

MM STAR HOLDCO LIMITED

**PRO FORMA FINANCIAL INFORMATION AND
INDEPENDENT ACCOUNTANT'S REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2024

Company No. 14171754

MM STAR HOLDCO LIMITED

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MM STAR HOLDCO LIMITED

PURPOSE OF THE PRO FORMA FINANCIAL INFORMATION

The Pro Forma Financial Information has been prepared for illustrative purposes only.

The pro forma financial information relates to MM Star Holdco Limited and its subsidiaries ("the MM Star Group" or "the Group") and illustrates the Group's financial performance for the year ended 31 December 2024. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and therefore does not represent the Group's actual financial results for the year ended 31 December 2024.

The Pro Forma Financial Information has been prepared to illustrate the financial performance of the Group if the acquisition of SOF-11 Erskine House Investment Lux S.A.R.L. and Erskine House Opco Limited had occurred on 1 January 2024, assuming that the capital and operating structure incepted on 19 July 2024 (when the actual acquisition took place) had been in place on 1 January 2024.

MM STAR HOLDCO LIMITED

BASIS OF PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

MM Star Holdco Limited (“MM Star HoldCo”) acquired the Yotel Edinburgh on 19 July 2024, as part of the acquisition by its fully-owned subsidiary MM Star Bidco Limited (“MM Star BidCo”) of Erskine House Opco Limited (“Erskine OpCo”) and SOF-11 Erskine House Investment Lux S.A.R.L. (“Erskine PropCo”), which was financed through a combination of proceeds received from a sale-and-leaseback transaction, a bank loan, and advances from shareholders (“the Transaction”), as described in section 6.2.3 of the Registration Document. MM Star HoldCo, together with its subsidiaries MM Star Malta Finance p.l.c., MM Star BidCo, Erskine OpCo, and Erskine PropCo comprise the MM Star Group.

The Pro Forma Financial Information for the MM Star Group comprises a Consolidated Pro Forma Statement of Comprehensive Income for the financial year ended 31 December 2024, which is prepared on the assumption that the Transaction would have been completed as of 1 January 2024 (i.e. the beginning of the financial year). This information is intended to illustrate the effect of the Transaction on the profitability of the MM Star Group.

The Pro Forma Financial Information has been prepared using:

- The audited results of MM Star HoldCo, which include the consolidated financial performance of the MM Star Group in its current structure from 19 July 2024 (i.e the date of the Transaction) to 31 December 2024, which were audited and signed by PricewaterhouseCoopers CI LLP, with an unqualified audit opinion, as set out in financial statements dated 28 March 2025;
- The audited standalone results of Erskine OpCo for the financial year ended 31 December 2024, which were audited and signed by PricewaterhouseCoopers CI LLP, with an unqualified audit opinion, as set out in financial statements dated 30 April 2025, and Erskine PropCo for the financial year ended 31 December 2024, which were audited and signed by PricewaterhouseCoopers Société cooperative, with an unqualified audit opinion, as set out in financial statements dated 13 May 2025, together with management information, which feature full-year financial information for the entities;
- The audited standalone results of MM Star BidCo for the period 25 January 2024 to 31 December 2024, which were audited and signed by PricewaterhouseCoopers CI LLP, with an unqualified audit opinion, as set out in financial statements dated 30 April 2025; and
- Superimposing the adjustments outlined on pages 4 - 6.

The Pro Forma Financial Information has been prepared for illustrative purposes only, to provide information about the effect of the Transaction on the financial performance of the MM Star Group.

Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the MM Star Group’s actual financial performance. The Pro Forma Financial Information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the financial performance of the MM Star Group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK. The Pro Forma Financial Information has been compiled on the basis of the accounting policies adopted by the MM Star Group, taking into account the requirements of Building Block 20.2 of Annex I and Annex II of Commission Regulation (EC) No 809/2004.

MM STAR HOLDCO LIMITED

CONSOLIDATED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	£
Revenue	13,218,218
Cost of sales	(3,985,522)
Gross profit	9,232,697
Administrative expenses	(6,336,489)
Operating profit	2,896,208
Interest income	42,798
Finance costs	(2,804,406)
Profit before taxation	134,600
Income tax expense	(697,639)
Loss for the period	(563,039)
 <i>Other comprehensive income</i>	
Revaluation gain on property	15,109,898
Deferred tax relating to revaluation gain	(3,780,000)
Total items that will not be reclassified to profit for the period	11,329,898
Total other comprehensive income for the period	11,329,898
Total comprehensive income for the period	10,766,859

MM STAR HOLDCO LIMITED

STATEMENT OF PRO FORMA ADJUSTMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Audited	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Proforma
	£	£	£	£	£	£	£	£	£	£
Revenue	6,412,056	6,710,742	95,420							13,218,218
Cost of Sales	(2,216,872)	(1,747,684)		41,346	(62,312)					(3,985,522)
Gross Profit	4,195,184	4,963,058	95,420	41,346	(62,312)	-	-	-	-	9,232,697
Administrative expenses	(2,500,823)	(2,401,321)	(1,160,662)	313,836	(571,251)	(16,267)				(6,336,489)
Operating profit	1,694,361	2,561,737	(1,065,242)	355,182	(633,563)	(16,267)	-	-	-	2,896,208
Interest income	42,798		260,269				(260,269)			42,798
Finance costs	(1,276,188)	(85,599)	(2,233,728)				2,319,327	(713,080)	(815,138)	(2,804,406)
Profit before taxation	460,971	2,476,138	(3,038,701)	355,182	(633,563)	(16,267)	2,059,059	(713,080)	(815,138)	134,600
Income tax expense	(638,591)			(88,795)	158,391	4,067	(514,765)	178,270	203,784	(697,639)
Profit / (Loss) for the period	(177,620)	2,476,138	(3,038,701)	266,386	(475,172)	(12,201)	1,544,294	(534,810)	(611,353)	(563,039)
Other comprehensive income										
Revaluation gain on property	15,109,898									15,109,898
Deferred tax relating to revaluation gain	(3,780,000)									(3,780,000)
Total items that will not be reclassified to profit for the period	11,329,898	-	-	-	-	-	-	-	-	11,329,898
Total other comprehensive income for the period	11,329,898	-	-	-	-	-	-	-	-	11,329,898
Total comprehensive income for the period	11,152,278	2,476,138	(3,038,701)	266,386	(475,172)	(12,201)	1,544,294	(534,810)	(611,353)	10,766,859

MM STAR HOLDCO LIMITED

PRO FORMA ADJUSTMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

The following are descriptions of the pro forma adjustments made to the actual consolidated financial performance of the MM Star Group for the period ended 31 December 2024:

1. Being the pre-Transaction pre-tax profit generated by Erskine OpCo over the period 1 January 2024 to 18 July 2024, amounting to £2,476,138, which comprises operating revenue of £6,710,742, cost of sales of £1,747,684, operating expenses of £2,401,321, and finance costs of £85,599, and excludes intercompany transactions which are eliminated on consolidation, based on Erskine OpCo's financial statements and management reporting;
2. Being the pre-Transaction pre-tax loss generated by Erskine PropCo over the period 1 January 2024 to 18 July 2024, amounting to £3,038,701, which comprises an operating loss of £1,065,242, and net finance costs of £1,973,459, which excludes intercompany transactions which are eliminated on consolidation, based on Erskine PropCo's financial statements and management reporting;
3. Being the reversal of actual management fees, licence fees, and recharged expenses amounting to £355,182 paid by the Erskine OpCo to YOTEL Limited pre-Transaction, under an incumbent hotel management agreement which was terminated and replaced by a new franchise agreement in place with YOTEL Limited and a new hotel management agreement in place with TROO Hospitality Limited on 19 July 2024. The tax effect of this adjustment has been included, being a tax charge of 25% of the adjustment value;
4. Being the inclusion of pro forma management fees, licence fees, and recharged expenses amounting to £633,563, which would have been payable by the Erskine OpCo under the new franchise agreement in place with YOTEL Limited and the new hotel management agreement in place with TROO Hospitality Limited as of 19 July 2024. The estimated expense is based on the actual rates set out in these agreements and actual hotel performance metrics for the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;
5. Being the estimated incremental operating expenses which would have been incurred by MM Star HoldCo and MM Star BidCo had the companies been utilised for a full-year, amounting to £16,267, based on Management's estimate. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;
6. Being the reversal of net finance costs incurred by Erskine OpCo and Erskine PropCo over the period 1 January 2024 to 18 July 2024 under the pre-Transaction funding structure, amounting to £2,059,059, and the corresponding tax shield amounting to £514,765 .

MM STAR HOLDCO LIMITED

PRO FORMA ADJUSTMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. Being the inclusion of incremental finance costs amounting to £713,080, which would have been payable by the MM Star Group under the facility agreement with Clydesdale Bank plc entered on 19 July 2024 in connection with the Transaction, had the Transaction occurred on 1 January 2024. This estimate assumes that the facility would have hypothetically been drawn down on 1 January 2024, and quarterly repayments effected over the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value; and
8. Being the inclusion of incremental finance costs amounting to £815,138, which would have been payable by the MM Star Group under the agreement with Aviva Reli 2 GP Limited in connection with the transfer and operational leaseback of the YOTEL Edinburgh entered into on 19 July 2024 in connection with the Transaction, had the Transaction occurred on 1 January 2024. This estimate assumes that the transaction would have hypothetically been executed on 1 January 2024, and quarterly repayments effected over the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value.



The Directors
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Independent Accountant's Reasonable Assurance Report on the Pro Forma Financial Information of MM Star Holdco Limited

To the board of directors of MM Star Malta Finance p.l.c.

We have completed our assurance engagement to report on the compilation of pro forma financial information of MM Star Holdco Limited, together with its subsidiaries (together, "the Group") ("the Pro Forma Financial Information") by the directors of MM Star Malta Finance p.l.c. ("the Directors"). The Pro Forma Financial Information consists of the consolidated pro forma statement of comprehensive income of MM Star Holdco Limited for the year ended 31 December 2024, as set out on pages 1 to 6 of the document *Pro Forma Financial Information and Independent Accountant's Report* incorporated by reference to MM Star Malta Finance p.l.c.'s Registration Document. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information is specified in Annex 20 to Commission Delegated Regulation (EU) No 2019/980 ("the Regulation") and described in *Basis of preparation of the Pro Forma Financial Information* included in the document *Pro Forma Financial Information and Independent Accountant's Report* incorporated by reference to MM Star Malta Finance p.l.c.'s Registration Document ("the Applicable Criteria").

MM Star Holdco Limited acquired the Yotel Edinburgh on 19 July 2024, as part of the acquisition by MM Star Bidco Limited of Erskine House Opco Limited and SOF-11 Erskine House Investment Lux S.A.R.L., which was financed through a combination of proceeds received from a sale-and-leaseback transaction, a bank loan, and advances from shareholders ("the Transaction"). The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial performance for the period ended 31 December 2024 as if the Transaction had taken place at 1 January 2024. As part of this process, information about the Group's financial performance has been extracted by the Directors from the Group's consolidated financial statements and standalone financial statements for the Group's subsidiaries for the period ended 31 December 2024, on which audit reports have been published.

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The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act.
A list of partners and directors of the firm is available at 78 Mill Street, Zone 5, Central Business District, Qormi, CBD 5090. Malta.



Independent Accountant's Reasonable Assurance Report on the Pro Forma Financial Information of MM Star Holdco Limited

To the board of directors of MM Star Malta Finance p.l.c.

The Directors' responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information on the basis of the Applicable Criteria.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281).

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion, as required by item 3 of Annex 20 to the Regulation, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance engagements to report on the compilation of pro forma financial information included in a prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Information on the basis of the Applicable Criteria.



Independent Accountant's Reasonable Assurance Report on the Pro Forma Financial Information of MM Star Holdco Limited

To the board of directors of MM Star Malta Finance p.l.c.

Our responsibility (cont'd)

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included on pages 1 to 6 of the document *Pro Forma Financial Information and Independent Accountant's Report* incorporated by reference to MM Star Malta Finance p.l.c.'s Registration Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction for the period ended 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.



Independent Accountant's Reasonable Assurance Report on the Pro Forma Financial Information of MM Star Holdco Limited

To the board of directors of MM Star Malta Finance p.l.c.

Our responsibility (cont'd)

The procedures selected depend on the practitioner's judgement, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of MM Star Holdco Limited.



Independent Accountant's Reasonable Assurance Report on the Pro Forma Financial Information of MM Star Holdco Limited

To the board of directors of MM Star Malta Finance p.l.c.

Intended users and purpose

The Pro Forma Financial Information has been prepared for the purposes described above and may therefore not be appropriate for any other purpose. This report is required in terms of Annex 20 to the Regulation, and is given for the purpose of complying with the Regulation and for no other purpose. We have given our consent for the inclusion of this report in the document *Pro Forma Financial Information and Independent Accountant's Report* incorporated by reference to MM Star Malta Finance p.l.c.'s Registration Document. Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Capital Market Rules and the Regulation.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D. Valenzia', written over a horizontal line.

David Valenzia
Principal

27 May 2025

For and on behalf of

PricewaterhouseCoopers

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