FINANCIAL ANALYSIS SUMMARY

29 June 2026

CURMI &
PARTNERS

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29 June 2026

The Directors
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Dear Sirs,

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary Update 2025 ("the FAS Update 2026") set out in the following sections.

The purpose of the FAS Update 2026 is that of summarising key financial data appertaining to Merkanti Holding p.l.c.. ("the Issuer" or "Merkanti"), in addition to Merkanti Bank Limited ("Merkanti Bank" or "the Bank"), Merkanti (A) International Limited ("Merkanti (A)"), Merkanti (D) International Limited ("Merkanti (D)"), Merkanti Diesel Limited ("Merkanti Diesel") and Altmark Industrie Management GmbH ("A.I.M."), collectively referred to as "the Subsidiaries". The Issuer and the Subsidiaries are collectively referred to as "the Group".
The data is derived from various sources as disclosed, or derived from our computations on the basis of the following:

1. Historical financial data for the three years ended 31 December 2023, 31 December 2024, 31 December 2025, have been extracted from the Group's audited financial statements;
2. Forecast data for the financial year ending 31 December 2026 have been extracted from the Issuer's financial projections, as prepared and provided by management;
3. Historical financial data for Merkanti Bank was extracted from the audited financial statements of Merkanti Bank;
4. Historical financial data for Merkanti (A) and Merkanti (D) was extracted from the financial statements of Merkanti (A) and Merkanti (D), or provided by management of the Issuer;
5. Our commentary on the financial results and position, of the Issuer and of the Group, is based on the explanations as set out by management of the Issuer;
6. The ratios quoted in the following sections have been computed by us applying the definitions set out and defined in Section 7 of the analysis;
7. The comparable companies listed in Section 6 have been identified by us. The relevant financial data in respect of such companies has been sourced from publicly available

Curmi & Partners Ltd is licensed to conduct investment services business by the MFSA under the Investment Services Act (Cap 370 of the laws of Malta) and is a Member of the Malta Stock Exchange.

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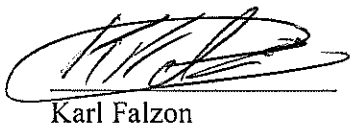
information, mainly audited financial statements and published financial analysis summaries.

The FAS Update 2026 is meant to assist potential investors by summarising the more important financial data of the Group. The FAS Update 2026 does not contain all data that is relevant to potential investors, and is meant to complement, not replace, the information made available in the public domain by the Group. The FAS Update 2026 does not constitute an endorsement by our firm of the financial instruments issued by the Group and should not be interpreted as a recommendation to invest in any of the Issuer's or the Group's financial instruments. We shall not accept any liability for any loss or damage arising out of the use of the FAS Update 2026.

As with all investments, potential investors are encouraged to seek professional advice before investing in the securities of the Issuer or the Group.

Yours sincerely,



Karl Falzon
Head of Capital Markets
For and on behalf of
Curmi & Partners Ltd

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1 OVERVIEW OF THE ISSUER

1.1 History and Development of the Issuer

Merkanti Holding plc ("Merkanti Holding" or "the Issuer" or "the Company") is a diversified holding company based in Malta controlled by Scully Royalty Ltd ("Scully Royalty" or "the Ultimate Parent"). Merkanti Holding was converted into a public liability company on 30th May 2019. The Issuer issued a bond on the Malta Stock Exchange ("MSE") amounting to €25 million originally bearing interest at a rate of 4% per annum and due in 2026 ("the Bond" or "the Bond Issue").

Merkanti Holding is the parent company of: Merkanti (A) International Limited ("Merkanti (A)"), Merkanti (D) International Limited ("Merkanti (D)"), Merkanti Bank Ltd ("Merkanti Bank" or "the Bank"), Merkanti Diesel Limited ("Merkanti Diesel") and Altmark Industrie Management GmbH ("A.I.M."), collectively referred to as "the Group". Merkanti (A) and Merkanti (D), companies which hold real estate in Germany, and A.I.M. which operates as the management company for these entities, are collectively referred to as "the Property Companies". The Property Companies, Merkanti Bank and Merkanti Diesel will be collectively referred to as "the Subsidiaries".

The Issuer's main activities relate to the raising of financing, the lending and advancing of funds to Group companies, and the collection of interest income on advances to, and management fees, from the Subsidiaries, and the acquisition and holding of shares and other assets. Accordingly, the Issuer is dependent on the Group.

1.2 Shareholding of the Issuer

Currently, the Issuer's authorised share capital is €200,000,004, divided into 33,333,334 Ordinary A Shares of €0.10 each and 33,333,334 Ordinary B Shares of €0.10 each. The Company's issued share capital is €50,020,002, divided into 16,673,333 Ordinary A Shares of €0.10 each and 1 Ordinary B Share of €0.10. The shares are paid up and held as follows:

- 16,666,666 Ordinary A Shares held by Scully Royalty

- 1 Ordinary B Share held by Samuel Morrow

Prior to the above current shareholding structure being in place, on the 24th of June 2022 the Issuer announced that in an extraordinary general meeting held on the same date, certain resolutions were approved relating to changes to the Company's Memorandum and Articles of Association, including inter alia a change in the nominal value of the shares which decreased from €3 to €0.10 per share. It was expected that these proposed changes would not take effect until 3 months from the date of the publication by the Registrar of Companies.

Furthermore, on the 25th of July 2022 the Company announced that it was granted approval by the Malta Financial Services Authority for admissibility to listing on the Official List of the Malta Stock Exchange of 16,673,333 Ordinary A shares in the Company of a nominal value of

€3.00 per share, and that concurrently with the listing a distribution by the Issuer's parent company of 49.9% of its shares to its shareholders was expected to take place. However, on the 20th of September 2022 the Company announced that the distribution was postponed due to volatility in global capital markets.

In January 2025, the Company announced that an Extraordinary General Meeting ("EGM") was held, in which certain extraordinary resolutions were approved. Notably the following resolutions were approved:

- to authorise the acquisition by the Company of an amount of Ordinary A shares not exceeding 20,000 for a purchase price of €3, with such authorisation valid for a period of 18 months
- to, subject to MFSA approval, amend and substitute in their entirety the Company's Memorandum and Articles of Association with the objective of the Memorandum and Articles of Association being updated to reflect the above change, any changes relative to the composition of the Board, any other amendments required to reflect changes to the Company's share capital

The Issuer's majority shareholder is Scully Royalty, which holds almost all the Ordinary "A" Shares of the Issuer. Scully Royalty is a public company listed on the New York Stock Exchange with ticker symbol SRL. It is a holding company with several investments across a wide range of industries and provides financial services and proprietary capital to enterprises, seeking businesses and assets which offer the potential to increase or unlock value.

In March 2025, a third party shareholder transferred 6,667 Ordinary "A" shares to the Company for a consideration of €20k, which shares have been cancelled.

As 24 November 2025, Scully Royalty's shareholders' equity amounted to 15,226,351 common shares. The main shareholders owning more than 10% of Scully Royalty are outlined below:

Scully Royalty Ltd Shareholding as at 24th April 2025	**Number of shares**	**Percentage Shareholding**
Kellogg, group	5,293,276	34.8%
MILFAM, LLC, group	1,985,952	13.0%

Source: U.S. Securities and Exchange Commission, Form 6-K, Scully Royalty Limited

1.3 Directors and Management

The Board of Directors consists of four directors who are entrusted with setting the overall direction and strategy of the Company.

As at the date of this financial analysis summary report ("FAS 2026"), the Board of Directors of the Issuer is constituted as follows:

Samuel Morrow	Executive Director
Martin Ware	Non-Executive Director*
Silke Stenger	Independent Non-Executive Director
Rene Randall	Independent Non-Executive Director

2 OVERVIEW OF THE GROUP

2.1 History and Development of the Group

The Issuer was incorporated as a private limited liability company and was converted to a public limited liability company on 30th May 2019. The Issuer was originally incorporated in 2015 as a holding company for the purpose of the acquisition of Merkanti Bank Ltd ("Merkanti Bank") (formerly known as MFC Merchant Bank and BAWAG Malta Bank Ltd ("BAWAG")).

BAWAG had been fully licensed in Malta since 2003. The acquisition reflected Scully Royalty's strategy to leverage its merchant banking and trade finance platform by offering additional complimentary trade and structured finance products, and other complimentary services. As part of Scully Royalty, the Bank was not expected to engage in retail banking, commercial banking or universal banking, but to focus on specialty banking services.

In late 2018, the Issuer commenced a restructuring process in preparation for the Bond. This restructuring process involved the acquisition of 85% of the two property companies, Merkanti (A) and Merkanti (D). The Property Companies were purchased from an indirect subsidiary of Scully Royalty for a purchase price of €29.5 million and were re-domiciled to Malta in 2019.

In 2019, Merkanti Holding increased its shareholding of the Property Companies by a further 9.9% to 94.9%. In 2020, Merkanti Holding acquired A.I.M. for a net book value of €161,940. A.I.M. provides management services to the two Property Companies.

2.2 Strategic Developments

As could be expected, the effects of a global economic downturn could have an adverse impact on the Group's profitability, liquidity and capital resources. This is particularly due to the potential impact on demand for merchant banking services, with for example disruptions to international trade being considered. However, management also notes that on the basis of the Group's approach with respect to seeking assets which offer the potential to increase or unlock value, periods characterised by global macroeconomic challenges could result in opportunities for Merkanti Holding.

Historically, whilst Covid-19 slowed down the development of certain business areas (particularly within banking) compared to previous expectations and resulted in the Group

holding substantial amounts of liquidity, it is also noted that the impact from the pandemic, and more recently, elevated inflation and geopolitical tensions, on the Property Companies was minimal

In March 2022, the Issuer had announced that it entered into a Share Purchase Agreement ("the SPA") to acquire Sparkasse (Holdings) Malta Ltd, the parent company of Sparkasse Bank Malta plc., subject to regulatory approval. However, in July 2023 it was further announced that the proposed transaction would not close, and that it was mutually agreed to terminate the SPA.

It is noted that the decision to not proceed with the acquisition was not related to the regulatory approval process, but was driven by timing considerations, in particular due to the impact of substantial shifts in the interest rate environment during that period. Additionally, the termination of the SPA did not materially impact the financial results of the Company, beyond the impairment of minor capitalized costs associated with the transaction in the first half of 2023.

In July 2024, the Company announced that during a bondholders' meeting held for this purpose, certain changes to the terms and conditions ("Changes to T&Cs") of the Bond were approved by bondholders.

A nominal value amount of 21,703,000 in the Bond was represented at the bondholder meeting, representing 86.8% of the aggregate nominal value of all outstanding Bonds, which constituted a quorum for the transaction of business. The Company announced that an overwhelming 20,452,700 outstanding bonds voted in favour of the Changes to T&Cs.

Below are the key aspects relating to the Changes to T&Cs:

- An increase in the interest rate payable on the Bond from 4.00% to 5.70% per annum
- A 7-year extension of the term (maturity date) from August 12, 2026 to August 12, 2033
- Any bonds purchased by the Issuer may be re-sold by the Issuer within a period of 60 days and, if they are not re-sold within such period, they will be cancelled. Currently, any bonds purchased must be cancelled and may not be re-issued or re-sold

Those bondholders who voted against the Changes to T&Cs had the option of selling their bonds on the market or to avail themselves of a dissenting bondholder offer implemented by the Issuer. On the other hand, bondholders on the register after the dissenting bondholder offer were entitled to a one-time bonus interest payment of 0.8% of the nominal value of their holdings, which was paid in August 2024 along with the accrued interest due for the immediately preceding interest period.

Management notes that the purpose of the Changes to T&Cs was to give bondholders the opportunity to retain their long-term participation in the Company at an interest rate that is more in line with then current market conditions, whilst allowing the Group to re-diversify its balance sheet with long-term debt in a more cost and time efficient manner compared to a refinancing on the basis of a new issuance of bonds. In turn, this is related to the particularly high costs and complicated process that the re-registration of new security in Germany would entail. In this respect, management also highlights that the Bond shall remain fully secured throughout the

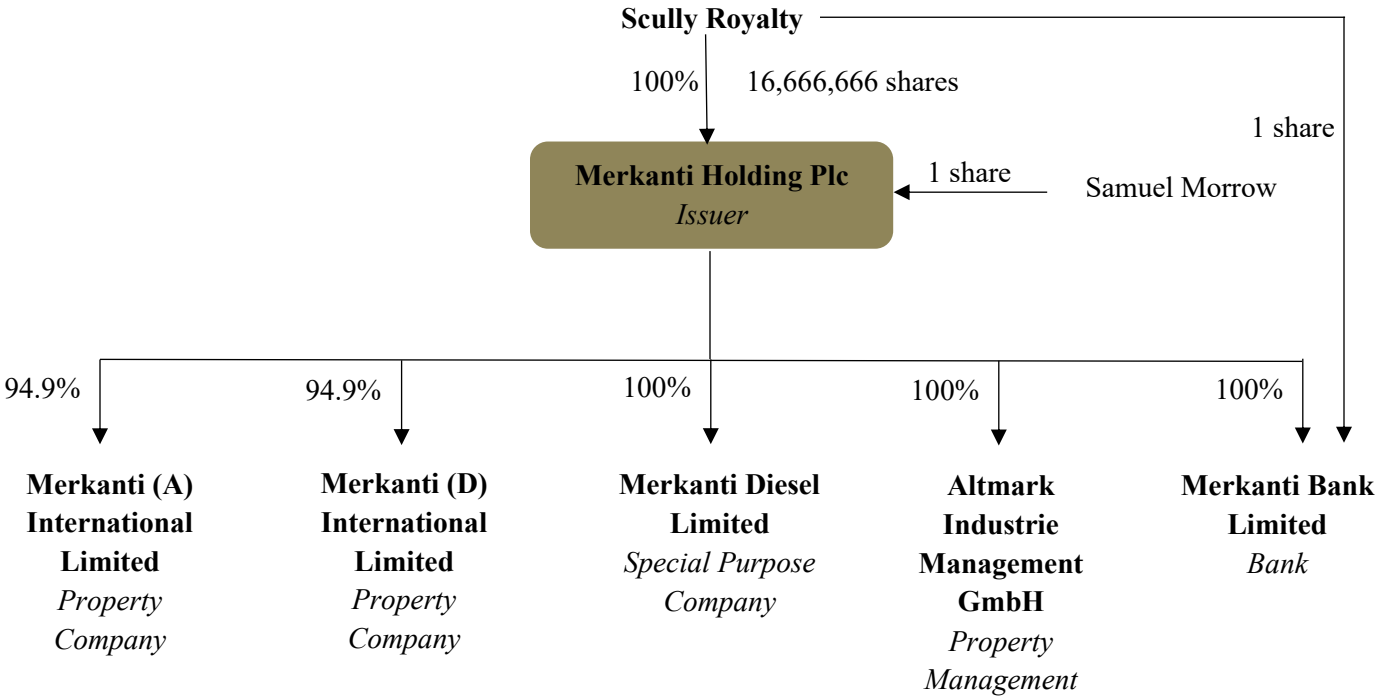
extended term, with the Changes to T&Cs having no effect on the security package underlying the Bond, namely the first ranking uncertificated land charge granted under German law on the underlying industrial property assets owned by the Property Companies.

In December 2025, the Company announced that it began plans to convert the Bank into an unregulated company by voluntarily surrendering its banking licence, subject to regulatory approval, with the objective of streamlining the Group's consolidated cost structure, in turn increasing its profitability going forward. It was indicated that the plan is for all customer deposits to be repaid in full, and that based on information available at the time, the Company does not expect the process to have a material impact on the financial position of the Company, nor will it impact on the Company's ability to meet its obligations to its bondholders.

Subsequently in January 2026, the Group confirmed that the board of directors of the Company and of the Bank, had formally approved the bank's conversion into an unregulated entity, subject to receiving regulatory approval and any additional instructions from the MFSA, with such approval process still ongoing.

2.3 Organisational Structure

The current corporate structure of the Group is as follows:



3 MAJOR ASSETS OF THE GROUP

3.1 Merkanti Bank Limited

Merkanti Bank's operations began in February 2016 after the ECB and MFSA approved the acquisition of Merkanti Bank. Before the acquisition, BAWAG primarily focused on corporate banking to generate interest income. After the acquisition, Otto Karasek, the Chief Executive Officer at the time, continued in his role and concentrated on revamping the Bank's business model. This involved changing internal processes, corporate governance structures, and shifting operations towards providing traditional merchant banking services.

Regarding merchant banking, the Bank has been offering advisory and fee-based services, often to related parties. Merchant banking continues to be an important income stream for the Bank. This typically involves banking advisory services relating to working capital optimisation and cashflow management. This business line also compliments the Bank's specialised credit business involving bridge finance loans relating to corporate restructurings, selective banking book acquisitions and other specialised lending.

Before issuing the Bond, Merkanti Bank decided to enter the trade finance market in addition to generating income from fees and interest through its merchant banking activities. The Bank earns this income by providing credit and risk management, customized financial tools, structured financial solutions, corporate finance services, and occasionally realizing gains from its proprietary investments.

The Bank continued to invest in the core activities overseen and led by Martin Ware who was appointed as the Bank's CEO in June 2021. Investments included additional personnel experienced in trade finance and merchant banking, in addition to new procedures and structures and upgrades to core systems.

However, following the strategic decision by the Group to proceed with the voluntary surrender of the credit institution license, the Bank has in recent months been implementing a wind-down of the banking business activities. This has entailed the closure of active customer deposit accounts and the sale to the market of financial investment portfolio. The financial investment portfolio was fully de-recognised in February 2026, whilst the process of closing customer deposit accounts was also finalised in the same month.

3.1.1 Statement of Comprehensive Income

Merkanti Bank Ltd Financial Statements *Extracts from Income statement (€000) - 31 December*	2023 *Actual*	2024 *Actual*	2025 *Actual*
Net interest income	2,826	2,454	1,717
Net fee and commission income	1,490	1,519	58
Net trading income	546	(175)	93
Loss on disposal of fin assets measured at FV through other comprehensive income			(22)
Other operating income	486	-	-
Operating income	**5,348**	**3,798**	**1,845**
Administrative expenses	(2,859)	(3,138)	(3,320)
Changes in expected credit losses	(102)	(109)	313
Depreciation and impairment of property, plant and equipment and right-of-use assets	-	(95)	(244)
Amortisation and impairment of intangible assets	-	(41)	(886)
Movement in provisions	-	-	(1,338)
Profit / (Loss) before tax	**2,387**	**416**	**(3,629)**
Other comprehensive income - net of tax	273	224	89
Total comprehensive income for the year	**2,660**	**640**	**(3,541)**
Total Capital Ratio	85.60%	77.81%	88.56%

Source: Audited financial statements

Net interest income during 2025 amounted to €1.7 million (2024: €2.5 million), driven by lower levels of interest income earned, which declined to €2.1 million (2024: €3.0 million). In turn, the was mainly the result of the decrease in loans and advances to banks and financial institutions as the Bank began its withdrawal from lending activities.

The movement in fees and commissions was more notable. Net fee and commission income was €57k, compared to the €1.5 million generated during the previous year. Management notes that during last year the Bank did not transact any re-charging services, as reflected in the last of income earning corporate services.

Historically, it is noted that also due to certain global uncertainties, a prudent approach was maintained during 2024 and 2025 with respect to expansion of merchant banking activities and its credit loan portfolio development. This led to growth that was slower than previously expected. The recent strategic decision to surrender the credit license further led to progressive withdrawals from certain outstanding balances.

Trading activities generated €0.1 million in income in 2025, driven by foreign exchange activities. Overall operating income reflects these developments, declining 51% to €1.8 million.

Administrative expenses totalled €3.3 million (+6%), with the increase mainly driven by staff costs. There was a positive trend in terms of expected credit losses, with a release of €0.3 million. However, one-off expenses related to the winding down process of the Bank had an evident impact on bottom line profitability of the entity. A provision of €1.3 million, consisting mainly of estimated staff costs and fees related to the conduct of business post reporting period (€0.7 million) and termination benefits (€0.3 million), was recorded. Management notes that these relate to estimates for accrues of 2026 staff costs and terminations, IT software write downs, in addition to write downs of property plant and equipment. On this basis, the Bank's loss for the year amounted to €3.6 million.

3.1.2 Statement of Financial Position

Merkanti Bank Ltd Financial Statements *Statement of financial position (€000) - 31 December*	**2023** *Actual*	**2024** *Actual*	**2025** *Actual*
ASSETS			
Balances with Central Bank of Malta and cash	27,980	20,315	24,036
Loans and advances to banks and other financial institutions	6,549	6,901	2,913
Loans and advances to customers	13,375	13,019	3,116
Financial assets mandatorily measured at fair value through P&L	793	793	793
Financial assets measured at FV through other comprehensive income	6,947	5,146	192
Property, Plant and Equipment	107	29	-
Intangible assets	922	881	-
Accrued income and other assets	1,880	559	103
Total assets	**58,551**	**47,641**	**31,153**
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	10,000	10,000	10,000
Capital contribution	-	28	89
Fair value Reserve	- 315	- 90	- 1
Retained earnings	9,271	9,686	6,057
Total equity	**18,956**	**19,625**	**16,145**
LIABILITIES			
Amounts owed to banks	4,966	4,965	-
Amounts owed to customers	34,336	22,920	13,514
Provisions	-	-	1,338
Other liabilities	293	131	156
Total liabilities	**39,594**	**28,016**	**15,008**
Total equity and liabilities	**58,551**	**47,641**	**31,153**

Source: Audited financial statements

The Bank's balance sheet as at end of 2025 compared to the previous year, reflects the ongoing downsizing in line with the planned surrender of the credit license. With deposit funding balances being withdrawn, the Bank has been extinguishing loan balances and disposing of financial assets. Total assets as at 31 December 2025 amounted to €31.2 million (2024: €47.6 million).

Loans advances to customers, primarily related parties, experienced the largest decline. Loan balances decreased by almost €10 million to €3.1 million as at 31st December 2025. The reduction in term loans to banks to €2.9 million reflects the extinguishment of a €5 million advance to a local bank, which was designated as an MREL compliant lower ranking liability as referred to in regulation 108(4) of the Recovery and Resolutions Regulations (Subsidiary Legislation 330.09).

The portfolio of financial assets (measured at fair value through other comprehensive income), which as at 31st December 2024 consisted of €5.2 million primarily of local government debt, was substantially disposed of by the end of last year.

On the other hand, cash and liquidity balances held at the Central Bank of Malta increased throughout 2025, ending the year at €24 million (2024: €20.3 million). A portion of the amounts generated from the release of other assets (as mentioned above), were maintained as deposits at the Central Bank of Malta as at 31st December 2025. Furthermore, it is noted that €13.6 million (up from €6.9 million) of these balances were withdrawable on demand and subject to an interest rate of 2% per annum, whilst money market placements in USD with a contractual maturity of 5 days and with interest rates up to 3.49%, account for the remaining deposit assets of €10.4 million.

On the funding side, total liabilities amounted to €15 million (2024: €28 million). The major downward shift is observed in deposits from related parties which totalled €13.5 million (2024: €22.9 million), particularly within term deposits that were subject to fixed interest rates. Provisions totalled €1.3 million as at 31 December 2025, and reflect costs expected to be settled post the reporting period (including items such as termination benefits and staff costs related to conduct of business subsequent to the reporting period). The equity balance was substantially impacted by the loss for the year, with retained earning declining by €3.6 million for total equity to amount to €16.1 million (2024: €19.6 million).

3.2 The Property Companies

Merkanti Holding acquired an 85% shareholding in each of Merkanti (A) and Merkanti (D) in advance of the Bond Issue on 27th December 2018. The Property Companies were thereafter re-domiciled to Malta on 8th July 2019. Prior to the end of 2019, Merkanti Holding increased its interest by a further 9.9% of the issued share capital of Merkanti (A) and Merkanti (D). Accordingly, the Issuer currently holds 94.9% of the ordinary shares of each of the Property Companies.

The Property Companies operate in the industrial real estate leasing sector in Germany and hold investment property assets of a combined value of €32.4 million, yielding a combined rental income of approximately €1.6 million per annum with an annual gross rate of return of 5.0%.

The Property Companies own the real estate situated in Germany described below, which is currently leased out to several tenants on definite or indefinite term contracts.

For the year ending 31 December 2025, 92% of Merkanti (A)'s rental income and 98% of Merkanti (D)'s rental income was generated from areas leased out to third party tenants, with the remaining proportions generated from leases to companies within the Group.

The properties are situated in the region of Saxony-Anhalt, in the central-eastern part of Germany, and borders the states of Brandenburg, Saxony, Thuringia and Lower Saxony. The region is an attractive location for businesses. The industry sector is very diverse and includes automotive supply production and mechanical engineering, information technology, biotechnology, and medical technology. Important corporations are located in the region including Bayer, Total and Dow Chemical.

Altmark Industrie Management Gmbh ("A.I.M.") is the management company for the two property companies and was acquired in 2020 from a related party. The offices are based at the premises of Merkanti (A) and it provides administration, accounting, tax, maintenance and other services to both Merkanti (A) and Merkanti (D), amongst other companies.

3.2.1 Merkanti (A) International Limited

Merkanti (A) owns the largest (1,553,113 m²) industrial and commercial park in the German State of Saxony-Anhalt, known as the Industrial and Commercial Park Altmark, located in Arneburg, Germany. There are currently 32 buildings in Industrial and Commercial Park Altmark. This park is traditionally a centre for the pulp and paper industry but that has recently made developments towards sustainable energy, with a large solar park built there in 2014. The Industrial and Commercial Park Altmark is well connected via a railway system, a connection to its own harbour on the river Elbe, and a connection to modern roads for transportation by truck.

The investment property is measured at fair value which was estimated by an external valuation expert. The fair value reflects actual market state, conditions and circumstances as at year end. Industrial and Commercial Park Altmark presently yields a rental income of approximately €1.1 million per annum with a combined value in investment property of €23.5 million, thereby achieving a gross rate of return of 4.7%.

Around 35% of the rental income generated by Merkanti (A) as at the end of 2025 was generated by tenants within the construction and building materials industry, whilst the pulp sector accounted for another sizeable portion of rental income at approximately 33%. The balance was generated from various tenants mainly operating in transport and logistics, storage and administration and property management (primarily intra-group from A.I.M.).

In line with previous period, Merkanti (A)'s two largest tenants by rental income accounted for 35% and 33% respectively each of Merkanti (A)'s total rental income as at the end of 2025, largely representing the construction and building materials and pulp industries.

Tenant 1 held several rental agreements with Merkanti (A) as at the end of last year, with the largest agreement (accounting for 67% of this tenant's rent) maturing as at end of 2027 but subject to automatic extension for a further 5 years.

Tenant 2 also holds several rental agreements with Merkanti (A), substantially most of which are definite, with the largest agreement (accounting for almost 50% of this tenant's rent) maturing during 2028.

3.2.1.1 Income Statement

Merkanti (A) Ltd Extracts from Statements of comprehensive income (*€000) - 31 Dec*	2023 Actual	2024 Actual	2025 Actual
Rental Income	**1,087**	**1,163**	**1,092**
Change in the fair value of investment property	379	1,218	(237)
Realised gains on disposal of investment properties	(43)	32	66
Administrative and other expenses	(1,379)	(1,333)	(1,909)
Other income (including net trading gains/(losses)	460	352	378
EBITDA	**503**	**1,433**	**(610)**
Fair value gains in relation to participation rights	36		
Finance costs	(439)	(439)	(439)
Finance income	442	536	479
Profit/ (Loss) before tax	**543**	**1,530**	**(569)**
Tax	(215)	(27)	(126)
Profit for the year	**327**	**1,504**	**(695)**

Source: Management information, financial statements

For 2025, total rental income from the lease of the property amounted to €1.1 million, basically flat on the previous year.

In 2025, Merkanti (A)'s estimate for EBITDA was negative at €0.6 million compared to the €1.4 million generated during the previous year. The lack of any revaluation gains on the fair value of investment property combined with a substantial increase in administrative expenses resulted in the negative shift in profitability.

These expenses include in particular, increases in marketing outlays and repairs and maintenance. In turn, management notes that the company incurred demolition costs in order to enhance the value of a certain site and make it more marketable going forward. Maintenance included works on the lifts in the main office block.

These projects are viewed as targeted investments, and are expected to enhance the value of the asset. In fact, management also notes that with its underlying features including close proximity to a substation connection to the grid there is ongoing considerable interest in the site, with the potential of attractive disposals in the pipeline.

In 2025, net interest income amounted to circa €40k, with such flows driven by advances from, and to, related parties. Interest income is derived from amounts held at the Bank and advances to Scully Royalty. Unchanged finance costs of €439k reflect the interest payable on the loan of €6.8 million at an interest rate of 6.5% advanced from Merkanti Holding following the Bond Issue. A loss for the year was reported, amounting to €0.7 million.

3.2.1.2 Statement of Financial Position

Merkanti (A) Ltd Statements of financial position (*€000) - 31 December*	2023 Actual	2024 Actual	2025 Actual
Assets			
Non-current assets			
Investment Property	21,564	23,275	23,454
Trade and other receivables	1,686	1,402	1,239
Total Non-current assets	**23,250**	**24,677**	**24,693**
Current assets			
Current tax assets	-	171	179
Trade and other receivables	4,770	5,954	9,742
Loans and advances to banks	4,000	4,000	-
Cash and Cash equivalents	2,312	2,516	393
Total current assets	**11,082**	**12,642**	**10,314**
Total assets	**34,332**	**37,319**	**35,007**
Equity and Liabilities			
Capital and reserves			
Share Capital	1	1	1
Capital contribution reserve	24,173	24,173	24,173
Retained earnings	1,501	2,805	1,109
Total equity	**25,675**	**26,979**	**25,284**
Liabilities			
Non-current liabilities			
Borrowings	6,750	6,750	-
Deferred tax liabilities	1,095	1,322	1,261
Current liabilities			
Current tax liabilities	211	9	78
Trade and other payables	601	2,259	1,633
Total liabilities	**8,657**	**10,340**	**9,723**
Total equity and liabilities	**34,332**	**37,319**	**35,007**

Source: Management information, financial statements

Merkanti (A)'s total assets amounted to €35 million as at 31 December 2025 (2024: €37.3 million), with the decline compared to the previous year driven by utilisation of cash balances, which decreased to €0.4 million from €2.5 million.

Trade and other receivables totalled €9.7 million (+63%). These balances substantially consist of advances to Scully Royalty. There was an increase in the balance classified as current to €8.7

million, with the increase of €4 million during 2025 reflecting the utilisation of funds previously held in a fixed-term deposit with Merkanti Bank. Management indicates that these balances are not subject to interest. It is also noted that accrued interest receivable from the ultimate parent company also increased, reaching €0.9 million (+87%). In this respect, management notes that during the current year it is expected that a proportion of such outstanding balances will be reimbursed.

In terms of funding, part of the proceeds of the Bond were granted as a loan to Merkanti (A), with borrowings amounting to €6.8 million, which is included as a current liability as at 31 December 2025.

Total equity as at 31 December 2025 was €25.3 million with the decrease of €1.7 million mainly reflecting the negative impact of the loss for the year combined with the dividend payment of €1 million.

3.2.2 Merkanti (D) International Limited

Merkanti (D) owns the Dessau-Mitte Industrial Park, located in Dessau, Germany. Management indicates that this 109,804m^2 industrial park offers 16 buildings comprising of office and administrative buildings, production halls and warehouses. The Dessau-Mitte Industrial Park is ideally situated for hosting production, engineering and servicing companies, currently housing traditional equipment for cement plants, mills, cooling apparatus, drums and rotary furnaces, as well as broad-based engineering services in the field of cement plants and medical technology. The industrial park benefits from connections to the autobahn, the national railway and the Elbe River.

Dessau-Mitte Industrial Park is valued at €8.9 million and presently yields a rental income of approximately €0.5 million, thereby producing an annual gross rate of return of 6.0%. During 2025, construction, building materials and the trades sector dominated the breakdown of tenants at Merkanti (D), accounting for almost 60% of rental income. Medical technology (5%) and transports (c. 11%) are also sizeable sectors, with the balance made up from a wider range of sectors and types of tenants compared to Merkanti (A).

Similarly, in terms of exposures to singular tenants, excluding the income earned from the largest tenant (from the construction machinery sector) which accounts for approximately 35% of total income, the rental income of Merkanti (D) is less concentrated than that of Merkanti (A).

3.2.2.1 Income Statement

Merkanti (D) Ltd Extracts from Statements of comprehensive income (*€000) - 31 Dec*	2023 Actual	2024 Actual	2025 Actual
Rental Income	560	454	533
Changes in fair value of investment property	(419)	135	268
Administrative and other expenses	(920)	(811)	(865)
Other income (including net trading gains/(losses)	356	274	276
EBITDA	**(423)**	**52**	**212**
Finance income	53	92	55
Finance Costs	(179)	(179)	(179)
Profit/ (Loss) before tax	**(549)**	**(35)**	**87**
Tax	30	74	(43)
Profit for the year	**(519)**	**39**	**44**

Source: Management information, financial statements

Revenue from rental and lease of properties owned by Merkanti (D) recovered in 2025 by 17% to €533k. Management notes that such progress was driven by the measures implemented in order to enhance occupancy and rates, including advertising and investments in environmental improvements.

In particular, during 2025 the company benefited from increased utilisation of the four largest halls, with outside storage areas, and the rail system all let, and with occupancy at the office units also enhanced. In fact, profitability also benefited from a positive movement in the fair value of the investment property amounting to €0.3 million. The fair value of the investment property was estimated by an external valuation expert reflecting the actual market state, conditions and circumstances as at the reporting date.

The above positive trends allowed for a slight turnaround in pre tax profitability, notwithstanding an increase in administrative expenses. Total administrative expenses amounted to €0.9 million, with an increase in repairs and maintenance charges outweighing lower property administration costs.

3.2.2.2 Statement of Financial Position

Merkanti (D) Ltd Statements of financial position (*€000) - 31 December*	2023 Actual	2024 Actual	2025 Actual
ASSETS			
Non-current Assets			
Investment Property	8,517	8,652	8,920
Trade and other receivables	1,124	612	187
Total non-current assets	**9,641**	**9,264**	**9,107**
Current Assets			
Trade and other receivables	99	122	2,213
Current tax assets	19	47	47
Loans and advances to banks	2,000	2,000	-
Cash and cash equivalents	338	171	146
Total current assets	**2,456**	**2,340**	**2,406**
Total assets	**12,097**	**11,604**	**11,513**
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	1	1	1
Capital contribution reserve	6,741	6,741	6,741
Retained earnings	694	633	527
Total equity	**7,435**	**7,375**	**7,269**
LIABILITIES			
Non-current liabilities			
Borrowings	2,750	2,750	-
Deferred tax liabilities	1,059	1,065	1,107
Total non-current liabilities	**3,809**	**3,815**	**1,107**
Current liabilities			
Borrowings			2,750
Current tax liabilities	86	3	-
Trade and other payables	766	412	387
Total current liabilities	**853**	**414**	**3,137**
Total liabilities	**4,661**	**4,229**	**4,244**
Total equity and liabilities	**12,097**	**11,604**	**11,513**

Source: Management information, financial statements

Total assets as of 31st December 2025 amounted to €11.5 million, basically unchanged from the prior year. In addition to the investment property (€8.9 million)

In terms of other major assets, a shift is noted from loans and advances (to banks) to trade and other receivables. This movement consists of the utilisation of funds from the release of a €2 million deposit with the Bank by advancing such amount to the ultimate parent company.

Funding substantially consists of the €2.8 million loaned to Merkanti (D) by the Issuer.

3.3 Other Assets

The Company established Merkanti Diesel in December 2019, with the objective of providing dispute resolution finance, with a focus in Germany. This activity typically relates to the provision of funding to individuals and their legal counsels who are making legal claims against large corporations. Merkanti Diesel, fully financed by Merkanti Bank and via agreements with a German dispute resolution funder and three law firms, provided financing to individual legal claims relating to the "Dieselgate" scandal. This company is currently in "run-off" and is not expected to generate material proceeds for the group in the future.

4 INDUSTRY OVERVIEW

4.1 German Industrial Real Estate

The Property Companies own real estate exclusively in the Saxony-Anhalt region of Germany. Logistics and industry continue to play a central role in the state's economic development strategy, supported by one of the most comprehensive multimodal transport networks in Central Europe. Located at the crossroads of major European trade corridors, Saxony-Anhalt benefits from direct access to key east-west and north-south freight routes, making it an attractive location for manufacturing, warehousing and distribution activities.

The region maintains strong connections to pan-European transport infrastructure, including the Leipzig/Halle Airport cargo hub, one of Europe's leading air freight centres, an extensive rail network comprising approximately 3,100 kilometres of track and numerous freight terminals, as well as an integrated inland waterway system centred on the Elbe River, the Mittelland Canal and the Elbe-Havel Canal. These characteristics continue to support the region's role as a strategic logistics gateway serving both German and wider European markets.

In terms of industrial activity, Saxony-Anhalt continues to benefit from a diverse economic base and a broad range of industrial occupiers. The state remains a core component of the Central German Chemical Triangle, one of Europe's most important chemical and process industry clusters. In addition, the region has strengthened its position in battery technology, renewable energy, semiconductor supply chains, pharmaceuticals, medical technology, food production, bioeconomy, automotive manufacturing and mechanical engineering. The state continues to attract investment linked to Germany's energy transition, advanced manufacturing and reshoring initiatives.

Although certain large-scale projects announced in recent years have experienced delays, the broader investment environment remains favourable, supported by the development of industrial and technology parks around Magdeburg and Halle-Leipzig, the availability of large development sites, comparatively competitive labour costs, and close links to research institutions and universities. As a result, Saxony-Anhalt remains well positioned to benefit from long-term trends toward supply chain resilience, industrial modernisation and strategic manufacturing investment within Germany and the European Union.

The German warehouse and logistics market remains one of the largest and most mature logistics real estate markets in Europe, supported by Germany's central geographic position, strong industrial base and extensive transportation infrastructure. In terms of ongoing trends last year was considered as a recovery year following a relatively weak period, with most reports also indicating a positive e a resilient start to the current year.

According to BNP Paribas Real Estate[1], during 2025 the nationwide warehouse and logistics market achieved a take-up of almost 6.1 million sqm, equivalent to year on year growth of 14%. BNP Paribas Real Estate further notes that large-scale deals drove the performance of the wider market, with the size category from 20,000 sqm increasing by a particularly robust 30%. Additionally, it is noted that the logistics service providers account for almost 50% of such take-up. In fact, BNP Real Estate highlights the leading performance of the logistics sector, which achieved growth in excess of 50% with a take up of 2.5 million sqm.

Performance during this year has so far also been on balance positive. CBRE Research[2] recently reported that uncertainties related to the German economy and to the wider global trade were not reflected to the same degree across this space of the market. Industrial and logistics real estate take-up amounted to 1.3m sqm during Q1 2026. In terms of variation between locations CBRE Research notes that Eastern states, including Leipzing/Halle, are reporting higher vacancy rates than areas such as Munich, Hamburg, and Cologne.

On the other hand, BNP Paribas Real Estate[3] highlights the extent to which Q1 2026 growth compares favourably to the ten-year average by 3%, and the fact that logistics and large scale projects continue to outperform even within the current environment, which does entail heightened geopolitical headwinds.

The outlook for industrial and logistics real estate in Germany could be impacted in different ways by current developments. The energy crisis and higher prices would naturally have an adverse effect on the operations of logistic companies, which in turn would be negative for the relevant real estate market. Meanwhile, BNP Paribas Real Estate queries whether a surge in need for buffer storage could drive the demand for logistics space. Moreover, specifically to Germany the planned increased investments in defence spending and infrastructure, is expected to provide further momentum.

[1] REVIEW LOGISTICS MARKET GERMANY Q4 2025; BNP Paribas Real Estate
[2] Germany Logistics Market Q1 2026; CBRE Research
[3] REVIEW LOGISTICS MARKET GERMANY Q1 2026; BNP Paribas Real Estate

4.2 Trade Finance

The performance last year of trade finance was considered to have been stronger than expected, within the context of a number of concerns surrounding the global trade scenario. The World Trade Organization (WTO)[4] reported that world merchandise trade volumes expanded by 4.6% in 2025, significantly outperforming earlier forecasts. Relative trends could be seen to reflect ongoing shifts, with growth supported by investments in artificial intelligence (AI)-related products, including semiconductors, servers and telecommunications equipment. Furthermore, front-loading of imports in advance of the anticipated tariff increases actually provided positive support to flows.

The current year is proving to be more challenging for trade and for the various sectors that support it. In March, the WTO provided a baseline growth scenario excluding energy price shocks, forecasting that global merchandise trade growth would slow to 1.9% in 2026. The Iran crisis, including in particular the closure of the Strait of Hormutz, was a major disruption that could have long lasting effects, not solely due to the flow of oil and gas, but also in the manner it impacted fertilizer supplies which are vital to global agriculture.

Within this backdrop, financial institutions, banks and specialist entities continue to invest in the trade finance space. Global trade finance was valued at USD 55.3 billion in 2025, and is expected to grow to USD 58 billion in 2026, and further to USD 84 billion by 2034[5].

A number of structural developments are driving trade financing, including a shift towards digitatisation of trade processes and the increasing importance of supply chain optimisation. Companies are increasingly adopting supply chain financing programs to support suppliers and strengthen procurement networks. In terms of technology, AI is supporting risk management policies via facilities such as automated compliance checks and predictive scoring. As could be expected given increased sensitivities and regulations in this respect, sustainability-linked trade finance, in which financing terms are often linked to environmental and social metrics, is also becoming more widespread.

[4] Middle East conflict weighs further on slowing trade outlook; World Trade Organisation, March 2026
[5] Trade Finance Market Overview; Fortune Business Insights; June 2026

5 PERFORMANCE AND FINANCIAL POSITION OF THE ISSUER

The Issuer operates as a holding company which is mainly involved in the holding of subsidiaries that generate diversified sources of income. Merkanti Holding's main activities relate to the acquisition, the holding and sale of property, shares, and other assets, the raising of financing, raising of capital, the lending and advancing of funds to Group companies, and the collection of interest income on advances to and management fees from the Subsidiaries. It is therefore relevant to note that the Issuer's operations are not restricted to that of a finance company.

The Issuer's standalone audited financial statements for the financial years ended 31st December 2023, 2024, and 2025 have been audited by PwC. This section also includes references to forecasted financial statements provided by management for 2026, which are based on certain assumptions. Events and circumstances my differ from expectations, therefore, actual results may vary considerably from projections.

5.1 Income Statement

Merkanti Holding Plc (Standalone) *Statement of comprehensive income (€000) - 31 December*	2023 Actual	2024 Actual	2025 Forecast	2025 Actual	Variance	2026 Forecast
Interest and similar income	1,258	1,118	1,129	1,121	-0.8%	1,102
Interest and similar expense	(1,116)	(1,663)	(1,477)	(1,568)	6.1%	(1,735)
Net interest income	**143**	**(545)**	**(348)**	**(447)**	28.5%	**(633)**
Net fee and commission income	**138**	**93**	**80**	**-**	-100.0%	**80**
Rental income	102	107	82	172	109.9%	-
Realised (losses)/gains on disposal of investment property plant an	(1)	-	(1)	(1)	0.5%	-
Net trading gains	(537)	17	(27)	(38)	42.1%	1
Dividend Income	1,234	285	807	1,091	35.3%	1,424
Other operating income	919	1,216	980	592	-39.6%	12
Operating income	**1,997**	**1,172**	**1,572**	**1,369**	-12.9%	**883**
Changes in expected credit losses	39	-	-	(62)	0.0%	-
Administrative expenses	(1,553)	(1,311)	(1,193)	(1,128)	-5.5%	(756)
Profit/(loss) before tax	**483**	**(139)**	**379**	**180**	-52.6%	**127**
Tax expense/ income	(11)	138	-	109	0.0%	45
Profit/(loss) for year	**472**	**(1)**	**379**	**289**	-23.8%	**172**

Source: Management information, Audited financial statements

The Issuer's business model is based on the earning of interest income on amounts due from the parent, interest income on loans to subsidiaries, fees charged to subsidiaries and other related parties, rental income through lease agreements with subsidiaries, in addition to dividend income from subsidiaries.

The Company's net interest income position during 2025 remained negative, with interest expenses exceeding interest income by €0.5 million. Interest income at the holding company

level was basically unchanged, whilst debt servicing costs remained elevated following the increase in the interest rate cost from 4.00% to 5.70%.

Similarly to the previous year, interest income was generated on receivables from Scully Royalty (€0.5million) relating to a revolving credit facility amount of €5.9 million being charged an interest rate of 8.25%, and on the receivables from the Subsidiaries (€0.6 million). The income on the receivables from the Subsidiaries consists of interest receivable on loans to the Property Companies bearing an interest rate of 6.5%.

Net fee and commission income, with such fees at the Company level typically being limited to management, administration, account maintenance and payment services, was nil throughout 2025. Management is not expecting a substantial recovery in this income stream in the short term, as it is meanwhile assessing future opportunities following the closure of the Bank.

Also on this basis, other operating income decreased to €0.6 million, consisting of recharges to the Ultimate Parent for expenses paid for professional services on behalf of Scully Royalty, and recharges to third parties for expenses paid in relation to ancillary costs incurred by the Group's property companies. On the other hand, the Company benefited from a further 11% decline in administrative expenses to €1.0 million. This was driven mostly by a normalisation in the level of professional fees.

More positively, a substantial recovery in dividend inflows which was stronger than expected, drove the improvement in operating income to €1.4 million (2024: €1.2 million). Dividends received from the Property Companies totalled €1.1 million (+283%), after management had opted to limit dividends from the subsidiaries the previous year.

Going forward, management expects net interest costs to increase moderately to €0.6 million during 2026, with projected net fee income forecast at €80k. On the other hand it is projected that the Company will benefit from a notable decline in administrative expenses, derived from cost reductions mainly related to the termination of banking operations.

Management is expecting a further expansion during 2026 in the contribution from dividend income, which is expected to amount to €1.4 million.

5.2 Statement of Cash flows

Merkanti Holding Plc (Standalone) *Statement of cash flows (€000) - 31 December*	2023 Actual	2024 Actual	2025 Forecast	2025 Actual	Variance	2026 Forecast
Net cash generated from operating activities	1,867	(4,037)	(28)	(3,018)	-99%	(1,813)
Net cash used in investing activities	1,048	-	(127)	740	-	-
Net cash used in financing activities	(171)	(171)	-	3,019	-100%	7
Net movement in cash and cash equivalents	**2,744**	**(4,209)**	**(154)**	**741**	-96%	**(1,805)**
Cash and cash equivalents at beginning of year	2781	5525	1317	1317	-76%	2058
Cash and cash equivalents at end of year	**5,525**	**1,317**	**1,162**	**2,058**	-12%	**252**

Source: Management information, Audited financial statements

Net cash used in operating activities during 2025 totalled €3.0 million, which compares to €4 million used in the previous year. Primarily, the outflow reflects the utilisation of €3.2million in liquidity at the Company level towards the provision of funding to Scully Royalty.

In terms of investing activities, the €0.8 million in dividends received more than compensated for outlays relating to office improvements and IT equipment, for an overall investing cash inflow of €0.7 million.

Major funding flows consist of a drawdown from the Bank of €3.2 million, as the Compnay drew down such amount from the Bank, with this amount payable in August 2026. The overall balance of cash and cash equivalents as at the end of the 2025 amounted to €2.1 million (2024: €1.3 million). For the current year, an overall net outflow in cash and cash equivalents of approximately €1.8 million is expected.

5.3 Statement of Financial Position

Merkanti Holding Plc *Standalone Statement of financial position (€000) - 31 December*	2023 Actual	2024 Actual	2025 Forecast	2025 Actual	Variance	2026 Forecast
ASSETS						
Loans and advances to banks and other financial institutions	7,325	2,217	1,162	2,058	-48%	252
Financial assets measured at fair value through P&L	267	-	-	-	-	-
Investments in subsidiaries	50,531	50,559	50,559	50,620	0%	50,620
Property, plant & equipment	29	4	98	98	-	75
Right-of-use assets	139	-	672	608	-	468
Other receivables	19,170	23,306	24,789	26,935	6%	28,521
Current tax assets	-	178	138	164	-	76
Accrued income and other assets	2,634	3,513	3,450	3,376	-2%	4,089
Total assets	**80,095**	**79,777**	**80,870**	**83,859**	1%	**84,103**
EQUITY AND LIABILITIES						
Capital and reserves attributable to owners of the parent						
Share capital	1,667	1,667	1,647	1,667	-1%	1,667
Contribution reserve	50,893	50,893	50,893	50,873	0%	50,873
Retained earnings	2,078	2,077	2,456	2,366	18%	2,537
Total Equity	**54,638**	**54,637**	**54,996**	**54,906**	1%	**55,077**
Liabilities						
Borrowings	24,687	24,481	24,533	28,174	0%	27,759
Lease liabilities	169	-	672	118	-	449
Current tax liabilities	11	-	-	-	-	1
Other liabilities	591	659	668	662	1%	816
Total liabilities	**25,457**	**25,140**	**25,874**	**28,954**	3%	**29,026**
Total equity and liabilities	**80,095**	**79,777**	**80,870**	**83,859**	1%	**84,103**

Source: Management information, Audited financial statements

The Company's balance sheet at the standalone level grew during 2025, by 5% to €83.9 million, with the main shift being the extension of additional advances to the parent, in turn funded by increased borrowing from the Bank. The increase in the balance with Scully Royalty more specifically related to an expansion of the revolving credit facility, which is due on demand and is not subject to interest. The outstanding amount on this balance increased by €3.2 million to €8.2 million. Management notes that this is in line with Scully Royalty's policy of extending excess cash balances to the ultimate parent until more attractive opportunities are available.

The other balances due from the parent include the revolving credit facility that is subject to a fixed rate of 8.25% amounting to €5.9 million (unchanged), other receivables due on demand and not subject to interest of €2.6 million (2024: €2.1 million), and an amount of €0.3 million

(in US dollar equivalent) relating to the sale of unlisted securities also due on demand and not subject to interest.

Meanwhile, in a reflection of the Company's business model as a holding company, the investments in subsidiaries remained the major asset, with the amount unchanged year on year at €50.6 million. Management projections for the forecast period do not indicate any major shift in the profile of the Company's assets.

On the funding side, the only substantial movement during 2025 relates to the drawdown of a facility from the Bank of €3.2 million subject to a floating interest rate and payable in August 2026. On this basis, total borrowings at the Company level including this balance from the subsidiary bank amounted to €27.7 million (+13%), with €24.5 million consisting of the bond obligation. Including lease liabilities of €0.7 million, financial debt amounted to €28.4 million. Total equity amounted to €54.9 million (2024: €54.6 million) as at 31 December 2025.

With respect to the wider group of Scully Royalty, it should be noted that in 2019, Scully Royalty Limited, the Issuer's ultimate parent company and some of its subsidiaries, including the Issuer, were named as defendants in a legal action in a foreign jurisdiction related to an alleged guarantee of the former parent of the SRL group. Management highlights that the SRL group believes that such claim is without merit and intends to defend this claim. Furthermore, the Company has initiated litigation locally in Malta seeking a declaratory judgment against the plaintiff regarding this claim. In addition, the Company has obtained additional risk mitigation securities for this litigation to mitigate the possibility for any potential loss. Based on the information available, management does not believe that there will be a material adverse effect on the group's financial condition or results of operations as a result of this action. However, due to the inherent uncertainty of litigation, management are not able to provide certainty as to the outcome of these claims.

5.4 Evaluation of Performance and Financial Position

Merkanti Holding Plc *Key Ratios*	2023 Actual	2024 Actual	2025 Actual	2026 Forecast
Operating Income Margin *(Operating Income / Revenue)*	143%	97%	122%	75%
Profit Margin *(Pre tax profit / Revenue)*	35%	-11%	16%	11%
Interest Cover *(Operating Profit before interest expense / Interest expense)*	1.4x	0.9x	1.2x	1.1x
Return on Assets *(Pre tax profit / Average Total Assets)*	0.6%	-0.2%	0.2%	0.2%
Return on Capital Employed *(Pre tax profit / Average Capital Employed)*	0.6%	-0.2%	0.2%	0.2%
Return on Equity *(Profit for the year / Average Total Equity)*	0.9%	0.0%	0.5%	0.3%
Gearing ratio *(Borrowings / {Total Equity + Borrowings})*	31.6%	31.4%	34.4%	34.4%

Source: Management information, Audited financial statements, Curmi & Partners Ltd.

The Issuer is a diversified holding company with subsidiaries operating in the banking and industrial real estate sectors and benefiting from a diversified income stream. At the standalone level, dividends received from subsidiaries have been the main source of income over recent periods, whilst the Company also generates income on loans advanced to the Ultimate Parent and to subsidiaries.

At the Company level there was an improvement in profitability during 2025. The robust increase in dividend income outweighed the relatively negative performance in other income flows including net interest and fee generation operations. Meanwhile, the decline in the other income (particularly items such as recharges made to Scully Royalty) reflect the generally lower level of activity in terms of the servicing of wider related party activities.

Profitability ratios reflect the above movement, with the interest cover at standalone level recovering to 1.2x (2024: 0.9x). Furthermore, improved profitability is also illustrated in the increase in operating margin to 122%, whilst other returns metrics also edged higher. These 2025 improvements, sustained by the recovery in dividend income, are generally in line with previous management forecasts.

Following the winding down of the Bank operations it is noted that interest income and fee income generation are expected to remain subdued in the medium term. Meanwhile management indicates that it may consider potential acquisitions to replace the Bank's activities, whilst remaining prudent and adhering to its risk management principles. This is reflected in the maintenance of elevated levels of liquidity, utilising such balances to make advances to related parties, where considered attractive.

Management remains confident that the Property Companies shall continue to sustain the Group's financial profile via dividend upstreams, benefiting also from recent efforts in terms of refurbishments, upgrades and marketing. The Group will continue to optimize the utilization of these German industrial real estate assets, and in this respect management notes that this may include potential disposals should they be deemed to be value enhancing.

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6 COMPARABLES

The table below provides an indication of the relative financial performance and debt servicing capability of the Issuer. The credit metrics of the Issuer are hereby compared to those of a selection of issuers, that in this respect could be considered to have comparable characteristics in underlying business model or financial profile. The ratios indicated below are calculated using the most recently available audited financial statements for each respective company (or respective guarantor, where relevant). To estimate the ability of servicing borrowings, interest coverage is estimated as the ratio of financial income (after adjusting for administrative expenses) to interest payable.

Issuer	Interest Cover	Debt-to-Total Capital
Merkanti Holding plc	1.2x	34.4%
AX Group p.l.c	3.8x	40.5%
VBL PLC	4.5x	23.2%
Exalco Finance plc	4.5x	21.3%
International Hotel Investments p.l.c.	1.6x	46.2%
Eden Finance p.l.c.	4.0x	27.8%
SD Finance p.l.c.	5.4x	45.2%
Tumas Investments plc	16.2x	18.0%
Central Business Centres p.l.c.	1.2x	61.4%
Stivala Group Finance p.l.c.	4.9x	22.7%

Source: Audited financial statements; Curmi & Partners Ltd

7 GLOSSARY

Income Statement	
Operating Income	Gross operating profit refers to the total revenue less expenses incurred earning that revenue.
EBITDA	Earnings before interest, tax, depreciation, and amortisation (EBITDA) is a measure of operating profitability. It excludes depreciation and amortisation and is viewed as measure of a company's core profitability and cash generating ability.
Balance Sheet	
Non-current assets	Non-current assets are long-term investments, the full value of which will not be realised within the accounting year.
Current assets	Current assets are all assets that are realisable within one year from the statement of financial position date. Such amounts include trade receivables, inventory, cash, and bank balances.
Current liabilities	Current liabilities are liabilities payable within a period of one year from the statement of financial position date and include trade payables and short-term borrowings.
Non-current liabilities	Long-term financial obligations or borrowings that are not due within the present accounting year. Non-current liabilities include long-term borrowings, bonds, and long-term lease obligations.
Total Equity	Total equity includes share capital, reserves, retained earnings and minority interests. It relates to the capital and reserves that are attributable to owners of the company.
Cash Flow Statement	
Cash flow from operating activities	Cash flow from operating activities illustrates the cash-generating abilities of a company’s core activities and includes cash inflows

	and outflows that are related to operating activities.
Cash flow from investing activities	Cash flows from investing activities reflect the change in cash position resulting from investments and divestments.
Cash flow from financing activities	Cash flows from financing activities shows the cash inflows and outflows related to financing transactions with providers of funding, owners, and the creditors.
Operating & Financial Ratios	
Gearing or leverage ratio	The gearing or leverage ratio indicates the relative proportion of borrowings and equity used to finance a company's assets. It is estimated by dividing total borrowings by total borrowings plus total equity, or as the ratio of total borrowings to total equity.
Interest Coverage ratio	Interest coverage ratio is generally calculated by dividing a company's EBITDA, or EBIT (operating profit) of one period by the company's interest expense of the same period. It measures the ability of the borrower to service the finance costs related to borrowings.
Net Debt to EBITDA	This ratio compares financial borrowings and EBITDA as a metric for estimating debt sustainability, financial health and liquidity position of an entity. It compares the financial obligations to the actual cash profits.
Operating Income Margin	Operating income margin is the ratio of operating income to revenue. It measures how much profit is made on revenue after paying for costs incurred to earn revenue.
EBITDA Margin	Similar to operating income margin, EBITDA margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
Profit Margin	Net profit margin is the ratio of profit for the period to revenues and is a measure of how much of revenues is converted into bottom line profits.

Return on Assets (ROA)	Return on assets is the ratio of profit for the period or operating profit to average total assets for the period. It measures efficiency in using its assets to generate income.
Return on Capital Employed (ROCE)	This ratio measures efficiency in generating income but takes into consideration the sources of financing. Profit for the period or operating profit is divided by the capital employed (fixed assets plus working capital or total assets less current liabilities).
Return on Equity (ROE)	Measures the profitability in terms of how much profit is generated in relation to owners' investment.