Financial Analysis Summary

19 June 2026

Issuer

MM Star Malta Finance p.l.c.

(C 111281)

Guarantor

MM Star Holdco Limited

(UK 14171754)

Prepared by:

MZ INVESTMENTS

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The Board of Directors
MM Star Malta Finance p.l.c.
Level 3, Valletta Buildings
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19 June 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 in 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 information appertaining to MM Star Malta Finance p.l.c. (the "**Issuer**", "**Company**", or "**MM Star Malta Finance**") and MM Star Holdco Limited (the "**Guarantor**", "**Group**", or "**MM Star Holdco**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial information relating to MM Star Malta Finance and MM Star Holdco for the year ended 31 December 2025 has been extracted from the respective audited annual financial statements.

(b) The forecast and projected information for the financial years ending 31 December 2026 and 31 December 2027 has been provided by the Group.

(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.

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This Analysis is meant to assist existing and potential investors in the Issuer's securities by summarising the more important financial information of the Group. This Analysis does not contain all data that is relevant to investors. This Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest 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. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Head Corporate Broking

TABLE OF CONTENTS

PART 1 – INFORMATION ABOUT THE GROUP

1. ABOUT THE ISSUER AND THE GUARANTOR

MM Star Malta Finance p.l.c. was incorporated on 27 February 2025, and its principal activity is to act as a finance company for MM Star Holdco. Accordingly, the Issuer is entirely dependent on the operations, performance, and prospects of the Guarantor and its other subsidiary companies.

MM Star Holdco Limited was incorporated on 14 June 2022 and is indirectly wholly owned by Millemont Holdings Limited ("**Millemont**"), serving as the holding company of the Group, whose purpose is to invest in the acquisition, ownership, and operation of the YOTEL Hotel in Edinburgh ("**YOTEL Edinburgh**").

Millemont is a private equity real estate investment platform established in 2021, focused on deploying capital into the UK hospitality sector, with an emphasis on sustainable hospitality assets in strategic locations. Each of Millemont's investments is held through a distinct, separate single-purpose UK fund structure. One of these fund structures forms the basis of the Group, which was established for the purpose of acquiring YOTEL Edinburgh on 19 July 2024 for a total consideration of £61.30 million from an affiliate company of Starwood Capital Group. The transaction was financed through bank borrowings of £15.80 million, shareholders' advances of £20.50 million[1], and other financial liabilities, namely a sale and leaseback arrangement, of £25 million. In May 2025, MM Star Malta Finance successfully issued €35 million in 5.35% secured bonds due between 2029 and 2031 (the "**2025 Bonds**"), the proceeds of which were on-lent to MM Star Holdco and effectively used to refinance all of the Group's bank borrowings and most of the shareholders' advances originally taken on to finance the acquisition of YOTEL Edinburgh.

2. DIRECTORS OF THE ISSUER

The Board of Directors of MM Star Malta Finance comprises the following five individuals:

Demeter Peter Kovacs	Executive Director
Winston J. Zahra	Executive Director
Albert Frendo	Independent Non-Executive Director
Kenneth Abela	Independent Non-Executive Director
Steven Coleiro	Independent Non-Executive Director

[1] Shareholders' advances represent interest-free and unsecured funding provided by MM Star Holdco's immediate parent company, Millemont 3 Limited Partnership, with no fixed repayment date. MM Star Holdco may repay the advances, in whole or in part, at any time, either in cash or through the issuance of ordinary shares, at a conversion rate of one ordinary share for each £1 of advance. The settlement method is at the sole discretion of MM Star Holdco, and Millemont 3 Limited Partnership has no right to demand repayment in cash or through the issuance of shares.

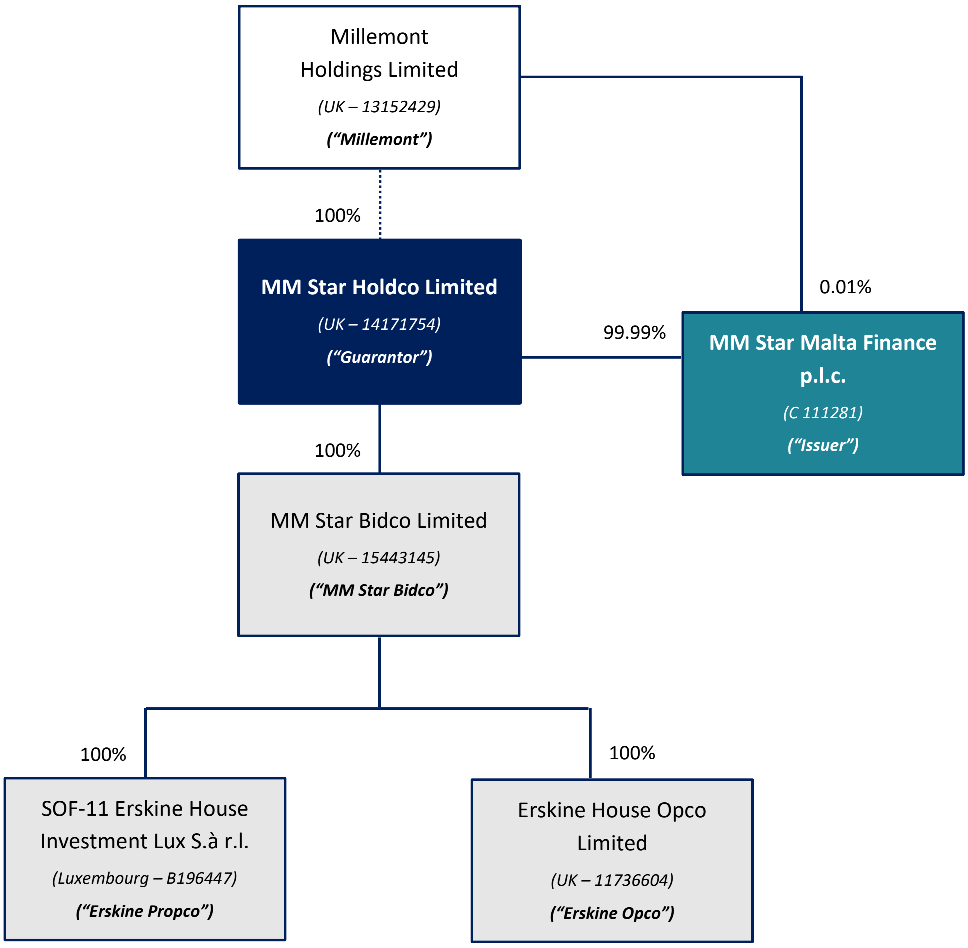
3. DIRECTORS OF THE GUARANTOR

The Board of Directors of MM Star Holdco comprises the following three individuals who are responsible for the overall development, strategic direction, and risk management of the Group:

John Emmanuel Bennett	Chairman
Ashley Edward Shaw	Executive Director and Chief Executive Officer
Demeter Peter Kovacs	Executive Director and General Counsel

4. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the Group:



MM Star Bidco Limited ("**MM Star Bidco**") was incorporated on 25 January 2024 and is the immediate parent company of SOF-11 Erskine House Investment Lux S.à r.l. ("**Erskine Propco**") and Erskine House Opco Limited ("**Erskine Opco**"). Erskine Propco holds title to YOTEL Edinburgh, which is sub-leased to Erskine Opco, the entity responsible for the operation and management of the hotel.

5. YOTEL EDINBURGH

Following its conversion from an office building, YOTEL Edinburgh commenced operations as a modern, tech-savvy 276-room four-star hotel on 5 August 2019. YOTEL Edinburgh is located on Queen Street, in Edinburgh's historic New Town, a UNESCO World Heritage Site, just a 15-minute walk from the city's train station. It is the third largest hotel in Edinburgh and its prime location makes it an excellent base for exploring Edinburgh's top attractions and iconic sights, including Princes Street, Edinburgh Castle, the Palace of Holyroodhouse (which is the official residence of the British monarch in Scotland), and the vibrant Old Town which also includes the Royal Mile.

The hotel seamlessly blends modern convenience with innovative design, offering guests a unique and efficient stay in Scotland's capital. Indeed, the accommodations at YOTEL Edinburgh are designed with comfort, innovation, and functionality in mind. Each room is equipped with high-speed WiFi, smart TVs, and luxurious rain showers. Adjustable mood lighting adds a personalised touch, allowing guests to tailor their environment to suit their mood or preferences. The rooms also feature practical amenities such as laptop-size safes, ironing facilities, and compact but intelligently designed layouts that maximise space. Guests can choose from a variety of room types ranging from 14 sqm to 47 sqm, including Queen, Premium Queen, Premium Family, Premium Twin, Premium King, First Class King, and the exclusive VIP King Suite, catering to a wide range of travel needs and group sizes.

At the heart of the guest experience is YOTEL Edinburgh's emphasis on technology and modernity. The hotel offers a seamless, contactless check-in system, allowing guests to arrive and settle in with minimal effort. For dining and relaxation, the hotel serves a curated selection of local beers, handcrafted cocktails, and delectable breakfast and menu options in a chic and welcoming setting. For business-oriented guests, YOTEL Edinburgh boasts Imaginex which is a state-of-the-art 360° screening room that can be customised for events. The hotel also provides a 24/7 fitness room and co-working spaces with high-speed internet and other essential office amenities.

ABOUT YOTEL BRAND

YOTEL is a hotel brand recognised for its innovative, modern, and efficient design, focused on offering guests all the essentials in a compact and thoughtfully designed space. In 2006, YOTEL's first prototype cabin was designed and built to demonstrate it was possible to achieve a luxury feel in a compact space. In 2007 and 2008, YOTEL opened its first hotels at London Gatwick, Heathrow, and Amsterdam Schiphol airports. Since then, several other hotel properties have adopted the brand and begun operating under it. On 19 March 2026, Hilton announced an exclusive franchise agreement with YOTEL Limited, under which YOTEL will join the newly created 'Select by Hilton' brand, whilst continuing to operate independently across its existing portfolio. Going forward, the partnership with Hilton is expected to support YOTEL Edinburgh's operating performance by increasing its share of direct bookings, securing more favourable online travel agencies terms, and improving the average daily rate.

YOTEL draws inspiration from luxury airline travel, which is reflected in its small but well-designed, tech-savvy rooms known as 'cabins'. The brand operates under three sub-brands:

- **YOTEL** is reserved for urban hotels, with a room sizes ranging from 13.5 sqm to 22 sqm and a wide range of facilities.
- **YOTELAIR** is designed for airport hotels, featuring cabin-style rooms ranging from 9 sqm to 11 sqm with fewer facilities.
- **YOTELPAD** caters for longer stays, offering bedrooms, internal seating areas, and kitchenettes.

At present, there are 25 hotels in operation under the three sub-brands, with a further six expected to be inaugurated by 2029. Of the hotels currently in operation, 17, including YOTEL Edinburgh, operate under the YOTEL brand, five operate under the YOTELAIR brand, and three operate under the YOTELPAD brand. The domain name 'yotel.com' is used by YOTEL Edinburgh but is centrally owned and managed by YOTEL Limited (the "**Franchisor**").

6. KEY AGREEMENTS

The Group has two separate agreements with the Franchisor: (i) one regulating the franchise arrangement, whereby the Franchisor owns all right, title, and interest in the YOTEL brand; and (ii) another regulating the management and operation of YOTEL Edinburgh. The latter grants Erskine Opco the right either to operate YOTEL Edinburgh directly or to appoint an operator of its own choice, subject to the Franchisor's prior approval.

Following the Franchisor's approval, Erskine Opco appointed Troo Hospitality Ltd ("**TROO**") to operate, manage, market, and supervise YOTEL Edinburgh pursuant to a hotel management agreement entered into by and between TROO and Erskine Opco on 19 July 2024. The appointment is for an initial term of ten years with an automatic renewal at the end of the term for five years unless otherwise terminated with a minimum of six months' notice. TROO acts as the sole and exclusive manager and operator of YOTEL Edinburgh, subject to certain restrictive matters which require TROO to obtain prior written consent from Erskine Opco. Erskine Opco, in its capacity as franchisee, is liable for the performance of TROO as the operator, and notwithstanding the engagement of TROO, Erskine Opco is not released from any of its liabilities or obligations under the franchise agreement with the Franchisor.

Formed in April 2022 as a joint venture between seasoned hospitality entrepreneur Winston J. Zahra and Millemont, TROO is a UK-based boutique white-label hospitality management company providing bespoke and comprehensive management services to hotel owners. The company adopts a hands-on approach to hotel operations, with a focus on operational excellence and efficiency, revenue optimisation, cost discipline, enhanced guest experience, and sustainability.

Since inception, TROO has significantly expanded its portfolio, which now ranges from luxury city-centre properties to upscale and mid-scale listed hotels. Underpinned by its core values of loyalty, integrity, and excellence, TROO aims to continue expanding its portfolio by adding further properties across a diverse range of managed hotels.[2]

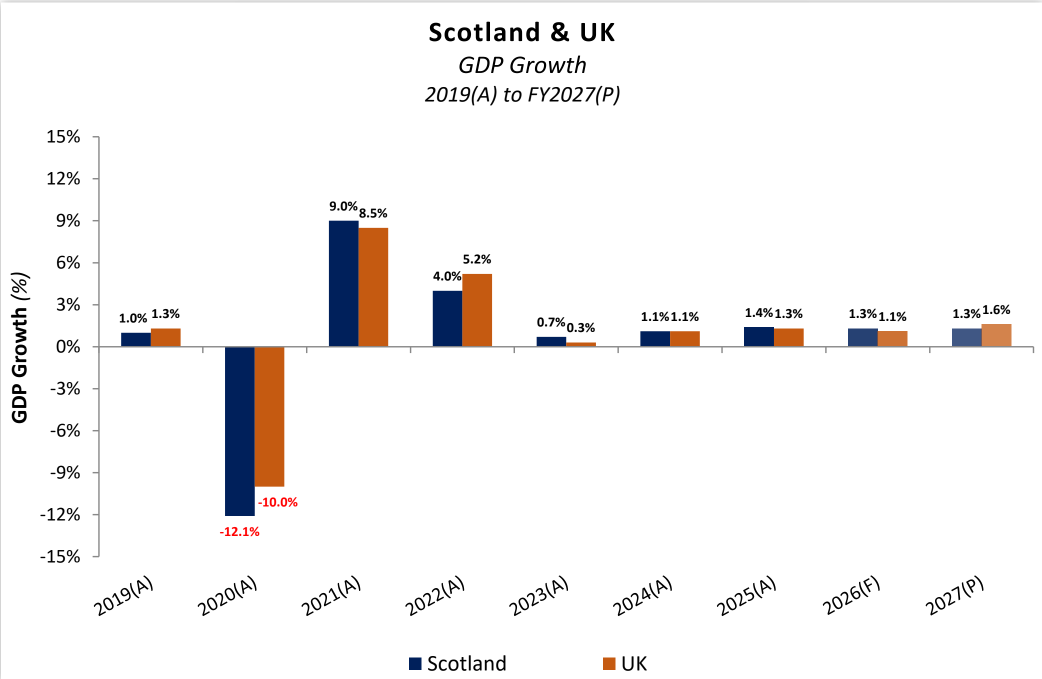
[2] More information about TROO is available at: https://troohospitality.com/.

7. TREND INFORMATION[3]

7.1 ECONOMIC UPDATE[4]

Scotland's economy grew by 1.4% in 2025, up from 1.1% in 2024 and 0.7% in 2023. Growth was predominantly driven by the services sector (+2.0%) and to a lesser extent the construction sector (+1.3%). In contrast, production sector output contracted by 1.7%, largely due to a fall in manufacturing output (-4.0%) during a year in which a combination of global headwinds from the changes in US tariffs on goods, and domestic factors including the cessation of some oil refining activities, impacted on activity in the sector.

During 2025, the pace of growth was front loaded to the start of the year with growth remaining relatively stable through the second half of the year but slowing to 0.1% in the fourth quarter. At a sector level, the services sector was the constant driver of growth across the year, however its pace of growth slowed in the fourth quarter to 0.1%. Slower growth was relatively broad based across the services industries with consumer facing services contracting 0.1%.

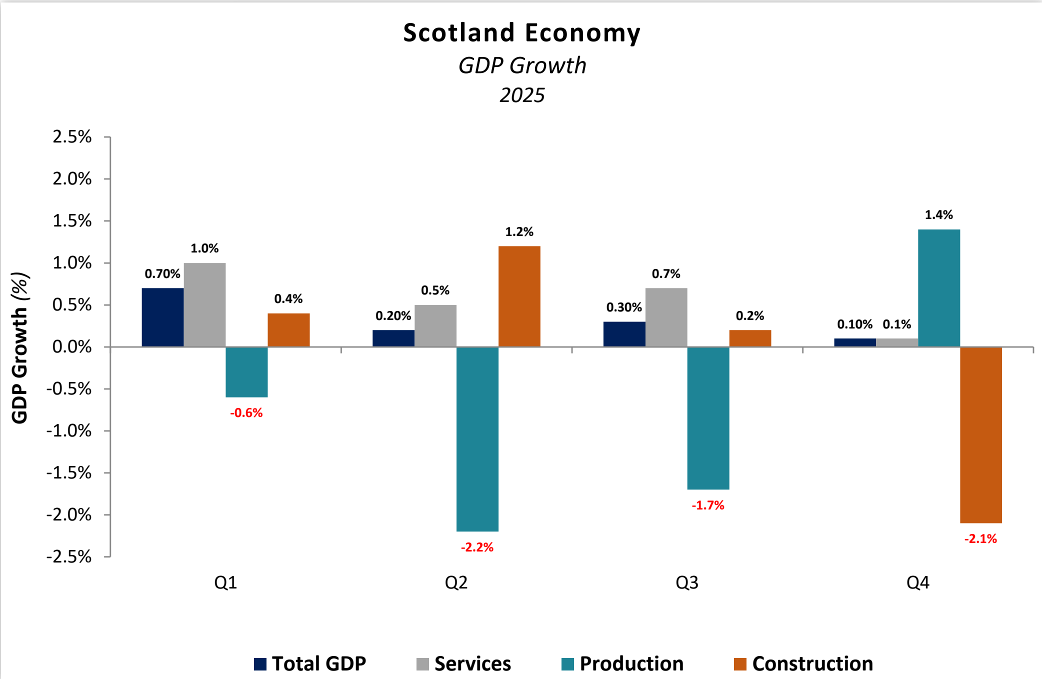


In contrast, the pace of growth in the production sector in Q4 2025 picked up to its fastest rate since Q2 2024, in part driven by the return to positive growth in manufacturing output (+1.5%). During the year, manufacturing of refined petroleum, chemical, and pharmaceutical products had been impacted

[3] 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.
[4] **Source:** The Scottish Government, Office of the Chief Economic Adviser, '*Scottish Economic Insights*', March 2026, available at: https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2026/03/scottish-economic-insights-march-2026/documents/scottish-economic-insights-march-2026/scottish-economic-insights-march-2026/govscot%3Adocument/scottish-economic-insights-march-2026.pdf.

by the cessation of oil refinery activity at Grangemouth in April. However industry output returned to growth in the fourth quarter (+6.1%) alongside a pick-up in growth in the manufacture of metals and metal products (+6.8%) and computer, electrical, and optical products (+3.7%).

Business conditions have remained challenging across 2025 and into the start of 2026 with businesses continuing to report subdued demand, cost pressures, and broader economic uncertainty. The RBS Growth Tracker business survey indicated a pattern of falling business activity over 2025, in part driven by moderate and persistent contractions in new business orders. Latest data for January 2026 indicate that overall business activity was stable during the month following four consecutive months of falling activity. However underlying demand remained weak with a further fall in new orders for the sixteenth consecutive month albeit to a lesser extent than in December. Cost of living and economic uncertainty were cited by businesses as weighing on new orders.



Scotland's labour market has continued to be characterised by low unemployment, however a retraction in indicators of employee numbers and staffing levels, coupled with slower earnings growth at the end of 2025, suggest that labour market conditions have loosened over the course of 2025. The headline unemployment rate stood at 3.9% in January 2026 whilst the claimant count unemployment rate was at 3.5% in February 2026. In this respect, although the number of claimants of unemployment related benefits has fallen by *circa* 1,800 (-1.7%) over a twelve-month period, it has however risen by *circa* 4,900 since July 2025. The latter was likely due to a fall in payrolled employees, which have fallen by *circa* 4,800 (-0.2%) to 2.45 million in January 2026, mirroring a similar trend in nearly all other parts of the UK. The largest fall in the number of payrolled employees in Scotland in 2025 was in the accommodation and food service activities sector (*circa* -6,700), followed by wholesale, retail, and motor repairs (*circa* -3,800 employees) while there have been notable increases in health and social work (*circa* +2,700) as well as finance and insurance (*circa* +2,000).

Pay earnings growth remained robust for most of 2025, however latest data indicates that the pace of growth slowed notably in Q4 2025 and into 2026. Nominal median annual earnings growth was 3.6% in February 2026, slower than the average annual growth rate of 5.2% in 2025. The slower pace of nominal earnings growth in recent months is reflective of the slight loosening in the labour market and lower inflationary pressures, which have naturally moderated the pace of growth from elevated rates since the end of 2022. Real earnings grew by 1.7% year-on-year in January, after adjusting for inflation, whilst the annual inflation rate fell to 3.0%. The latter is expected to remain between 3.0% and 3.5% in Q2 2026 and Q3 2026.

Consumer sentiment has remained weak in 2025, likely reflecting ongoing pressures on household budgets and wider economic uncertainty at both a domestic and global level. However, it has been on an upward trend from the second half of 2025, which chimes with some of the improvements in conditions supporting consumers including the falls in inflation and interest rates. In fact, the Scottish Consumer Sentiment Indicator stood at -5.9 in January 2026, improving by 3.7 points from -9.6 in December, and reaching its highest level since May 2025.

Sentiment across the sub-indicators relating to current and expected economic performance, household finances, and attitudes towards spending remained relatively subdued throughout 2025. Attitudes towards spending continued to represent the weakest component, however, this indicator, together with those relating to the Scottish economy and household finances, improved around the turn of the year. Notably, expectations regarding both the economy and household finances turned positive, pointing to a gradual improvement in household confidence in the outlook.

Looking ahead, the Scottish economy is forecast to grow by 1.3% in both 2026 and 2027, although persistent geopolitical uncertainties could have significant implications, particularly in view of the associated volatility in energy prices. Indeed, considerable uncertainty continues to surround the inflation outlook, which will depend on the length of time for which energy prices remain elevated and the extent of any spillovers into wider commodity markets, output channels, and economic activity.

7.2 UK HOTEL MARKET[5]

Despite the unsettled and challenging trading environment in 2025, the UK hotel sector showed steadfast resilience in 2025. The declines in gross operating profit per available room (“**GOPPAR**”) experienced in H1 2025, driven by reductions in ADR combined with increasing costs, were reversed in the second half of the year, with full year revenue per available room (“**RevPAR**”) on par or ahead of 2024, and GOPPAR almost stable across most segments.

Despite recording a 0.4% decline in RevPAR in H1 2025, the regional market[6] enjoyed a more robust trading performance in H2 2025, with occupancy increasing by 1.2 percentage points to 79% and ADR rising by 2.2%, driving RevPAR growth of 3.8%. Regional UK thus closed the year with a 1.9% rise in RevPAR to £79, supported by balanced contributions from both rate and occupancy. Meanwhile, the

[5] **Source:** Knight Frank LLP, ‘*UK Hotel Trading Performance Review*’, 2 March 2026, available at: https://www.knightfrank.co.uk/site-assets/research/report-pdfs/hotels/knight-frank-hotel-trading-performance-review-2026-final.pdf.
[6] The regional UK hotel market refers to the UK hotel market excluding London.

support of ancillary revenues continued, with marginally stronger growth from food and beverage ("**F&B**") income leading to a 2% increase in total RevPAR in 2025. On the other hand, London hotels achieved an average occupancy of 82.5% in 2025, a year-on-year increase of 1.2 percentage points, with sustained occupancy growth achieved from March through to November. However, ADR proved more challenging, declining by 2.5% year-on-year over the first six months. Stronger seasonal demand in H2 2025 supported a recovery in ADR, with 2% growth over this period offsetting first-half declines and resulting in full-year ADR ending broadly in line with 2024.

The UK's three leading regional airports recorded strong growth in international arrivals in 2025, bolstered by the launch of new direct transatlantic routes. Leading the way was Edinburgh airport, which recorded annual growth of 11%, surpassing its full-year 2024 performance in 11 months. Regional UK's upper-midscale and upscale segments both outperformed the regional market, with RevPAR growth of 2.4% and 2.2% respectively. For the upscale segment, growth was driven solely by rising occupancy, which increased by 180 basis points to 77.6%, bringing the segment close to its pre-pandemic performance. In the upper-midscale segment, a solid 150 basis point uplift in occupancy was further supported by a modest increase in ADR. Elsewhere, although leading golf and spa hotels delivered full-year RevPAR growth of 3% and total RevPAR growth of 4.4%, outperforming the regional market, the rate of growth softened considerably relative to 2024. Occupancy approached 72%, yet the modest half-percentage-point increase underscored a clear slowdown from 2024's strong uplift.

UK Hotel Market **Key Performance Indicators**	**2023** **Actual**	**2024** **Actual**	**2025** **Actual**	**2026** **Projection**
London:				
Occupancy *(%)*	77.50	81.30	82.50	82.60
Average Daily Rate *(£)*	255.00	253.00	253.00	258.00
Revenue per Available Room *(£)*	197.60	205.60	209.10	213.10
Regional UK				
Occupancy *(%)*	74.10	75.00	75.70	75.90
Average Daily Rate *(£)*	102.00	104.00	105.00	107.00
Revenue per Available Room *(£)*	75.00	78.00	79.00	81.00

Source: Knight Frank LLP, '*UK Hotel Trading Performance Review*', 2 March 2026,

The overall mix of departmental revenues remained broadly unchanged in 2025, with rooms revenue strengthening progressively as the year unfolded. The share of rooms revenue across all regional UK hotels remained stable at 65% in 2025. In leading regional city centre hotels, rooms revenue accounted for 72.9% of total revenue in 2025, an increase of 390 basis points compared with 2019. Over the same period, the share of F&B revenue declined by 420 basis points. These city centre hotels also generated a slightly higher share of leisure revenue than in 2019, rising by more than 50 basis points.

The recovery of the regional UK hotel market in nominal terms since the COVID-19 pandemic has been remarkably strong, with most categories recording ADR growth of more than 30% compared with 2019. Growth of ancillary revenues have further bolstered performance, particularly in the upper-midscale and select-service segments, where total RevPAR has expanded at a pace consistent with RevPAR. Nevertheless, despite impressive nominal growth, both total RevPAR and GOPPAR remain significantly lower than 2019 levels in real terms – averaging 9% and 16% below, respectively – predominantly due to high inflation and significant cost pressures, with operators having to absorb much of these elevated costs.

Despite the cost efficiencies that have been achieved, a comparison of where gross operating profit ("**GOP**") margins now sit, compared to where there were in 2019, provides clear evidence that UK hotels are now operating under very different conditions, with GOP margins having come under significant pressure in recent years. The average GOP margin achieved in London has fallen to 41%, some five percentage points lower than compared to 2019. Throughout regional UK, the dynamics are similar, where the GOP margin has declined by 2.4 percentage points to just over 30%.

Most segments ended 2025 at or close to the profitability levels achieved in 2024, but the strongest performance came from markets with a high volume of leisure demand. London's hotel market saw GOPPAR fall 0.5% in 2025 to £111.60, though performance varied notably by segment. Select-service hotels and serviced apartments in London outperformed, each achieving close to a 1% increase in GOPPAR. Overall, profit margins declined by one percentage point to 41.1%, but London's serviced apartments have defied this trend, with margins rising by one percentage point to 49.7%, supported by a 3% reduction in total operating costs.

Across regional UK, GOPPAR held steady at £37, though the GOP margin fell by 0.5 percentage points to 30.3%. Performance, however, varied by segment, with select-service hotels facing the greatest pressure: a 1.1-percentage-point rise in payroll costs (as a share of turnover) reduced profitability, pushing profit margin down by 1.3 percentage points to 35.7%. In 2025, the regional upscale segment outperformed all UK hotel classes, recording the highest gains in GOPPAR at 3.4% annual growth. This performance was achieved through strong total RevPAR growth of 2.4%. Where regional upscale hotels truly excelled was in converting this revenue growth into profitability, through a reduction in overheads, despite facing the same elevated payroll pressures as the wider UK hotel sector.

Golf and spa hotels recorded the strongest total RevPAR growth of all UK hotel segments in 2025, achieving a 4.2% increase year-on-year. However, despite this solid uplift in revenues, the segment faced pronounced payroll cost pressures, with payroll expenses rising by 6.6% per available room. Despite these headwinds, operators achieved notable efficiency gains within the undistributed departments, enabling the segment to record the second-highest GOPPAR growth across all UK hotels at 2.8%. Conversely, the biggest declines in GOPPAR were suffered by London's luxury hotels and regional serviced apartments. London's luxury hotels achieved respectable total RevPAR growth of 2% year-on-year, but this did not provide enough cushion to withstand the rising costs, leading to a 4% decline in GOPPAR. For regional serviced apartments, the 4.1% decline in RevPAR dented performance, despite achieving a 2.1% reduction in total costs. Ultimately, the segment suffered a 7.1% decline in GOPPAR, with its profit margin falling for the first time to below 40%.

Looking ahead, the operating landscape in the UK has become increasingly challenging, shaped by the cumulative effect of recent policy shifts – including higher real estate tax, rising employment costs, and new regulatory obligations. Together, these pressures are likely to temper the pace of growth in the UK hotel market over the near term, and increase the likelihood of declining profitability and margin erosion across the sector. Many hoteliers will, however, be looking to sustain the positive trading momentum that underpinned the strong finish to 2025. While budgeting remains cautious across much of the sector, there is measured optimism that 2026 will bring continued revenue growth supported by increased room rates and continued growth in wellness and leisure demand. The biggest challenge, however, will be protecting the net operating profit, as the strong rise in real estate tax is expected to erode margins across all segments of the UK hotel market.

UK hotel supply grew by 1% in 2025, the lowest level of growth in more than a decade, with the addition of more than 7,300 new rooms to reach over 709,000 rooms.[7] In 2026, London is set to receive just under 6,000 new rooms, equivalent of 3.7% supply growth, of which hotels reopening following refurbishment are expected to account for almost one third of this growth. Close to 60% of the new bedroom stock is to be positioned as luxury, upper-upscale, or upscale hotels. At the same time, supply growth based on hotels currently under construction across regional UK is set to remain extremely limited, with forecasts of 0.7% growth, year-on-year, between 2025 and 2028. Nevertheless, in 2026 a growth of 1.5% is forecast, with the addition of some 8,000 new rooms, based upon current development schedules, with the cities of Edinburgh, Manchester, and Belfast accounting for almost 60% of the new supply. Hotel developments outside of London are increasingly targeted towards high-performing regional cities, where strong demand fundamentals exist and where RevPAR performance is strong enough to justify the rising costs associated with these new developments.

Inbound arrivals are expected to increase by 4% in 2026 and, as is typical, a high proportion of this demand will be captured by the London hotel market which is expected to maintain occupancy broadly on par with 2025. For UK regional hotels, despite new supply being more constrained and mostly confined to specific cities, there seems to be only limited opportunity for further occupancy growth, having reached 75.7% in 2025. Growth is expected to be limited to certain key markets, whilst most hotels across regional UK are likely to have reached a stabilised level of performance.

For London and regional UK, it is expected that growth in revenues will come from an increase to the ADR, by 1.8% in London and 1.5% across regional UK, due to the ongoing cost pressures forcing operators to raise prices. Moreover, with the Employment Rights Bill being introduced in phases from April 2026, the sector is expected to undergo significant changes as a range of enhanced worker rights become legally enforceable. As such, operational changes are inevitable to ensure compliance and are expected to add further cost pressures, including those related to new regulation for hospitality venues with capacity for over 200 people requiring enhanced security systems, processes, and staff training. Whilst such changes are not due to take effect until 2027, many businesses are expected to begin making the necessary preparations over the coming months to ensure they can adapt to the new legislation once it comes into force.

[7] Whilst London accounted for 52% of the new supply, the results were somewhat skewed by the opening of the Zedwell Capsule Hotel, which accounted for almost one third of London's new bedroom stock. Stripping out these 965 pods, London's share of new supply was aligned with previous years, accounting for 38% of the total new supply.

PART 2 – FINANCIAL REVIEW

8. FINANCIAL ANALYSIS OF THE ISSUER

The historical information has been extracted from the audited annual financial statements of MM Star Malta Finance covering the period from incorporation on 27 February 2025 to 31 December 2025.

The forecasts and projections, as revised from the previous projections dated 27 May 2025, have been provided by the Issuer and are based on future events and assumptions that the Group believes to be reasonable. However, actual outcomes may be adversely affected by unforeseen circumstances, and the variation between forecasts and projections compared with actual results could be material.

MM Star Malta Finance p.l.c. Statement of Comprehensive Income For the financial year 31 December	**2025 Actual 10 months €'000**	**2026 Forecast 12 months €'000**	**2027 Projection 12 months €'000**
Finance income	1,084	2,106	2,106
Finance costs	(964)	(1,873)	(1,873)
Net finance income	**120**	**233**	**233**
Net operating costs	(136)	(138)	(129)
Profit / (loss) before tax	**(16)**	**95**	**104**
Taxation	(8)	(17)	(17)
Profit / (loss) after tax	**(24)**	**78**	**87**
Total comprehensive income / (expense)	**(24)**	**78**	**87**

STATEMENT OF COMPREHENSIVE INCOME

In **FY2025**, the Company incurred finance costs of €0.96 million, representing accrued interest on the 2025 Bonds. Conversely, finance income of €1.08 million related to interest receivable from MM Star Holdco. Accordingly, net finance income amounted to €0.12 million. This is expected to nearly double to €0.23 million in **FY2026** and remain constant in **FY2027**. After taking into account net operating costs and taxation, MM Star Malta Finance is projecting net profits of €0.08 million and €0.09 million in FY2026 and FY2027, respectively.

MM Star Malta Finance p.l.c. Statement of Cash Flows For the financial year 31 December	2025 Actual 10 months €'000	2026 Forecast 12 months €'000	2027 Projection 12 months €'000
Net cash used in operating activities	(285)	(114)	(114)
Net cash from / (used in) investing activities	(34,000)	2,106	2,106
Net cash from / (used in) financing activities	34,521	(1,873)	(1,873)
Net movement in cash and cash equivalents	**236**	**119**	**119**
Cash and cash equivalents at beginning of year	-	236	355
Cash and cash equivalents at end of year	**236**	**355**	**474**

STATEMENT OF CASH FLOWS

MM Star Malta Finance ended **FY2025** with a cash balance of €0.24 million. During the year, an amount of €34.27 million was raised through the issuance of the 2025 Bonds, net of capitalised expenses, whilst a further inflow of €0.25 million was registered in the form of share capital. The net proceeds from the 2025 Bonds were advanced to MM Star Holdco, whilst a further net outflow of €0.29 million was recorded in relation to operating activities.

In **FY2026**, operating activities are expected to result in a net cash outflow of €0.11 million. Net cash from investing activities is projected at €2.11 million, representing interest received. On the other hand, net cash used in financing activities is forecast at €1.87 million, comprising interest payments. Overall, the Issuer is expected to register a net increase in cash and cash equivalents of €0.12 million during FY2026, resulting in an increase in cash balances to €0.36 million.

The financial performance of the Company is expected to remain stable in **FY2027**, resulting in a further increase in cash balances to €0.47 million.

STATEMENT OF FINANCIAL POSITION

MM Star Malta Finance had total assets of €35.56 million as at the end of **FY2025**, mostly comprising a loan receivable of €35.13 million. On the funding side, total liabilities amounted to €35.34 million, comprising the 2025 Bonds, supplemented by marginal amounts of tax liabilities and trade and other payables. Equity stood at €0.23 million, representing share capital of €0.25 million, partly offset by retained losses of €0.02 million.

No material movements are expected to be observed in the Statement of Financial Position as at the end of **FY2026** and **FY2027** relative to the position reported as at 31 December 2025.

MM Star Malta Finance p.l.c. Statement of Financial Position For the financial year 31 December	2025 Actual €'000	2026 Forecast €'000	2027 Projection €'000
ASSETS			
Non-current assets			
Loan receivable	34,044	34,130	34,217
Current assets			
Loan receivable	1,084	1,084	1,084
Prepayments and other receivables	199	199	199
Cash and cash equivalents	236	355	474
	1,519	1,638	1,757
Total assets	**35,563**	**35,768**	**35,974**
EQUITY			
Called up share capital	250	250	250
Retained earnings / (losses)	(24)	54	142
	226	**304**	**392**
LIABILITIES			
Non-current liabilities			
Debt securities	34,332	34,450	34,568
Current liabilities			
Tax liabilities	8	17	17
Debt securities	964	964	964
Trade and other payables	33	33	33
	1,005	**1,014**	**1,014**
Total liabilities	**35,337**	**35,464**	**35,582**
Total equity and liabilities	**35,563**	**35,768**	**35,974**

9. FINANCIAL ANALYSIS OF THE GUARANTOR

The historical information has been extracted from the audited consolidated annual financial statements of MM Star Holdco for the financial year ended 31 December 2025.

The forecasts and projections, as revised from the previous projections dated 27 May 2025, have been provided by the Guarantor and are based on future events and assumptions that the Group believes to be reasonable. However, actual outcomes may be adversely affected by unforeseen circumstances, and any variation between the forecasts and projections compared with actual results could be material.

MM Star Holdco Limited **Statement of Comprehensive Income** **For the financial year 31 December**	**2025** **Actual** **£'000**	**2026** **Forecast** **£'000**	**2027** **Projection** **£'000**
Revenue	13,743	14,157	14,716
Cost of sales	(4,085)	(4,282)	(4,453)
Gross profit	**9,658**	**9,875**	**10,263**
Net operating costs	(4,708)	(4,320)	(4,621)
EBITDA	**4,950**	**5,555**	**5,642**
Depreciation and amortisation	(1,692)	(1,590)	(1,626)
Operating profit	**3,258**	**3,965**	**4,016**
Net finance costs	(4,137)	(3,252)	(3,289)
Profit / (loss) before tax	**(879)**	**713**	**727**
Taxation	266	(17)	(17)
Profit / (loss) after tax	**(613)**	**696**	**710**
Other comprehensive income			
Revaluation of property, plant, and equipment, net of tax	1,730	1,714	2,792
Currency translation differences	(39)	-	-
	1,691	**1,714**	**2,792**
Total comprehensive income	**1,078**	**2,410**	**3,502**
Revenue analysis:			
Room	*12,082*	*12,291*	*12,783*
F&B	*1,364*	*1,570*	*1,633*
Ancillary income	*297*	*296*	*300*
	13,743	***14,157***	***14,716***
Key performance indicators:			
Occupancy (%)	*92.80*	*93.50*	*90.00*
Average daily rate (ADR – £)	*129.24*	*130.49*	*140.99*
Revenue per available room (RevPAR – £)	*119.93*	*122.01*	*126.89*
Total revenue per available room (Total RevPAR – £)	*136.42*	*140.53*	*146.08*

MM Star Holdco Limited **Key Financial Ratios**	**FY2025** **Actual**	**FY2026** **Forecast**	**FY2027** **Projection**
Gross profit margin (%) *(Gross profit / revenue)*	70.28	69.75	69.74
EBITDA margin (%) *(EBITDA / revenue)*	36.02	39.24	38.34
Operating profit margin (%) *(Operating profit / revenue)*	23.71	28.01	27.29
Net profit margin (%) *(Profit after tax / revenue)*	(4.46)	4.92	4.82
Return on equity (%) *(Profit after tax / average equity)*	(2.56)	4.13	4.30
Return on assets (%) *(Profit after tax / average assets)*	(0.78)	0.86	0.87
Return on invested capital (%) *(Operating profit / average equity and net debt)*	4.66	5.68	5.72
Interest cover (times) *(EBITDA / net finance costs)*	1.20	1.71	1.72

STATEMENT OF COMPREHENSIVE INCOME

In **FY2025**, the Group generated revenue of £13.74 million, supported predominantly by rooms revenue of £12.08 million, which represented the principal contributor to the income base. F&B revenue amounted to £1.36 million, whilst ancillary income contributed a further £0.30 million. The operational performance was underpinned by a strong occupancy level of 92.80%. Moreover, ADR stood at £129.24, translating into RevPAR of £119.93 and total RevPAR of £136.42, both of which reflected a resilient rate environment.

Cost of sales totalled £4.09 million, resulting in gross profit of £9.66 million and a gross profit margin of 70.28%. After accounting for net operating costs of £4.71 million, EBITDA stood at £4.95 million, translating into an EBITDA margin of 36.02% and interest cover of 1.20 times.

Depreciation and amortisation charges amounted to £1.69 million, resulting in an operating profit of £3.26 million. The operating profit margin stood at 23.71%, whilst return on invested capital ("**ROIC**") was 4.66%.

Net finance costs totalled £4.14 million. This amount included non-recurring charges of £0.65 million comprising exchange differences on financing transactions and a loss on hedging during the issuance of the 2025 Bonds, as well as a prepayment penalty fee of around £0.20 million relating to a bank loan.

Overall, the Group recorded a loss before tax of £0.88 million. After recognising a tax credit of £0.27 million, the loss after tax amounted to £0.61 million. Nonetheless, the Group registered other comprehensive income of £1.69 million in FY2025, mainly reflecting a revaluation gain on property, plant, and equipment ("**PPE**") of £1.73 million, net of tax, partly offset by negative currency translation differences of £0.04 million. Consequently, total comprehensive income amounted to £1.08 million.

In **FY2026**, revenue is forecast to increase by 3.01% to £14.16 million. The improvement is expected to be equally driven by rooms revenue, which is forecast to rise by 1.73% to £12.29 million, and F&B, which is forecast to reach £1.57 million. Ancillary income is expected to remain stable at £0.30 million. Occupancy is expected to improve to 93.50%, representing a year-on-year increase of 70 basis points, whilst ADR is forecast to edge higher by 0.97% to £130.49. As a result, RevPAR is expected to increase by 1.73% to £122.01, whilst total RevPAR is forecast to rise by 3.01% to £140.53.

Cost of sales is forecast to increase at a faster pace than revenue, rising by 4.82% to £4.28 million. Consequently, although gross profit is expected to increase by 2.25% to £9.88 million, the gross profit margin is forecast to ease marginally to 69.75%. However, the impact of this gross margin dilution is forecast to be more than offset by lower net operating costs, which are expected to decline by 8.24% to £4.32 million, partly reflecting a one-time £0.20 million discount on the franchise fee. As such, despite ongoing inflationary pressures, particularly in relation to staffing, food and utilities, the Group remains focused on addressing adverse trends through prudent operational discipline. This includes a renewed emphasis on cost optimisation and enhanced revenue management strategies, together with targeted measures aimed at improving efficiencies whilst safeguarding the reputation and service quality of YOTEL Edinburgh.

EBITDA is expected to rise by 12.22% to £5.56 million. Accordingly, the EBITDA margin is forecast to advance by 3.22 percentage points to 39.24%, indicating a more efficient operating cost base and a higher conversion of revenue into EBITDA.

Depreciation and amortisation charges are forecast to ease to £1.59 million, supporting a 21.70% increase in operating profit to £3.97 million. Consequently, the operating profit margin is anticipated to advance notably to 28.01%, whilst ROIC is expected to improve to 5.68%.

Net finance costs are forecast to decline significantly to £3.25 million, mainly due to the non-recurrence of the one-time charges incurred in FY2025. As a result, interest cover is forecast to strengthen to 1.71 times, reflecting both higher EBITDA generation and lower net finance costs.

Overall, MM Star Holdco is projecting a profit before tax of £0.71 million in FY2026. After taking into account a marginal tax charge of £0.02 million, profit after tax is forecast at £0.70 million, resulting in a net profit margin of 4.92%. The improvement in profitability is also reflected in the return metrics, with return on equity ("**ROE**") forecast to recover to 4.13% and return on assets ("**ROA**") to 0.86%.

Other comprehensive income is forecast at £1.71 million, entirely attributable to the revaluation of PPE, net of tax, resulting in total comprehensive income of £2.41 million.

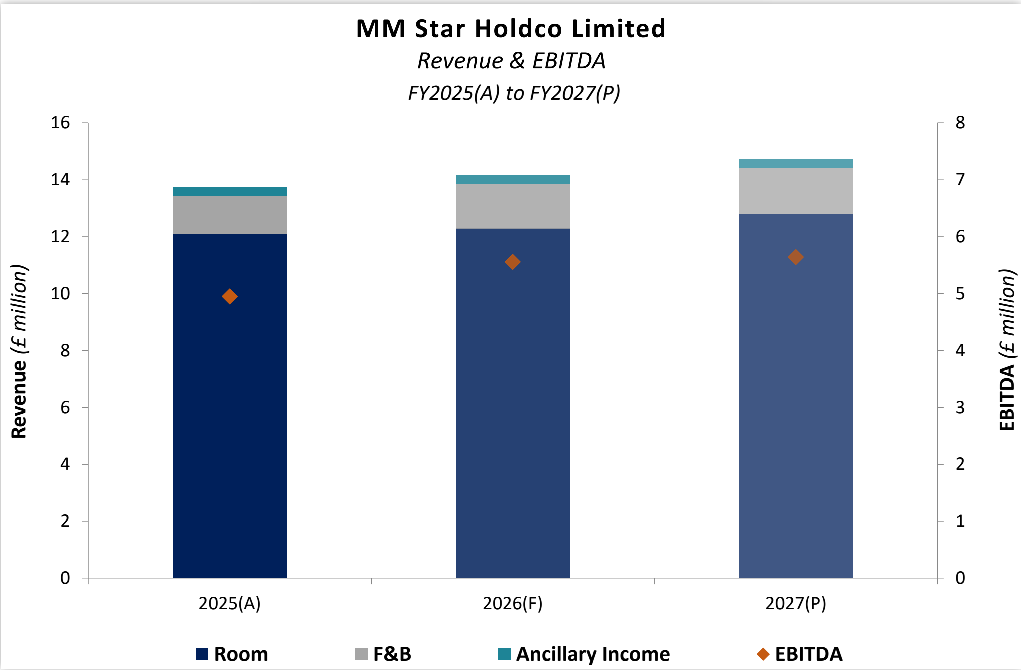
In **FY2027**, revenue is projected to increase further by 3.95% to £14.72 million. Rooms revenue and income from F&B are projected to rise by 4% to £12.78 million and £1.63 million, respectively, whilst ancillary income is expected to remain broadly unchanged at £0.30 million. The occupancy rate is projected to retract slightly to 90%, indicating that revenue growth is expected to be driven by rate progression rather than further occupancy expansion. Indeed, ADR is projected to increase by 8.05% to £140.99, resulting in RevPAR of £126.89 and total RevPAR of £146.08.

Cost of sales is projected to increase by 3.99% to £4.45 million, broadly in line with revenue growth. Gross profit is projected to increase by 3.93% to £10.26 million, with the gross profit margin remaining stable at 69.74%. However, net operating costs are projected to rise by 6.97% to £4.62 million, mainly reflecting higher employment and utility costs, the non-recurrence of the one-time franchise fee discount to be availed of in FY2026, as well as the full-year impact of the increase in real estate tax for businesses applicable from April 2026. As a result, EBITDA is projected to grow by just 1.57% to £5.64 million, with the EBITDA margin projected to moderate to 38.34%.

After taking into account depreciation and amortisation charges of £1.63 million, operating profit is set to advance by 1.29% to £4.02 million, resulting in an operating profit margin of 27.29% and ROIC of 5.72%.

Net finance costs are expected to rise slightly to £3.29 million, albeit interest cover is projected to remain broadly stable at 1.72 times. Following a marginal tax charge of £0.02 million, profit after tax is projected at £0.71 million, translating into a net profit margin of 4.82%, and ROE and ROA of 4.30% and 0.87%, respectively.

Other comprehensive income is expected at £2.79 million, reflecting a further revaluation gain on PPE, net of tax, resulting in total comprehensive income of £3.50 million.



MM Star Holdco Limited Statement of Cash Flows For the financial year 31 December	2025 Actual £'000	2026 Forecast £'000	2027 Projection £'000
Net cash from operating activities	2,751	2,804	2,727
Net cash used in investing activities	(1,994)	(397)	(409)
Net cash used in financing activities	(689)	(2,310)	(2,310)
Net movement in cash and cash equivalents	**68**	**97**	**8**
Cash and cash equivalents at beginning of year	735	1,404	1,501
Effect of foreign exchange rates	601	-	-
Cash and cash equivalents at end of year	**1,404**	**1,501**	**1,509**
Net capital expenditure*	384	397	409
Free cash flow	**2,367**	**2,407**	**2,318**

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

STATEMENT OF CASH FLOWS

In **FY2025**, the Group generated net cash from operating activities of £2.75 million, notwithstanding the adverse working capital movement of £0.47 million.

Net cash used in investing activities amounted to £1.99 million, mainly comprising PPE-related expenditure of £0.38 million and a £1.62 million outflow in relation to investments in bank term deposits. The investment in PPE reflects the Group's firm commitment to maintaining and enhancing the quality of YOTEL Edinburgh. In particular, MM Star Holdco continues to invest in sustainability initiatives and in the reduction of energy consumption, principally by lowering its reliance on fossil fuels and carbon-intensive energy sources, where possible.

Net cash used in financing activities amounted to £0.69 million, reflecting the residual impact of the major refinancing exercise pursued during the year, as inflows from debt securities of £29.33 million were offset by repayments of bank borrowings of £15.45 million and shareholders' loans of £14.57 million.

Overall, the Group recorded a net increase in cash and cash equivalents of £0.07 million in FY2025. After taking into account the opening cash balance of £0.74 million and a favourable foreign exchange movement of £0.60 million, cash and cash equivalents at year-end amounted to £1.40 million.

In **FY2026**, net cash from operating activities is forecast to increase marginally to £2.80 million, mainly reflecting improved underlying profitability, partly offset by higher outflows related to interest payments.

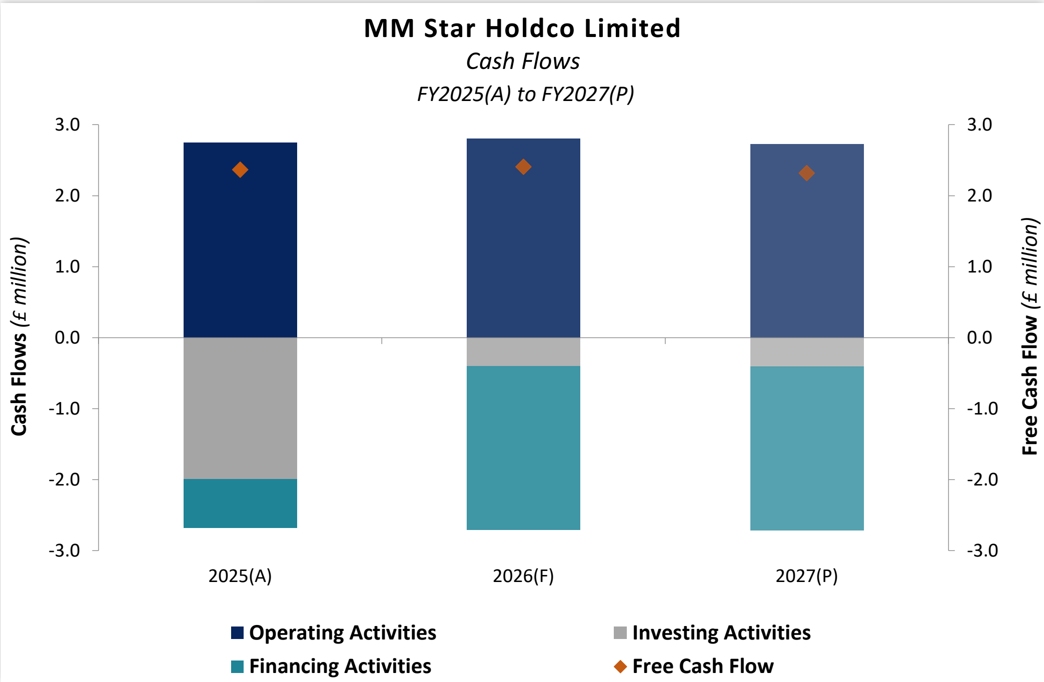
Net cash used in investing activities is forecast to decline significantly to £0.40 million, entirely attributable to investment in PPE. Accordingly, given the consistent operating cash flows and stable planned capital expenditure, free cash flow is forecast to only increase moderately to £2.41 million compared to £2.37 million in FY2025.

Net cash used in financing activities is forecast to increase to £2.51 million, reflecting a further repayment of shareholders' advances.

Overall, the Group is forecast to generate a net increase in cash and cash equivalents of £0.10 million in FY2026, thus leading to a year-end balance of £1.50 million.

In **FY2027**, net cash from operating activities is projected to ease slightly to £2.73 million, reflecting a higher adverse movement in working capital. Similarly, marginal year-on-year movements are expected in relation to investing and financing activities, which are estimated at negative £0.41 million and negative £2.31 million, respectively. The latter represents a further outflow related to the repayment of shareholders' advances. Likewise, free cash flow is projected to remain broadly stable at £2.32 million.

Overall, the Guarantor is projected to record a modest net increase in cash and cash equivalents, thus leading to a relatively unchanged year-end balance of £1.51 million in FY2027.



MM Star Holdco Limited Statement of Financial Position For the financial year 31 December	2025 Actual £'000	2026 Forecast £'000	2027 Projection £'000
ASSETS			
Non-current assets			
Property, plant and equipment	77,100	77,225	78,391
	77,100	**77,225**	**78,391**
Current assets			
Inventories	13	13	13
Term deposits	1,618	1,617	1,617
Trade and other receivables	526	587	623
Cash at bank and in hand	1,404	1,501	1,509
	3,561	**3,718**	**3,762**
Total assets	**80,661**	**80,943**	**82,153**
EQUITY			
Called up share capital	250	250	250
Revaluation reserve	12,832	13,672	15,346
Shareholders' advances	4,725	2,415	105
Currency translation reserve	(39)	-	-
Retained earnings / (losses)	(562)	134	844
	17,206	**16,471**	**16,545**
LIABILITIES			
Non-current liabilities			
Debt securities	29,974	30,077	30,180
Other financial liabilities	25,674	26,329	27,022
Deferred tax liabilities	4,278	4,707	5,405
	59,926	**61,113**	**62,607**
Current liabilities			
Current tax liabilities	7	17	17
Trade and other payables	3,522	3,342	2,984
	3,529	**3,359**	**3,001**
Total liabilities	**63,455**	**64,472**	**65,608**
Total equity and liabilities	**80,661**	**80,943**	**82,153**
Total debt	*55,648*	*56,406*	*57,202*
Net debt	*52,626*	*53,288*	*54,076*
Invested capital (total equity plus net debt)	*69,832*	*69,759*	*70,621*

MM Star Holdco Limited Key Financial Ratios	FY2025 Actual	FY2026 Forecast	FY2027 Projection
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	10.63	9.59	9.58
Net debt-to-equity (times) *(Net debt / total equity)*	3.06	3.24	3.27
Net gearing (%) *(Net debt / net debt and total equity)*	75.36	76.39	76.57
Debt-to-assets (times) *(Total debt / total assets)*	0.69	0.70	0.70
Leverage (times) *(Total assets / total equity)*	4.69	4.91	4.97
Current ratio (times) *(Current assets / current liabilities)*	1.01	1.11	1.25

STATEMENT OF FINANCIAL POSITION

Total assets stood at £80.66 million as at the end of **FY2025**, primarily comprising PPE of £77.10 million, which represented the core component of the Guarantor's asset base. The remaining assets of the Group consisted of cash and term deposits of £3.02 million, trade and other receivables of £0.53 million, and inventories of £0.01 million.

Total equity amounted to £17.21 million, mainly supported by the revaluation reserve of £12.83 million and shareholders' advances of £4.73 million, together with share capital of £0.25 million. These were partly offset by retained losses of £0.56 million and a negative currency translation reserve of £0.04 million.

Total liabilities stood at £63.46 million, mainly comprising debt securities of £29.97 million and other financial liabilities of £25.67 million. Deferred and current tax liabilities totalled £4.29 million, whilst trade and other payables stood at £3.52 million. Total debt amounted to £55.65 million. After deducting cash and term deposits, net debt stood at £52.63 million, resulting in invested capital of £69.83 million.

In **FY2026**, total assets are forecast to increase by £0.28 million to £80.94 million, with the projected expansion mainly attributable to the expected growth in PPE to £77.23 million. Furthermore, cash balances and trade and other receivables are forecast to increase by £0.16 million in aggregate.

Total equity is forecast to contract by £0.74 million to £16.47 million, as the £2.31 million reduction in shareholders' advances is expected to more than offset the positive movements in most other components of equity. Accordingly, leverage is forecast to trend slightly higher to 4.91 times from 4.69 times as at the end of FY2025.

Total liabilities are forecast to increase by £1.02 million to £64.47 million, with the year-on-year change mainly attributable to higher deferred and current tax liabilities (+£0.44 million to £4.72 million) and indebtedness, partly offset by a £0.18 million reduction in trade and other payables to £3.34 million.

Total debt is projected to edge higher by £0.76 million to £56.41 million, comprising debt securities of £30.08 million and other financial liabilities of £26.33 million, whilst net debt is forecast to increase by £0.66 million to £53.29 million. On the other hand, invested capital is forecast to decrease marginally to £69.76 million due to the forecast contraction in equity.

The net debt-to-EBITDA multiple is expected strengthen to 9.59 times in FY2026 from 10.63 times in the prior year, reflecting higher EBITDA generation. Conversely, net debt-to-equity is expected to trend higher to 3.24 times from 3.06 times, whilst net gearing and debt-to-assets are forecast to deteriorate to 76.39% (FY2025: 75.36%) and 0.70 times (FY2025: 0.69 times), respectively. On the other hand, the current ratio is forecast to strengthen to 1.11 times from 1.01 times as at the end of FY2025, mainly reflecting the projected increase in cash balances and trade and other receivables, coupled with the forecast decline in trade and other payables.

In **FY2027**, total assets are projected to increase further by £1.21 million to £82.15 million, driven by a higher PPE balance to £78.39 million.

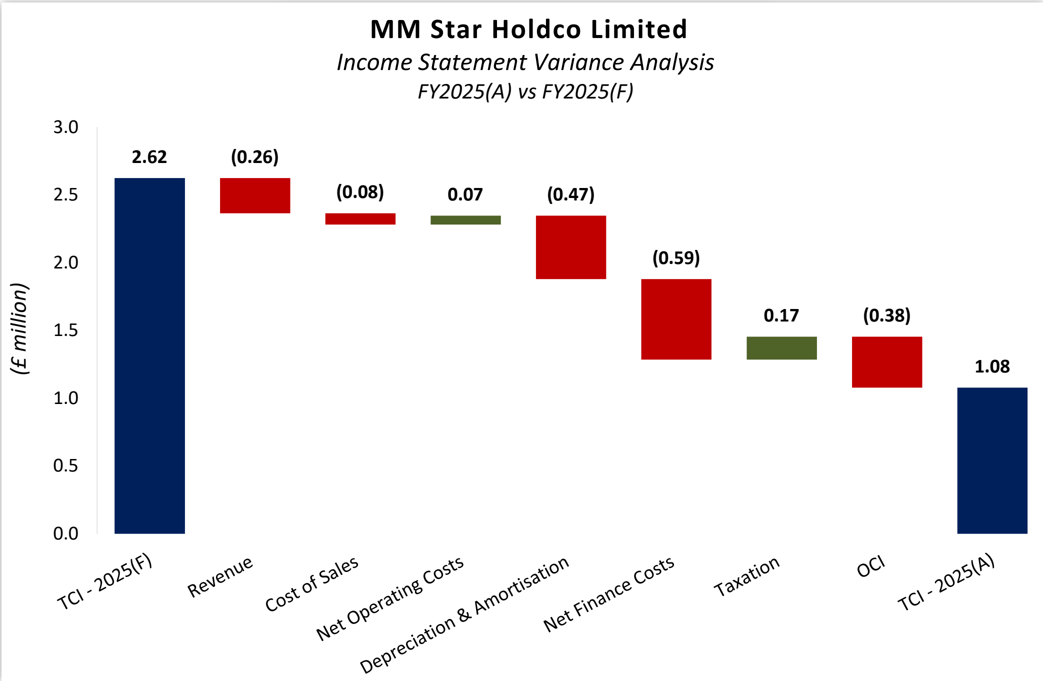
On the funding side, total equity is projected to expand modestly to £16.55 million, as the £2.31 million reduction in shareholders' advances is marginally outweighed by higher revaluation reserve and retained earnings. Nonetheless, despite the wider equity base, leverage is projected to increase to 4.97 times reflecting the sharper projected rise in assets. Meanwhile, total liabilities are projected to increase by £1.14 million to £65.61 million, on account of a £0.80 million rise in total debt to £57.20 million, primarily due to a higher level of other financial liabilities, as well as an increase in deferred tax liabilities, partly offset by a reduction in trade and other payables. Net debt is projected to edge higher by £0.79 million to £54.08 million, whilst invested capital is projected to reach £70.62 million.

Despite stable net debt-to-EBITDA and debt-to-assets metrics of 9.58 times and 0.70 times, respectively, net debt-to-equity is projected to rise modestly to 3.27 times, whilst net gearing is expected to deteriorate slightly to 76.57%. On the other hand, the current ratio is expected to strengthen further 1.25 times, mostly due to the reduction in trade and other payables.

10. VARIANCE ANALYSIS

The following is an analysis of the major variances between the forecast financial information of the Guarantor for the year ended 31 December 2025, as included in the Analysis dated 27 May 2025, and the audited consolidated annual financial statements for the same period, which were published on 22 April 2026.

MM Star Holdco Limited Statement of Comprehensive Income For the financial year 31 December	2025 Actual £'000	2025 Forecast £'000
Revenue	13,743	14,002
Cost of sales	(4,085)	(4,002)
Gross profit	**9,658**	**10,000**
Net operating costs	(4,708)	(4,773)
EBITDA	**4,950**	**5,227**
Depreciation and amortisation	(1,692)	(1,224)
Operating profit	**3,258**	**4,003**
Net finance costs	(4,137)	(3,543)
Profit / (loss) before tax	**(879)**	**460**
Taxation	266	97
Profit / (loss) after tax	**(613)**	**557**
Other comprehensive income		
Revaluation of property, plant, and equipment, net of tax	1,730	2,067
Currency translation differences	(39)	-
	1,691	**2,067**
Total comprehensive income	**1,078**	**2,624**
Revenue analysis:		
Room	*12,082*	*12,465*
F&B	*1,364*	*1,472*
Ancillary income	*297*	*65*
	13,743	**14,002**
Key performance indicators:		
Occupancy (%)	*92.80*	*90.00*
Average daily rate (ADR – £)	*129.24*	*137.48*
Revenue per available room (RevPAR – £)	*119.93*	*123.73*
Total revenue per available room (Total RevPAR – £)	*136.42*	*138.99*



STATEMENT OF COMPREHENSIVE INCOME

In FY2025, MM Star Holdco generated revenue of £13.74 million, which was just 1.85% below the forecast of £14 million. The negative variance was principally driven by room revenue, which amounted to £12.08 million compared to the forecast of £12.47 million, representing a shortfall of 3.07%. This was despite occupancy outperforming expectations by 2.80 percentage points, reaching 92.80% compared to the forecast of 90%. However, the favourable occupancy variance was more than offset by the weaker-than-anticipated ADR, which amounted to £129.24 compared to the forecast of £137.48. Meanwhile, the weaker revenue performance was also reflected in the F&B segment, which generated revenue of £1.36 million compared to the forecast of £1.47 million, representing an adverse variance of 7.34%. Conversely, ancillary income exceeded expectations, albeit still representing a fractional component of total revenue. After accounting for all revenue streams, total RevPAR amounted to £136.42 compared to the forecast of £138.99.

Cost of sales amounted to £4.09 million, which was 2.07% higher than the forecast of £4 million. As a result, gross profit amounted to £9.66 million compared to the forecast of £10 million, representing an adverse variance of 3.42%. Moreover, although net operating costs were 1.36% lower than forecast at £4.71 million, EBITDA of £4.95 million achieved in FY2025 was still 5.30% below the target of £5.23 million.

The financial performance of the Guarantor was further negatively impacted by higher-than-estimated depreciation and amortisation charges and net finance costs. The former amounted to £1.69 million, compared to the forecast of £1.22 million, as the basis of calculation applied in the forecast reflected depreciation on the original cost of YOTEL Edinburgh prior to revaluation, whilst in the audited consolidated financial statements, depreciation was calculated on the revalued amount of the hotel.[8] Meanwhile, net finance costs exceeded the forecast by £0.59 million, or 16.77%, mostly due to foreign exchange currency movements of circa £0.56 million which had not been forecast.

Overall, MM Star Holdco recorded a loss before tax of £0.88 million, compared to the forecast profit before tax of £0.46 million, representing an adverse variance of £1.34 million. After taking into account a tax credit of £0.27 million, compared to the forecast tax income of £0.10 million, the Group registered a loss after tax of £0.61 million compared to the forecast profit after tax of £0.56 million.

Other comprehensive income of £1.69 million was £0.38 million lower than the forecast of £2.07 million, mainly due to a more modest revaluation gain on PPE. Accordingly, total comprehensive income amounted to £1.08 million, falling £1.55 million short of the forecast of £2.62 million.

MM Star Holdco Limited **Statement of Cash Flows** **For the financial year 31 December**	**2025** **Actual** **£'000**	**2025** **Forecast** **£'000**
Net cash from operating activities	2,751	5,678
Net cash used in investing activities	(1,994)	(185)
Net cash used in financing activities	(689)	(1,339)
Net movement in cash and cash equivalents	**68**	**4,154**
Cash and cash equivalents at beginning of year	735	735
Effect of foreign exchange rates	601	-
Cash and cash equivalents at end of year	**1,404**	**4,889**
Net capital expenditure*	384	185
Free cash flow	**2,367**	**5,493**

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

STATEMENT OF CASH FLOWS

In FY2025, MM Star Holdco generated a positive net movement in cash and cash equivalents of £0.07 million, compared to the forecast positive movement of £4.15 million, representing an adverse variance of £4.09 million. As a result, after taking into account the opening cash balance of £0.74 million, together with a favourable foreign exchange movement of £0.60 million which had not been forecast, cash and cash equivalents at year-end amounted to £1.40 million compared to the forecast closing balance of £4.89 million. It is also important to highlight that the Group ended the 2025 financial year with a balance of £1.62 million in term deposits which had not been included in the forecast. Therefore, the effective variance between the actual aggregate cash and term deposit balance of £3.02 million and the corresponding forecast figure of £4.89 million stood at £1.87 million.

[8] The YOTEL Edinburgh was acquired for £60.15 million in July 2024 and subsequently revalued to £76.10 million as at 31 December 2024.

Net cash from operating activities stood at £2.75 million, £2.93 million lower than the forecast of £5.68 million. This adverse variance was attributable to a number of factors, including: (i) EBITDA falling £0.28 million short of forecast; (ii) an adverse working capital movement of £0.47 million compared to the forecast positive movement of £0.03 million, resulting in a negative variance of £0.50 million; (iii) higher interest costs; and (iv) the absence, in the actual results, of a £0.42 million consolidation adjustment that had been included in the forecast.

Net cash used in investing activities of £1.99 million were higher than the forecast of £0.19 million by £1.81 million. The principal driver of this variance was the outflow of £1.62 million relating to bank term deposits, which had not been forecast. In addition, PPE-related expenditure amounted to £0.38 million compared to the forecast of £0.19 million, partly offset by interest received of £0.01 million. Free cash flow stood at £2.37 million, compared to the forecast of £5.49 million, primarily reflecting the weaker operating cash flow performance.

Net cash used in financing activities amounted to £0.69 million, compared to the forecast outflow of £1.34 million. The favourable variance of £0.65 million was mainly driven by higher inflows from debt securities, as well as the absence of the forecast financing interest outflow and lease payments. Conversely, repayments of shareholders' loans were £1.75 million higher than estimated.

STATEMENT OF FINANCIAL POSITION

Total assets stood at £80.66 million as at the end of FY2025, £3.03 million below the forecast of £83.70 million. The adverse variance was principally attributable to the lower-than-anticipated cash balance and a lower carrying amount of PPE, which together more than offset the positive variances recorded in term deposits and, to a much lesser extent, inventories and trade and other receivables.

Total equity amounted to £17.21 million, compared to the forecast of £20.89 million, representing an adverse variance of £3.69 million. The principal contributors to the lower-than-forecast equity base were the retained earnings position, which stood at a negative £0.56 million compared to the forecast positive balance of £0.77 million, and shareholders' advances, which were £1.75 million below forecast, reflecting higher repayments made during the year. In addition, the revaluation reserve amounted to £12.83 million compared to the forecast of £13.40 million, reflecting an adverse variance of £0.57 million, whilst a negative currency translation reserve of £0.04 million was recorded.

Total liabilities amounted to £63.46 million, £0.65 million above the forecast of £62.80 million. The variance was mainly driven by the higher-than-forecast total debt position, which stood at £55.65 million compared to the projection of £54.61 million, partly offset by lower deferred tax liabilities and trade and other payables. Net debt amounted to £52.63 million compared to the forecast of £49.72 million, resulting in an adverse variance of £2.90 million, reflecting both higher total debt and a lower-than-expected cash and term deposit position. On the other hand, invested capital of £69.83 million was £0.78 million lower than forecast, as the negative variance in equity outweighed the higher-than-forecast net debt position.

MM Star Holdco Limited Statement of Financial Position For the financial year 31 December	2025 Actual £'000	2025 Forecast £'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,100	78,338
	77,100	**78,338**
Current assets		
Inventories	13	-
Term deposits	1,618	-
Trade and other receivables	526	468
Cash at bank and in hand	1,404	4,889
	3,561	**5,357**
Total assets	**80,661**	**83,695**
EQUITY		
Called up share capital	250	250
Revaluation reserve	12,832	13,397
Shareholders' advances	4,725	6,474
Currency translation reserve	(39)	-
Retained earnings / (losses)	(562)	770
	17,206	**20,891**
LIABILITIES		
Non-current liabilities		
Debt securities	29,974	28,926
Other financial liabilities	25,674	25,686
Deferred tax liabilities	4,278	4,663
	59,926	**59,275**
Current liabilities		
Current tax liabilities	7	-
Trade and other payables	3,522	3,529
	3,529	**3,529**
Total liabilities	**63,455**	**62,804**
Total equity and liabilities	**80,661**	**83,695**
Total debt	*55,648*	*54,612*
Net debt	*52,626*	*49,723*
Invested capital (total equity plus net debt)	*69,832*	*70,614*

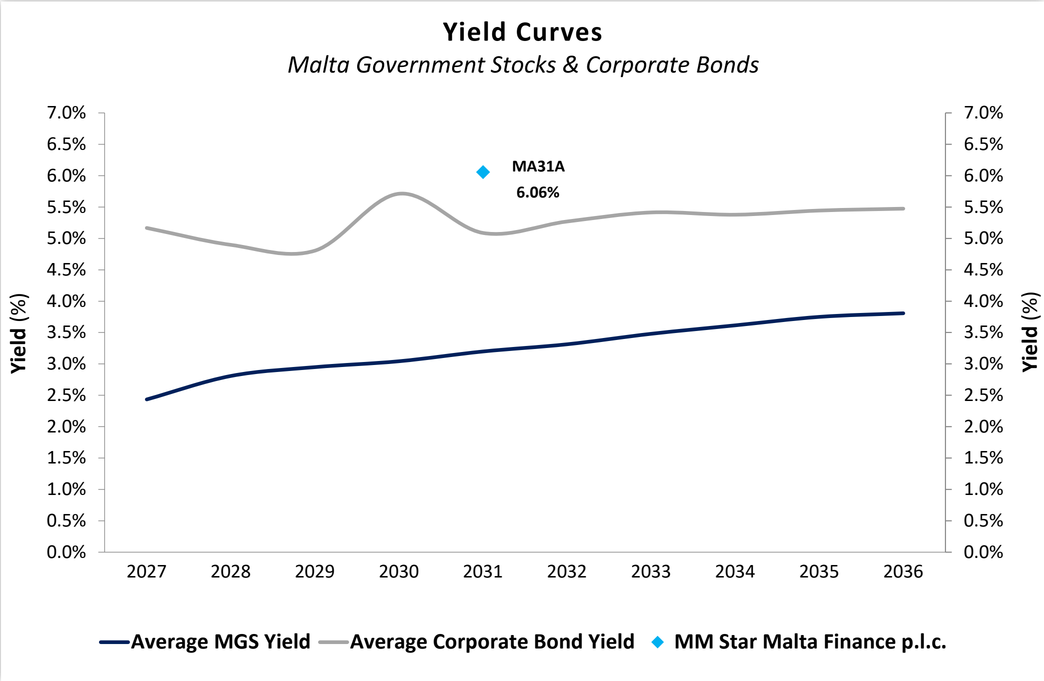
PART 3 – COMPARATIVE ANALYSIS

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 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% International Hotel Investments p.l.c. Secured 2026	55,000	5.35	1.47	11.26	43.14	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	14.58	0.90	15.02	89.77	0.54
3.75% Premier Capital p.l.c. Unsecured 2026	32,696	7.67	9.72	2.54	71.95	0.61
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	7.75	1.47	11.26	43.14	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	8.15	3.81	4.88	39.07	0.35
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	5.37	4.45	4.66	68.88	0.59
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.36	5.41	2.98	30.68	0.33
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.10	4.03	5.76	26.30	0.24
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.24	9.25	1.60	14.80	0.16
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	5.58	4.91	5.15	21.67	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	5,736	4.73	n/a	9.43	76.67	0.72
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	12,216	4.73	n/a	0.30	4.28	0.17
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.87	4.45	4.66	68.88	0.59
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.84	9.25	1.60	14.80	0.16
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	4.89	5.65	7.37	55.40	0.54
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	4.96	n/a	9.43	76.67	0.72
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	5.00	4.45	4.66	68.88	0.59
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.54	4.91	5.15	21.67	0.20
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	5.19	4.45	4.66	68.88	0.59
3.75% AX Group p.l.c. Unsecured 2029	10,000	5.02	3.81	4.88	39.07	0.35
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.21	3.04	5.76	92.40	0.82
5.25% ACMUS p.l.c. Secured 2028-2030	19,000	5.27	3.88	475.77	80.85	0.76
5.10% PLAN Group p.l.c. Secured & Guaranteed 2030	28,200	5.88	5.65	7.37	55.40	0.54
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	33,000	5.19	5.41	2.98	30.68	0.33
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	20,000	5.19	5.41	2.98	30.68	0.33
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	7,000	5.07	5.41	2.98	30.68	0.33
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	6.06	1.20	10.63	75.36	0.69
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.70	1.47	11.26	43.14	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.73	3.19	7.66	51.19	0.46
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.16	n/a	9.43	76.67	0.72
5.50% MM Triton Malta Finance p.l.c. Secured & Guaranteed 2032	45,000	5.29	1.40	9.39	71.50	0.67
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.64	3.04	5.76	92.40	0.82
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.99	4.52	5.45	46.94	0.46
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2033	60,000	4.99	4.45	4.66	68.88	0.59
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.34	3.81	4.88	39.07	0.35
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.99	1.47	11.26	43.14	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	5.11	3.62	7.48	73.09	0.68
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	5.12	2.40	9.18	48.21	0.43
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.26	1.47	11.26	43.14	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.53	2.55	5.93	51.80	0.46
5.35% CPHCL Finance p.l.c. Unsecured & Guaranteed 2035	45,000	5.34	1.36	12.35	42.84	0.40
5.50% Finestday Malta p.l.c. Secured & Guaranteed 2036	25,000	5.50	1.92	7.68	60.83	0.55

**As at 17 June 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 **5.35% MM Star Malta Finance p.l.c. secured and guaranteed bonds 2029-2031** (MA31A) as at 17 June 2026 was 97.01%. This translated into a yield-to-maturity ("**YTM**") of 6.06%, representing a premium of 97 basis points over the average YTM of 5.09% of other local corporate bonds maturing in the same year. The spread over the corresponding average Malta Government Stock yield of 3.20% stood at 286 basis points.

PART 4 – EXPLANATORY DEFINITIONS

Statement of Comprehensive Income	
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.