock Café

Following its introduction to the Maltese market in the early 2000s, the internationally renowned Hard Rock brand has established a presence at two locations in Malta: the Valletta Waterfront and the Malta International Airport. The Hard Rock Café Malta International Airport outlet operates from premises leased by db HRC Franchising Limited from third parties, with its lease expiring in June 2028, whereas the Hard Rock Café Waterfront outlet operates from premises leased by Sea Port Franchising Limited from third parties, with its lease expiring in 2030, each subject to the possibility of renewal. A third and largest Hard Rock Café outlet in Malta, with a capacity of approximately 250 covers, has opened within the St George's Bay development as part of the Hard Rock Hotel Malta.

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

Starbucks

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

Since launching the brand locally, db Group has expanded its Starbucks footprint to 19 outlets, with the 19th location having opened in July 2026.

GROM

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

The brand currently operates two outlets in Malta.

Charles & Ron

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

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

TATEL

The Group has introduced to Malta TATEL, an internationally renowned Spanish-Mediterranean restaurant brand, which opened at the St George's Bay Mall in July 2026. Pursuant to a franchise agreement entered into by and between Leisure Partners, S.L., Mabel Leisure, S.L. and Seabank Hotel and Catering Limited (C 40319) and dated 7 July 2025, Leisure Partners, S.L., as franchisor, granted an exclusive licence to operate a TATEL-branded restaurant and members' club at the St George's Bay Mall, with territorial protection within Malta and Gozo. By virtue of an assignment agreement dated 17 October 2025, the franchise agreement was assigned to db TTL Franchising Limited (C 113241). The franchise agreement in respect of TATEL has an initial term of 10 years, commencing on the opening date of the outlet, and may be renewed for further periods of five years by mutual agreement.

EL&N

EL&N (Eat, Live & Nourish), a globally recognised lifestyle café brand known for its distinctive aesthetic and interiors, opened at the St George's Bay Mall in August 2026. Pursuant to a franchise agreement entered into by and between EL&N International Limited and Seabank Hotel and Catering Limited and dated 29 December 2023, EL&N International Limited, as franchisor, has granted Seabank Hotel and Catering Limited an exclusive licence to operate outlets using "EL&N" brand within Malta. The franchise agreement in respect of EL&N has an initial term of 20 years, commencing on the opening date of the outlet.

The Group also intends to expand EL&N's local presence through additional locations beyond the existing outlet at the St George's Bay Mall. The franchise agreement permits the Group to operate up to four outlets within the territory of Malta, which number may be increased subject to the prior consent of EL&N International Limited.

Bagatelle

A French-Mediterranean restaurant and beach club brand with a presence across international destinations including Saint-Tropez, Dubai, London and Miami, Bagatelle opened its first Malta venue at the St George's Bay Mall in October 2026, combining a restaurant, beach club, pool, bar and lounge across approximately 1,960 sqm of indoor and outdoor space. The franchise agreement in respect of Bagatelle has an initial term of ten years, commencing on the opening date of the outlet.

Paradiso

Paradiso, an internationally acclaimed cocktail bar concept, is set to open at the St George's Bay Mall in Q1 2027.

8.3.3 Property development

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

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

8.3.3.1 St. George's Bay Project

Overview of the St. George's Bay Project

The mixed-use development comprises:

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

The St. George's Bay Project features an array of high-end facilities including 5,000 sqm of open spaces and a botanical garden, a large entertainment area, a supermarket, Malta's largest wellness centre including a gym and spa totalling *circa* 3,800 sqm, a globally branded beach club, and more than ten restaurants, bars and lounges, including the Group's own Lifestyle Group concepts and internationally renowned brands, as further described in section 8.3.2.3 of this Base Prospectus.

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

As at the date of this Base Prospectus, the St George's Bay Project is substantially complete and operational. The Hard Rock Hotel Malta was inaugurated on 2 September 2026, and the St George's Mall has opened, with the ORA Residences set to be concluded by April 2027.

Emphyteutical Concession

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

The emphyteutical grant was made in consideration of a contribution of €15 million, of which €5 million was paid on signing of the Emphyteutical Deed. This was primarily financed through a bank facility which also covered the payment of *circa* €3 million in stamp duties. Following the issuance of the development permit for the St George's Bay Project, the total contribution was determined at €15,219,743.

By virtue of a deed of modification entered into between the Government of Malta, through the Lands Authority, and db San Gorg Property Limited on 11 March 2026 in the records of Notary Sam Abela (the "**Deed of Modification"**), the term was extended and is now set to expire on 31 January 2120.

In terms of the Emphyteutical Deed, as amended by the Deed of Modification, the annual ground rent payable to the Government was revised to €1,112,784 to reflect the net floor space permitted under the development permit, and was subsequently revised for inflation to €1,184,758.08 with effect from 1 February 2022. The ground rent is revisable every five years in line with inflation, with the next revision due on 1 February 2027, and shall increase should the net floor space of the residential units, office units or garage spaces be increased.

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

The emphyteutical concession over the St George's Site is subject to a number of terms and conditions. Failure to abide by such terms and conditions may have an adverse material effect on the operations of the Group as set out in section 3.4.2.3.6 of this Base Prospectus.

The ORA Residences

With a total floor area of over 34,000 sqm, ORA Residences will offer up to 227 luxuriously designed high-end residences, each featuring its own spacious garden terrace. The residences will be complemented by a suite of exclusive, top-tier personalised services, all within a cutting-edge sustainable living concept. Furthermore, through an innovative club membership programme, residents will have access to a wealth of high-end amenities, including private temperature-controlled wine cellars, private pools, housekeeping services, chauffeurs, and concierge services.

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

As at the date of this Base Prospectus, excluding the topmost three floors which have not yet been marketed and are therefore not currently available for sale, and any units the permit of which remains under appeal, all units at the ORA West are on promise of sale and 82 out of 83 units at the ORA East are on promise of sale, resulting in a total of 170 units out of 171 units being under promise of sale and an overall sales coverage of 99%.

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

(i) **ORA West – Selected units (Levels 3, 5 and 13)**: for these units, the payment schedule includes a 10% deposit and a 20% roofing-over payment, both of which have already been made for Levels 3 and 5. The remaining 70% of the purchase price is payable upon the execution of the final deed and delivery of the unit in finished form;

(ii) **ORA West – Remaining Levels (Levels 0, 1, 2, 4, 6–12, and 14–15)**: for these units, a 10% deposit and a 20% podium payment have already been settled. Additionally, the 10% roofing-over payment has been made for all respective levels. The largest tranche, representing 50% of the unit price, is due upon completion of the tower and delivery of the unit in shell form, of which 45% is payable directly to the Group, while 5% is retained by the notary pending issuance of the Tower Common Parts Certificate. The final 10% is payable upon completion of the unit finishes;

(iii) **ORA East Units:** these units follow a slightly different payment schedule. A 30% deposit has already been paid, with the remaining 70% payable upon execution of the deed and delivery of the unit in finished form.

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

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

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

On 2 July 2025, the Group applied for an additional full development permit in connection with the proposed addition of seven and six floors to ORA West and ORA East respectively, comprising an additional 49 apartments (28 at ORA West and 21 at ORA East). The aforementioned development permit was granted in Q4 2025 and is presently under appeal. Pending the outcome of the appeal, the total number of units at the ORA Residences would increase to 227 (120 at ORA West and 107 at ORA East), including three Sky Mansions and one Sky Villa at ORA West and two Sky Mansions and one Sky Villa at ORA East, and the description of the ORA Residences set out above would change accordingly.

Hard Rock Hotel

The Hard Rock Hotel is the brand's first hotel on the island and a dynamic new addition to Malta's lifestyle and hospitality scene. The hotel pays architectural homage to the original 19th century British military accommodation quarters and features 397 rooms, including 26 suites offering private pools. The hotel is designed to cater to a wide range of guests, from couples and jetsetters to families and business travellers. More than just a hotel, the Hard Rock Hotel is a complete destination resort and a vibrant social hub, blending Malta's local charm with the brand's international flair. The hotel features, amongst other things, more than ten restaurant, bar, lounge and club concepts, eleven swimming pools (comprising three indoor and eight outdoor pools) including a rooftop cantilever pool which is the only one of its kind in Malta, a branded international beach club, and a wellness and fitness centre covering *circa* 3,800 sqm, which is one of the largest wellness and fitness offerings in Malta. Additionally, the hotel forms part of a wider development comprising one of Malta's largest lifestyle shopping malls, a supermarket, and extensive parking facilities.

The hotel licence agreement entered into between db San Gorg Property Limited and Hard Rock Holdings Limited in 2017, as amended in 2021 and thereafter on 24 July 2023, grants db San Gorg Property Limited a licence for the development and operation of a hotel under the name "Hard Rock Hotel Malta". Specifically, the agreement grants db San Gorg Property Limited the right to use Hard Rock's licensed rights, including trademarks and systems, to develop, operate, own, manage and promote a Hard Rock Hotel in Malta and to sell branded merchandise at the Rock Shop only. The licence is limited to the licensed location at the St George's Site. The hotel licence agreement is valid for a term of 15 years from 10 August 2026 with two possible five (5) year extensions.

St. George's Mall

The development of the St. George's Mall is being undertaken by DB Gauci Shopping Mall Limited (C 82284) ("**DBG**"), a company owned as to 40% by the db Group (through SD Holdings) and as to 60% by the PG Group (through PACLA Ltd (C 109997). The development features a PAVI-PAMA supermarket, alongside a range of retail outlets, various catering establishments, and dedicated parking facilities for patrons. As at the date of this Base Prospectus, the St George's Mall has opened.

In November 2024, db San Gorg Property Limited and DBG entered into a preliminary agreement for the sub-emphyteusis of the St George's Mall. Pursuant thereto, and following receipt of consent from the Government of Malta, on 8 June 2026 db San Gorg Property granted to DBG, by title of temporary sub-emphyteusis, the St George's Mall together with 406 car parking spaces within the car park of the St George's Bay Project for the remainder of the term of the emphyteutical concession, expiring on 31 January 2120, subject to the conditions precedent set out therein. The property may be used for retail, food and beverage, leisure and other ancillary purposes, together with the operation of the car parking spaces in conjunction with the St George's Mall.

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

On 19 July 2024, SD Hotel Investments Holdings Limited, a subsidiary of SD Holdings and a limited company established in the Abu Dhabi Global Market, entered into a joint venture with RAK Hospitality Holding LLC, a company registered in Ras Al Khaimah with company registration number 36948 ("**RAKHH**") and owned by the Investment and Development Office (IDO) of the Government of Ras Al Khaimah. The joint venture company, HR Hotel FZ LLC, a company registered under the laws of Ras Al Khaimah with UAE company registration number 0000004054131, is owned as to 50% by the Group (through SD Hotel Investments Holding Limited) and as to 50% by RAKHH. With effect from 1 July 2026, RAKHH (since renamed Marjan Lifestyle LLC OPC) was replaced as shareholder in the joint venture company by Marjan Hospitality LLC OPC, a company established in Ras Al Khaimah with trade licence number 39740 ("**Marjan Hospitality**"), which acceded to the shareholders' agreement in place of RAKHH. Marjan Hospitality is wholly owned by Marjan LLC, which is in turn wholly owned by the Investment and Development Office of the Government of Ras Al Khaimah. Accordingly, the joint venture company is owned as to 50% by the Group (through SD Hotel Investments Holdings Limited) and as to 50% by Marjan Hospitality. The Group's investment in HR Hotel FZ LLC has been funded through shareholder loans.

Marjan is the investment, hospitality and lifestyle company in Ras Al Khaimah, redefining destination development by combining visionary master planning with world-class hospitality and vibrant community living. As the force behind iconic projects such as Al Marjan Island, Marjan Beach, RAK Central, and the upcoming Wynn Al Marjan Island, Marjan is driving Ras Al Khaimah's transformation into one of the world's most dynamic, sustainable, and liveable destinations for investors, residents, and visitors alike.

The RAK Project is a strategically positioned mixed-use development located on a prime beachfront plot in Ras Al Khaimah's Beach District, in the proximity of Al Marjan Island. Ras Al Khaimah is increasingly emerging as a strategic investment destination, located just a short drive from the cities of Dubai and Abu Dhabi, underpinned by top-tier infrastructure, nature-driven tourism, and a 7,000-year cultural heritage, attracting capital across diverse sectors including hospitality, residential, retail, and mixed-use development projects. Its Beach District is poised to evolve into a dynamic hub for tourism, lifestyle, and entertainment, positioning it among the fastest-growing destinations in the region.

The development will be the first Hard Rock Hotel & Residences in the UAE and will feature a five-star hotel comprising approximately 304 hotel rooms ("**Hard Rock Hotel Ras Al Khaimah**"), and approximately 422 branded residences ranging from studios, one, two, three and four bedroom apartments ("**Hard Rock Branded Residences Ras Al Khaimah**"). The hotel will include several restaurants, featuring diverse cuisines, including signature beachfront restaurants along the promenade, a rooftop bar, conference space, event venues, beach access, a beach club, swimming pools, and a spa and fitness centre.

A suite of agreements has been entered into by HR Hotel FZ LLC with entertainment and hospitality leader, Hard Rock International, in connection with the development, operation, and promotion of the Hard Rock Hotel & Residences. These include a licence agreement under which Hard Rock International grants HR Hotel FZ LLC the right to establish, operate and promote the Hard Rock Hotel Ras Al Khaimah, and another licence agreement under which Hard Rock International grants a licence to use the licensed marks for the sales and marketing of the Hard Rock Branded Residences Ras Al Khaimah, each subject to the terms and conditions set out therein. On completion, the Group is expected to be appointed as the operator of the Hard Rock Hotel & Branded Residences Ras Al Khaimah. The development is also set to create approximately 500 permanent job opportunities in the local area.

The RAK Project is expected to reach several key milestones over the development period. After securing the approvals of the planning authority in Ras Al Khaimah in respect of the "pre-concept design" in 2026, the project progressed to the next stage of the design process, and is, as at the date of this Base Prospectus, pending planning approvals in respect of this stage. Construction works on site are expected to commence in H1 2027 and the development is anticipated to be completed by 2029, with the Hard Rock Hotel & Residences Ras Al Khaimah expected to open in 2029.

Over the course of 2026, the Group has continued to expand its presence in the UAE through SD Bridge Investment Holding LLC (Abu Dhabi Global Market company number 37012), a joint venture entity established with UAE partner, DMD Group F.Z.C. .The joint venture has established two subsidiary entities in the UAE, namely Bridge Talent Services FZ-LLC and Bridge Hotel Training Center LLC, to support recruitment, training and talent development activities in the hospitality sector within the UAE market.

8.3.4 Industrial laundry services

As part of its strategy to diversify its business portfolio and leverage operational synergies across its hospitality operations, the Group has expanded into the provision of industrial laundry services through the establishment of a large-scale, centralised industrial laundry facility designed to meet bulk laundry demands.

As at the date of this Base Prospectus, the Group operates five hotels and several restaurants, all of which require frequent laundering of linens, uniforms, and other fabric-based materials. This includes the Hard Rock Hotel Malta, which opened in September 2026, together with its further restaurant outlets. Historically, the Group has met these requirements through three small laundries located within its hotel premises, which process approximately 6,500 tonnes of laundry *per annum*.

The primary objective of the facility is to consolidate laundry operations into one centralised, modern plant, improving efficiency and enhancing environmental sustainability through better energy and chemical management. During Q1 2026, the Group acquired an existing commercial laundry operation and has continued to invest in converting it into an industrial facility equipped with high-efficiency washing machines, including a tunnel washer, industrial dryers, automated folding and sorting systems, and advanced water and energy conservation technologies. The site, having a total footprint of *circa* 1,130sqm and located at Xewkija Industrial Estate in Xewkija, Gozo, was granted by INDIS Malta Ltd (C 28965) to db Resources Limited (C 109800) under the title of temporary emphyteusis for a period of 35 years from January 2026, extendable by a further period of 30 years at the option of db Resources Limited (C 109800), subject to compliance with all the conditions governing the emphyteusis. Once fully operational, expected by Q4 of 2026, the facility is projected to handle between 8,000 and 12,000 tonnes of laundry *per annum*.

The Group aims to scale up the laundry service to target external clients within Malta and Gozo, including other hotels and healthcare institutions. The Group has identified a niche opportunity for a specialised boutique laundry service for private individuals, expected to offer premium features such as door-to-door collection and delivery, garment repair, and other personalised care options.

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

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

9. TREND INFORMATION

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

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

There has been no material adverse change in the prospects of the Issuer since 31 March 2026, the date of the last published audited financial information. There has been no significant change in the financial performance of the Group since 31 March 2026, the date of the last published audited consolidated financial information.

9.1 MALTA ECONOMIC UPDATE[1]

According to the Central Bank of Malta's August 2026 forecasts covering the period up to 2028, Malta's economy continues to show strong growth and buoyant activity against an external environment still characterised by uncertainty related to developments in the Middle East. As disruptions to supply chains remain concentrated in the region and commodity prices have evolved broadly in line with previous estimates, the outlook for economic growth in Malta remains robust with real GDP growth expected at 3.8% in 2026 from 4.0% in 2025. Some lagged impact from geopolitical tensions is expected to materialise in 2027 as growth is envisaged at 3.6%. GDP growth is projected to pick up to 3.8% in 2028 as effects from global spillovers gradually fade away.

Private consumption growth is set to pick up to 4.3% in 2026 from 3.6% in 2025, and should maintain a slightly slower rate of expansion of 4.1% in each of 2027 and 2028. Growth in private consumption is expected to be supported by the recent revisions in income tax brackets which would boost disposable income growth and savings. Disposable income is also expected to be supported by some easing in inflationary pressures.

Real government consumption is projected to grow by 3.2% in 2026 from 5% in 2025, followed by increases of 3.6% and 3.1% in 2027 and 2028, respectively. This profile is mainly driven by outlays on compensation of employees and intermediate consumption. The latter reflects significant, albeit declining, growth in outlays by extra budgetary units and on contractual services. Meanwhile, the forecast growth in employee compensation reflects the implementation of ongoing collective agreements covering most of the general government sector.

Growth in overall investment is projected to pick up in 2026 after a sharp slowdown in 2025, and to moderate in 2027. This is partly driven by the path of EU-funded government investment, as all projects financed through the EU's Recovery and Resilience Facility ("**RRF**") are expected to be completed by 2026. This decline is expected to offset growth in private investment. Overall gross fixed capital formation is expected to be upheld by private investment in 2028.

Private investment is expected to increase in 2026 following a decline in 2025. This partly reflects the impact of Budget 2026 incentives aimed at stimulating investment. In 2027 and 2028, growth in private investment is expected at slightly over 4.0% driven by non-dwelling investment. Meanwhile, government investment is projected to increase by 17% in 2026, mostly driven by higher RRF-financed projects, as well as other large-scale initiatives, notably the second electricity interconnector. Growth is then expected to drop in 2027, once these projects are completed. In 2028 government investment is expected to grow only marginally.

Export growth is set to moderate over the 2026-2028 forecast period, reflecting the expected easing of growth in foreign demand. Slower growth in services exports is also expected following an extended period of robust growth. Nevertheless, overall export growth is set to remain above growth in external demand throughout the 2026-2028 forecast period, partly due to continued strong growth in tourism activity. On the other hand, goods exports are set to recover slightly in 2026 following a sharp decline in 2025. Growth in goods exports is set to be lower than the envisaged growth in external demand in 2027 and 2028, in line with recent trends and increasing competitive pressure outside the EU.

Import growth is expected to increase to 4.8% in 2026 from 4.4% in 2025 as goods imports are projected to recover from a decline in 2025 whilst imports of services are set to grow at a slower rate. The dynamics of imports are partly affected by those of government investment, which are set to decline in 2027.

The labour market remains strong and demand for labour is envisaged to stay high. However, employment growth is expected to moderate over the 2026-2028 forecast period, driven by the projected easing in economic growth and an expected improvement in productivity. Inflows of foreign workers are also expected to slow down due to recent labour migration measures. As a result, employment growth is projected at 2.9% in 2026 (2025: 4.1%) and is set to moderate gradually to 2.3% by 2028.

Based on the Harmonised Index of Consumer Prices ("**HICP**"), inflation is projected to decrease to 2.2% in 2026 from 2.4% in 2025, reflecting a decline in food inflation. Inflation is set to increase slightly to 2.45% in 2027 due to inflationary pressures arising from prevailing geopolitical situations which are expected to peak in 2027, whilst easing steadily to 2.2% in 2028. Services inflation is set to remain above its historical average although it is expected to gradually slow down throughout the 2026-2028 forecast period. Non-energy industrial goods inflation is expected to moderate in 2026 standing at 0.7%, whilst increasing to 1.2% and 1.1% in 2027 and 2028, respectively. Overall food inflation is set to stand at 2.6% in 2026 and increase to 3.2% in 2027 and 2028, in line with expected developments in international commodity prices. Energy prices are projected to remain at current levels throughout the 2026-2028 forecast period, reflecting the Government's commitment to keep such prices stable. In this regard, it is expected that outlays on energy support measures rise in 2026, due to the increase in commodity prices following the start of the war in Iran. This would be the first time that outlays are set to increase since 2022, before spending to decline as a share of GDP from 2027 onwards.

The fiscal deficit is expected to decline to around 1.9% of GDP in 2026 from 2.2% in 2025, and to narrow further in 2027 to 1.7% and 1.6% in 2028. This is due to the declining profile of capital expenditure throughout the 2026-2028 forecast period, and a lower share of energy support measures in GDP. Tax revenue is set to grow at or just below nominal GDP. Meanwhile, the share of expenditure in GDP is driven by dynamic growth in the largest current spending items – mainly compensation of employees and intermediate consumption – and declining levels of capital expenditure in 2026 and 2027 partly due to the completion of major EU-funded projects by 2027.

The structural budget deficit is projected to narrow from 2.4% of GDP in 2025 to 2.2% in 2026, and to 1.9% in each of 2027 and 2028. The largest year-on-year improvement is set to take place in 2027, driven by the forecast profile of energy support measures, which are not considered to be of a temporary nature and therefore affect the estimated structural position. Overall, the debt-to-GDP ratio is projected to decline from 46.4% in 2025 to 46.1% in 2026 before eventually reaching 44.2% by 2028.

[1] **Source**: Central Bank of Malta ("**CBM**"), '*Outlook for the Maltese Economy 2026-2028*', 20 August 2026, available at: https://www.centralbankmalta.org/site/Publications/Outlook/2026/Outlook-2026-3.pdf?revcount=6638.

9.2 MALTA TOURISM AND HOSPITALITY[2]

The Maltese tourism and hospitality sector registered a robust expansion in 2025, with inbound tourist volumes increasing by 12.87% to a new record of 4.02 million compared to 3.56 million in 2024. This growth in arrivals also translated into a strong uplift in total nights, which advanced by 11% to 25.44 million from 22.92 million in the prior year. Total expenditure by inbound tourists increased at an even faster pace, rising by 18.62% to €3.90 billion compared to €3.29 billion in 2024, thereby pushing the key expenditure metrics higher. In fact, total expenditure per inbound tourist increased by 5.09% to €970.67 from €923.64 in 2024. Similarly, on a per night basis, expenditure per inbound tourist rose by 6.86% to €153.48 from €143.63 in 2024. Concurrently, the average length of stay extended its declining trend, falling to 6.32 nights from 6.43 nights in 2024, further indicating that the overall increase in total nights spent was underpinned by the stronger growth in tourist arrivals.

In terms of source markets, the share of inbound tourists originating from the EU moderated to 65.42% in 2025, equivalent to 2.63 million tourists, from 67.19% in 2024, equivalent to 2.39 million tourists. Within this segment, inbound tourists from the Euro area declined more materially, with the relative share decreasing to 48.04%, equivalent to 1.93 million tourists, from 52.49% in 2024, equivalent to 1.87 million tourists. Conversely, the non-Euro area expanded to 17.38%, equivalent to 0.70 million tourists, from 14.70% in 2024, equivalent to 0.52 million tourists. Meanwhile, the share of inbound tourists originating from outside the EU climbed to 34.58% in 2025, equivalent to 1.39 million tourists, from 32.81% in 2024, equivalent to 1.17 million tourists. The share of the UK market strengthened to 20.92%, equivalent to 0.84 million tourists, from 19.76% in 2024, equivalent to 0.70 million tourists. Likewise, the share of inbound tourists from other non-EU markets increased to 13.66%, equivalent to 0.55 million tourists, from 13.05% in 2024, equivalent to 0.46 million tourists.

An analysis of the demographic profile of inbound tourists indicates moderate shifts across age cohorts. The share of tourists aged up to 24 years declined to 22.09%, equivalent to 0.89 million tourists, from 24.18% in 2024, equivalent to 0.86 million tourists. The 25-44 years age bracket also contracted to 35.48%, equivalent to 1.43 million tourists, from 36.60% in 2024, equivalent to 1.30 million tourists. Conversely, the 45-64 years cohort increased to 31.81%, equivalent to 1.28 million tourists, from 29.54% in 2024, equivalent to 1.05 million tourists. Likewise, the share of inbound tourists aged 65 years and more rose to 10.61%, equivalent to 0.43 million tourists, from 9.68% in 2024, equivalent to 0.34 million tourists.

In relation to the organisation of stay, the share of package travel increased to 25.95% of inbound tourists, equivalent to 1.04 million tourists, from 24.91% in 2024, equivalent to 0.89 million tourists. The share of non-package travel correspondingly declined to 74.05%, equivalent to 2.98 million tourists, from 75.09% in 2024, equivalent to 2.68 million tourists.

Regarding visitor frequency, first-time tourists accounted for 78.88% of arrivals in 2025, equivalent to 3.17 million tourists, compared to 79.08% in 2024, equivalent to 2.82 million tourists. The share of repeat tourists increased to 21.12%, equivalent to 0.85 million tourists, from 20.92% in 2024, equivalent to 0.75 million tourists. Within this category, the share of those visiting once a year rose to 16.43%, equivalent to 0.66 million tourists, from 16.08% in 2024, equivalent to 0.57 million tourists. In contrast, the share of repeat inbound tourists visiting more than once a year declined to 4.69%, equivalent to 0.19 million tourists, from 4.84% in 2024, equivalent to 0.17 million tourists.

The duration profile of visits also exhibited moderate adjustments, consistent with the decline in the overall average length of stay observed during 2025. The share of inbound tourists staying between 1 and 3 nights declined to 23.19%, equivalent to 0.93 million tourists, from 23.76% in 2024, equivalent to 0.85 million tourists. Similarly, stays of 7 nights or more declined to 37.94%, equivalent to 1.53 million tourists, from 38.78% in 2024, equivalent to 1.38 million tourists. On the other hand, the 4 to 6 nights category increased its share to 38.87%, equivalent to 1.56 million tourists, from 37.46% in 2024, equivalent to 1.33 million tourists.

With respect to accommodation patterns, collective accommodation accounted for 60.71% of inbound tourists in 2025, equivalent to 2.44 million tourists, compared to 61.01% in 2024, equivalent to 2.17 million tourists. Accordingly, the share of private accommodation increased to 39.29%, equivalent to 1.58 million tourists, from 38.99% in 2024, equivalent to 1.39 million tourists. However, when analysed in terms of total nights spent by inbound tourists, collective accommodation expanded its share to 53.05%, equivalent to 13.49 million nights, from 52.58% in 2024, equivalent to 12.05 million nights. Consequently, the share of private accommodation declined to 46.95%, equivalent to 11.94 million nights, from 47.42% in 2024, equivalent to 10.87 million nights. Such trends suggest that although a slightly smaller proportion of tourists opted for collective accommodation, those who did so stayed for relatively longer periods compared with the prior year.

Within collective accommodation, a survey conducted by Deloitte Malta on behalf of the Malta Hotels & Restaurants Association showed that hotel performance strengthened in 2025, both from a revenue generation capacity as well as from a pricing dynamics perspective. In the four-star category, occupancy increased to 82.60% from 80.50% in 2024. Similarly, five-star occupancy improved to 71% in 2025 from 69.60% in the prior year. Average daily rates also registered growth across the principal hotel categories in 2025, with ADR in the four-star segment rising by 4.73% to €115.20, from €110 in 2024, whilst ADR in the five-star category increased by 4.38% to €219.30, from €210.10 in the prior year.

January to June 2026 Performance

The Maltese tourism and hospitality sector maintained a strong growth trajectory during the first half of 2026. Inbound tourist volumes increased by 18.06% to 2.13 million from 1.81 million in H1 2025, while total nights rose by 10.12% to 11.75 million from 10.67 million. Total expenditure by inbound tourists advanced by 14.80% to €1.80 billion from €1.56 billion in the corresponding period in 2025.

Notwithstanding the increase in aggregate tourist expenditure, expenditure per inbound tourist declined by 2.76% to €842.29 from €866.21 in H1 2025. This reflected the comparatively faster growth in tourist volumes relative to expenditure. Conversely, expenditure per night increased by 4.25% to €152.80 from €146.57, as the average length of stay extended its downward trend, decreasing to 5.51 nights from 5.91 nights in H1

[2] **Sources: (i) CBM, 'Real Economy Indicators:** Tourism – Inbound Tourism by Nationality', 31 July 2026, available at: https://www.centralbankmalta.org/real-economy-indicators; (ii) Malta Hotels & Restaurants Association ("**MHRA**"), 'Hotel Performance Survey by Deloitte Malta', 20 February 2026, available at: https://www.deloitte.com/content/dam/assets-zone2/mt/en/docs/services/consulting/2026/dt_mt_hotel_performance_2025_q4_and_full_year.pdf; and (iii) National Statistics Office *("NSO"), 'Inbound Tourism Statistics' and 'Inbound Tourism: June 2026'*, 30 July 2026, available at: https://nso.gov.mt/wp-content/uploads/Inbound-Tourism-Selected-Indicators.xlsx and https://nso.gov.mt/wp-content/uploads/NR-134-2026-All-tables-8ba5Ixrf.xlsx, respectively.

2025. Accordingly, the increase in total nights was principally driven by the strong rise in inbound tourist arrivals rather than longer stays. Package expenditure per tourist declined to €774.69 from €803.43 in H1 2025, while non-package expenditure per tourist fell to €440.15 from €454.05. Other expenditure per tourist also moderated to €315.14 from €319.50.

The duration profile of visits also changed in line with the reduction in the overall average length of stay. The proportion of tourists staying between one and three nights increased to 28.26% from 26.94%, while the share staying between four and six nights rose to 41.90% from 40.52%. Conversely, tourists staying for seven nights or more accounted for 29.85% of arrivals, down from 32.53% in H1 2025.

In terms of source markets, the share of inbound tourists originating from the EU declined to 65.78% in H1 2026 from 66.42% in the corresponding period of 2025. Within this segment, the share attributable to the Euro area contracted more materially to 45.88% from 48.73%. In contrast, the non-Euro area increased its share to 19.89% from 17.69%. Meanwhile, the proportion of inbound tourists originating from outside the EU rose to 34.22% from 33.58%. The UK market remained broadly stable, accounting for 20.84% of inbound tourists compared to 20.71% in H1 2025, while the share of other non-EU markets increased to 13.38% from 12.87%.

An analysis of the demographic profile of inbound tourists indicates limited changes across most age cohorts. Tourists aged up to 24 years accounted for 19.18% of arrivals in H1 2026, broadly unchanged from 19.15% in the corresponding period of 2025. Similarly, the share of the 25-44 years cohort edged down to 36.42% from 36.63%. Conversely, the proportion of tourists aged between 45 and 64 years increased to 33.20% from 32.30%, while the share of tourists aged 65 years or more declined to 11.21% from 11.92%.

In relation to the organisation of stay, the share of package travel decreased to 26% of inbound tourists from 26.52% in H1 2025. Correspondingly, non-package travel increased its share to 74% from 73.48%. Regarding visitor frequency, first-time tourists accounted for 77.79% of arrivals in H1 2026, compared to 79.37% in the corresponding period of 2025. The share of repeat tourists consequently increased to 22.21% from 20.63%. Within this category, the proportion of tourists visiting once a year rose to 17.40% from 15.69%. In contrast, the share of repeat tourists visiting more than once a year declined marginally to 4.80% from 4.94%.

With respect to accommodation patterns, collective accommodation accounted for 62.08% of inbound tourists in H1 2026, compared to 63.54% in the corresponding period of 2025. Accordingly, the share of tourists using private accommodation increased to 37.92% from 36.46%. However, when analysed in terms of total nights, collective accommodation expanded its share to 56.91% from 56.32%, while private accommodation declined to 43.09% from 43.68%.

9.3 MALTA PROPERTY MARKET [3]

The Maltese residential real estate sector registered another year of expansion in 2025, characterised by continued price appreciation, a significant increase in construction-related approvals, and further growth in concluded transactions.

From a pricing perspective, the CBM Property Prices Index – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – increased by 4.33% to 189.55 points in 2025 from 181.68 points in 2024. Apartment prices rose by 1.57%, whilst maisonettes outperformed with an increase of 3.73%. In contrast, prices of terraced houses declined by 1.31%, whilst other types of dwellings fell by 2.45%.

The NSO Residential Property Price Index – which is based on actual transactions involving apartments, maisonettes, and terraced houses – also confirmed a firm upward trajectory in property values. Indeed, the index advanced by 5.97% to 100 points from 94.37 points in 2024, as apartment prices increased y 5.74% whilst maisonettes rose by 6.01%. Overall, both the CBM Property Prices Index and the NSO Residential Property Price Index increased at a faster pace than inflation, which stood at 2.41% in 2025.

Activity in building permits increased markedly during 2025, reflecting a substantial strengthening in development momentum. The total number of issued building permits rose by 34.20% to 2,213 from 1,649 in 2024. Malta accounted for the majority of permits, increasing by 36.28% to 1,848, whilst in Gozo, the number of building permits rose by 24.57% to 365 from 293 in 2024. At district level in Malta, the strongest percentage growth was recorded in the South Eastern district, where permits surged by 45.69% to 338, followed by the Northern district with an increase of 43.18% to 378 permits. The Western district also registered a sharp rise of 37.43% to 246 permits, whilst Southern Harbour grew by 36.73% to 309 permits. Elsewhere, the Northern Harbour district posted a robust increase of 26.81% to 577 permits in 2025. Meanwhile, the average number of approved new dwellings per building permit increased to 5.57 in 2025 from 5.29 in 2024, indicating an increase in the average scale or density of developments year-on-year.

The strong increase in the number of building permits issued led to an even larger rise in the number of approved new dwellings as this rose by 41.41% to 12,325 in 2025 from 8,716 in 2024. By type of property, apartments remained dominant and increased by 43.90% to 8,889, thereby accounting for the largest share of the total increase. Maisonettes also recorded a pronounced growth of 37.42% to 1,076. Similarly, penthouses and terraced houses advanced by 35.87% and 23.67% to 1,856 and 350, respectively, whilst other type of property increased by 43.93% to 154.

From a district perspective, the South Eastern region recorded the strongest growth in new dwelling approvals, rising to 2,027 in 2025, equivalent to an increase of 72.22%. The Southern Harbour district followed with an increase of 46.43% to 1,640, whilst the Northern region rose by 39.67% to 2,278. Meanwhile, the Northern Harbour and the Western districts also registered growth of more than 30% in the number of new dwelling approvals, to 3,509 (+38.75%) and 1,104 (+32.37%), respectively, whilst in Gozo, new dwelling approvals increased by 24% to 1,767.

In terms of final deeds of sale, the total number of contracts concluded in 2025 increased by 5.98% to 13,351 from 12,598 in 2024. However, the total value of final deeds increased at a faster rate of 13.93% to €4.02 billion from €3.53 billion in 2024, which lifted the average value per deed of sale by 7.50% to €301,273 from €280,243 in the prior year.

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[2] **Sources:** (i) NSO, '*Residential Property Transactions*', 11 August 2026, available at https://nso.gov.mt/wp-content/uploads/Residential-Property-Transactions.xlsx; (ii) NSO, 'Residential Building Permits: Q2/2026', 20 August 2026, available at https://nso.gov.mt/wp-content/uploads/NR-145_2026_Muvta4hd_All-tables.xlsx; (iii) NSO, '*Residential Property Price Index*', 2 July 2026, available at https://nso.gov.mt/wp-content/uploads/Residential-Property-Price-Index.xlsx; and (iv) CBM, '*Real Economy Indicators: Property Prices Index based on Advertised Prices (base 2015=100)*', 28 May 2026, available at:
https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xlsx?rnd=20260824111756&revcount=8179&revcount=7382.

At district level, the number of final deeds of sale in Malta increased by 6.57% to 11,678. The strongest percentage growth was recorded in the Western district, where final deeds rose by 18.79% to 1,397. The South Eastern region followed, with an increase of 9.03% to 1,908, whilst the Northern Harbour district recorded a growth of 5.88% to 3,779. Similarly, the number of final deeds relating to residential property in the Southern Harbour region increased by 4.18% to 2,067, whilst a more modest increase of 1.94% to 2,527 was recorded in the Northern district. Meanwhile, in Gozo, final deeds edging up by 2.01% to 1,673 from 1,640 in 2024.

January to June 2026 Performance

The Maltese residential property market maintained positive momentum during the first half of 2026. The CBM Property Prices Index increased by 2.97% year-on-year in Q1 2026 to 193 points. The increase was driven by apartments (+5.47%) and maisonettes (+4.09%), while prices for terraced houses (-1.08%) and other property (-3.12%) declined. Similarly, the NSO Residential Property Price Index rose by 6.71% to 104.19, from 97.64 in H1 2025. Apartment prices rose by 6.89%, while maisonettes advanced by 5.32%.

A total of 1,043 building permits were issued during H1 2026, representing a modest increase of 1.96% from 1,023 permits in the corresponding period of 2025. Of these, 881 permits related to Malta, up by 3.53% from 851, while permits issued in Gozo and Comino declined by 5.81% to 162, from 172. The Northern Harbour district recorded the strongest increase, with permits rising by 19.03% to 319, from 268. The South Eastern district recorded a 7.53% increase to 157 permits, from 146, while the Northern district registered a more moderate 2.41% rise to 170, from 166. In contrast, building permits declined in both the Southern Harbour (-9.59%) and Western (-17.60%) districts to 132 (H1 2025: 146) and 103 (H1 2025: 125) permits, respectively. Although the overall number of permits increased only marginally, development density rose considerably as the average number of approved new dwellings per building permit increased to 5.88, from 5.05 in H1 2025, representing an increase of 16.44%.

The number of new dwellings approved during H1 2026 increased substantially to 6,136 units, from 5,170 units in H1 2025, representing year-on-year growth of 18.68% and an absolute increase of 966 units. Apartments continued to dominate approved residential supply. A total of 4,424 apartments were approved during the first half of 2026, up by 19.96% from 3,688 in H1 2025. Apartments therefore accounted for around 72% of all approved new dwellings. The number of approved penthouses increased by 18.49% to 923, from 779, while maisonettes rose by 13.68% to 540, from 475. The strongest percentage growth was however recorded in terraced houses, for which approvals increased by 28.21% to 200 units, from 156 in H1 2025. Conversely, approvals for other property types declined by 31.94% to 49 units, from 72.

The geographical distribution of approved dwellings showed a particularly pronounced concentration of new development in the Northern Harbour district in H1 2026, as this rose by 68.09% to 2,202 units, from 1,310 in H1 2025. This represented an increase of 892 units and accounted for the majority of the overall year-on-year rise in approved residential supply. The South Eastern district also recorded strong growth, with approved dwellings increasing by 23.62% to 916, from 741. Approvals in the Northern district increased by 17.81% to 1,098 units, from 932. Conversely, development activity weakened in the Southern Harbour (-7.36%) and Western (-32.41%) districts, where the number of approved dwellings declined to 717 (H1 2025: 774) and 438 (H1 2025: 648) units, respectively. Approved dwellings in Gozo and Comino remained unchanged at 765 units.

Demand for residential property remained firm during H1 2026. The number of promise of sale agreements increased to 7,621, from 7,277 in the comparable period of 2025, representing growth of 4.73%. More significantly, the aggregate value of promise of sale agreements increased by 18.65% to €2.99 billion, from €2.52 billion. As the increase in value materially exceeded that in the number of agreements, the average value per promise of sale agreement rose by 13.18% to €391,786, from €346,173 in H1 2025.

Completed residential property transactions also increased during H1 2026. The number of final deeds of sale rose by 6.63% to 6,819, from 6,395 in H1 2025. At the same time, the aggregate value of final deeds increased by 16.72% to €2.18 billion, from €1.87 billion. The average value per deed of sale increased by 9.47% to €320,252, from €292,557 in H1 2025. Transaction volumes increased across most districts. In Malta, final deeds rose by 6.70% to 5,960, from 5,586. The Northern district recorded the strongest growth, with transactions increasing by 20.02% to 1,373, from 1,144. Final deeds in the Southern Harbour district increased by 10.69% to 1,108, from 1,001, while the South Eastern district recorded growth of 4.50% to 952 deeds, from 911. On the other hand, activity within the Northern Harbour district remained unchanged at 1,864 deeds, while transactions in the Western district edged down by 0.45% to 663. Meanwhile, final deeds in Gozo and Comino increased by 6.18% to 859, from 809.

The number of individual properties transacted through final deeds increased by 6.63% to 7,415 properties, from 6,954 in H1 2025. Apartments remained the largest residential property category by transaction volume. A total of 2,691 apartments were transacted during H1 2026, representing a 5.04% increase from 2,562 in H1 2025. Transactions involving penthouses increased more strongly by 15.19% to 417, from 362, while maisonette transactions increased by 2.05% to 697, from 683. Transactions involving houses and garages also increased by 17.01% and 9.65% to 1,025 (H1 2025: 876) and 1,681 (H1 2025: 1,533), respectively. In contrast, the number of plots of land transacted declined by 23.49% to 430, from 562.

9.4 UNITED ARAB EMIRATES ECONOMIC UPDATE[4]

The UAE's economy remained resilient in 2025 despite regional tensions and volatility in energy markets. Real GDP grew by 6.2% (2024: 6.6%), supported by strong non-hydrocarbon activity, which expanded by 6.8% year-on-year (2024: 8.6%), led by construction, financial and insurance services, as well as wholesale and retail trade. Construction contributed 1.4 percentage points to non-hydrocarbon growth, supported by its sizeable share of non-hydrocarbon GDP (12.4%) and strong double-digit expansion of 11.1%. Financial and insurance activities followed closely, adding 1.3 percentage points, reflecting robust growth of 10.4% and underscoring the sector's growing role as a key engine of non-oil activity. Wholesale and retail trade, the largest sector by share (16.9%), contributed 1.2 percentage points to non-hydrocarbon growth, with solid growth of 6.9% supporting domestic demand. Meanwhile, real estate activities, transportation, and storage each contributed 0.6 percentage points to non-hydrocarbon growth, supported by a growth rate of around 8%, highlighting the importance of services and logistics in the country's diversification agenda. Manufacturing added a further 0.5 percentage points. In aggregate, these top six sectors accounted for the bulk of non-hydrocarbon growth in 2025, whilst the remaining 10 sectors of the UAE's non-hydrocarbon economy contributed 1.3 percentage points to GDP growth.

[2] **Sources:** Central Bank of the United Arab Emirates ("CBUAE"), 'Quarterly Economic Review – June 2026', 30 June 2026, available at: https://www.centralbank.ae/media/rafjunsc/qer_june_2026.pdf.

Hydrocarbon GDP also expanded in 2025, by 4.3%, following OPEC+ quota adjustments which led to strong increases of 10.5% and 16.6% in oil production in Q3 and Q4 2025, respectively. However, regional maritime-route disruptions in H1 2026 resulted in lower oil production. In fact, oil production was lower by 8.0% year-on-year over the first four months of 2026, averaging 2.68 million barrels per day. Moreover, domestic gas production had a softer start to 2026, declining to 516 million MMBtu in Q1, down 12.3% from Q4 2025. Domestic demand also eased, with gas sales closely tracking the production pattern and declining by 10.5% year-on-year.

Looking ahead, the 2026 outlook is subject to uncertainty amid the current regional environment. Nonetheless, real GDP growth is projected at 1.7% despite moderation in both hydrocarbon and non-hydrocarbon sectors as regional maritime-route disruptions influence activity through several channels. On the external side, disruptions to regional shipping routes and heightened uncertainty are delaying trade flows and raise transportation and insurance costs for oil and other key commodities. These effects are expected to weigh on logistics, wholesale and retail trade, as well as manufacturing. Services activity, including tourism-related sectors, is also experiencing a moderation, whilst the Purchasing Managers' Index ("**PMI**") eased in March and April 2026 albeit firms remained optimistic that an easing in regional tensions and improvement in demand conditions would support a gradual improvement in the months ahead.

While uncertainty around the 2026 outlook remains, a faster-than-expected de-escalation, substitution toward domestic demand, and more targeted fiscal support could help cushion the moderation in growth. The UAE has strong fiscal and external buffers, and sound macroeconomic fundamentals that allow for timely policy action to respond to shocks. Key measures include the CBUAE Financial Resilience Package, which constituted a pre-emptive comprehensive financial sector resilience program; Dubai's AED 2.5 billion business support package; and an expansionary public budget focused on infrastructure spending, alongside the potential deployment of targeted contingency support for the most affected sectors. Together, these measures are helping to mitigate the moderation in growth and sustain confidence among businesses and investors.

In 2027, overall GDP growth is projected at 9.8%, driven primarily by a sharp acceleration in hydrocarbon GDP to 25.7%, while non-hydrocarbon growth is expected to remain solid at 4.5%. The projected increase in oil and gas activities is driven by two main effects: the base effect from lower production in 2026 and an increase in production as supply constraints ease and production rises toward the UAE's targeted capacity of around 5 million barrels per day by 2027. The UAE's hydrocarbon export resilience is also expected to improve materially. ADNOC's Habshan-Fujairah pipeline bypasses the Strait of Hormuz and currently provides export capacity of around 1.8 million barrels per day. Plans to expand this corridor through an additional parallel pipeline would further reduce the UAE's exposure to potential regional maritime disruptions and strengthen continuity of hydrocarbon exports over the medium term.

The UAE continued to demonstrate a strong fiscal position in 2025, maintaining a general government budget surplus of 3.7% of GDP. While this represents a moderation from the 6.2% recorded in the previous year, the fiscal balance remained positive. The narrowing of the surplus was driven mainly by higher public expenditure, while overall revenue generation remained broadly stable. Fiscal sustainability was further supported by the relatively low level of general government gross debt. It is estimated that gross debt declined from 34.9% of GDP in 2024 to 34.3% in 2025 and is projected to fall further to 31.4% of GDP in 2026.

The UAE's non-oil foreign trade of goods expanded strongly in 2025, rising by 27.4%. Non-oil exports increased markedly by 47.8%, primarily driven by higher exports of gold, jewellery, and aluminium. Switzerland was the largest destination for non-oil exports, accounting for 21.5% of the total, followed by India (12.4%) and Hong Kong SAR (11.6%). Gold continued to dominate non-oil exports, accounting for 59.3% share, while jewellery (4.9%) and aluminium (3.5%) ranked as the second- and third-largest export categories, respectively.

Re-exports also posted solid growth, increasing by 15.0% in 2025. Saudi Arabia retained its position as the leading re-export destination, representing 16.9% of the total, followed by Iraq (9.9%) and India (6.1%). Telecommunications equipment accounted for the largest share of re-exports at 23.0%, while diamonds (8.1%) and motor vehicles (7.5%) were among the other key categories. Meanwhile, imports rose by 25.4% in 2025. China remained the UAE's largest import partner with an 18.9% share, followed by India (6.7%) and the US (5.5%). Gold was the leading imported category, accounting for 29.2% of total imports, while telecommunications equipment (10.1%) and motor vehicles (5.9%) represented the second- and third-largest import categories, respectively.

The CBUAE's inflation forecast for 2026 stands at 2.3%, primarily reflecting supply-side factors linked to heightened regional uncertainty and their impact on global energy markets, shipping costs, and food prices. Higher global food and energy costs may add some upward pressure on domestic inflation. However, inflation in the UAE is projected to remain moderate and well below global averages, supported by easing housing cost pressures and the government's regulation of staple food items, which continues to help contain increases in essential consumer prices and moderate broader inflationary pressures.

For 2027, the CBUAE projects inflation at 1.9%, as easing supply-side pressures and moderating energy prices are expected to help balance domestic demand, with government measures continuing to support price stability.

10. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

10.1 THE BOARD OF DIRECTORS OF THE ISSUER

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

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

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

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

Name	Designation	Date of Appointment
Silvio Debono	Chairman	20 January 2017
Robert Debono	Director and Group Chief Executive Officer	20 January 2017
Alan Debono	Executive Director	25 April 2025
Kenneth Swain	Independent Non-Executive Director	1 January 2026
Vincent Micallef	Independent Non-Executive Director	17 February 2017
Stephen Muscat	Independent Non-Executive Director	17 February 2017

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

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

10.2 *CURRICULA VITAE* OF DIRECTORS OF THE ISSUER

Silvio Debono

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

Robert Debono

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

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

Alan Debono

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

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

Kenneth Swain

Kenneth Swain is a Certified Public Accountant and holds a practicing certificate in auditing. He graduated from the University of Malta in 2006 with an Honours Degree in Accounting. He later earned a post-graduate diploma in Taxation, with Distinction, from the Malta Institute of Taxation. He is a fellow of both the Malta Institute of Accountants and the Malta Institute of Taxation. Kenneth began his career at a big-4 audit firm, where he became Audit Manager. There he audited a varied portfolio of local and international clients, including a period at the firm's financial services office in Dublin. He then worked as financial controller of a major Maltese importer of steel and glass for the construction industry.

Kenneth is the founding partner of SWK Certified Public Accountants & Auditors, a boutique firm offering audit, tax advisory and back-office support. He leads the firm's audit department and advises several major Maltese businesses on tax and finance. He serves as a non-executive director of SD Finance p.l.c.

Vincent Micallef

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

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

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

Stephen Muscat

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

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

10.3 THE BOARD OF DIRECTORS OF THE GUARANTOR

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

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

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

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

Name	Designation	Date of Appointment
Silvio Debono	Chairman	19 December 2006
Robert Debono	Director and Group Chief Executive Officer	5 July 2015
Alan Debono	Director and Chief Procurement and Accounting Officer	5 July 2015
David Debono	Director and Chief Legal Officer	5 November 2020
Jesmond Vella	Director and Chief Operating Officer	5 July 2015
Victoria Debono Borg	Director and Brand Manager	5 July 2015
Veronica Debono	Director	5 May 2023

The company secretary of the Guarantor is Dr David Debono.

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

10.4 *CURRICULA VITAE* OF DIRECTORS OF THE GUARANTOR

Silvio Debono

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

Robert Debono

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

Alan Debono

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

David Debono

David Debono heads the legal department and is responsible for all regulatory compliance, contract lifecycle management, litigation oversight, and risk mitigation within the Group. The function includes ensuring that the commercial agreements, of which range from vendor contracts to franchise licences, adhere to legal standards and protect the Group's interests. In parallel, Dr Debono oversees the acquisition, leasing, development, and disposal of real estate assets, providing legal direction to maximise transaction value and manage due diligence risks .

As CLO, Dr Debono guides internal teams on compliance with corporate governance, employment law, data privacy, ADR, and dispute resolution. Dr Debono liaises with external counsel and regulators, manage external litigation, and ensure all transactions are contractually binding and legally enforceable.

Jesmond Vella	Jesmond Vella is a proven operations leader with over two decades of hospitality experience. He is the Group COO at db Group, guiding strategic direction, resource allocation, and process optimisation since 2020. He also holds a directorship at SD Holdings, where he drives continuous improvement initiatives. Previously, Mr Vella served as director of operations at Tunny Net Complex, enhancing efficiency and profitability across multiple service lines. By fusing operational expertise with a commitment to guest satisfaction, Mr Vella ensures db Group's diverse portfolio meets the highest standards for service and innovation. As Group COO, Jesmond Vella oversees all of the group operations with a primary focus on hotel management and performance. Responsibilities include standardising service delivery, quality control, cost control within operations, optimising operational procedures, managing guest satisfaction, and ensuring adherence to safety and quality standards. Mr Vella coordinates budgeting, staffing, and resource allocation, and works closely with divisional COOs, hotel GMs, and departmental heads. Further responsibilities include collaborating on capital projects, property upgrades, and integrating emerging hospitality trends and technologies. Mr Vella also plays a key role in maximising revenue and operational profitability.
Victoria Debono Borg	Victoria Debono Borg brings over a decade of hospitality experience, with a strong focus on brand strategy and project management. She began her career as an Accounts Officer at Hard Rock Cafe before advancing to Assistant General Manager and Director of Rooms at db Seabank Resort + Spa. Since December 2016, she has served as a Director of the Guarantor, and in January 2018, she was appointed Brands Manager. In this role, she leads creative direction and consumer engagement, significantly enhancing brand equity and contributing to db Group's growth as a leader in Maltese hospitality. As Brands Director, Ms Debono Borg oversees the creation and management of each brand within the hospitality and catering group. She defines brand strategy, ensures consistency in visual identity and outlet design, and curates events, campaigns, and partnerships to enhance visibility and engagement. By aligning interior design with brand positioning and tracking performance metrics like guest feedback and awareness, she drives brand evolution and works cross-functionally to maintain standards across all properties.
Veronica Debono	Veronica Debono serves as director of the Guarantor. Since April 2021, Ms Debono has held the position of Administration Senior Executive at Malta Healthcare Caterers Limited, where she was primarily responsible for management and human resources functions. Ms Debono continues to play a key role in promoting organisational excellence and the professional development of staff within the db Group.

10.5 SENIOR MANAGEMENT

10.5.1 Senior management of the Issuer

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

10.5.2 Senior management of the Guarantor

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

Robert Debono	**Group Chief Executive Officer** (Please refer to the *curriculum vitae* included in section 10.2 above)
Jean Claude Fenech	**Group Chief Financial Officer** Jean Claude Fenech holds a key executive leadership role, responsible for steering the Group's financial strategy, investment oversight, and fiscal governance across all business verticals. Mr Fenech plays a central role in shaping the financial direction of the Group, ensuring it remains aligned with long-term business objectives, capital market conditions, and sector-specific challenges. His scope of responsibility covers strategic budgeting, forecasting, capital planning, and treasury management, alongside financial policy development. Mr Fenech leads the Group's consolidated accounting function and is accountable for ensuring that robust financial systems, controls, and reporting mechanisms are in place. He oversees audit and compliance matters, both internal and external, and provides the executive team and board with clear, timely financial insights to support strategic decision-making. Mr Fenech is a certified public accountant. He holds a Masters in Accountancy and a Bachelor of Commerce in Management, from the University of Malta.

David Debono	**Group Chief Legal Officer** (Please refer to the *curriculum vitae* included in section 10.4 above)
Nicholas Portelli	**Managing Director of SDH Capital** Nicholas Portelli is a seasoned financial services executive with 25 years of international experience. He earned a B.Com. (Banking and Finance) (Hons.) at the University of Malta in 1997. Mr Portelli served as Managing Director at Burlingtons Real Estate, and also led LifeStar Insurance plc as Chief Executive Officer. Since October 2022, he has headed SDH Capital Limited in London, a family office owned by db Group, directing global ventures in real estate and hospitality. His expertise spans restructuring, asset management, and cross-border investments. As Managing Director of SDH Capital, Mr Portelli plays a pivotal leadership role in overseeing the Group's strategic investment initiatives, both locally and internationally. He is responsible for identifying, evaluating, and executing investment opportunities that align with the Group's long-term vision, financial objectives, and sectoral focus. He operates at the intersection of strategy, finance, and execution, driving high-level commercial discussions and negotiating key contractual frameworks of each substantial investment. Mr Portelli is actively involved in the end-to-end lifecycle of the Group's capital projects, from early-stage feasibility and due diligence through to financial structuring, funding acquisition, and transaction execution. In his role, Mr Portelli also serves as a key advisor to the Group's executive leadership, providing strategic guidance on capital allocation, investment risk management, and cross-border expansion.
John Wiltshire	**Chief Operating Officer – Lifestyle** John Wiltshire is a distinguished hospitality professional with a BA (Hons) in Hotel & Business Management. He has excelled in opening and managing upscale restaurants, private clubs, and high-profile venues across the UK, Middle East, and beyond. As Operations Director at Aqua Restaurant Group, Mr Wiltshire oversaw annual revenues exceeding £40 million through cost control, brand enhancement, and team leadership. He has also served as a consultant on international launches, consistently elevating service quality and profitability. John remains dedicated to refining operational standards and delivering premium guest experiences worldwide. Focusing on the Group's restaurant portfolio, Mr Wiltshire as the restaurants' COO, ensures excellence in daily operations, with particular responsibility for the Lifestyle Group brands. His role includes establishing operational standards, maintaining cost controls (such as food costs and labour), and delivering consistent, high-quality guest experiences. He also oversees the training and performance management of restaurant leadership, implementing best practices and business systems.
David Vella	**Group Chief People Officer** David Vella is the Chief People Officer of the Group and has over 25 years of experience in human resources, organisational development and hospitality. He is responsible for leading the Group's human resources strategy, working closely with business leaders to strengthen leadership capability, develop talent and align human resources priorities with the Group's business objectives and long-term growth. His experience spans strategic HR transformation, workforce management, succession planning, organisational change and digital HR initiatives across diverse industries and international operations. Prior to joining the Group, David Vella served as Chief People Officer at Hili Ventures and Premier Capital plc, the developmental licensee for McDonald's across six European markets, where he led human resources initiatives across multiple sectors and countries, covering a workforce of more than 12,000 employees. Earlier in his career, he spent over ten years as Director of Human Resources & Training at InterContinental Malta, where he was involved in regional initiatives and major hospitality projects. He began his career in hospitality operations and academia, gaining experience in operational management, training and talent development.

10.6 POTENTIAL CONFLICTS OF INTEREST

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

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

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

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

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

11. BOARD PRACTICES

11.1 AUDIT COMMITTEE

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

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

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

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

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

11.2 COMPLIANCE WITH CORPORATE GOVERNANCE

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

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

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

Principle 7: Evaluation of the Board's Performance (Code provision 7.1)
The Board of Directors has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1.

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

Principle 8A: Remuneration Committee (Code provision 8.A.1) and Nominations Committee (Code provision 8.B.1)
The Board of Directors has not established a Remuneration and, or Nominations Committee. The Board of Directors considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees.

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

Principle 9: Relations with Shareholders and with the Market
There is currently no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholder and the controlling shareholder. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholder via the office of the company secretary. In addition, such requirement in the Code is, in the Board's view, targeted at equity issuers rather than debt issuers.

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

12. ADDITIONAL INFORMATION

12.1 SHARE CAPITAL OF THE ISSUER

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

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

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

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

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

12.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

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

a) to carry on the business of a holding company and to acquire by purchase, exchange, subscription or otherwise and to hold the whole or any part of the securities and interests of and in any companies for the time being engaged, concerned, or interested in any industry, trade, of business and to promote the beneficial co-operation of any such companies with one another as well as with the Issuer and to exercise in respect of such investments and holdings all the rights, powers, and privileges of ownership including the right to vote thereon;

b) to employ the funds of the Issuer in the development and expansion of the business of the Issuer, of any of its subsidiaries and of any other company in which the Issuer has or may at any time have an interest; and

c) to borrow or raise money in such manner as the Issuer shall think fit, and in particular by the issue of bonds, debentures or other securities or rights, and to secure the repayment of any money so borrowed or raised by hypothecation, charge, or lien upon the whole of any part of the Issuer's properties or assets, whether present or future, including its uncalled capital, and also by a similar hypothecation or charge to secure and guarantee the performance by the Issuer of any debt, liability, or obligation it may undertake.

12.3 SHARE CAPITAL OF THE GUARANTOR

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

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

Name and address of shareholder	Number of ordinary shares held
Robert Debono 47 Adorn Triq ta' Taht l-Irdum, Mellieha MLH 2746 , Malta	700,000 ordinary 'B' shares of €1.00 each, fully paid up
Veronica Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha , Malta	600,000 ordinary 'A' shares of €1.00 each, fully paid up 1,000 redeemable preference shares of €1.00 each, fully paid up
Silvio Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	600,000 ordinary 'A' shares of €1.00 each, fully paid up 1,000 redeemable preference shares of €1.00 each, fully paid up
Victoria Debono Borg 3A, North Point Res, Fl4 Triq ta' l-Ghollieqa, Mellieha MLH 1245, Malta	700,000 ordinary 'C' shares of €1.00 each, fully paid up
David Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	700,000 ordinary 'D' shares of €1.00 each, fully paid up
Alan Debono 269, Silver Stars, Triq iz-Zebbug, Mellieha, Malta	700,000 ordinary 'E' shares of €1.00 each, fully paid up

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

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

12.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

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

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

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

13.1 HISTORICAL FINANCIAL INFORMATION - ISSUER

The historical financial information pertaining to the Issuer, for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026, has been extracted from the respective audited financial statements of the Issuer. The audited financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The said financial statements are incorporated by reference in this Base Prospectus and may be accessed at the following hyperlink: https://www.dbgroupmalta.com/investors/

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

	Page Number 2024	Page Number 2025	Page Number 2026
Independent auditor's report	30 - 36	29 - 37	28 - 34
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Statement of comprehensive income	10	11	10
Statement of changes in equity	11	12	11
Statement of cash flows	12	13	12
Notes to the financial statements	13 - 29	14 - 28	13 - 27

There has been no significant change in the financial performance and, or financial position of the Issuer since the end of the last financial year.

Set out below are condensed extracts from the financial statements of the Issuer for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026.

SD Finance plc **Statement of Total Comprehensive Income** **For the financial year 31 March**	**2024** **€'000**	**2025** **€'000**	**2026** **€'000**
Finance income	3,059	3,069	3,834
Finance costs	(2,925)	(2,929)	(3,643)
Net interest income	**134**	**140**	**191**
Administrative expenses	(126)	(134)	(138)
Profit before tax	**8**	**6**	**53**
Taxation	(3)	(2)	(18)
Profit for the year	**5**	**4**	**35**
Total comprehensive income	**5**	**4**	**35**

SD Finance plc
Statement of Financial Position

As at 31 March	**2024**	**2025**	**2026**
	€'000	**€'000**	**€'000**
ASSETS			
Non-current assets			
Loans receivable	64,333	64,333	96,733
	64,333	**64,333**	**96,733**
Current assets			
Loans receivable	-	-	1,747
Trade and other receivables	204	67	68
Cash and cash equivalents	3,149	3,390	2,091
	3,353	**3,457**	**3,906**
Total assets	**67,686**	**67,790**	**100,639**
EQUITY			
Capital and reserves			
Called up share capital	250	250	250
Retained earnings	45	49	84
	295	**299**	**334**
LIABILITIES			
Non-current liabilities			
Debt securities	64,780	64,890	97,466
	64,780	**64,890**	**97,466**
Current liabilities			
Debt securities	-	-	-
Trade and other payables	2,611	2,601	2,839
	2,611	**2,601**	**2,839**
Total liabilities	**67,391**	**67,491**	**100,305**
Total equity and liabilities	**67,686**	**67,790**	**100,639**

SD Finance plc
Statement of Cash Flows

For the financial year 31 March	**2024**	**2025**	**2026**
	€'000	**€'000**	**€'000**
Net cash from / (used in) operating activities	77	241	(1,299)
Net cash used in investing activities	-	-	(32,400)
Net cash from financing activities	-	-	32,400
Net movement in cash and cash equivalents	**77**	**241**	**(1,299)**
Cash and cash equivalents at beginning of year	3,072	3,149	3,390
Cash and cash equivalents at end of year	**3,149**	**3,390**	**2,091**

In FY2026, the Issuer generated finance income of €3.83 million, against which it incurred finance costs of €3.64 million. Administrative expenses amounted to €0.14 million. Following a tax charge of €0.02 million, SD Finance reported a profit after tax of €35,000.

Total assets amounted to €100.64 million as at the end of FY2026, principally comprising non-current and current loans receivable of €98.48 million, as well as cash balances of €2.09 million. Total equity stood at €0.33 million whilst total liabilities amounted to €100.31 million, of which €97.47 million consisted of debt securities in issue alongside €2.84 million in trade and other payables.

In FY2026, SD Finance recorded a net cash outflow of €1.30 million in relation to operating activities, as interest payments of €3.26 million outweighed interest income received of €2.16 million.

Net cash from financing activities amounted to €32.40 million, arising from the issuance of 5.20% unsecured bonds 2031 (Tranche I) under a €60 million bond programme. These proceeds were subsequently on-lent to the Guarantor and, or sister companies within the Group. Accordingly, the Company ended FY2026 with cash and cash equivalents of €2.09 million, representing a year-on-year decline of €1.30 million.

13.2 HISTORICAL FINANCIAL INFORMATION - GUARANTOR

The historical financial information pertaining to the Guarantor, for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026, has been extracted from the respective audited consolidated financial statements of the Guarantor. The audited financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The said financial statements are incorporated by reference in this Base Prospectus and may be accessed at the following hyperlink: https://www.dbgroupmalta.com/investors/

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

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Consolidated statement of comprehensive income	8	9	9
Consolidated statement of changes in equity	9 - 10	10 -11	10 - 11
Consolidated statement of cash flows	11	12	12
Notes to the consolidated financial statements	12 - 63	13 - 77	13 - 80

There has been no significant change in the financial performance and, or financial position of the Guarantor since the end of the last financial year.

Set out below are condensed extracts from the financial statements of the Guarantor for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026.

The tables and narrative included in this section 13.2 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including earnings before interest, tax, depreciation and amortisation (EBITDA), that the Group's management and other competitors in the industry use. These non-International Financial Reporting Standards financial measures are presented as supplemental information as: (i) they represent measures that the Group believes may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the cash generation capacity and the growth of the business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

SD Holdings Limited Statement of Total Comprehensive Income For the financial year 31 March	2024 €'000	2025 €'000	2026 €'000
Revenue	88,725	99,202	111,336
Net operating costs	(57,609)	(63,410)	(78,127)
EBITDA	**31,116**	**35,792**	**33,209**
Depreciation and amortisation	(11,042)	(9,786)	(10,461)
Operating profit	**20,074**	**26,006**	**22,748**
Net finance costs	(5,348)	(6,613)	(12,581)
Fair value changes of investments	232	1,243	492
Loss on sale of investments	-	-	(104)
Share of results of associates	65	451	(118)
Gain on sale of associates	-	-	33,625
Profit before tax from continuing operations	**15,023**	**21,087**	**44,062**
Taxation	(6,170)	(9,504)	(26,678)
Profit for the year from continuing operations	**8,853**	**11,583**	**17,384**
Profit after tax from discontinued operations	5,421	7,034	-
Profit for the year	**14,274**	**18,617**	**17,384**
Other comprehensive income			
Fair value movements on land and buildings, net of tax	51,053	11,130	-
Other movements	126	-	-
Total comprehensive income (net of tax)	**65,453**	**29,747**	**17,384**

SD Holdings reported revenue of €111.34 million in FY2026, representing an increase of 12.23% from €99.20 million in FY2025. Revenue growth was driven by the Group's two principal operating streams. Indeed, income from hospitality and ancillary services increased by 10.86% to €67.09 million, from €60.52 million, while F&B revenue rose by 14.37% to €44.25 million, from €38.69 million.

Net operating costs increased at a faster pace than revenue, rising by 23.21% to €78.13 million from €63.41 million in FY2025. Consequently, EBITDA declined by 7.22% to €33.21 million, from €35.79 million in the prior year. The year-on-year decline in EBITDA also reflected the positive impact of one-off income recognised in FY2025 from the recharge of development costs to an associate.

The increase in operating costs was mainly attributable to higher cost of sales and administrative expenses. Cost of sales increased by 9.27% to €71.48 million, from €65.41 million. However, as this increase was lower than the growth in revenue, gross profit expanded by almost 18% to €39.86 million. On the other hand, administrative expenses increased by 64.27% to €19.90 million, from €12.11 million, mainly due to one-off costs related to the St George's Bay Project and Aki London.

Depreciation and amortisation increased by 6.90% to €10.46 million, from €9.79 million. Coupled with the contraction in EBITDA, operating profit declined by 12.53% to €22.75 million, from €26.01 million.

Net finance costs almost doubled to €12.58 million, from €6.61 million, as the Group increased its overall indebtedness considerably in support of its expansion.

Fair value gains on investments declined to €0.49 million, from €1.24 million in FY2025, whilst the Group also recognised a €0.10 million loss on the sale of investments. Furthermore, the share of results from associates moved from a positive contribution of €0.45 million in FY2025 to a loss of €0.12 million. Conversely, SD Holdings recorded a €33.63 million gain on the sale of associates, which lifted profit before tax to €44.06 million from €21.09 million in the prior year.

The tax charge for the year increased materially to €26.68 million, from €9.50 million. Despite this, profit for the year from continuing operations increased by 50.08% to €17.38 million, from €11.58 million. Overall, however, profit for the year declined by 6.62% year-on-year, as FY2025 included €7.03 million in profit after tax from discontinued operations, whereas no corresponding contribution was recognised in FY2026.

Other comprehensive income was nil in FY2026 compared with €11.13 million in the prior year reflecting positive fair value movements on land and buildings, net of tax. As a result, total comprehensive income declined by €12.36 million to €17.38 million, from €29.75 million in FY2025.

SD Holdings Limited
Statement of Financial Position

As at 31 March	**2024**	**2025**	**2026**
	€'000	**€'000**	**€'000**
ASSETS			
Non-current assets			
Property, plant and equipment	247,681	279,991	395,916
Investment property under development	18,199	-	-
Intangible assets	889	1,221	1,526
Inventories	68,901	76,180	-
Investments in associates	24,139	3,724	6,408
Right-of-use assets	19,702	26,359	34,920
Net investment in lease	-	-	20,836
Deferred tax assets	873	997	-
Financial assets	2,232	3,475	-
Trade and other receivables	387	1,487	-
Other non-current assets	4,244	37,528	247
	387,247	**430,962**	**459,853**
Current assets			
Inventories	2,182	2,533	112,090
Trade and other receivables	11,984	65,026	49,072
Current tax assets	1,509	366	-
Net investment in lease	-	-	224
Cash and cash equivalents	71,036	89,548	98,507
Assets held for sale	-	402	-
Other current assets	-	3,002	30,478
	86,711	**160,877**	**290,371**
Total assets	**473,958**	**591,839**	**750,224**
EQUITY			
Capital and reserves			
Share capital	4,000	4,000	4,000
Reserves	133,489	144,620	144,621
Retained earnings	73,890	92,507	105,091
	211,379	**241,127**	**253,712**
LIABILITIES			
Non-current liabilities			
Bonds	64,780	64,891	97,466
Bank borrowings	15,666	44,756	103,470
Lease liabilities	64,857	61,029	79,648
Deferred tax liabilities	27,110	29,872	30,670
Trade and other payables	11,394	11,450	9,755
Redeemable preference shares	4,673	4,824	4,925
	188,480	**216,822**	**325,934**
Current liabilities			
Bonds	-	-	-
Bank overdraft	500	178	-
Bank borrowings	4,856	11,007	9,713
Lease liabilities	12,367	14,424	3,189
Current tax liabilities	5,980	14,199	30,776
Trade and other payables	50,396	94,082	126,900
	74,099	**133,890**	**170,578**
Total liabilities	**262,579**	**350,712**	**496,512**
Total equity and liabilities	**473,958**	**591,839**	**750,224**

Total assets increased by €158.39 million during FY2026 to €750.22 million, from €591.84 million as at the end of FY2025. PPE remained the Group's largest asset category and increased materially by €115.93 million to €395.92 million, from €279.99 million, representing 52.77% of total assets as at the end of FY2026. Inventories also increased substantially, rising by €33.38 million, to €112.09 million from €78.71 million in FY2025. Investments in associates increased by €2.68 million to €6.41 million whilst right-of-use assets rose by €8.56 million to €34.92 million. During the year, the Group also recognised a net investment in lease amounting to €21.06 million, representing the present value of future lease payments receivable under a sublease arrangement relating to St George's Mall. Conversely, trade and other receivables declined by €17.44 million to €49.07 million. Similarly, tax and financial assets decreased by an aggregate €4.84 million, while other current and non-current assets contracted by €9.81 million to €30.73 million.

On the funding side, the Group's equity base strengthened by €12.59 million to €253.71 million, from €241.13 million, comprising €4 million in share capital, €144.62 million in reserves, and €105.09 million in retained earnings.

Total liabilities increased by €145.80 million during FY2026 to €496.51 million, from €350.71 million as at the end of FY2025. This increase was largely attributable to higher indebtedness which rose by €97.20 million to €293.49 million, from €196.29 million. Factoring in cash balances, net debt increased by €88.24 million to €194.98 million, from €106.74 million. Debt securities increased by €32.58 million to €97.47 million, while bank borrowings more than doubled to €113.18 million, from €55.94 million. Lease liabilities increased more moderately by €7.38 million to €82.84 million.

Trade and other payables went up by €31.12 million to €136.66 million. This includes €74.31 million (FY2025: €37.45 million) in advance deposits from buyers for properties under construction by the Group pursuant to promise-of-sale agreements. Meanwhile, tax liabilities, comprising current and deferred balances, increased by €17.38 million to €61.45 million.

SD Holdings Limited
Statement of Cash Flows

For the financial year 31 March	**2024**	**2025**	**2026**
	€'000	**€'000**	**€'000**
Net cash from operating activities	30,614	54,163	9,061
Net cash used in investing activities	(16,078)	(63,455)	(119,337)
Net cash from financing activities	2,261	28,126	119,413
Net movement in cash and cash equivalents	**16,797**	**18,834**	**9,137**
Cash and cash equivalents at beginning of year	53,739	70,536	89,370
Cash and cash equivalents at end of year	**70,536**	**89,370**	**98,507**

Net cash generated from operating activities declined to €9.06 million in FY2026, from €54.16 million in FY2025. The contraction was principally due to an adverse working capital movement of €16.57 million, compared with a positive movement of €17.12 million in FY2025. Moreover, the Group recorded a taxation outflow of €7.94 million in FY2026, compared with an inflow of €0.98 million in FY2025.

Net cash used in investing activities increased substantially to €119.34 million in FY2026, from €63.46 million in FY2025, principally on account of capital expenditure relating to the St George's Bay Project, the RAK Project, Aki London, and the establishment of a laundry hub at the Xewkija Industrial Estate in Gozo. During the year, investment in property, plant, and equipment ("PPE") amounted to €122.71 million (FY2025: €18.97 million) while payments and advances to contractors for property development expenditure amounted to €27.48 million (FY2025: €45.19 million). As to cash inflows, the Group received €30.24 million from the disposal of associates, namely, MHC, KAS, and KIS. Overall, net capital expenditure increased considerably to €120.75 million, from €64.77 million in FY2025.

Net cash generated from financing activities rose to €119.41 million in FY2026, from €28.13 million in the prior year. Net bank borrowings amounted to €93.78 million, compared with €35.37 million in FY2025. A further €32.35 million was raised through the issuance of debt securities, whereas interest and lease payments amounted to €3.83 million (FY2025: €4.57 million) and €2.88 million (FY2025: €2.68 million), respectively.

Overall, the Group recorded a net increase in cash and cash equivalents of €9.14 million during FY2026. Cash and cash equivalents consequently increased by 10.22% to €98.51 million as at 31 March 2026, representing 13.13% of total assets, from €89.37 million a year earlier.

14. LEGAL AND ARBITRATION PROCEEDINGS

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

15. MATERIAL CONTRACTS

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

16. TERMS AND CONDITIONS

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

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

16.1 GENERAL TERMS AND CONDITIONS

Under the Programme, the Issuer may from time to time issue Bonds in one or more Series in accordance with the terms and conditions set out in this Base Prospectus and the applicable Final Terms. The maximum aggregate principal amount of the Bonds from time to time outstanding under the Programme will not exceed €40,000,000.

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

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

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

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

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

The Programme and the publication of the Programme were authorised by a resolution of the Board of Directors passed on the 12 November 2026.

16.2 ANCILLARY TERMS AND CONDITIONS

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

(a) the issue and allotment of the Bonds is conditional upon the relevant Tranche being admitted to the Official List by no later than the Issue Date. In the event that the Bonds are not admitted to the Official List by the date indicated, the Issuer undertakes to procure that any application monies received by the Manager & Registrar from Authorised Financial Intermediaries will be returned without interest by direct credit into the Applicant's or Authorised Financial Intermediary's bank account, as applicable, as indicated by the Applicant or Authorised Financial Intermediary in the respective Application, or placement agreement or subscription agreement, as applicable, for the eventual refund to the Applicant. Save as aforesaid, the Bondholders shall have no right of recourse against the Issuer and, or Manager & Registrar and, or Authorised Financial Intermediaries in the event that the Bonds are not admitted to the Official List by the date indicated in the relevant Final Terms;

(b) by applying to subscribe for Bonds, an Applicant is thereby confirming to the Issuer (through the Manager & Registrar) and the Authorised Financial Intermediary through whom the application is made, as applicable, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer (through the Manager & Registrar) reserves the right to invalidate the relative application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary and, or Manager & Registrar, as applicable, which acceptance shall be made in the absolute discretion of the Authorised Financial Intermediary and, or Manager & Registrar and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary and, or Issuer and, or Manager & Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation;

(c) the contract created by the Manager & Registrar's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Base Prospectus, the applicable Final Terms and the Memorandum and Articles of Association of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile;

(d) any Application signed on behalf of another person, whether legal or natural, will be deemed to have duly bound the person signing such Application, who will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney or resolution, or a copy thereof, duly certified by a lawyer or notary public if so required by the Issuer, but it shall not be the duty or responsibility of the Issuer to ascertain that such representative is duly authorised to appear on the Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or Applications under a discretionary account, details of the decision maker need to be included in the relative panel of the Application Form;

(e) in the case of joint Applicants, reference to the Bondholder in the Application and in this Base Prospectus is a reference to each Bondholder, and liability therefor is joint and several. In respect of a Bond held jointly by several persons, the joint holders shall nominate one of their number as their representative, and his name will be entered in the register maintained by the CSD with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination, and until such nomination is made, the person first named in the register maintained by the CSD in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held;

(f) in respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The Issuer shall be entitled to request any documents deemed necessary concerning the bare owner/s and the usufructuary/ies. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders, but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application;

(g) applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE and are signed by both parents or the legal guardian/s. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years;

(h) legal entities, including corporates or corporate entities or associations of persons, applying for the Bonds need to have a LEI which needs to be valid and unexpired, at least, until the admission to listing of the Bonds. Without a valid LEI, the Application will be cancelled by the Manager & Registrar and, or the Authorised Financial Intermediary (as applicable) and subscription monies will be returned to the Applicant;

(i) by completing and delivering an Application, the Applicant:

(1) accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Issue Price and, to the fullest extent permitted by law, accepts not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Issue Price (as applicable) being made subject to the provisions of this Base Prospectus, the applicable Final Terms, the Application and the Memorandum and Articles of Association of the Issuer;

(2) agrees and acknowledges to have had the opportunity to read this Base Prospectus (and any supplement thereto, if any), the applicable Final Terms and any other document entered into in relation to the Programme and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;

(3) warrants that the information submitted by the Applicant in the Application is true and correct in all respects. All applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Manager & Registrar acting on behalf of the Issuer (in its capacity as the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;

(4) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.dbgroupmalta.com/investors. The Applicant (and any Bondholder acquiring Bonds on the secondary market) hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's (or the Bondholder's) consent, in the circumstances set out in the Data Protection Act (Cap. 586 of the laws of Malta) (the "**DPA**"), the General Data Protection Regulation (GDPR) (EU) 2016/679 ("**GDPR**"), and any applicable subsidiary legislation, as may be amended from time to time. The Applicant (and any Bondholder acquiring Bonds on the secondary market) hereby confirm that he has been provided with and read the privacy notice;

(5) authorises the Issuer (or its service providers, including the CSD and/or the Manager & Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the DPA and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;

(6) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in this Base Prospectus and the relevant Final Terms and accordingly agree/s that no person responsible solely or jointly for this Base Prospectus and the relevant Final Terms or any part thereof will have any liability for any such other information or representation;

(7) agrees that any refund of unallocated Application monies, without interest, will be paid by direct credit, at the Applicant's own risk, to the bank account as indicated in the Application. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;

(8) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

(9) agrees to provide each of the Manager & Registrar or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

(10) agrees that all applications, acceptances of applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptance of applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;

(11) warrants that, where an Applicant signs and submits an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions. The Applicant further undertakes to submit a power of attorney or any other documentation to the satisfaction of the Issuer evidencing authority to sign and submit the Application, together with copies thereof duly certified by a lawyer or notary public if so required by the Issuer or the Manager & Registrar;

(12) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental and, or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer, and, or the Sponsor and, or the Manager & Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds and, or his Application;

(13) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

(14) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in this Base Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "**United States**") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

(15) agrees that the advisors to the Bond Issue (listed in section 5.1 of this Base Prospectus) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;

(16) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by electronic mail, by post or courier (at the discretion of the Issuer) at the address (or, in the case of joint applications, the address of the first named Applicant) as set out in the Application;

(17) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;

(18) for the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the 'Members' Code of Conduct' appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the DPA and the GDPR as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time;

(19) it shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription and holding of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012, as well as applicable MFSA Rules for investment services providers;

(20) subject to all other terms and conditions set out in this Base Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any application for the Bonds, for any reason whatsoever, including but not limited to multiple or suspected multiple Applications or any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Both original and electronic copies of the Application submitted to the Manager & Registrar by Authorised Financial Intermediaries will be accepted;

(21) no person receiving a copy of this Base Prospectus, the applicable Final Terms, or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application could lawfully be used without contravention of any registration or other legal requirements; and

(22) subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors (including tax and legal advisors) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.

16.3 STATUS AND RANKING OF THE BONDS

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

16.4 NEGATIVE PLEDGE

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

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

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

"**Permitted Security Interest**" means:

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

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

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

16.5 EVENTS OF DEFAULT

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

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

iii. the Issuer fails to duly perform or otherwise breaches any other material obligation contained in this Base Prospectus and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer / Guarantor by any Bondholder; or

iv. in terms of article 214(5) of the Act, a court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer or the Guarantor and is not paid out, withdrawn or discharged within one month;

v. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or

vi. the Issuer or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise become insolvent; or

vii. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer or the Guarantor; or

viii. a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer or Guarantor; or

ix. the Issuer or the Guarantor substantially changes the object or nature of its business as currently carried on; or

x. any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect; or

xi. any material indebtedness of the Issuer or Guarantor is not paid when properly due or becomes properly due and payable or any creditor of the Issuer or Guarantor (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer and/or Guarantor in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000; or

xii. the Issuer or the Guarantor repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and, or the Guarantee (as applicable); or

xiii. it becomes unlawful at any time for the Issuer or the Guarantor to perform all or any of its obligations hereunder, or under the Guarantee (as applicable); or

xiv. all, or a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated, or compulsorily acquired by or under the authority of any government.

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

16.6 RIGHTS OF BONDHOLDERS

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

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

16.7 TRANSFERABILITY OF THE BONDS

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

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

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

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

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

16.8 PAYMENTS

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

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

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

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

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

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

16.9 YIELD

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

16.10 REDEMPTION

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

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

16.11 BONDHOLDERS' MEETINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

17. FORM OF FINAL TERMS

FORM OF FINAL TERMS

Dated [●]

UNSECURED BOND ISSUANCE PROGRAMME OF A MAXIMUM OF €40,000,000

Series No: [●]
Tranche No: [●]

ISIN [●]

[amount of Bonds]

issued by:

SD FINANCE P.L.C.

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

with the joint and several guarantee of*

SD HOLDINGS LIMITED

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

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

PART A - CONTRACTUAL TERMS

Capitalised terms used herein which are not defined shall have the definitions assigned to them in the Base Prospectus dated 18 November 2026 which was approved by the MFSA in Malta on 18 November 2026 which constitutes a base prospectus for the purposes of the Prospectus Regulation.

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

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

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

1.	**Issuer**	SD Finance p.l.c.
2.	**Guarantor**	SD Holdings Limited
3.	**(i) Series Number** **(ii) Tranche Number** **(iii) ISIN**	[●] [●] [●]
4.	**Specified Currency**	Euro (€)
5.	**Aggregate nominal amount:** **(i) Series** **(ii) Tranche**	 [●] [●]
6.	**(i) Issue Price of Tranche** **(ii) Net Proceeds**	[●] [●]
7.	**Specified Denomination**	[●]
8.	**Status of the Secured Bonds**	[●]
9.	**Number of Bonds offered for subscription**	[●]
10.	**(i) Issue Date** **(ii) Interest Commencement Date**	[●] [●]
11.	**Redemption Date**	[●]
12.	**Redemption Value**	[●]
13.	**Register Cut-Off Date**	[●]

INTEREST

14.	**Interest**	[●]
15.	**Interest Payment Date/s**	[●]

GENERAL PROVISIONS

16.	**Taxation**	As per section 18 ("*Taxation*") of the Base Prospectus.

PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the offer for subscription, issue, and admission to trading on the Official List of the Tranche of Bonds described herein pursuant to the Programme of a maximum of €40,000,000 of the Issuer in terms of the Base Prospectus dated 18 November 2026.

RESPONSIBILITY

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

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

PART B - OTHER INFORMATION

1. Definitions

[●]

2. Admission to listing and trading

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

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

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

4. Yield

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

5. Expected Timetable

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

6. Method of Distribution and Allocation

Categories of potential investors to which the Bonds are offered	[●]
Plan of Distribution and Allotment	[●]
Reservation of Tranche, of part thereof, in favour of specific class of investors	[●]
Minimum amount of application	[●]
Description of application process	[●]
Allocation policy	[●]
Results of the offer	[●]
Selling Commission	[●]

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

[●]

ANNEX I - ISSUE SPECIFIC SUMMARY

[●]

ANNEX II - LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

[●]

ANNEX III – SPECIMEN MATURING BONDHOLDER APPLICATION FORM

[●]

18. TAXATION

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

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

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

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

18.1 MALTA TAX ON INTEREST

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

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

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

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

18.2 MALTESE TAXATION OF CAPITAL GAINS ON TRANSFERS OF THE BONDS

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

18.3 DUTY ON DOCUMENTS AND TRANSFERS

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

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

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

18.4 EXCHANGE OF INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

20. AUTHORISATION, LISTING AND ADMISSION TO TRADING

The establishment of the Programme was authorised by the Board of Directors on 12 November 2026.

The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 12 November 2026.

The MFSA has authorised the Programme as admissible to listing on the Official List pursuant to the Capital Markets Rules by virtue of a letter dated 18 November 2026. Application will be made to list each Tranche of the Bonds on the Official List and to be admitted to trading on the regulated market of the MSE.

21. NOTICES

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

22. DOCUMENTS AVAILABLE

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

(i) the Memorandum and Articles of Association of the Issuer;
(ii) the Memorandum and Articles of Association of the Guarantor;
(iii) the audited financial statements of the Issuer for the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026;
(iv) the audited financial statements of the Guarantor for the financial years ended 31 March 2024, 31 March 2025, 31 March 2026;
(v) the financial analysis summary prepared by the Sponsor dated 18 November 2026; and
(vi) the Guarantee.

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

ANNEX I – GUARANTEE

To All Bondholders:

18 November 2026

Reference is made to the bond issuance programme of up to €40 million unsecured bonds issued by SD Finance p.l.c., a public limited liability company registered under the laws of Malta and bearing company registration number C 79193 (the "**Issuer**") pursuant to and subject to the terms and conditions contained in the Base Prospectus (as such term is defined hereunder), (the "**Bonds**" or the "**Bond Issue**").

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

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

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

(a) terms and expressions defined in or construed for the purposes of the Base Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;

(b) "**Business Day**" means any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;

(c) "**Indebtedness**" means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders in terms of the Base Prospectus, and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise, and whether for actual or contingent liability;

(d) "**Base Prospectus**" means the base prospectus issued by the Issuer in respect of the Bond Issue dated 18 November 2026, as the same may be amended, varied or supplemented, including the applicable final terms;

(e) "**writing**" or "**in writing**" shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. TERMS OF THE GUARANTEE

2.1 COVENANT TO PAY

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

2.2 MAXIMUM LIABILITY

The amount due by the Guarantor to the Bondholders under this Guarantee is up to and not in excess of the aggregate of: (i) the amount of Bonds subscribed by Bondholders, which shall not exceed the maximum amount of €40,000,000; (ii) the interest due under the Bonds as at the date of payment under the Guarantee; and (iii) the reasonably incurred and properly documented costs and expenses incurred as at the date of payment under the Guarantee, relating to the enforcement of the Bondholders' rights against the Issuer and/or the Guarantor.

2.3 GUARANTOR'S OBLIGATIONS CONTINUING

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

(a) the bankruptcy, insolvency or winding up of the Issuer; or

(b) the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or

(c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or

(d) a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or

(e) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

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

2.4 INDEMNITY

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

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

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

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

(a) exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness; and/or

(b) demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same; and/or

(c) take any step to enforce any right against the Issuer or any other person liable for the Indebtedness; and/or

(d) claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Bondholders in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.

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

(a) if an Event of Default occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Bondholders and shall be paid to the Bondholders immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Base Prospectus; and/or

(b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Bondholders against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended; and/or

(c) the Bondholders shall not be required to exhaust any remedy or remedies they may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against the Guarantor under this Guarantee, which is to be construed as entirely independent from the relationship between the Issuer and the Bondholders and providing immediate recourse against the Guarantor. The Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

4. SETTLEMENTS CONDITIONAL

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

5. ADDITIONAL GUARANTEE

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

6. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

6.1 This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Bondholders and the liability hereunder is not subject to any conditions as to additional security being received by the Bondholders or otherwise.

6.2 The Guarantor shall not be entitled to assign or transfer any of its obligations under this Guarantee.

7. REPRESENTATIONS AND WARRANTIES

7.1 The Guarantor represents and warrants, as at the date of this Guarantee, that:

(a) it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;

(b) it has power to grant this Guarantee and that all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;

(c) this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;

(d) this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;

(e) this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;

(f) it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and, nor to the best of its knowledge, is it threatened with any such procedures;

(g) the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;

(h) it is not in material breach of or in default that is continuing under any agreement relating to indebtedness to which it is a party or by which it may be bound; and

(i) all the information tendered in connection with the negotiation and preparation of this Guarantee is accurate and true in all material respects and there has been no omission of any material facts.

7.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause except for representations and warranties in limbs (f) and (h) which are given only as at the date of this Guarantee.

8. DEMANDS AND PAYMENTS

8.1 Any and all the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, which is certain, liquidated and due on the seventh (7th) Business Day following the Bondholder's first written demand to the Guarantor to pay. All demands shall be sent to the address as is stated below in clause 9 as the same may be changed by notice in writing by one party to the other.

8.2 The demand shall be accompanied by a statement by the Bondholder representing that there exists, at the time of the demand, an Event of Default that is continuing pursuant to the terms of the Base Prospectus.

8.3 It is expressly agreed that the requirement of such statement is not a condition of liability of the Guarantor under this Guarantee and is entirely without prejudice to the on-demand nature of this Guarantee and the requirement that payment of the sum due under this Guarantee for any reason whatsoever shall nonetheless be made. Notwithstanding any provision hereof, any disagreement by the Guarantor as to the contents of the statement shall not entitle the Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.

8.4 Unless otherwise required by law, all payments shall be made to the Bondholder without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Bondholders.

9. NOTICES

9.1 Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if sent by pre-paid registered letter through the post to such other party at the relevant address indicated herein or such other address as may from time to time be notified to the other party for this purpose.

9.2 Any notice so served shall be deemed to have been served, seven days after posting.

9.3 For the purposes of this Guarantee, the proper addresses and contact numbers of the parties are:

SD Holdings Limited

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

SD Finance p.l.c.

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

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

10. APPLICABLE LAW AND JURISDICTION

10.1 This Guarantee shall be governed by and construed in accordance with Maltese law.

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

Yours faithfully,

The original copy has been signed by

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

The original copy has been signed by

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

The original copy has been signed by

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

FINANCIAL ANALYSIS SUMMARY

18 November 2026

ISSUER

SD FINANCE PLC

(C 79193)

GUARANTOR

SD HOLDINGS LIMITED

(C 40318)

Prepared by:

MZ INVESTMENTS

MZ INVESTMENTS

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

E info@mzinvestments.com W mzinvestments.com

The Directors
SD Finance plc
Seabank Hotel
Marfa Road, Għadira
Mellieħa MLH 9064
Malta

18 November 2026

Dear Board Members,

Financial Analysis Summary

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

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

(a) Historical information for the most recent three financial years ended 31 March 2024, 31 March 2025, and 31 March 2026 has been extracted from the respective audited annual financial statements.
(b) The forecast and projected information for the financial years ending 31 March 2027 and 31 March 2028 has been provided by SD Holdings.
(c) Our commentary on the financial performance, cash flows, and financial position of the Issuer and the Guarantor is based on explanations provided by the Group.
(d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions.
(e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

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

Yours faithfully,



Evan Mohnani
Head of Corporate Broking

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PART 1 – INFORMATION ABOUT THE GROUP

1. ABOUT THE ISSUER AND THE GROUP

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

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

Following its growth and success in Malta, and as part of its ongoing strategy to pursue new investment opportunities, the Group took a strategic decision in 2022 to expand internationally and, in this context, established an office in Mayfair, London ("**SDH Capital**"). Consequently, the Group secured a 35-year lease on a historic listed building in Cavendish Square, Marylebone, located in the heart of London's West End. Following extensive restoration and renovation works, supported by a total investment of around GBP15 million, the property has been transformed into an exclusive Aki-branded establishment comprising a lounge, bar, and restaurant serving a unique gastronomical haute Japanese cuisine experience. **Aki London** was inaugurated on 30 September 2025 and has since established itself as a high-profile restaurant and events venue, attracting considerable coverage from established media outlets and specialist publications, apart from gaining inclusion in the Michelin Guide less than a year after opening.

Another recent landmark initiative by the Group, through the London office, has been the creation of a 50% - 50% joint venture with RAK Hospitality Holding LLC ("**RAKHH**").[2] The joint venture – HR Hotel FZ-LLC – will pursue the **RAK Project** which shall comprise a strategically positioned mixed-use development located on a prime beachfront plot in Ras Al Khaimah's Beach District, in proximity of Al Marjan Island.[3] The development will incorporate the first Hard Rock Hotel & Residences in the UAE, and will feature a 304-key five-star hotel and 422 branded residences ("**Hard Rock Hotel & Residences Ras Al Khaimah**"). The hotel will include several restaurants offering diverse cuisines and signature beachfront establishments along the promenade, a rooftop bar, conference space and event venues, a beach club, swimming pools, and a spa and fitness centre. Upon completion of the RAK Project in 2029, the Group is expected to be appointed as operator of the Hard Rock Hotel & Residences Ras Al Khaimah.

2. DIRECTORS OF THE ISSUER

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

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

3. DIRECTORS OF THE GUARANTOR

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

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

[1] Lifestyle Group encapsulates the Group's diverse restaurant operations, comprising a dynamic portfolio of well-known brands, each offering a unique and differentiated experience.
[2] Established in 2014 and owned by the Investment and Development Office of the Government of Ras Al Khaimah, RAKHH is the leading hospitality firm in one of the emirates forming the United Arab Emirates ("**UAE**"). RAKHH encompasses a wide spectrum of businesses including luxury, upper-upscale, and upscale hotels, leisure and entertainment venues, a variety of dining establishments, employee accommodation solutions, and logistics services. RAKHH also operates a dedicated event management company and provides real estate and hospitality asset management and advisory services across the Middle East region and beyond. RAKHH is also developing the Wynn Al Marjan Island project, in partnership with Marjan and Wynn Resorts, introducing the first integrated resort in the UAE.
[3] Ras Al Khaimah is increasingly emerging as a strategic investment destination, located just a short drive from the cities of Dubai and Abu Dhabi, underpinned by top-tier infrastructure, nature-driven tourism, and 7,000-year cultural heritage, attracting investment capital across diverse sectors including hospitality, residential real estate, retail, and mixed-use development projects.

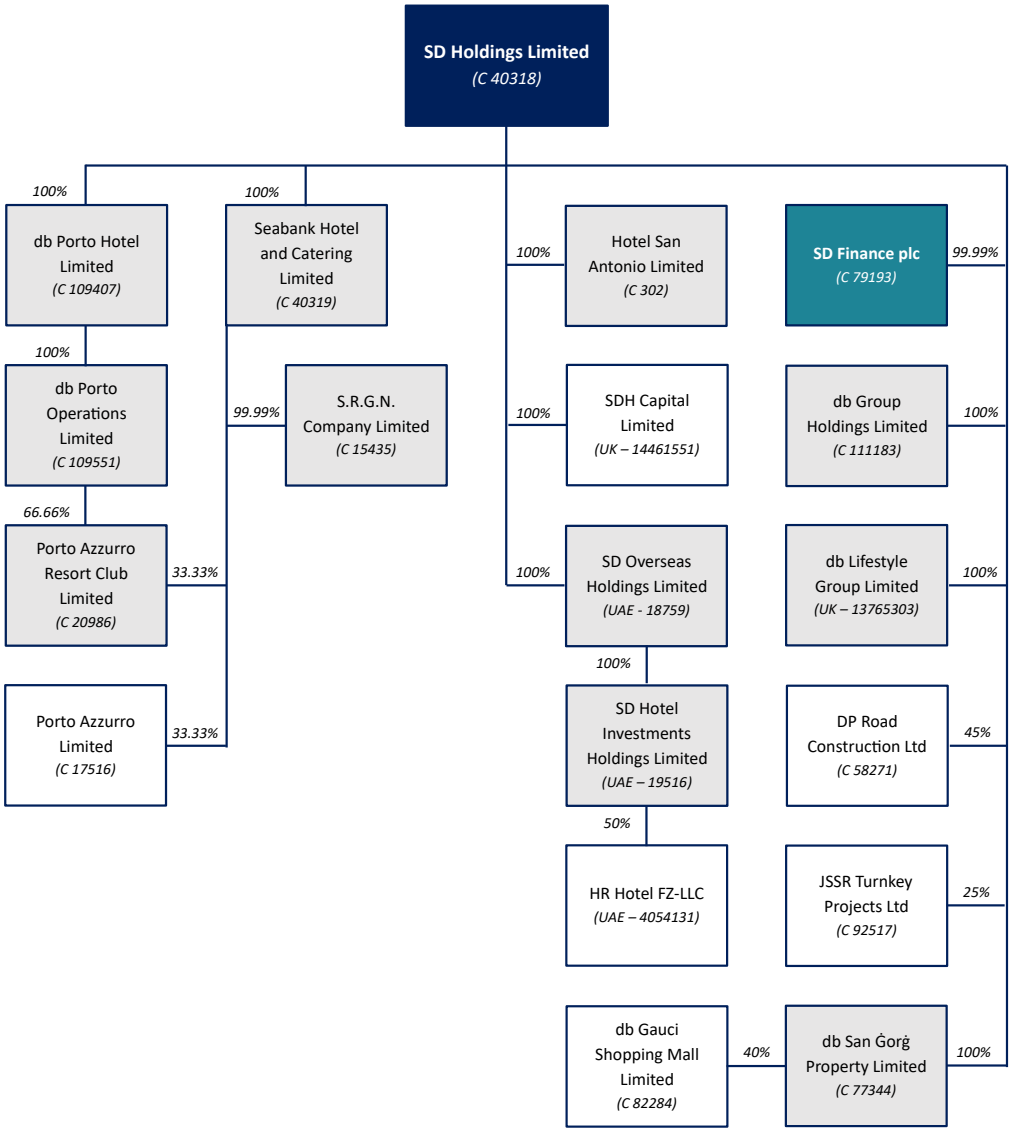
4. GROUP SENIOR MANAGEMENT

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

Robert Debono	Group Chief Executive Officer
David Debono	Group Chief Legal Officer
Jean Claude Fenech	Group Chief Financial Officer
Nicholas Portelli	Managing Director of SDH Capital Limited
David Vella	Group Chief People Officer
John Wiltshire	Chief Operating Officer – Lifestyle Group

5. GROUP ORGANISATIONAL STRUCTURE

The diagram below provides a simplified illustration of SD Holdings' organisational structure. A complete list of the Group's subsidiaries is set out in Note 8 – Investment in Subsidiaries of the 2026 Annual Financial Statements, which is available at https://www.dbgroupmalta.com/investors/.



Hotel San Antonio Limited owns and operates the db San Antonio Hotel + Spa ("**San Antonio**"). Seabank Hotel and Catering Limited owns and operates the db Seabank Resort + Spa ("**Seabank**"), whilst its subsidiary S.R.G.N. Company Limited holds title by ownership, lease, or emphyteusis, and operates, all Lifestyle Group restaurants and establishments.

db Porto Hotel Limited owns the **Xemxija Bay Hotel**, while its subsidiary, db Porto Operations Limited, is responsible for the hotel's day-to-day operations.

db Group Holdings Limited is the immediate parent company of several entities involved in: (i) the **St George's Bay Project**[4]; (ii) construction, finishing, and turnkey project services; (iii) the operation of the Charles & Ron Café and the EL&N London, GROM, and Starbucks franchises, among others; (iv) the management of agreements relating to the Hard Rock franchise outlets in Malta; (v) the ownership of royalty rights over db Hotels + Resorts and other branded restaurants of the Group in Malta; and (vi) the provision of laundry and other human resources services within the Group.

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

With respect to the Group's investments outside Malta, other than those held through SDH Capital Limited, db Lifestyle Group Limited acts as the immediate parent company of the entities holding the leasehold title to and operating Aki London. In addition, SD Overseas Holdings Limited acts as the immediate parent company of the entities undertaking the RAK Project in the UAE.

6. PRINCIPAL ASSETS

The Group has three major assets: the Seabank, the San Antonio, and the St George's Bay Project. During FY2025, SD Holdings successfully concluded the negotiations for the sale of its shareholding in Malta Healthcare Caterers Ltd ("**MHC**"), Kore Air Services Limited ("**KAS**"), and Kore Inflight Services Ltd ("**KIS**")[5], which were reclassified as discontinued operations in FY2025 following the Group's strategic decision to divest its interest in these associates in order to focus on its core hospitality and property development activities, both in Malta and internationally.

SD Holdings Limited
Principal Assets

As at 31 March	**2024**	**2025**	**2026**
	€'000	**€'000**	**€'000**
db Seabank Resort & Spa	112,246	116,100	112,743
db San Antonio Hotel & Spa	110,218	110,200	109,112
db St George's Bay	84,704	140,926	279,945
Xemxija Bay Hotel			9,283
Investment in Associates	20,337	401	6,408
	327,505	**367,627**	**517,491**
As % of total assets:			
db Seabank Resort & Spa	23.68	19.62	15.03
db San Antonio Hotel & Spa	23.25	18.62	14.54
db St George's Bay	17.87	23.81	37.31
Xemxija Bay Hotel			1.24
Investment in Associates	4.29	0.07	0.85
	69.10	**62.12**	**68.98**

6.1 DB SEABANK RESORT + SPA

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

Seabank houses seven themed restaurants, three bars, Malta's largest hotel pool, a state-of-the-art fitness centre, and a spa with a heated indoor pool. The hotel also has an entertainment complex incorporating three restaurants, a bowling alley, a sports bar, and dedicated clubs for children and teenagers.

Over the years, the Group has continued to invest in enhancing the quality of Seabank's hospitality offering. Indeed, in FY2025, SD Holdings completed a two-year refurbishment programme encompassing the renovation of all hotel rooms and public areas.

[4] See Section 6.3 for a description of the St George's Bay Project.
[5] MHC provides health and social care services, whilst KAS and KIS specialise in the provision of catering services within the aviation sector.

6.2 DB SAN ANTONIO HOTEL + SPA

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

Since opening in 2002, San Antonio has undergone substantial upgrades. In FY2025, the hotel converted apartments previously used for long-term accommodation into additional guest rooms.

6.3 ST GEORGE'S BAY PROJECT

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

The Group was granted an executable full development permit in July 2023 and works on the multi-million mixed-use development commenced shortly thereafter. The project features a five-star Hard Rock Hotel ("**Hard Rock Hotel St George's Bay**") and two residential towers ("**ORA Residences**") with sky villas and rooftop pools. The project also comprises **St George's Mall** – a shopping mall spanning over 20,000 sqm housing globally renowned brands, extensive underground parking facilities for 1,319 motor vehicles, a 1,300 sqm supermarket, and various other amenities such as international bars and restaurants, creating a vibrant hub for residents and visitors alike. Besides, the St George's Bay Project includes 5,000 sqm of open spaces, a botanical garden, and a large entertainment area. The project is in the final stages of completion with the Hard Rock Hotel St George's Bay and various outlets already in operation together with the St George's Mall.

HARD ROCK HOTEL ST GEORGE'S BAY

The Hard Rock Hotel St George's Bay is the brand's first hotel in Malta, bringing a new dimension to the local lifestyle and hospitality scene. The hotel, which was inaugurated on 2 September 2026, retains the architectural character of the original 19th century British military accommodation quarters and features 397 rooms, including 26 suites with private pools. The property is designed to accommodate a wide range of guests, including couples, families, business travellers, and leisure visitors. Furthermore, the Hard Rock Hotel St George's Bay is a destination resort that combines elements of Malta's local character with the brand's international standards. Facilities include more than 10 restaurants, bars, lounges, and club venues, amongst which the third and largest Hard Rock Café outlet in Malta with a capacity of 250 covers; a rooftop cantilever pool; a beach club; 11 swimming pools; a wellness and fitness centre spanning 3,800 sqm, ranking amongst the most extensive in Malta; and a 466 sqm ballroom.

ORA RESIDENCES

With a total floor area of over 34,000 sqm, ORA Residences will offer 227 luxuriously designed high-end residences, each featuring its own spacious garden terrace. The residences will be complemented by a suite of exclusive, top-tier personalised services, all within a cutting-edge sustainable living concept. Furthermore, through an innovative club membership programme, residents will have access to a wealth of high-end amenities, including private temperature-controlled wine cellars, private pools, housekeeping services, chauffeurs, and concierge services.

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

Almost all residential units forming part of the **ORA West** and **ORA East** towers are subject to a promise of sale agreement ("**POSA**"). Being located within a Special Designated Area, ORA Residences grant both EU and non-EU nationals equal property acquisition rights, thereby removing the requirement for an Acquisition of Immovable Property permit.

7. OTHER ASSETS

7.1 THE MELIOR BOUTIQUE HOTEL

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

7.2 XEMXIJA BAY HOTEL

In 1995, the Group acquired a one-third shareholding in Porto Azzurro Hotel – an 80-room three-star aparthotel which was later refurbished and expanded to 107 rooms and apartments.[6] In November 2024, the Group increased its shareholding interest in the hotel to 100% for a total consideration of €8.50 million. Subsequently, SD Holdings allocated €1 million towards a refurbishment programme spread over two years commencing in December 2024, further enhancing the hotel's product offering and guest experience.

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

8. TREND INFORMATION [7]

8.1 MALTA

8.1.1 ECONOMIC UPDATE [8]

According to the CBM's August 2026 forecasts covering the period up to 2028, Malta's economy continues to show strong growth and buoyant activity against an external environment still characterised by uncertainty related to developments in the Middle East. As disruptions to supply chains remain concentrated in the region and commodity prices have evolved broadly in line with previous estimates, the outlook for economic growth in Malta remains robust with real GDP growth expected at 3.8% in 2026 from 4.0% in 2025. Some lagged impact from geopolitical tensions is expected to materialise in 2027 as growth is envisaged at 3.6%. GDP growth is projected to pick up to 3.8% in 2028 as effects from global spillovers gradually fade away.

Private consumption growth is set to pick up to 4.3% in 2026 from 3.6% in 2025, and should maintain a slightly slower rate of expansion of 4.1% in each of 2027 and 2028. Growth in private consumption is expected to be supported by the recent revisions in income tax brackets which would boost disposable income growth and savings. Disposable income is also expected to be supported by some easing in inflationary pressures.

Real government consumption is projected to grow by 3.2% in 2026 from 5% in 2025, followed by increases of 3.6% and 3.1% in 2027 and 2028, respectively. This profile is mainly driven by outlays on compensation of employees and intermediate consumption. The latter reflects significant, albeit declining, growth in outlays by extra budgetary units and on contractual services. Meanwhile, the forecast growth in employee compensation reflects the implementation of ongoing collective agreements covering most of the general government sector.

Growth in overall investment is projected to pick up in 2026 after a sharp slowdown in 2025, and to moderate in 2027. This is partly driven by the path of EU-funded government investment, as all projects financed through the EU's Recovery and Resilience Facility ("**RRF**") are expected to be completed by 2026. This decline is expected to offset growth in private investment. Overall gross fixed capital formation is expected to be upheld by private investment in 2028.

Private investment is expected to increase in 2026 following a decline in 2025. This partly reflects the impact of Budget 2026 incentives aimed at stimulating investment. In 2027 and 2028, growth in private investment is expected at slightly over 4.0% driven by non-dwelling investment. Meanwhile, government investment is projected to increase by 17% in 2026, mostly driven by higher RRF-financed projects, as well as other large-scale initiatives, notably the second electricity interconnector. Growth is then expected to drop in 2027, once these projects are completed. In 2028 government investment is expected to grow only marginally.

Export growth is set to moderate over the 2026-2028 forecast period, reflecting the expected easing of growth in foreign demand. Slower growth in services exports is also expected following an extended period of robust growth. Nevertheless, overall export growth is set to remain above growth in external demand throughout the 2026-2028 forecast period, partly due to continued strong growth in tourism activity. On the other hand, goods exports are set to recover slightly in 2026 following a sharp decline in 2025. Growth in goods exports is set to be lower than the envisaged growth in external demand in 2027 and 2028, in line with recent trends and increasing competitive pressure outside the EU.

Key Economic Indicators	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2027 Projection	2028 Projection
Malta						
Real GDP growth *(% change, year-on-year)*	7.50	7.00	4.00	3.80	3.60	3.80
Inflation - HICP *(% change, year-on-year)*	5.60	2.40	2.40	2.20	2.40	2.20
Unemployment *(% of labour supply)*	3.50	3.10	3.10	3.40	3.40	3.40
General government balance *(% of GDP)*	(4.50)	(3.50)	(2.20)	(1.90)	(1.70)	(1.60)
General government debt *(% of GDP)*	47.40	46.00	46.40	46.10	45.20	44.20

Sources: Central Bank of Malta, '*Outlook for the Maltese Economy 2024-2027*', 16 December 2024.
Central Bank of Malta, '*Outlook for the Maltese Economy 2025-2028*', 25 February 2026.
Central Bank of Malta, '*Outlook for the Maltese Economy 2026-2028*', 20 August 2026.

[7] This section is based on information available at the time of publication of the source consulted and is subject to continuous developments as macroeconomic conditions, policies, and external factors evolve.
[8] **Source**: Central Bank of Malta ("**CBM**"), '*Outlook for the Maltese Economy 2026-2028*', 20 August 2026, available at: https://www.centralbankmalta.org/site/Publications/Outlook/2026/Outlook-2026-3.pdf?revcount=6638.

Import growth is expected to increase to 4.8% in 2026 from 4.4% in 2025 as goods imports are projected to recover from a decline in 2025 whilst imports of services are set to grow at a slower rate. The dynamics of imports are partly affected by those of government investment, which are set to decline in 2027.

The labour market is strong and demand for labour is envisaged to stay high. However, employment growth is expected to moderate over the 2026-2028 forecast period, driven by the projected easing in economic growth and an expected improvement in productivity. Inflows of foreign workers are also expected to slow down due to recent labour migration measures. As a result, employment growth is projected at 2.9% in 2026 (2025: 4.1%) and is set to moderate gradually to 2.3% by 2028.

Based on the Harmonised Index of Consumer Prices ("**HICP**"), inflation is projected to decrease to 2.2% in 2026 from 2.4% in 2025, reflecting a decline in food inflation. Inflation is set to increase slightly to 2.45% in 2027 due to inflationary pressures arising from prevailing geopolitical situations which are expected to peak in 2027, whilst easing steadily to 2.2% in 2028. Services inflation is set to remain above its historical average although it is expected to gradually slow down throughout the 2026-2028 forecast period. Non-energy industrial goods inflation is expected to moderate in 2026 standing at 0.7%, whilst increasing to 1.2% and 1.1% in 2027 and 2028, respectively. Overall food inflation is set to stand at 2.6% in 2026 and increase to 3.2% in 2027 and 2028, in line with expected developments in international commodity prices. Energy prices are projected to remain at current levels throughout the 2026-2028 forecast period, reflecting the Government's commitment to keep such prices stable. In this regard, it is expected that outlays on energy support measures rise in 2026, due to the increase in commodity prices following the start of the war in Iran. This would be the first time that outlays are set to increase since 2022, before spending to decline as a share of GDP from 2027 onwards.

The fiscal deficit is expected to decline to around 1.9% of GDP in 2026 from 2.2% in 2025, and to narrow further in 2027 to 1.7% and 1.6% in 2028. This is due to the declining profile of capital expenditure throughout the 2026-2028 forecast period, and a lower share of energy support measures in GDP. Tax revenue is set to grow at or just below nominal GDP. Meanwhile, the share of expenditure in GDP is driven by dynamic growth in the largest current spending items – mainly compensation of employees and intermediate consumption – and declining levels of capital expenditure in 2026 and 2027 partly due to the completion of major EU-funded projects by 2027.

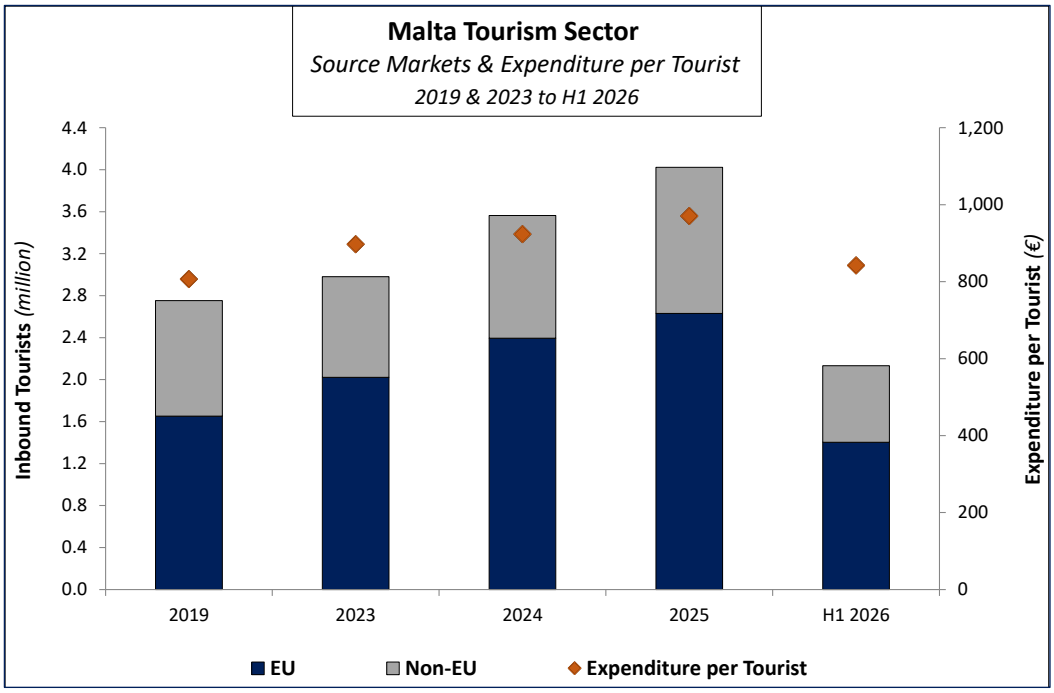
The structural budget deficit is projected to narrow from 2.4% of GDP in 2025 to 2.2% in 2026, and to 1.9% in each of 2027 and 2028. The largest year-on-year improvement is set to take place in 2027, driven by the forecast profile of energy support measures, which are not considered to be of a temporary nature and therefore affect the estimated structural position. Overall, the debt-to-GDP ratio is projected to decline from 46.4% in 2025 to 46.1% in 2026 before eventually reaching 44.2% by 2028.

8.1.2 TOURISM & HOSPITALITY [9]

The Maltese tourism and hospitality sector registered a robust expansion in 2025, with inbound tourist volumes increasing by 12.87% to a new record of 4.02 million compared to 3.56 million in 2024. This growth in arrivals also translated into a strong uplift in total nights, which advanced by 11% to 25.44 million from 22.92 million in the prior year. Total expenditure by inbound tourists increased at an even faster pace, rising by 18.62% to €3.90 billion compared to €3.29 billion in 2024, thereby pushing the key expenditure metrics higher. In fact, total expenditure per inbound tourist increased by 5.09% to €970.67 from €923.64 in 2024. Similarly, on a per night basis, expenditure per inbound tourist rose by 6.86% to €153.48 from €143.63 in 2024. Concurrently, the average length of stay extended its declining trend, falling to 6.32 nights from 6.43 nights in 2024, further indicating that the overall increase in total nights spent was underpinned by the stronger growth in tourist arrivals.

In terms of source markets, the share of inbound tourists originating from the EU moderated to 65.42% in 2025, equivalent to 2.63 million tourists, from 67.19% in 2024, equivalent to 2.39 million tourists. Within this segment, inbound tourists from the Euro area declined more materially, with the relative share decreasing to 48.04%, equivalent to 1.93 million tourists, from 52.49% in 2024, equivalent to 1.87 million tourists. Conversely, the non-Euro area expanded to 17.38%, equivalent to 0.70 million tourists, from 14.70% in 2024, equivalent to 0.52 million tourists. Meanwhile, the share of inbound tourists originating from outside the EU climbed to 34.58% in 2025, equivalent to 1.39 million tourists, from 32.81% in 2024, equivalent to 1.17 million tourists. The share of the UK market strengthened to 20.92%, equivalent to 0.84 million tourists, from 19.76% in 2024, equivalent to 0.70 million tourists. Likewise, the share of inbound tourists from other non-EU markets increased to 13.66%, equivalent to 0.55 million tourists, from 13.05% in 2024, equivalent to 0.46 million tourists.

[9] **Sources**: (i) CBM, '*Real Economy Indicators: Tourism – Inbound Tourism by Nationality*', 31 July 2026, available at: https://www.centralbankmalta.org/real-economy-indicators; (ii) Malta Hotels & Restaurants Association ("**MHRA**"), 'Hotel Performance Survey by Deloitte Malta', 20 February 2026, available at: https://www.deloitte.com/content/dam/assets-zone2/mt/en/docs/services/consulting/2026/dt_mt_hotel_performance_2025_q4_and_full_year.pdf; and (iii) National Statistics Office ("**NSO**"), '*Inbound Tourism Statistics*' and '*Inbound Tourism: June 2026*', 30 July 2026, available at https://nso.gov.mt/wp-content/uploads/Inbound-Tourism-Selected-Indicators.xlsx and https://nso.gov.mt/wp-content/uploads/NR-134-2026-All-tables-8ba5Ixrf.xlsx, respectively.

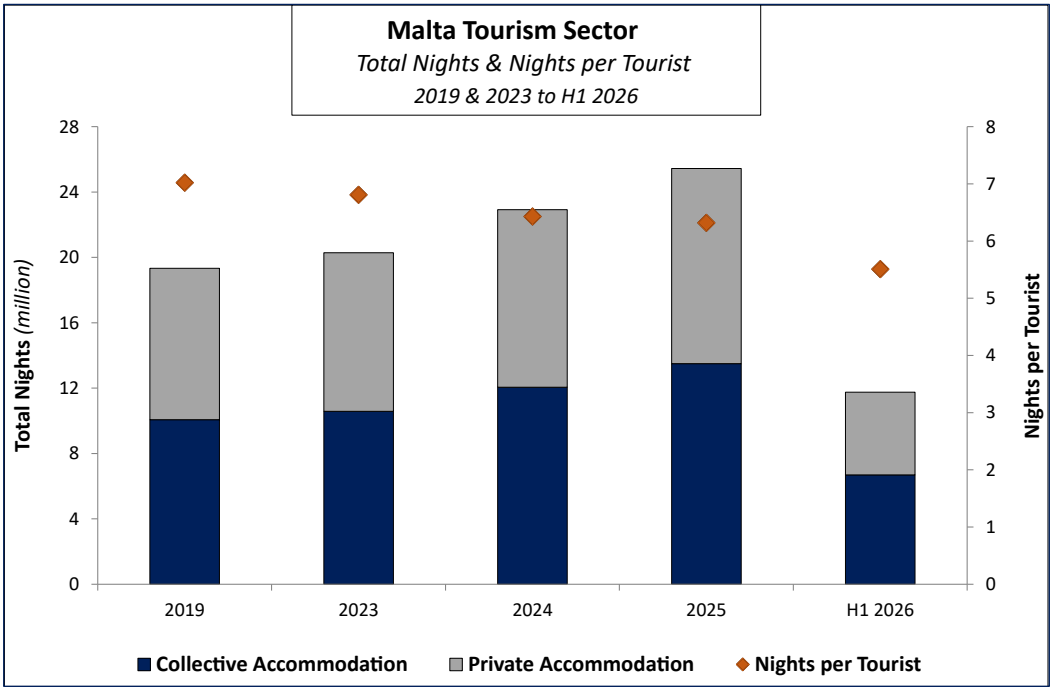


An analysis of the demographic profile of inbound tourists indicates moderate shifts across age cohorts. The share of tourists aged up to 24 years declined to 22.09%, equivalent to 0.89 million tourists, from 24.18% in 2024, equivalent to 0.86 million tourists. The 25-44 years age bracket also contracted to 35.48%, equivalent to 1.43 million tourists, from 36.60% in 2024, equivalent to 1.30 million tourists. Conversely, the 45-64 years cohort increased to 31.81%, equivalent to 1.28 million tourists, from 29.54% in 2024, equivalent to 1.05 million tourists. Likewise, the share of inbound tourists aged 65 years and more rose to 10.61%, equivalent to 0.43 million tourists, from 9.68% in 2024, equivalent to 0.34 million tourists.

In relation to the organisation of stay, the share of package travel increased to 25.95% of inbound tourists, equivalent to 1.04 million tourists, from 24.91% in 2024, equivalent to 0.89 million tourists. The share of non-package travel correspondingly declined to 74.05%, equivalent to 2.98 million tourists, from 75.09% in 2024, equivalent to 2.68 million tourists.

Regarding visitor frequency, first-time tourists accounted for 78.88% of arrivals in 2025, equivalent to 3.17 million tourists, compared to 79.08% in 2024, equivalent to 2.82 million tourists. The share of repeat tourists increased to 21.12%, equivalent to 0.85 million tourists, from 20.92% in 2024, equivalent to 0.75 million tourists. Within this category, the share of those visiting once a year rose to 16.43%, equivalent to 0.66 million tourists, from 16.08% in 2024, equivalent to 0.57 million tourists. In contrast, the share of repeat inbound tourists visiting more than once a year declined to 4.69%, equivalent to 0.19 million tourists, from 4.84% in 2024, equivalent to 0.17 million tourists.

The duration profile of visits also exhibited moderate adjustments, consistent with the decline in the overall average length of stay observed during 2025. The share of inbound tourists staying between 1 and 3 nights declined to 23.19%, equivalent to 0.93 million tourists, from 23.76% in 2024, equivalent to 0.85 million tourists. Similarly, stays of 7 nights or more declined to 37.94%, equivalent to 1.53 million tourists, from 38.78% in 2024, equivalent to 1.38 million tourists. On the other hand, the 4 to 6 nights category increased its share to 38.87%, equivalent to 1.56 million tourists, from 37.46% in 2024, equivalent to 1.33 million tourists.



With respect to accommodation patterns, collective accommodation accounted for 60.71% of inbound tourists in 2025, equivalent to 2.44 million tourists, compared to 61.01% in 2024, equivalent to 2.17 million tourists.[10] Accordingly, the share of private accommodation increased to 39.29%, equivalent to 1.58 million tourists, from 38.99% in 2024, equivalent to 1.39 million tourists.[11] However, when analysed in terms of total nights spent by inbound tourists, collective accommodation expanded its share to 53.05%, equivalent to 13.49 million nights, from 52.58% in 2024, equivalent to 12.05 million nights. Consequently, the share of private accommodation declined to 46.95%, equivalent to 11.94 million nights, from 47.42% in 2024, equivalent to 10.87 million nights. Such trends suggest that although a slightly smaller proportion of tourists opted for collective accommodation, those who did so stayed for relatively longer periods compared with the prior year.

Within collective accommodation, a survey conducted by Deloitte Malta on behalf of MHRA showed that hotel performance strengthened in 2025, both from a revenue generation capacity as well as from a pricing dynamics perspective. In the four-star category, occupancy increased to 82.60% from 80.50% in 2024. Similarly, five-star occupancy improved to 71% in 2025 from 69.60% in the prior year. Average daily rates also registered growth across the principal hotel categories in 2025, with ADR in the four-star segment rising by 4.73% to €115.20, from €110 in 2024, whilst ADR in the five-star category increased by 4.38% to €219.30, from €210.10 in the prior year.

JANUARY TO JUNE 2026 PERFORMANCE

The Maltese tourism and hospitality sector maintained a strong growth trajectory during the first half of 2026. Inbound tourist volumes increased by 18.06% to 2.13 million from 1.81 million in H1 2025, while total nights rose by 10.12% to 11.75 million from 10.67 million. Total expenditure by inbound tourists advanced by 14.80% to €1.80 billion from €1.56 billion in the corresponding period in 2025.

Notwithstanding the increase in aggregate tourist expenditure, expenditure per inbound tourist declined by 2.76% to €842.29 from €866.21 in H1 2025. This reflected the comparatively faster growth in tourist volumes relative to expenditure. Conversely, expenditure per night increased by 4.25% to €152.80 from €146.57, as the average length of stay extended its downward trend, decreasing to 5.51 nights from 5.91 nights in H1 2025. Accordingly, the increase in total nights was principally driven by the strong rise in inbound tourist arrivals rather than longer stays. Package expenditure per tourist declined to €774.69 from €803.43 in H1 2025, while non-package expenditure per tourist fell to €440.15 from €454.05. Other expenditure per tourist also moderated to €315.14 from €319.50.

The duration profile of visits also changed in line with the reduction in the overall average length of stay. The proportion of tourists staying between one and three nights increased to 28.26% from 26.94%, while the share staying between four and six nights rose to 41.90% from 40.52%. Conversely, tourists staying for seven nights or more accounted for 29.85% of arrivals, down from 32.53% in H1 2025.

In terms of source markets, the share of inbound tourists originating from the EU declined to 65.78% in H1 2026 from 66.42% in the corresponding period of 2025. Within this segment, the share attributable to the Euro area contracted more materially to 45.88% from 48.73%. In contrast, the non-Euro area increased its share to 19.89% from 17.69%. Meanwhile, the proportion of inbound tourists originating from outside the EU rose to 34.22% from 33.58%. The UK market remained broadly stable, accounting for 20.84% of inbound tourists compared to 20.71% in H1 2025, while the share of other non-EU markets increased to 13.38% from 12.87%.

[10] Collective accommodation comprises hotels, guesthouses, hostels, tourist villages, holiday complexes, bed and breakfast units, as well as campsites.
[11] Private accommodation comprises other rented accommodation (such as holiday furnished premises, host families, marinas, paid-convents, rented yachts, and student dormitories) and non-rented accommodation (mainly private residences).

An analysis of the demographic profile of inbound tourists indicates limited changes across most age cohorts. Tourists aged up to 24 years accounted for 19.18% of arrivals in H1 2026, broadly unchanged from 19.15% in the corresponding period of 2025. Similarly, the share of the 25-44 years cohort edged down to 36.42% from 36.63%. Conversely, the proportion of tourists aged between 45 and 64 years increased to 33.20% from 32.30%, while the share of tourists aged 65 years or more declined to 11.21% from 11.92%.

In relation to the organisation of stay, the share of package travel decreased to 26% of inbound tourists from 26.52% in H1 2025. Correspondingly, non-package travel increased its share to 74% from 73.48%. Regarding visitor frequency, first-time tourists accounted for 77.79% of arrivals in H1 2026, compared to 79.37% in the corresponding period of 2025. The share of repeat tourists consequently increased to 22.21% from 20.63%. Within this category, the proportion of tourists visiting once a year rose to 17.40% from 15.69%. In contrast, the share of repeat tourists visiting more than once a year declined marginally to 4.80% from 4.94%.

With respect to accommodation patterns, collective accommodation accounted for 62.08% of inbound tourists in H1 2026, compared to 63.54% in the corresponding period of 2025. Accordingly, the share of tourists using private accommodation increased to 37.92% from 36.46%. However, when analysed in terms of total nights, collective accommodation expanded its share to 56.91% from 56.32%, while private accommodation declined to 43.09% from 43.68%.

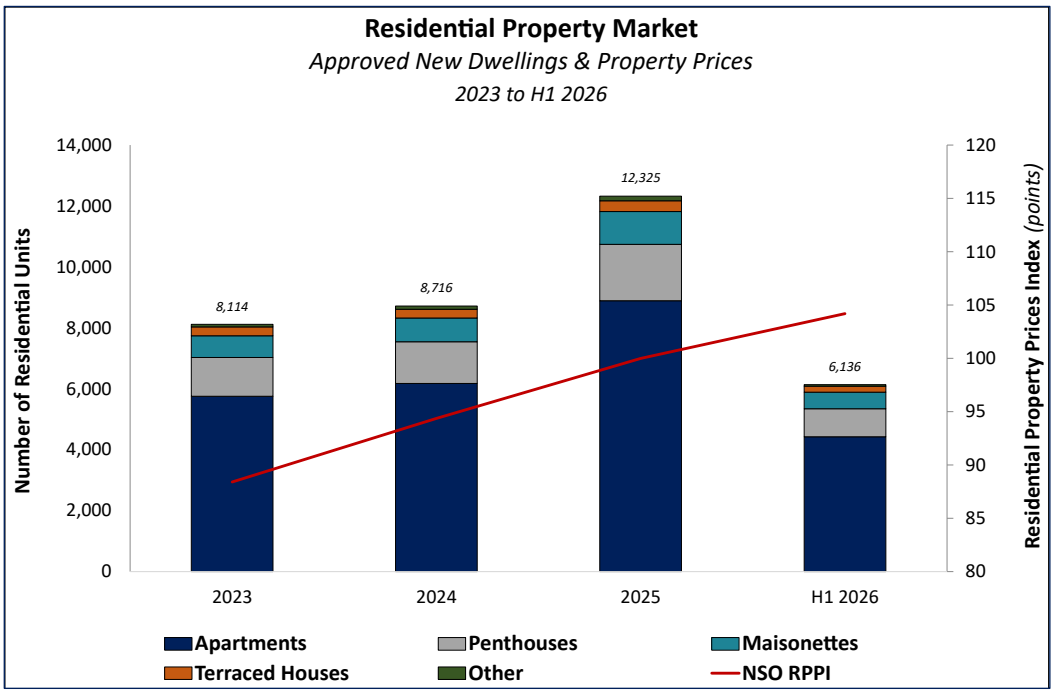
8.1.3 RESIDENTIAL REAL ESTATE[12]

The Maltese residential real estate sector registered another year of expansion in 2025, characterised by continued price appreciation, a significant increase in construction-related approvals, and further growth in concluded transactions.

From a pricing perspective, the CBM Property Prices Index – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – increased by 4.47% to 189.81 points in 2025 from 181.68 points in 2024. Apartment prices rose by 1.82%, whilst maisonette prices increased by 3.76%. In contrast, prices of terraced houses declined by 0.47%, whilst other types of dwellings fell by 2.55%. On the other hand, the NSO Residential Property Price Index – which is based on actual transactions involving apartments, maisonettes, and terraced houses – also confirmed a firm upward trajectory in property values. Indeed, the index advanced by 5.97% to 100 points from 94.37 points in 2024, as apartment prices increased by 5.74% whilst maisonettes rose by 6.01%. Overall, both the CBM Property Prices Index and the NSO Residential Property Price Index increased at a faster pace than inflation, which stood at 2.41% in 2025.

Activity in building permits increased markedly during 2025, reflecting a substantial strengthening in development momentum. The total number of issued building permits rose by 34.20% to 2,213 from 1,649 in 2024. Malta accounted for the majority of permits, increasing by 36.28% to 1,848, whilst in Gozo, the number of building permits rose by 24.57% to 365 from 293 in 2024. At district level in Malta, the strongest percentage growth was recorded in the South Eastern district, where permits surged by 45.69% to 338, followed by the Northern district with an increase of 43.18% to 378 permits. The Western district also registered a sharp rise of 37.43% to 246 permits, whilst Southern Harbour grew by 36.73% to 309 permits. Elsewhere, the Northern Harbour district posted a robust increase of 26.81% to 577 permits in 2025. Meanwhile, the average number of approved new dwellings per building permit increased to 5.57 in 2025 from 5.29 in 2024, indicating an increase in the average scale or density of developments year-on-year.

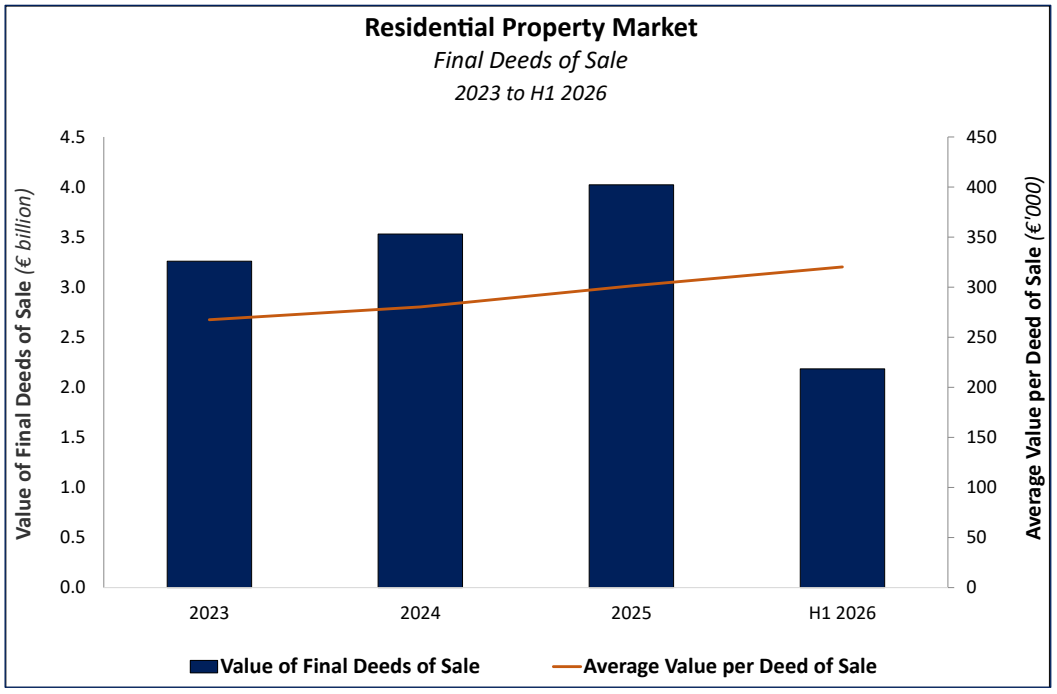
[12] **Sources:** (i) NSO, '*Residential Property Transactions*', 11 August 2026, available at https://nso.gov.mt/wp-content/uploads/Residential-Property-Transactions.xlsx; (ii) NSO, '*Residential Building Permits: Q2/2026*', 20 August 2026, available at https://nso.gov.mt/wp-content/uploads/NR-145_2026_Muvta4hd_All-tables.xlsx; (iii) NSO, '*Residential Property Price Index*', 1 October 2026, available at https://nso.gov.mt/wp-content/uploads/Residential-Property-Price-Index.xlsx; and (iv) CBM, '*Real Economy Indicators: Property Prices Index based on Advertised Prices (base 2015=100)*', 31 August 2026, available at:
https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xlsx?rnd=20261013115731&revcount=6612&revcount=5588.



The strong increase in the number of building permits issued led to an even larger rise in the number of approved new dwellings as this rose by 41.41% to 12,325 in 2025 from 8,716 in 2024. By type of property, apartments remained dominant and increased by 43.90% to 8,889, thereby accounting for the largest share of the total increase. Maisonettes also recorded a pronounced growth of 37.42% to 1,076. Similarly, penthouses and terraced houses advanced by 35.87% and 23.67% to 1,856 and 350, respectively, whilst other type of property increased by 43.93% to 154.

From a district perspective, the South Eastern region recorded the strongest growth in new dwelling approvals, rising to 2,027 in 2025, equivalent to an increase of 72.22%. The Southern Harbour district followed with an increase of 46.43% to 1,640, whilst the Northern region rose by 39.67% to 2,278. Meanwhile, the Northern Harbour and the Western districts also registered growth of more than 30% in the number of new dwelling approvals, to 3,509 (+38.75%) and 1,104 (+32.37%), respectively, whilst in Gozo, new dwelling approvals increased by 24% to 1,767.

In terms of final deeds of sale, the total number of contracts concluded in 2025 increased by 5.98% to 13,351 from 12,598 in 2024. However, the total value of final deeds increased at a faster rate of 13.93% to €4.02 billion from €3.53 billion in 2024, which lifted the average value per deed of sale by 7.50% to €301.273 from €280,243 in the prior year.



At district level, the number of final deeds of sale in Malta increased by 6.57% to 11,678. The strongest percentage growth was recorded in the Western district, where final deeds rose by 18.79% to 1,397. The South Eastern region followed, with an increase of 9.03% to 1,908, whilst the Northern Harbour district recorded a growth of 5.88% to 3,779. Similarly, the number of final deeds relating to residential property in the Southern Harbour region increased by 4.18% to 2,067, whilst a more modest increase of 1.94% to 2,527 was recorded in the Northern district. Meanwhile, in Gozo, final deeds edging up by 2.01% to 1,673 from 1,640 in 2024.

JANUARY TO JUNE 2026 PERFORMANCE

The Maltese residential property market maintained positive momentum during the first half of 2026. The CBM Property Prices Index increased by 5.84% year-on-year in H1 2026 to 199.70 points (H1 2025: 188.67 points). The increase was driven by apartments (+8.47%) and maisonettes (+6.47%), whilst prices of terraced houses remained relatively stable and prices for other type of property declined by 4.56%. Similarly, the NSO Residential Property Price Index rose by 6.86% to 105.10 points in H1 2026, from 98.35 points in H1 2025. Apartment prices rose by 7.21%, while maisonettes advanced by 4.73%.

A total of 1,043 building permits were issued during H1 2026, representing a modest increase of 1.96% from 1,023 permits in the corresponding period of 2025. Of these, 881 permits related to Malta, up by 3.53% from 851, while permits issued in Gozo and Comino declined by 5.81% to 162, from 172. The Northern Harbour district recorded the strongest increase, with permits rising by 19.03% to 319, from 268. The South Eastern district recorded a 7.53% increase to 157 permits, from 146, while the Northern district registered a more moderate 2.41% rise to 170, from 166. In contrast, building permits declined in both the Southern Harbour (-9.59%) and Western (-17.60%) districts to 132 (H1 2025: 146) and 103 (H1 2025: 125) permits, respectively. Although the overall number of permits increased only marginally, development density rose considerably as the average number of approved new dwellings per building permit increased to 5.88, from 5.05 in H1 2025, representing an increase of 16.44%.

The number of new dwellings approved during H1 2026 increased substantially to 6,136 units, from 5,170 units in H1 2025, representing year-on-year growth of 18.68% and an absolute increase of 966 units. Apartments continued to dominate approved residential supply. A total of 4,424 apartments were approved during the first half of 2026, up by 19.96% from 3,688 in H1 2025. Apartments therefore accounted for around 72% of all approved new dwellings. The number of approved penthouses increased by 18.49% to 923, from 779, while maisonettes rose by 13.68% to 540, from 475. The strongest percentage growth was however recorded in terraced houses, for which approvals increased by 28.21% to 200 units, from 156 in H1 2025. Conversely, approvals for other property types declined by 31.94% to 49 units, from 72.

The geographical distribution of approved dwellings showed a particularly pronounced concentration of new development in the Northern Harbour district in H1 2026, as this rose by 68.09% to 2,202 units, from 1,310 in H1 2025. This represented an increase of 892 units and accounted for the majority of the overall year-on-year rise in approved residential supply. The South Eastern district also recorded strong growth, with approved dwellings increasing by 23.62% to 916, from 741. Approvals in the Northern district increased by 17.81% to 1,098 units, from 932. Conversely, development activity weakened in the Southern Harbour (-7.36%) and Western (-32.41%) districts, where the number of approved dwellings declined to 717 (H1 2025: 774) and 438 (H1 2025: 648) units, respectively. Approved dwellings in Gozo and Comino remained unchanged at 765 units.

Demand for residential property remained firm during H1 2026. The number of POSA increased to 7,621, from 7,277 in the comparable period of 2025, representing growth of 4.73%. More significantly, the aggregate value of POSA increased by 18.65% to €2.99 billion, from €2.52 billion. As the increase in value materially exceeded that in the number of agreements, the average value per POSA rose by 13.18% to €391,786, from €346,173 in H1 2025.

Completed residential property transactions also increased during H1 2026. The number of final deeds of sale rose by 6.63% to 6,819, from 6,395 in H1 2025. At the same time, the aggregate value of final deeds increased by 16.72% to €2.18 billion, from €1.87 billion. The average value per deed of sale increased by 9.47% to €320,252, from €292,557 in H1 2025. Transaction volumes increased across most districts. In Malta, final deeds rose by 6.70% to 5,960, from 5,586. The Northern district recorded the strongest growth, with transactions increasing by 20.02% to 1,373, from 1,144. Final deeds in the Southern Harbour district increased by 10.69% to 1,108, from 1,001, while the South Eastern district recorded growth of 4.50% to 952 deeds, from 911. On the other hand, activity within the Northern Harbour district remained unchanged at 1,864 deeds, while transactions in the Western district edged down by 0.45% to 663. Meanwhile, final deeds in Gozo and Comino increased by 6.18% to 859, from 809.

The number of individual properties transacted through final deeds increased by 6.63% to 7,415 properties, from 6,954 in H1 2025. Apartments remained the largest residential property category by transaction volume. A total of 2,691 apartments were transacted during H1 2026, representing a 5.04% increase from 2,562 in H1 2025. Transactions involving penthouses increased more strongly by 15.19% to 417, from 362, while maisonette transactions increased by 2.05% to 697, from 683. Transactions involving houses and garages also increased by 17.01% and 9.65% to 1,025 (H1 2025: 876) and 1,681 (H1 2025: 1,533), respectively. In contrast, the number of plots of land transacted declined by 23.49% to 430, from 562.

8.2 UAE ECONOMIC UPDATE[13]

The UAE economy continued to expand in Q1 2026, with real GDP growing by 3.0% year-on-year. Growth was supported by non-hydrocarbon activity, which increased by 4.8% year-on-year, whilst hydrocarbon activity softened by 3.5%, reflecting a temporary reduction in oil and gas production during March.

Non-oil GDP expanded by 4.8% year-on-year in Q1 2026, supported primarily by financial and insurance activities as well as construction. The former grew by 17.3%, contributing 2.4 percentage points to non-oil GDP growth. As a result, the financial and insurance sector's share of non-oil GDP increased from 14.1% to 15.8%. Construction was the second-largest contributor, growing 8.1% and increasing its share of non-oil GDP to 13.2% from 12.8%. Other sectors that recorded solid growth in Q1 2026 included human health (+7.7%), information and communication (+5.9%), and professional, scientific, and technical activities (+4.9%).

Wholesale and retail trade remained the largest non-oil sector, accounting for almost 16% of non-oil GDP. The sector expanded by 2.6% year-on-year in Q1 2026, while its share eased slightly from 16.2%. Real estate, professional services, and public administration also recorded growth broadly in line with overall economic activity. Other sectors recorded mixed developments, with manufacturing activity softening by 3.0% year-on-year while its share of non-oil GDP moderating from 12.5% to 11.6%. Transportation and storage moderated by 2.2%, and accommodation and food services declined by 5.8%.

Oil production averaged 2.0 million barrels per day ("**mbd**") during March–May 2026, compared with 2.9 mbd in the corresponding period of 2025. Production increased notably in the subsequent months, reaching a near record high of 3.8 mbd in June and July. These levels corresponded to year-on-year growth of 25.9% in June and 20.3% in July, partly offsetting the lower production levels recorded earlier in the year. As a result, the increase in output contributed positively to oil-sector activity during Q2 and Q3 of 2026. In contrast, gas production recorded year-on-year changes of –12.3% in Q1 and –32.5% in Q2 2026. Accordingly, overall hydrocarbon-sector activity softened by 3.5% year-on-year in Q1 2026, albeit higher oil production in the subsequent months is expected to have provided support to hydrocarbon-sector activity.

Real GDP Growth in the UAE	**2023 Actual**	**2024 Actual**	**2025 Actual**	**2026 Forecast**	**2027 Projection**
Overal GDP *(% change, year-on-year)*	4.30	6.60	6.20	1.60	10.40
Hydrocarbon GDP *(% change, year-on-year)*	(3.00)	0.60	4.30	2.40	26.80
Non-Hydrocarbon GDP *(% change, year-on-year)*	7.00	8.60	6.80	1.30	4.90

Source: CBUAE, *'Quarterly Economic Review – September 2026'*, 30 September 2026.

Looking ahead, the UAE economy is expected to maintain positive growth momentum over the medium term. Following solid growth in 2024 and 2025, economic activity is projected to continue growing in 2026 and 2027, with overall expansion of 1.6% and 10.4%, respectively, supported by higher activity in both hydrocarbon and non-hydrocarbon sectors. Indeed, hydrocarbon-sector activity is expected to expand by 2.4% in 2026, and accelerate by 26.8% in 2027 reflecting the expected normalisation of production conditions even though the outlook remains subject to developments in the external environment. On the other hand, following growth of 6.8% in 2025, non-hydrocarbon GDP is projected to expand by 1.3% in 2026 and 4.9% in 2027, supported by the continued contribution of a broad range of non-hydrocarbon sectors to economic activity.

The UAE started 2026 with strong fiscal buffers, supported by low public debt and substantial sovereign assets. In Q1 2026, total government revenue reached AED 121.8 billion, representing an increase of 0.8% year-on-year. As a share of GDP, total revenue stood at 22.3%, compared with 22.7% in Q1 2025. Tax revenue showed 3.0% year-on-year growth and reached AED 77.5 billion or 14.2% of GDP. Decline in other revenue by 5.0% year-on-year to AED 39.2 billion was partly compensated by 19.5% year-on-year growth of social contributions, which reached AED 5 billion in Q1 2026.

Public expenditure increased in Q1 2026, with developments across expenditure categories supporting investment and social programmes. Capital expenditure rose from AED 2.0 billion in Q1 2025 to AED 18.6 billion in Q1 2026, reflecting increased allocations to infrastructure and other development-related initiatives. Social benefits increased by 27.1% year-on-year to AED 22.1 billion, supporting household-related programmes. Overall, total public expenditure increased by 22.8% year-on-year, from AED 107.7 billion in Q1 2025 to AED 132.2 billion in Q1 2026, equivalent to 24.2% of GDP. As a result, the overall fiscal position shifted from a surplus of AED 13.1 billion (2.5% of GDP) in Q1 2025 to a moderate deficit of AED 10.4 billion (1.9% of GDP) in Q1 2026.

Despite the regional developments, the UAE real estate sector continued to record solid activity in the first half of 2026, supported by sustained investor interest, population growth, and ongoing project development. Residential sales were solid in the first half of 2026,

13 **Source:** Central Bank of the United Arab Emirates ("**CBUAE**"), '*Quarterly Economic Review – September 2026*', 30 September 2026, available at: https://centralbank.ae/media/stzjwyce/qer_sep_2026.pdf.

supported by strong external demand, whilst rental yields remained relatively elevated, particularly in Abu Dhabi and Dubai, compared to other major global investment destinations. In Abu Dhabi, sales transaction volumes increased during the second half of 2025, supported in part by off-plan activity in higher-value residential segments. Activity remained strong in the first and second quarters of 2026, with transaction volumes increasing by 114.2% year-on-year and 77.7% year-on-year, respectively. Apartment sales increased by 108.5% year-on-year in Q2 2026, while villa and townhouse sales grew by 29.7% year-on-year. Residential unit sales were AED 39.6 billion in Q1 2026 and AED 30.9 billion in Q2 2026, each exceeding previously recorded quarters, including Q4 2025 with AED 29.3 billion.

In Dubai, real estate sales volumes normalised in Q2 2026 from the record levels observed in previous periods, while overall transaction values remained resilient. At AED 419.7 billion, H1 2026 was the second-strongest first half on record, and the average transaction value increased by around 11% year-on-year. Prime locations continued to attract solid investor interest, as Dubai's population grew by more than 150 thousand residents, reaching *circa* 4.7 million, underscoring the emirate's continued appeal as a place to live and invest.

The UAE's non-oil foreign trade in goods increased by 20.5% year-on-year in Q1 2026, reaching AED 941.2 billion. Non-oil exports rose by 31.5% year-on-year to AED 225.4 billion, supported mainly by higher exports of gold, silver, and jewellery. Switzerland remained the leading destination for non-oil exports, accounting for 23.6% of the total, followed by Hong Kong at 12.9%, and India at 8.4%. Gold remained the largest non-oil export category, accounting for 69.3% of total non-oil exports, followed by silver at 5.1%, and jewellery at 3.3%. Re-exports increased by 4.1% year-on-year to AED 168.0 billion in Q1 2026. Saudi Arabia remained the leading re-export destination, accounting for 20.5% of the total, followed by Iraq at 6.0%, and India at 5.4%. Telecommunications equipment accounted for the largest share of re-exports, at 25.2%, while diamonds and motor vehicles accounted for 7.8% and 6.9%, respectively.

Imports also increased by 20.5% year-on-year in Q1 2026, reaching AED 547.9 billion. China was the UAE's largest import source, with an 18.2% share, followed by India (5.5%), and the US (5.3%). Gold was the largest import category, accounting for 32.7% of total imports, followed by telecommunications equipment at 9.6%, and motor vehicles at 5.2%.

The CBUAE's inflation forecast for 2026 stands at 2.4%. The near-term outlook continues to be shaped primarily by supply-side pressures stemming from heightened regional uncertainty and its impact on global energy markets, shipping costs, and food prices. Developments in housing costs, the regulation of selected staple food prices, and the monitoring of key consumer-price components are expected to support broadly contained inflation outcomes. In 2027, inflation is projected at 1.9%, reflecting an anticipated easing in global cost conditions and the continued effectiveness of measures supporting price stability.

PART 2 – FINANCIAL REVIEW

9. FINANCIAL ANALYSIS OF THE ISSUER

The historical information is extracted from the audited annual financial statements of SD Finance for the years ended 31 March 2024, 31 March 2025, and 31 March 2026.

The forecast and projected information for the financial years ending 31 March 2027 and 31 March 2028 has been provided by the Issuer and is based on future events and assumptions which the Group believes to be reasonable. Accordingly, actual outcomes may be adversely affected by unforeseen circumstances, and the variation between forecasts and projections with actual results could be material.

SD Finance plc **Statement of Total Comprehensive Income** **For the financial year 31 March**	**2024** **Actual** **€'000**	**2025** **Actual** **€'000**	**2026** **Actual** **€'000**	**2027** **Forecast** **€'000**	**2028** **Projection** **€'000**
Finance income	3,059	3,069	3,834	6,241	5,675
Finance costs	(2,925)	(2,929)	(3,643)	(5,761)	(5,446)
Net interest income	**134**	**140**	**191**	**480**	**229**
Administrative expenses	(126)	(134)	(138)	(285)	(220)
Profit before tax	**8**	**6**	**53**	**195**	**9**
Taxation	(3)	(2)	(18)	(68)	(3)
Profit for the year	**5**	**4**	**35**	**127**	**6**
Total comprehensive income	**5**	**4**	**35**	**127**	**6**

TSTATEMENT OF TOTAL COMPREHENSIVE INCOME

In **FY2026**, the Issuer generated finance income of €3.83 million, against which it incurred finance costs of €3.64 million. Administrative expenses amounted to €0.14 million. Following a tax charge of €0.02 million, SD Finance reported a profit after tax of €0.04 million.

In **FY2027**, finance income is projected to rise further to €6.24 million, although the increase is expected to be largely offset by higher finance costs amounting to €5.76 million. After accounting for administrative expenses of €0.29 million and a tax charge of €0.07 million, the Company is expected to register a net profit of €0.13 million.

A similar financial performance is anticipated in **FY2028**, with net interest income projected to ease to €0.23 million as the decline in finance income to €5.68 million is expected to outweigh the reduction in finance costs to €5.45 million. Administrative expenses are forecast at €0.22 million, whilst a marginal net profit of less than €0.01 million is projected after accounting for taxation.

SD Finance plc **Statement of Cash Flows** **For the financial year 31 March**	**2024** **Actual** **€'000**	**2025** **Actual** **€'000**	**2026** **Actual** **€'000**	**2027** **Forecast** **€'000**	**2028** **Projection** **€'000**
Net cash from / (used in) operating activities	77	241	(1,299)	(1,465)	474
Net cash from / (used in) investing activities	-	-	(32,400)	(26,400)	24,081
Net cash from / (used in) financing activities	-	-	32,400	27,000	(25,000)
Net movement in cash and cash equivalents	**77**	**241**	**(1,299)**	**(865)**	**(445)**
Cash and cash equivalents at beginning of year	3,072	3,149	3,390	2,091	1,226
Cash and cash equivalents at end of year	**3,149**	**3,390**	**2,091**	**1,226**	**781**

STATEMENT OF CASH FLOWS

In **FY2026,** SD Finance recorded a net cash outflow of €1.30 million in relation to operating activities, as interest payments of €3.26 million outweighed interest income received of €2.16 million.

Net cash from financing activities amounted to €32.40 million, arising from the issuance of 5.20% unsecured bonds 2031 (Tranche I) under a €60 million bond programme. These proceeds were subsequently onlent to the Guarantor and, or sister companies within the Group. Accordingly, the Company ended FY2026 with cash and cash equivalents of €2.09 million, representing a year-on-year decline of €1.30 million.

In F**Y2027**, cash flow from operating activities is anticipated at €1.47 million. Investing activities are forecast to absorb €26.40 million, representing further advances in loans receivable. This is expected to be offset by an inflow of €27 million from financing activities related to the issuance of Tranches II and III of 5.20% unsecured bonds 2031 under a €60 million bond programme. The net decrease in cash for the year is thus projected at €0.87 million, with year-end balances contracting to €1.23 million.

In **FY2028**, cash and cash equivalents are projected to decrease by €0.45 million, reflecting net cash outflows of €25 million relating to financing activities, largely offset by inflows of €0.47 million and €24.08 million from operating and investing activities, respectively. Accordingly, the Company's cash balance is expected to decline further to €0.78 million by year-end.

SD Finance is set to offer holders of its €65 million 4.35% unsecured bonds, maturing on 25 April 2027, the opportunity to exchange up to €40 million of their existing holdings for new bonds issued at par. The remaining €25 million will be redeemed in cash upon maturity, with the corresponding outflow reflected under financing activities. This redemption is expected to be funded through the repayment of intragroup advances, reflected under investing activities.

SD Finance plc **Statement of Financial Position** **As at 31 March**	**2024** **Actual** **€'000**	**2025** **Actual** **€'000**	**2026** **Actual** **€'000**	**2027** **Forecast** **€'000**	**2028** **Projection** **€'000**
ASSETS					
Non-current assets					
Loans receivable	64,333	64,333	96,733	60,000	100,129
	64,333	**64,333**	**96,733**	**60,000**	**100,129**
Current assets					
Loans receivable	-	-	1,747	65,520	-
Trade and other receivables	204	67	68	120	120
Cash and cash equivalents	3,149	3,390	2,091	1,226	781
	3,353	**3,457**	**3,906**	**66,866**	**901**
Total assets	**67,686**	**67,790**	**100,639**	**126,866**	**101,030**
EQUITY					
Capital and reserves					
Called up share capital	250	250	250	250	250
Retained earnings	45	49	84	210	216
	295	**299**	**334**	**460**	**466**
LIABILITIES					
Non-current liabilities					
Debt securities	64,780	64,890	97,466	57,466	100,463
	64,780	**64,890**	**97,466**	**57,466**	**100,463**
Current liabilities					
Debt securities	-	-	-	65,000	-
Trade and other payables	2,611	2,601	2,839	3,940	101
	2,611	**2,601**	**2,839**	**68,940**	**101**
Total liabilities	**67,391**	**67,491**	**100,305**	**126,406**	**100,564**
Total equity and liabilities	**67,686**	**67,790**	**100,639**	**126,866**	**101,030**

STATEMENT OF FINANCIAL POSITION

Total assets amounted to €100.64 million as at the end of **FY2026**, principally comprising non-current and current loans receivable of €98.48 million, as well as cash balances of €2.09 million. Total equity stood at €0.33 million whilst total liabilities amounted to €100.31 million, of which €97.47 million consisted of debt securities in issue alongside €2.84 million in trade and other payables.

In **FY2027**, total assets are forecast to reach €126.87 million, mainly comprising €125.52 million in non-current and current loans receivable, as well as cash balances of €1.23 million. Total equity is projected to increase modestly to €0.46 million, whilst total liabilities are expected to reach €126.41 million, with total debt securities at €122.47 million and current trade and other payables at €3.94 million.

Total assets are projected to decline to €101.03 million by the end of **FY2028**, comprising principally €100.13 million in non-current loans receivable and cash balances of €0.78 million. Total equity is expected to edge marginally higher to €0.47 million, whilst total liabilities are projected to decline by €25.84 million to €100.56 million, mainly reflecting the repayment of €25 million in debt securities classified as current liabilities in FY2027.

10. FINANCIAL ANALYSIS OF THE GUARANTOR

The historical information is extracted from the audited consolidated annual financial statements of SD Holdings for the years ended 31 March 2024, 31 March 2025, and 31 March 2026.

The forecast and projected information for the financial years ending 31 March 2027 and 31 March 2028 has been provided by the Group and is based on future events and assumptions which the Guarantor believes to be reasonable. Accordingly, actual outcomes may be adversely affected by unforeseen circumstances, and the variation between forecasts and projections with actual results could be material.

The estimates presented in this Analysis assume no upward revaluation or impairment of the Group's principal properties. No adjustments have therefore been made for changes in the carrying values of these properties, which could materially affect the Statement of Total Comprehensive Income and the Statement of Financial Position.

SD Holdings Limited **Statement of Total Comprehensive Income** **For the financial year 31 March**	**2024** **Actual** **€'000**	**2025** **Actual** **€'000**	**2026** **Actual** **€'000**	**2027** **Forecast** **€'000**	**2028** **Projection** **€'000**
Hospitality and ancillary services	*53,174*	*60,515*	*67,089*	*73,080*	*90,159*
Food and beverage	*35,551*	*38,687*	*44,247*	*54,018*	*76,754*
Sale of real estate				*109,854*	*115,110*
Revenue	**88,725**	**99,202**	**111,336**	**236,952**	**282,023**
Net operating costs	(57,609)	(63,410)	(78,127)	(132,586)	(155,070)
EBITDA	**31,116**	**35,792**	**33,209**	**104,366**	**126,953**
Depreciation and amortisation	(11,042)	(9,786)	(10,461)	(23,411)	(21,971)
Operating profit	**20,074**	**26,006**	**22,748**	**80,955**	**104,982**
Net finance costs	(5,348)	(6,613)	(12,581)	(13,948)	(13,309)
Fair value changes of investments	232	1,243	492	-	-
Loss on sale of investments	-	-	(104)	-	-
Share of results of associates	65	451	(118)	563	1,675
Gain on sale of associates	-	-	33,625	-	-
Profit before tax from continuing operations	**15,023**	**21,087**	**44,062**	**67,570**	**93,348**
Taxation	(6,170)	(9,504)	(26,678)	(10,397)	(19,504)
Profit for the year from continuing operations	**8,853**	**11,583**	**17,384**	**57,173**	**73,844**
Profit after tax from discontinued operations	5,421	7,034	-	-	-
Profit for the year	**14,274**	**18,617**	**17,384**	**57,173**	**73,844**
Other comprehensive income					
Fair value movements on land and buildings, net of tax	51,053	11,130	-	-	-
Other movements	126	-	-	-	-
Total comprehensive income (net of tax)	**65,453**	**29,747**	**17,384**	**57,173**	**73,844**

SD Holdings Limited Key Financial Ratios	FY2024 Actual	FY2025 Actual	FY2026 Actual	FY2027 Forecast	FY2028 Projection
EBITDA margin (%) *(EBITDA / revenue)*	35.07	36.08	29.83	44.05	45.02
Operating profit margin (%) *(Operating profit / revenue)*	22.62	26.22	20.43	34.17	37.22
Net profit margin (%) *(Profit after tax / revenue)*	16.09	18.77	15.61	24.13	26.18
Return on equity (%) *(Profit after tax / average equity)*	7.85	8.23	7.03	20.14	21.13
Return on assets (%) *(Profit after tax / average assets)*	3.36	3.49	2.59	7.46	9.43
Return on invested capital (%) *(Operating profit / average equity and net debt)*	7.26	7.99	5.71	16.08	18.46
Interest cover (times) *(EBITDA / net finance costs)*	5.82	5.41	2.64	7.48	9.54

STATEMENT OF TOTAL COMPREHENSIVE INCOME

SD Holdings reported revenue of €111.34 million in FY2026, representing an increase of 12.23% from €99.20 million in FY2025. Revenue growth reflected organic expansion achieved by the Group's two principal hotel properties (namely, Seabank and San Antonio), the twelve-month contribution from Xemxija Bay Hotel, and further strong increase in business in the F&B segment, including the inauguration of Aki London on 30 September 2025. Indeed, income from hospitality and ancillary services increased by 10.86% to €67.09 million, from €60.52 million, representing 60.26% of Group revenue. Similarly, F&B revenue rose by 14.37% to €44.25 million, from €38.69 million, representing 39.74% of Group revenue.

Net operating costs increased at a faster pace than revenue, rising by 23.21% to €78.13 million from €63.41 million in FY2025. Consequently, EBITDA declined by 7.22% to €33.21 million, from €35.79 million in the prior year, whilst the EBITDA margin contracted to 29.83% from 36.08% in FY2025. The year-on-year decline in EBITDA also reflected the positive impact of one-off income recognised in FY2025 from the recharge of development costs to an associate.

The increase in operating costs was mainly attributable to higher cost of sales and administrative expenses. Cost of sales increased by 9.27% to €71.48 million, from €65.41 million. However, as this increase was lower than the growth in revenue, gross profit expanded by almost 18% to €39.86 million, while the gross profit margin improved by 1.74 percentage points to 35.80%. On the other hand, administrative expenses increased by 64.27% to €19.90 million, from €12.11 million, mainly due to one-off costs related to the St George's Bay Project and Aki London.

Depreciation and amortisation increased by 6.90% to €10.46 million, from €9.79 million. Coupled with the contraction in EBITDA, operating profit declined by 12.53% to €22.75 million, from €26.01 million, whilst the operating profit margin fell to 20.43% from 26.22%. Moreover, return on invested capital ("**ROIC**") retracted to 5.71% from 7.99% in FY2025.

Net finance costs almost doubled to €12.58 million, from €6.61 million, as the Group increased its overall indebtedness considerably in support of its expansion. Given the higher finance costs and lower EBITDA, interest cover declined to 2.64 times from 5.41 times.

Fair value gains on investments declined to €0.49 million, from €1.24 million in FY2025, whilst the Group also recognised a €0.10 million loss on the sale of investments. Furthermore, the share of results from associates moved from a positive contribution of €0.45 million in FY2025 to a loss of €0.12 million. Conversely, SD Holdings recorded a €33.63 million gain on the sale of associates (namely, MHC, KAS, and KIS), which lifted profit before tax to €44.06 million from €21.09 million in the prior year.

The tax charge for the year increased materially to €26.68 million, from €9.50 million. Despite this, profit for the year from continuing operations increased by 50.08% to €17.38 million, from €11.58 million. Overall, however, profit for the year declined by 6.62% year-on-year, as FY2025 included €7.03 million in profit after tax from discontinued operations, whereas no corresponding contribution was recognised in FY2026. The net profit margin decreased to 15.61% in FY2026, from 18.77% in the prior year. Similarly, return on equity ("**ROE**") declined to 7.03% from 8.23%, while return on assets ("**ROA**") fell to 2.59% from 3.49%.

Other comprehensive income was nil in FY2026 compared with €11.13 million in the prior year reflecting positive fair value movements on land and buildings, net of tax. As a result, total comprehensive income declined by €12.36 million to €17.38 million, from €29.75 million in FY2025.

For **FY2027**, the Group is forecasting a substantial expansion in activity, with total revenue surging to €236.95 million, principally driven by the recognition of €109.85 million in income from the sale of residential units forming part of the St George's Bay Project. Revenue growth is also expected to be supported by the continued positive performance of the Group's mature operations and the initial contribution from the new Hard Rock Hotel St George's Bay. In aggregate, revenue from hospitality and ancillary services is expected to reach €73.08 million (+8.93%), whilst income from F&B is forecast to increase by 22.08% to €54.02 million supported by higher customer volumes and the full-year contribution from Aki

London. Excluding revenue from the sale of ORA Residences, normalised revenue is forecast to increase by 14.16% to €127.10 million, compared with €111.34 million in FY2026.

Net operating costs are also expected to rise markedly, albeit at a more moderate pace, to €132.59 million, resulting in EBITDA rising to €104.37 million and translating into an EBITDA margin of 44.05%.

Depreciation and amortisation charges are forecast to rise notably to €23.41 million, reflecting the expansion in the Group's asset base. Nevertheless, operating profit is expected to increase materially year-on-year to €80.96 million, translating into an operating profit margin of 34.17% and a ROIC of 16.08%.

Net finance costs are forecast to increase by 10.87% to €13.95 million, reflecting the additional debt supporting the Group's expansion. However, interest cover is still projected to improve markedly to 7.48 times, supported by the considerably stronger earnings base including the income from the sale of residential units forming part of the St George's Bay Project.

After taking into account the Group's share of results from associates, amounting to €0.56 million, profit before tax is forecast to increase by 53.35% year-on-year to €67.57 million. Taxation is projected to decline to €10.40 million, resulting in a profit for the year of €57.17 million. The net profit margin is consequently expected to improve to 24.13%, whilst ROE and ROA to edge higher to 20.14% and 7.46%, respectively.

For **FY2028**, the Group is projecting a further increase of 19.02% in total revenue to €282.02 million, reflecting continued growth across its mature assets and established operations, the first full-year contribution from the Hard Rock Hotel St George's Bay and related F&B facilities, as well as the additional recognition of income, amounting to €115.11 million, from the sale of ORA Residences. Excluding the contribution from the sale of ORA Residences, normalised revenue is projected to increase substantially by 31.33% (or €39.82 million) to €166.91 million. Moreover, the projected increase in revenue is expected to be accompanied by a more pronounced improvement in profitability, with total EBITDA anticipated to rise by 21.64% to €126.95 million, reflecting the realisation of operational synergies and enhanced operating efficiencies as new facilities achieve greater scale and move beyond their initial operating phase. Accordingly, the overall EBITDA margin is projected to strengthen by almost a percentage point to 45.02%.

After accounting for depreciation and amortisation charges of €21.97 million, operating profit is expected to reach €104.98 million, representing a year-on-year increase of nearly 30%. The operating profit margin is therefore projected to strengthen further to 37.22%, while ROIC is expected to improve by 2.38 percentage points to 18.46%.

Net finance costs are forecast to ease by 4.58% to €13.31 million. Together with the higher EBITDA base, interest cover is expected to climb to 9.54 times. Meanwhile, the Group's share of results from associates is also projected to increase to €1.68 million, driven by the contribution from St George's Mall forming part of the St George's Bay Project, resulting in profit before tax advancing by 38.15% year-on-year to €93.35 million. Taxation is expected to increase to €19.50 million, thus leading to a profit for the year of €73.84 million. The net profit margin is expected to improve further to 26.18%, whilst ROE and ROA are likewise projected to trend higher to 21.13% and 9.43%, respectively.

SD Holdings Limited **Statement of Cash Flows** **For the financial year 31 March**	**2024** **Actual** **€'000**	**2025** **Actual** **€'000**	**2026** **Actual** **€'000**	**2027** **Forecast** **€'000**	**2028** **Projection** **€'000**
Net cash from operating activities	30,614	54,163	9,061	55,724	116,684
Net cash used in investing activities	(16,078)	(63,455)	(119,337)	(98,878)	(53,439)
Net cash from / (used in) financing activities	2,261	28,126	119,413	50,671	(56,925)
Net movement in cash and cash equivalents	**16,797**	**18,834**	**9,137**	**7,517**	**6,320**
Cash and cash equivalents at beginning of year	53,739	70,536	89,370	98,507	106,024
Cash and cash equivalents at end of year	**70,536**	**89,370**	**98,507**	**106,024**	**112,344**
Net cash from operating activities	30,614	54,163	9,061	55,724	116,684
Net capital expenditure*	(14,472)	(64,766)	(120,751)	(98,878)	(53,439)
Free cash flow	**16,142**	**(10,603)**	**(111,690)**	**(43,154)**	**63,245**

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

STATEMENT OF CASH FLOWS

Net cash generated from operating activities declined to €9.06 million in **FY2026**, from €54.16 million in FY2025. The contraction was principally due to an adverse working capital movement of €16.57 million, compared with a positive movement of €17.12 million in FY2025. Moreover, the Group recorded a taxation outflow of €7.94 million in FY2026, compared with an inflow of €0.98 million in FY2025.

Net cash used in investing activities increased substantially to €119.34 million in FY2026, from €63.46 million in FY2025, principally on account of capital expenditure relating to the St George's Bay Project, the RAK Project, Aki London, and the establishment of a laundry hub at the Xewkija Industrial Estate in Gozo. During the year, investment in property, plant, and equipment ("**PPE**") amounted to €122.71 million (FY2025: €18.97 million) while payments and advances to contractors for property development expenditure amounted to €27.48 million (FY2025: €45.19 million). As to cash inflows, the Group received €30.24 million from the disposal of associates, namely, MHC, KAS, and KIS. Overall, net capital expenditure increased considerably to €120.75 million, from €64.77 million in FY2025. Coupled with the drop in net cash generated from operating activities, free cash flow deteriorated to a negative €111.69 million in FY2026 compared with a negative €10.60 million in FY2025.

Net cash generated from financing activities rose to €119.41 million in FY2026, from €28.13 million in the prior year. Net bank borrowings amounted to €93.78 million, compared with €35.37 million in FY2025. A further €32.35 million was raised through the issuance of debt securities, whereas interest and lease payments amounted to €3.83 million (FY2025: €4.57 million) and €2.88 million (FY2025: €2.68 million), respectively.

Overall, the Group recorded a net increase in cash and cash equivalents of €9.14 million during FY2026. Cash and cash equivalents consequently increased by 10.22% to €98.51 million as at 31 March 2026, representing 13.13% of total assets, from €89.37 million a year earlier.

For **FY2027**, the Group is forecasting a €46.66 million increase in net cash from operating activities to €55.72 million. The stronger cash generation is expected to be supported principally by the material improvement in operating performance and sales of residential units forming part of the St George's Bay Project, partly offset by an adverse movement in working capital and higher taxation outflows.

Investing activities are forecast to result in a net cash outflow of €98.88 million, reflecting continued investment expenditure associated with the completion of the St George's Bay Project, ongoing capital expenditure across the Group, and other growth initiatives including the RAK Project. The lower investment outflow when compared to FY2026, together with the substantial improvement in operating cash generation, is expected to materially narrow the Group's free cash flow deficit to €43.15 million.

Financing activities are forecast to generate a further net cash inflow of €50.67 million in FY2027, supporting the Group's ongoing investment requirements. In particular, financing inflows during the year include proceeds from the issuance of Tranches II and III of 5.20% unsecured bonds 2031 under a €60 million bond programme, together with proceeds from bank borrowings.

Overall, cash and cash equivalents are expected to increase by €7.52 million to €106.02 million as at the end of FY2027.

For **FY2028**, the Group is projecting a material strengthening in operating cash flows, with net cash generated expected to rise to €116.68 million, supported by continued solid operating performance and additional income from the sales of residential units forming part of the St George's Bay Project.

Net cash used in investing activities is projected to decline further but remain substantial, amounting to €53.44 million, reflecting the Group's continued investment and capital expenditure in support of its growth ambitions. Despite this, free cash flow is projected to turn positive at €63.25 million, representing a considerable year-on-year improvement of over €100 million.

Financing activities are projected to result in a net cash outflow of €56.93 million. This amount includes the redemption of the outstanding balance of the 4.35% unsecured bonds maturing in April 2027, together with the repayment of a portion of the Group's bank borrowings.

Overall, a net increase of €6.32 million in cash and cash equivalents is projected for FY2028. Accordingly, the Group's cash balance is expected to edge higher by 5.96% to €112.34 million, representing 14.35% of the Guarantor's asset base at year-end.

SD Holdings Limited
Statement of Financial Position

As at 31 March	2024 Actual €'000	2025 Actual €'000	2026 Actual €'000	2027 Forecast €'000	2028 Projection €'000
ASSETS					
Non-current assets					
Property, plant and equipment	247,681	279,991	395,916	415,388	434,535
Investment property under development	18,199	-	-	-	-
Intangible assets	889	1,221	1,526	1,376	1,226
Inventories	68,901	76,180	-	-	-
Investments in associates	24,139	3,724	6,408	56,399	72,345
Right-of-use assets	19,702	26,359	34,920	56,722	48,569
Net investment in lease	-	-	20,836	21,060	21,060
Deferred tax assets	873	997	-	8,468	11,822
Financial assets	2,232	3,475	-	-	-
Trade and other receivables	387	1,487	-	-	-
Other non-current assets	4,244	37,528	247	274	274
	387,247	**430,962**	**459,853**	**559,687**	**589,831**
Current assets					
Inventories	2,182	2,533	112,090	60,025	24,118
Trade and other receivables	11,984	65,026	49,072	26,096	26,380
Current tax assets	1,509	366	-	-	-
Net investment in lease	-	-	224	-	-
Cash and cash equivalents	71,036	89,548	98,507	106,024	112,344
Assets held for sale	-	402	-	-	-
Other current assets	-	3,002	30,478	30,478	30,478
	86,711	**160,877**	**290,371**	**222,623**	**193,320**
Total assets	**473,958**	**591,839**	**750,224**	**782,310**	**783,151**
EQUITY					
Capital and reserves					
Share capital	4,000	4,000	4,000	4,000	4,000
Reserves	133,489	144,620	144,621	151,782	151,782
Retained earnings	73,890	92,507	105,091	158,263	229,107
	211,379	**241,127**	**253,712**	**314,045**	**384,889**
LIABILITIES					
Non-current liabilities					
Bonds	64,780	64,891	97,466	101,305	100,463
Bank borrowings	15,666	44,756	103,470	148,438	127,438
Lease liabilities	64,857	61,029	79,648	65,230	56,023
Deferred tax liabilities	27,110	29,872	30,670	30,670	30,670
Trade and other payables	11,394	11,450	9,755	7,025	4,957
Redeemable preference shares	4,673	4,824	4,925	5,154	5,092
	188,480	**216,822**	**325,934**	**357,822**	**324,643**
Current liabilities					
Bonds	-	-	-	25,000	-
Bank overdraft	500	178	-	-	-
Bank borrowings	4,856	11,007	9,713	8,610	21,000
Lease liabilities	12,367	14,424	3,189	1,491	1,595
Current tax liabilities	5,980	14,199	30,776	2,915	13,649
Trade and other payables	50,396	94,082	126,900	72,427	37,375
	74,099	**133,890**	**170,578**	**110,443**	**73,619**
Total liabilities	**262,579**	**350,712**	**496,512**	**468,265**	**398,262**
Total equity and liabilities	**473,958**	**591,839**	**750,224**	**782,310**	**783,151**
Total debt	*163,026*	*196,285*	*293,486*	*350,074*	*306,519*
Net debt	*91,990*	*106,737*	*194,979*	*244,050*	*194,175*
Invested capital (total equity plus net debt)	*303,369*	*347,864*	*448,691*	*558,095*	*579,064*

SD Holdings Limited Key Financial Ratios	FY2024 Actual	FY2025 Actual	FY2026 Actual	FY2027 Forecast	FY2028 Projection
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	2.96	2.98	5.87	2.34	1.53
Net debt-to-equity (times) *(Net debt / total equity)*	0.44	0.44	0.77	0.78	0.50
Net gearing (%) *(Net debt / net debt and total equity)*	30.32	30.68	43.46	43.73	33.53
Debt-to-assets (times) *(Total debt / total assets)*	0.34	0.33	0.39	0.45	0.39
Leverage (times) *(Total assets / total equity)*	2.24	2.45	2.96	2.49	2.03
Current ratio (times) *(Current assets / current liabilities)*	1.17	1.20	1.70	2.02	2.63

STATEMENT OF FINANCIAL POSITION

Total assets increased by €158.39 million during **FY2026** to €750.22 million, from €591.84 million as at the end of FY2025. PPE remained the Group's largest asset category and increased materially by €115.93 million to €395.92 million, from €279.99 million, representing 52.77% of total assets as at the end of FY2026. Inventories also increased substantially, rising by €33.38 million, to €112.09 million from €78.71 million in FY2025. Investments in associates increased by €2.68 million to €6.41 million whilst right-of-use assets rose by €8.56 million to €34.92 million. During the year, the Group also recognised a net investment in lease amounting to €21.06 million, representing the present value of future lease payments receivable under a sublease arrangement relating to St George's Mall. Conversely, trade and other receivables declined by €17.44 million to €49.07 million. Similarly, tax and financial assets decreased by an aggregate €4.84 million, while other current and non-current assets contracted by €9.81 million to €30.73 million.

On the funding side, the Group's equity base strengthened by €12.59 million to €253.71 million, from €241.13 million, comprising €4 million in share capital, €144.62 million in reserves, and €105.09 million in retained earnings.

Total liabilities increased by €145.80 million during FY2026 to €496.51 million, from €350.71 million as at the end of FY2025. This increase was largely attributable to higher indebtedness which rose by €97.20 million to €293.49 million, from €196.29 million. Factoring in cash balances, net debt increased by €88.24 million to €194.98 million, from €106.74 million. Debt securities increased by €32.58 million to €97.47 million, while bank borrowings more than doubled to €113.18 million, from €55.94 million. Lease liabilities increased more moderately by €7.38 million to €82.84 million.

Trade and other payables went up by €31.12 million to €136.66 million. This includes €74.31 million (FY2025: €37.45 million) in advance deposits from buyers for properties under construction by the Group pursuant to promise-of-sale agreements. Meanwhile, tax liabilities, comprising current and deferred balances, increased by €17.38 million to €61.45 million.

The increase in indebtedness resulted in a deterioration across the Group's principal debt ratios. Net debt-to-EBITDA increased to 5.87 times in FY2026, from 2.98 times in FY2025. Net debt-to-equity rose to 0.77 times, from 0.44 times, whilst net gearing climbed to 43.46% from 30.68%. The debt-to-assets ratio also increased to 0.39 times, from 0.33 times, whilst the leverage ratio edged higher to 2.96 times from 2.45 times. On the other hand, the current ratio improved to 1.70 times in FY2026, from 1.20 times in FY2025, principally reflecting the significant increase in inventories and higher cash balances.

For **FY2027**, the Group is forecasting a more modest expansion in its asset base, with total assets increasing by €32.09 million to €782.31 million. PPE is forecast to increase by €19.47 million to €415.39 million, remaining the largest component of the Group's asset base. Investments in associates are forecast to increase materially by almost €50 million to €56.40 million, reflecting additional commitments to the RAK Project and the transfer of inventory relating to St George's Mall, while deferred tax assets of €8.47 million are also expected to be recognised. Right-of-use assets are also projected to increase, by €21.80 million to €56.72 million. Conversely, inventories are projected to decline by €52.07 million to €60.03 million amid also the sale of real estate forming part of ORA Residences. Trade and other receivables are likewise expected to decrease by €22.98 million to €26.10 million.

On the funding side, total equity is forecast to increase by €60.33 million to €314.05 million, reflecting higher retained earnings of €158.26 million (+€53.17 million) and an increase of €7.16 million to €151.78 million in reserves.

Total liabilities are forecast to decline by €28.25 million to €468.27 million, as the reductions in trade and other payables and current tax liabilities are expected to outweigh the increase in indebtedness. Indeed, total debt is expected to increase materially by €56.59 million to €350.07 million, with debt securities rising by €28.84 million to €126.31 million and bank borrowings moving higher by €43.87 million to €157.05 million. These increases are set to be partly offset by a €16.12 million reduction in lease liabilities to €66.72 million.

Net debt is forecast to rise at a moderately slower pace, increasing by €49.07 million to €244.05 million, reflecting the higher cash balance anticipated at year-end. Invested capital is consequently expected to increase by €109.40 million to €558.10 million.

The net debt-to-EBITDA multiple is forecast to improve markedly to 2.34 times, reflecting the significantly stronger forecast EBITDA base. Leverage is likewise expected to improve to 2.49 times. Conversely, net debt-to-equity is expected to edge marginally higher to 0.78 times, whilst net gearing and debt-to-assets are forecast to increase to 43.73% and 0.45 times, respectively. From a liquidity perspective, the current ratio is forecast to improve to 2.02 times, reflecting the sharper decline in current liabilities relative to current assets.

For **FY2028**, the Group's total asset base is projected to increase modestly by €0.84 million to €783.15 million. PPE is projected to rise by a further €19.15 million to €434.54 million. Investments in associates are also projected to increase, by €15.95 million to €72.35 million, whilst deferred tax assets are expected to rise by €3.35 million to €11.82 million. Conversely, inventories are projected to contract by a further €35.91 million to €24.12 million, while right-of-use assets are expected to decrease by €8.15 million to €48.57 million. Trade and other receivables are projected to remain broadly stable at €26.38 million, whilst cash and cash equivalents are expected to rise by €6.32 million to €112.34 million.

Total equity is projected to strengthen further by €70.84 million to €384.89 million, with the increase arising entirely from retained earnings which are set to reach €229.11 million.

Total liabilities are forecast to decrease materially by just over €70 million to €398.26 million. The decline is expected to be driven by lower trade and other payables as well as debt, partially offset by a €10.73 million increase in current tax liabilities to €13.65 million.

Total debt is projected to fall by €43.56 million to €306.52 million, with debt securities outstanding declining by €25.84 million to €100.46 million following the redemption of the 4.35% unsecured bonds maturing in April 2027. Bank borrowings and lease liabilities are also projected to decrease, by an aggregate of €17.71 million, to €148.44 million and €57.62 million, respectively.

Net debt is projected to decrease by €49.88 million to €194.18 million. Invested capital is nevertheless expected to increase by a further €20.97 million to €579.06 million, driven by the continued expansion in equity.

The net debt-to-EBITDA multiple is projected to decline to 1.53 times, while net debt-to-equity is expected to improve to 0.50 times. Net gearing is likewise forecast to drop notably to 33.53%. Similarly, the debt-to-assets ratio is projected to ease to 0.39 times, while leverage is expected to improve further to 2.03 times. The current ratio is also projected to strengthen further to 2.63 times, reflecting the sharper decline in current liabilities relative to current assets.

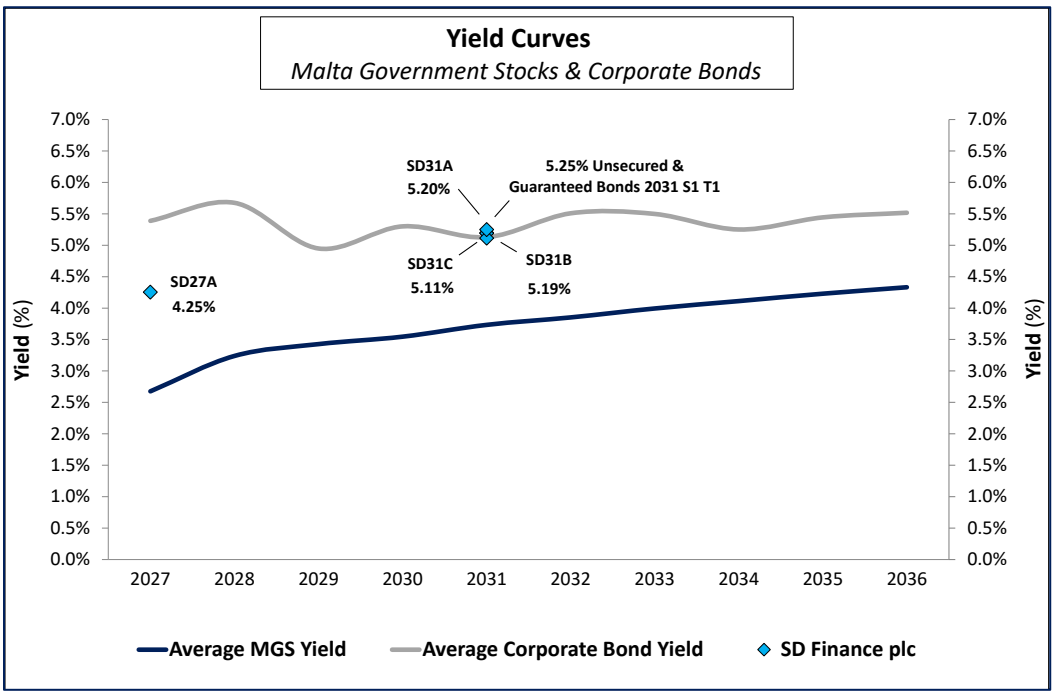
PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business/es and those of other debt issuers, the comparative analysis illustrated in the table below serves as an indication of the relative financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity / Worst	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	6.68	4.45	4.66	68.88	0.59
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.25	2.64	5.87	43.46	0.39
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	3.92	4.03	5.76	26.30	0.24
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	6.53	9.25	1.60	14.80	0.16
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	4.06	4.91	5.15	21.67	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	5,370	4.74	n/a	9.43	76.67	0.72
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	5.71	4.45	4.66	68.88	0.59
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.52	9.25	1.60	14.80	0.16
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	5.75	5.65	7.37	55.40	0.54
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	5.51	n/a	9.43	76.67	0.72
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.99	4.45	4.66	68.88	0.59
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	5.24	4.91	5.15	21.67	0.20
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.57	4.45	4.66	68.88	0.59
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.83	3.81	4.88	39.07	0.35
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	5.58	3.81	5.11	90.32	0.81
5.25% ACMUS p.l.c. Secured 2028-2030	19,000	5.25	3.88	475.77	80.85	0.76
5.10% PLAN Group p.l.c. Secured & Guaranteed 2028-2030	28,200	5.10	5.65	7.37	55.40	0.54
5.10% PLAN Group p.l.c. Secured & Guaranteed 2028-2030 T3	11,800	5.10	5.65	7.37	55.40	0.54
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	33,000	5.20	2.64	5.87	43.46	0.39
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T2	20,000	5.19	2.64	5.87	43.46	0.39
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T3	7,000	5.11	2.64	5.87	43.46	0.39
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	5.32	1.20	10.63	75.36	0.69
5.25% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	10,000	5.25	2.64	5.87	43.46	0.39
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	5.61	1.47	11.26	43.14	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	5.00	3.19	7.66	51.19	0.46
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.31	n/a	9.43	76.67	0.72
5.50% MM Triton Malta Finance p.l.c. Secured & Guaranteed 2032	45,000	5.11	1.40	9.39	71.50	0.67
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.79	3.81	5.11	90.32	0.81
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.90	4.52	5.45	46.94	0.46
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2033	60,000	4.90	4.45	4.66	68.88	0.59
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.32	3.81	4.88	39.07	0.35
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.56	1.47	11.26	43.14	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.85	3.62	7.48	73.09	0.68
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	5.31	2.40	9.18	48.21	0.43
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.15	1.47	11.26	43.14	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.27	2.55	5.93	51.80	0.46
5.35% CPHCL Finance p.l.c. Unsecured & Guaranteed 2035	45,000	5.35	1.36	12.35	42.84	0.40
5.50% Finestday Malta p.l.c. Secured & Guaranteed 2036	25,000	5.23	1.92	7.68	60.83	0.55
5.25% International Hotel Investments p.l.c. Unsecured 2036	30,000	5.23	1.47	11.26	43.14	0.40

**As at 30 October 2026*

Sources: *(i) Malta Stock Exchange; (ii) M.Z. Investment Services Limited; and (iii) the most recent audited annual financial statements of the respective Issuers and, or Guarantors, except for MM Triton Malta Finance p.l.c. (FY2026[F]) and Finestday Malta p.l.c. (FY2027[P]).*



The closing market price of the **4.35% SD Finance plc unsecured and guaranteed bonds 2027 ("SD27A")** as at 30 September 2026 was 100.00%. This translated into a yield-to-maturity ("**YTM**") of 4.25%, representing a discount of 114 basis points to the average YTM of 5.39% of other local corporate bonds maturing in the same year. The spread over the corresponding average Malta Government Stock ("**MGS**") yield of 2.68% stood at 157 basis points.

The closing market price of the **5.20% SD Finance plc unsecured and guaranteed bonds 2031 S1 T1 ("SD31A")** as at 30 September 2026 was 99.99%. This translated into a YTM of 5.20%, representing a premium of 7 basis points to the average YTM of 5.13% of other local corporate bonds maturing in the same year. The spread over the corresponding average MGS yield of 3.73% stood at 147 basis points.

The closing market price of the **5.20% SD Finance plc unsecured and guaranteed bonds 2031 S1 T2 ("SD31B")** as at 30 September 2026 was 100.00%. This translated into a YTM of 5.19%, representing a premium of 6 basis points to the average YTM of 5.13% of other local corporate bonds maturing in the same year. The spread over the corresponding average MGS yield of 3.73% stood at 146 basis points.

The closing market price of the **5.20% SD Finance plc unsecured and guaranteed bonds 2031 S1 T3 ("SD31C")** as at 30 September 2026 was 100.30%. This translated into a YTM of 5.11%, representing a discount of 2 basis points to the average YTM of 5.13% of other local corporate bonds maturing in the same year. The spread over the corresponding average MGS yield of 3.73% stood at 138 basis points.

The new **5.25% SD Finance plc unsecured and guaranteed bonds 2031 S1 T1** have been priced at a premium of 12 basis points over the average YTM of 5.13% of other local corporate bonds maturing in the same year as at 30 September 2026. The premium over the corresponding average MGS yield of equivalent maturity (3.73%) stood at 152 basis points.

PART 4 - EXPLANATORY DEFINITIONS

INCOME STATEMENT	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.
PROFITABILITY RATIOS	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.
STATEMENT OF CASH FLOWS	
Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of net capital expenditure.
STATEMENT OF FINANCIAL POSITION	
Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

FINANCIAL STRENGTH / CREDIT RATIOS	
Interest cover	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital.
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.


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