
FINANCIAL ANALYSIS SUMMARY

27 MAY 2025



MILLEMONT

ISSUER

MM STAR MALTA FINANCE P.L.C.

(C 111281)

GUARANTOR

MM STAR HOLDCO LIMITED

(UK 14171754)

Prepared by:



MZ INVESTMENTS





MZ INVESTMENTS

MZ Investment Services Limited

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

E info@mzinvestments.com W mzinvestments.com

The Board of Directors
MM Star Malta Finance p.l.c.
Level 3, Valletta Buildings
Triq Nofs In-Nhar
Valletta VLT 1103

27 May 2025

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**”), and MM Star Holdco Limited (the “**Guarantor**”, “**MM Star Group**”, or “**MM Star HoldCo**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Pro forma consolidated financial information relating to MM Star HoldCo for the financial year ended 31 December 2024 has been provided by the Issuer.
- (b) Historical information relating to MM Star HoldCo for the period 1 July 2024 to 31 December 2024 has been extracted from the audited consolidated financial statements for the six-month period ended 31 December 2024.
- (c) The forecast and projected information relating to the Issuer and MM Star HoldCo for the financial years ending 31 December 2025, 31 December 2026 and 31 December 2027, have been provided by the Issuer.
- (d) Our commentary on the financial performance, cash flows, and financial position of the Issuer and the Guarantor is based on explanations provided by the Issuer.
- (e) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions of this report.
- (f) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

This Analysis is meant to assist potential investors in the Issuer’s securities by summarising the more important financial information of MM Star Group. This Analysis does not contain all data that is relevant to investors and is meant to complement, and not replace, the contents of the full Prospectus. 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, and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, existing and potential investors are encouraged to seek professional advice before investing in the Issuer’s securities.

Yours faithfully,

Evan Mohnani
Head Corporate Broking

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Company Registration Number: C 23936 | VAT Number: MT 1529 8424

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PART 1 – INFORMATION ABOUT MM STAR GROUP

1. ABOUT THE ISSUER AND THE GUARANTOR

MM Star Malta Finance p.l.c. was incorporated on 27 February 2025 as a public limited liability company under the Companies Act (Cap. 386 of the laws of Malta) with an authorised and fully paid-up share capital of €0.25 million. The principal activity of the Issuer is to act as a finance company for the MM Star Group. As a result, the Issuer is totally dependent on the operations, performance, and prospects of the Guarantor and other MM Star Group companies.

MM Star HoldCo Limited is the holding company of the MM Star Group which does not carry out any trading activity of its own. It is established solely and specifically for the purpose of investing in the acquisition, ownership, and operation of the YOTEL Hotel in Edinburgh (“**YOTEL Edinburgh**”) by virtue of its shareholding in its subsidiaries.

2. OWNERSHIP OF MM STAR GROUP

MM Star Group forms part of Millemont Capital Partners Limited (“**Millemont Group**”), a private equity real estate investment platform established in 2021. Millemont Group is focused on deploying capital into the UK hospitality sector, with an emphasis on sustainable hospitality assets in strategic locations across the UK.

Each of the Millemont Group’s investments are held through distinctly, separate single-purpose UK fund structures. One of these fund structures forms the basis of the MM Star Group which group of companies, within the wider Millemont Group structure, was formed for the purpose of acquiring the YOTEL Edinburgh.

3. DIRECTORS OF THE ISSUER

The Board of Directors of the Issuer is composed of the following persons:

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

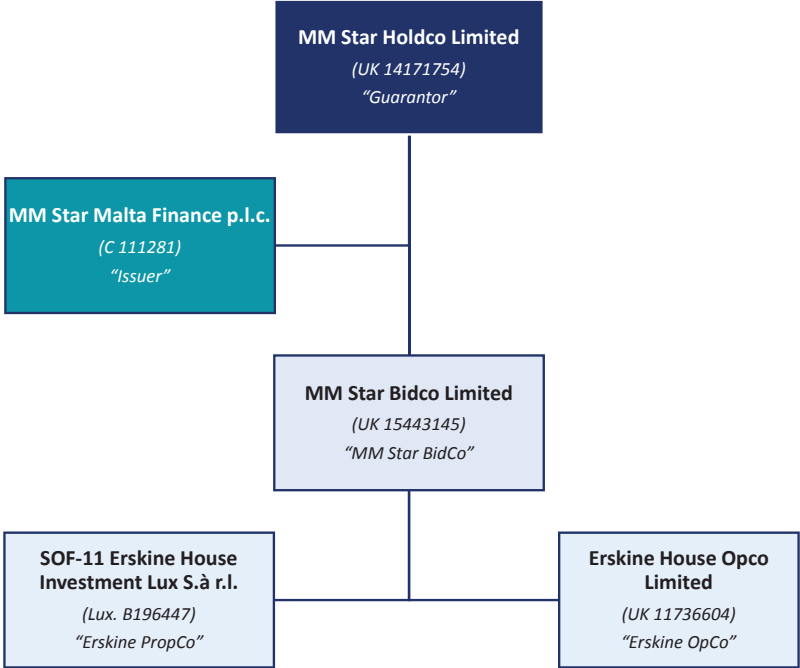
4. DIRECTORS OF THE GUARANTOR

The Board of Directors of MM Star HoldCo is composed of the following persons:

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

5. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the MM Star Group:



The Issuer is a subsidiary company of the Guarantor. A brief overview of the business activities of the group companies is set out below:

- **MM Star Holdco Limited:** MM Star HoldCo was incorporated on 14 June 2022. It is wholly owned by Millemont 3 Limited Partnership and serves as the holding company of the MM Star Group.
- **MM Star Bidco Limited:** MM Star BidCo was incorporated on 25 January 2024. It is a fully owned subsidiary of the Guarantor and holds 100% of the shares in Erskine OpCo and Erskine PropCo.
- **Erskine House Opco Limited:** Erskine OpCo was incorporated on 20 December 2018. It is a wholly owned subsidiary of MM Star BidCo and is responsible for the operation and management of the YOTEL Edinburgh and for employing all hotel staff.
- **SOF-11 Erskine House Investment Lux S.à.r.l.:** Erskine PropCo was incorporated on 17 April 2015. It is a wholly owned subsidiary of MM Star BidCo and holds title to the YOTEL Edinburgh, receiving intragroup rent from Erskine OpCo in respect of the property.

6. OVERVIEW OF THE BUSINESS OF MM STAR GROUP

6.1 YOTEL EDINBURGH

In July 2024, MM Star Group acquired YOTEL Edinburgh from an affiliate company of Starwood Capital Group as part of MM Star BidCo's acquisition of Erskine OpCo and Erskine PropCo (the "**Acquisition**").

In 2016, Starwood Capital Group had carried out a conversion project pursuant to which the building located at 68-73, Queen Street, Edinburgh, was converted from an office block to a hotel. The latter started operating as YOTEL Edinburgh in November 2019.

YOTEL Edinburgh is a modern, tech-savvy 276-room four-star hotel 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.



6.2 THE ACQUISITION

YOTEL Edinburgh was acquired for a total consideration of £61.30 million. The transaction was financed as follows:

MM Star Group	
	July 2024
	£'000
Transacted value	60,151
Acquisition-related expenses	1,149
	61,300
Financing:	
Sale and leaseback	25,000
Shareholders' advances	20,500
Bank loan	15,800
	61,300

SALE AND LEASEBACK

Prior to the Acquisition, Erskine PropCo held the freehold title to YOTEL Edinburgh. Following the Acquisition, Erskine PropCo entered into an agreement dated 19 July 2024 pursuant to which Erskine PropCo transferred legal ownership of YOTEL Edinburgh to Aviva Reli 2 GP Limited (UK registration number 15595027), as general partner of, and trustee for, Aviva Reli 2 LP (a limited partnership registered in England with registration number LP023642 – the “**Landlord**”), for a consideration of £25 million.

On 19 July 2024, the Landlord and Erskine PropCo entered into a lease agreement pursuant to which the Landlord granted Erskine PropCo a leasehold interest in YOTEL Edinburgh for a term of 150 years, commencing on 19 July 2024 (the “**Head Lease Agreement**”). The Head Lease Agreement contemplates the option, in favour of Erskine PropCo, to purchase the Landlord’s freehold interest for a consideration of GBP1, exercisable at Erskine PropCo’s discretion at any time on or after 19 July 2089, subject to the terms and conditions set out in the Head Lease Agreement.

The rent payable by Erskine PropCo to the Landlord is £875,760 per annum, payable in advance in equal quarterly payments. The annual rent is revisable after the first five years and every year thereafter (with a cap and collar mechanism that sets upper and lower limits), in accordance with the terms of the Head Lease Agreement.

6.3 OCCUPATIONAL LEASE AGREEMENT

On 3 May 2019, Erskine PropCo, as lessor, and Erskine OpCo, as lessee, entered into a lease agreement, which, following the Acquisition, was subsequently amended and reinstated by a minute of alteration of lease dated 19 July 2024 (the “**Occupational Lease Agreement**”).¹ Pursuant to the Occupational Lease Agreement, Erskine PropCo sub-leases the YOTEL Edinburgh to Erskine OpCo for a period of 20 years commencing on 7 May 2019. The lease may be extended by the mutual agreement of the parties for up to four additional terms, comprising an initial extension from 7 May 2039 until 31 August 2044, followed by three additional extensions of five years each.

The Occupational Lease Agreement constitutes an intragroup arrangement between fully-owned subsidiaries of MM Star BidCo, designed to enhance operational and financial efficiency. The provisions of the Occupational Lease Agreement replicate those set out in the Head Lease Agreement, ensuring alignment between the two agreements, without imposing any additional onerous obligations on the Group. Pursuant to the Head Lease Agreement, Erskine PropCo is prohibited from varying or amending the terms of the Occupational Lease Agreement, without the Landlord’s prior written consent, where such variation or amendment would have a material impact on the Landlord’s interest in the Yotel Edinburgh.

The rent payable by Erskine OpCo under the Occupational Lease Agreement is an annual revisable amount, determined as the greater of: (i) a sum of £2,346,000; or (ii) the sum equal to 70% of the forecasted net operating income for the relevant financial period, subject to adjustment in accordance with the terms of the Occupational Lease Agreement.

¹ A Minute of Alteration of Lease is a legal document used in Scottish property law to formally amend the terms of an existing lease.



6.4 THE 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.

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.

As at the date of this Analysis, there are 23 hotels in operation under the three sub-brands, 15 of which (including YOTEL Edinburgh) operate under the YOTEL brand, five operate under the YOTELAIRS brand, and three operate under the YOTELPADS brand. The domain name 'yotel.com' is used by YOTEL Edinburgh but is centrally owned and managed by YOTEL Limited.

The domain name <yotel.com> is used by the Yotel Edinburgh and is centrally owned and managed by Yotel Limited.

The Franchise Agreement (see section 6.5 below) grants Erskine OpCo the right to operate the YOTEL Edinburgh under the YOTEL brand. In terms of the said agreement, YOTEL Limited, as the Franchisor, owns all right, title, and interest in the YOTEL brand.

6.5 THE FRANCHISE AGREEMENT

Prior to the Acquisition, the Yotel Edinburgh was franchised and operated under a single agreement with Yotel Limited. Following completion of the Acquisition, that agreement was terminated, and replaced by two separate agreements with Yotel Limited, one regulating the franchise and the other regulating the management of the Yotel Edinburgh. While under the previous agreement Yotel Limited was responsible for all aspects of the operation and management of the YOTEL Edinburgh, the new arrangement grants Erskine OpCo the right to appoint an operator its own choice.

6.6 HOTEL MANAGEMENT SERVICES

The Franchise Agreement allows the MM Star Group to appoint its own choice of operator to manage the YOTEL Edinburgh operations, subject to the Franchisor's prior approval.

Following the Franchisor's pre-approval, Erskine OpCo appointed Troo Hospitality Ltd ("**Troo Hospitality**") to operate, manage, market, and supervise the YOTEL Edinburgh pursuant to a hotel management agreement entered into by and between Troo Hospitality and Erskine OpCo on 19 July 2024 (the "**Hotel Management Agreement**"). 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 Hospitality acts as the sole and exclusive manager of YOTEL Edinburgh and has absolute control and discretion in the operation, management, marketing, and supervision of the hotel, subject to certain restrictive matters which require Troo Hospitality to obtain prior written consent from Erskine OpCo.

Erskine OpCo, in its capacity as franchisee under the Franchise Agreement, is liable for the performance of Troo Hospitality as the operator, and notwithstanding the engagement of Troo Hospitality, Erskine OpCo is not released from any of its liabilities or obligations under the Franchise Agreement.

Formed in April 2022 by seasoned hospitality entrepreneur Winston Zahra and Millemont Group, Troo Hospitality is an innovative and dynamic hospitality management company based in the UK. The company offers high-quality bespoke and comprehensive management services to hotel owners, focusing on operational excellence and efficiency, enhanced guest experience, and sustainability.

Since its inception, Troo Hospitality significantly expanded its portfolio and currently manages nine hotels, ranging from luxury city-centre properties to up-scale and mid-scale listed hotels. The company prides itself on its core values of loyalty, integrity, and excellence that underpin its approach, and going forward aims at continuing with its fast-paced expansion by adding more properties to its diverse portfolio of managed hotels.



Among the properties managed by Troo Hospitality are the Stock Exchange Hotel and Hotel Football, both located in Manchester, with Stock Exchange Hotel consistently ranking among the top two hotels in Manchester on TripAdvisor. Additionally, Troo Hospitality manages a portfolio of three hotels for Millemont Group; and has signed agreements to manage a 400-room hotel in central London, as well as hotels in Stratford-upon-Avon, Chester and Newcastle, bringing the total rooms under management to 1,300.

7. LEASEHOLD VALUATION

The Issuer commissioned Architect Christian Spiteri, for and on behalf of C&K Architecture, to conduct a full valuation of the long leasehold interest of the YOTEL Edinburgh in its existing state. In terms of a property valuation report dated 22 April 2025, prepared by C&K Architecture, the value of the long leasehold interest of the said property in its existing state has been estimated at £54.80 million (equivalent to €64.47 million).

8. ECONOMIC AND SECTOR OVERVIEW

8.1 ECONOMIC UPDATE²

Scotland's economy navigated a challenging environment in 2024, experiencing a strong start to the year before losing momentum in the second half. Economic growth stood at 1.1% for the year, marginally outpacing the UK's overall expansion of 1.0%. However, the final quarter of 2024 saw a significant slowdown, with GDP stagnating at 0%, down from 0.4% growth in Q3. This deceleration aligned with broader UK trends and reflected growing uncertainty among businesses and consumers which continued to weigh on economic activity into early 2025.

The services sector, a key pillar of Scotland's economy, continued to expand in the fourth quarter, albeit at a slower rate of 0.2%. Within this sector, business services and finance grew by 0.4%, while professional, scientific, and technical services saw a notable 2.4% increase. However, consumer-facing industries struggled, with the retail and hospitality sectors contracting by 0.6%, contributing to an overall 0.2% decline in consumer-facing services. The construction sector fared better, registering 0.5% growth, bolstered by steady activity despite economic headwinds. Meanwhile, the production sector saw a 1.1% contraction, largely driven by a 1.8% decline in manufacturing output reflecting weaker industrial demand and broader supply chain challenges.

Inflationary pressures persisted into 2025, with the annual inflation rate rising from 2.5% in December to 3.0% in January. This increase was primarily driven by higher transport costs, which rose by 1.7%, alongside an acceleration in food and non-alcoholic beverage prices which climbed 3.3% on an annual basis. Inflation trends varied significantly across different categories, with goods inflation remaining relatively modest at 1.0%, whereas services inflation remained elevated at 5.0%. Core inflation, which excludes volatile components such as energy, food, alcohol, and tobacco, rose to 3.7% in January 2025, up from 3.2% in December 2024.

Looking ahead, inflationary pressures are expected to persist, with the Bank of England projecting a rise to 3.7% in the second half of 2025. This outlook is shaped by factors such as rising energy costs and price increases in regulated sectors including utilities. Despite this, the Bank of England's Monetary Policy Committee reduced its reference rate from 4.75% to 4.5% in February, marking the lowest rate since May 2023. The decision reflected growing confidence in long-term price stability while acknowledging ongoing economic uncertainty. The trajectory of future interest rate adjustments is expected to be influenced by both economic sentiment and global market conditions.

Scotland's GDP growth is projected to strengthen in 2025, with forecasts ranging from 1.3% to 1.5%. However, risks remain, including weak business and consumer sentiment, ongoing geopolitical tensions, and inflationary pressures. The Bank of England anticipates inflation peaking at 3.7% in Q3 2025 before gradually easing towards the 2.0% target by late 2027. While short-term volatility is expected, fiscal stimulus and a more accommodative monetary policy stance could help stabilise economic activity, supporting stronger growth in the coming year.

8.2 SCOTTISH TOURISM AND HOSPITALITY

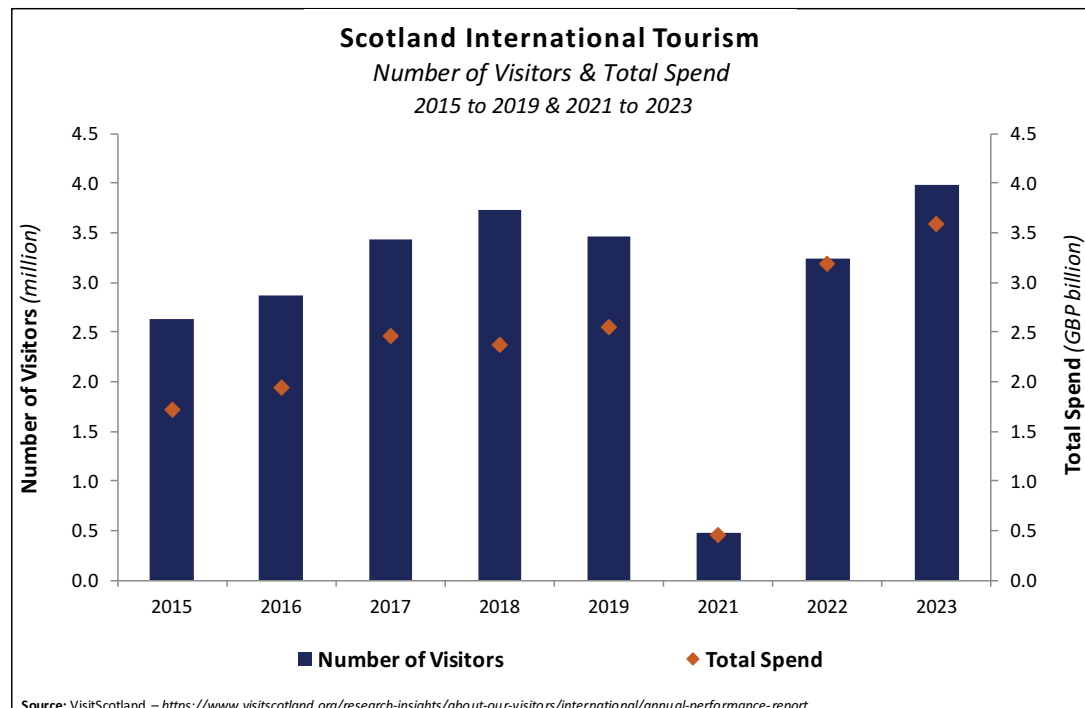
Tourism is an important component of Scotland's economy, significantly contributing to both the country's GDP and its employment landscape. The sector is underpinned by breathtaking natural landscapes (particularly the Highlands), a wealth of rich cultural heritage and history, vibrant cities, as well as a dynamic calendar of events. Among Scotland's key destinations, Edinburgh stands out, with its unique combination of history, arts, and world-renowned festivals such as the Edinburgh International Festival, the Edinburgh Fringe (which is the world's largest arts festival), and the Royal Edinburgh Military Tattoo.

² Office of the Chief Economic Adviser – The Scottish Government, 'Scottish Economic Bulletin', March 2025, available at <https://www.gov.scot/publications/scottish-economic-bulletin-march-2025/documents/>.



Apart from being Scotland's capital city, Edinburgh is the largest financial centre in the UK outside London and is also the second most visited UK destination after London. Besides, Edinburgh is home to multiple corporate and government institutions, making it a frequent destination for business travellers, and has one of the busiest airports in the UK which is connected to over 150 destinations worldwide.³ In 2024, Edinburgh Airport achieved a new milestone by handling a record 15 million passengers (2023: 14.4 million)⁴ – the highest annual figure ever recorded for a Scottish airport – thus surpassing the previous high of 14.7 million registered in 2019.

In 2023, Scotland's tourism industry experienced a robust recovery, welcoming more than 16 million visitors when including domestic and international tourists. Notably, international visits increased by 23% year-on-year to just under 4 million tourists, marking a 15% increase from 2019 and indicating a strong resurgence of Scotland as an attractive travel destination. Additionally, international visitors spent *circa* GBP3.6 billion in 2023, representing a 41% increase from 2019 and a 13% rise from 2022.⁵



Edinburgh alone attracted almost 5 million overnight visits in 2023, while overnight tourism spend in the city surpassed GBP2 billion, making it the largest single contributor to Scotland's tourism economy.⁶ The city retained its top position in Colliers' annual UK Hotel Market Index due to its strong performance in both occupancy and average daily room rates, as well as strong growth in RevPAR since 2019.⁷ Moreover, a study by Christie & Co concluded that hotels in Edinburgh achieved an aggregate RevPAR score of 1.46 in 2023 (2022: 1.16), making it the second-best performing market in the UK after Belfast. This strong outperformance relative to market average was driven by a 45.5% increase in RevPAR, attributed to a sharp rise in the average daily room rate and a marked increase in demand.⁸ As a result, the RevPAR achieved by Edinburgh hotels was 25% higher in real terms at the end of 2023 compared to 2019. This strong performance contributed to sustained investment in Edinburgh's hotel sector, with the city experiencing increased transactional activity and the HVS European Hotel Valuation Index reporting a 3.3% year-on-year increase in the valuation per key for Edinburgh hotels in 2023.⁹

³ The infrastructure for business and corporate travellers improved significantly in recent years, with venues like the Edinburgh International Conference Centre hosting international conferences, trade shows, and related events that extend the tourism season beyond the traditional summer months.

⁴ Edinburgh Airport, 'Record year for Edinburgh Airport', 27 December 2024, available at <https://corporate.edinburghairport.com/record-year-for-edinburgh-airport>. See also Edinburgh Airport (<https://corporate.edinburghairport.com/>) and UK Civil Aviation Authority (<https://www.caa.co.uk/>).

⁵ Business Traveller, 'Edinburgh Airport surpasses 15 million annual passengers for first time', 30 December 2024, available at <https://www.businesstraveller.com/business-travel/2024/12/30/edinburgh-airport-surpasses-15-million-annual-passengers-for-first-time/>.

⁶ VisitScotland – <https://www.visitscotland.org/research-insights/regions/edinburgh-lothians>.

⁷ Colliers International Group Inc., 'Edinburgh wins the UK Hotel Market Index top spot for occupancy and room rates', 13 May 2024, available at <https://www.colliers.com/en-gb/news/25-04-24-edinburgh-wins-the-uk-hotel-market-index>. RevPAR is a key performance measure used in the hospitality industry and is calculated by multiplying a hotel's average daily room rate by its occupancy rate.

⁸ Christie & Co, 'UK Hotel Market Snapshot FY 2023', 4 November 2024, available at <https://www.christie.com/news-resources/publications/uk-hotel-market-snapshot-fy-2023/>.

⁹ HVS Global Hospitality Services, 'Edinburgh Hotel Valuation Index', available at <https://hvi.hvs.com/market/europe/Edinburgh>.



Scotland's tourism sector continued to perform strongly in 2024. Nearly 2 million international tourists visited the country in the first half of 2024, marking a 14% increase compared to the same period in 2023 and a 46% rise from the same period in 2019. International visitors spent an estimated GBP1.5 billion in H1 2024, reflecting a 2% increase from 2023 and a 30% growth from 2019 in real terms (i.e. after adjusting for inflation). The robust growth was attributed to effective marketing campaigns by VisitScotland, particularly targeting the North American market. Indeed, the number of visitors from North American increased by 54% year-on-year and was 69% higher than the same period in 2019. Spending by North American tourists rose by 29% from 2023 and 48% from H1 2019 in real terms.¹⁰

Edinburgh's hotels also continued to register improved performance in 2024. A survey conducted by Cushman & Wakefield showed that revenue rose by 22% year-on-year in Q1 2024 whilst gross operating profit per available room increased by almost 69% notwithstanding a near 4% increase in the supply of hotel rooms and an increase of 11% in payroll costs partly due to the rise in the National Living Wage.¹¹ As a result, the profit margin increased from 20% in Q1 2023 to 27% in Q1 2024 while the profit margin on a twelve-month basis reached 42.2%.¹² Furthermore, more recent data show that the average RevPAR for all hotels in Scotland in October 2024 was 29% higher than the same month in 2023 whilst the average room occupancy rate for hotels in Edinburgh increased by more than 14 percentage points to 87% for the period between January 2024 and October compared to 73% in the same period in 2023.¹³

Scottish tourism, with Edinburgh as its linchpin, continues to thrive as a cornerstone of the nation's economy. The city's unique blend of historic charm, cultural vibrancy, and modern hospitality infrastructure positions it as a global tourism destination. Edinburgh's thriving hotel market, bolstered by strong trading and innovative redevelopment projects, exemplifies its adaptability and appeal to investors. While challenges such as rising costs and the introduction of a tourist tax must be navigated carefully, the city's focus on sustainability, strategic investment, and visitor experience ensures a promising future. With these strengths, Edinburgh remains not only a standout destination but also a driving force in Scotland's tourism success.

¹⁰ Travel and Tour World, 'Scotland Outpaces UK in Tourism Surge with 14% Growth in Visitors and North American Spending Power Driving the Economy', 21 October 2024, available at <https://www.travelandtourworld.com/news/article/scotland-outpaces-uk-in-tourism-surge-with-14-growth-in-visitors-and-north-american-spending-power-driving-the-economy>.

¹¹ Hospitality Net, 'Hotel Market Spotlight – Edinburgh Q1 2024: Edinburgh Hospitality Sector Outperforms UK', 6 June 2025, available at <https://www.hospitalitynet.org/news/4122298.html>.

¹² Cushman & Wakefield, 'Edinburgh Hotel Market Spotlight', 28 May 2024, available at <https://www.cushmanwakefield.com/en/united-kingdom/insights/edinburgh-hotel-market-spotlight>.

¹³ VisitScotland, 'Scottish Accommodation Occupancy Survey – Hotels October 2024', January 2025, available at <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/saos/scottish-accommodation-occupancy-survey-report-october-24-23-report-hotel.pdf>.



PART 2 – PERFORMANCE REVIEW

9. FINANCIAL INFORMATION RELATING TO THE ISSUER

The Issuer was registered and incorporated as a public limited liability company on 27 February 2025 and acts as a special purpose vehicle serving as the financing arm of the Guarantor. No financial statements have been prepared for the Issuer since incorporation up until the date of this Analysis.

The forecast information for the current financial year ending 31 December 2025 and the projections for the financial years ended 31 December 2026 and 31 December 2027 relate to events in the future and are based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results could be material.

MM Star Malta Finance p.l.c. Income Statement For the financial year 31 December	<table><tr><th>2025 Forecast €'000</th><th>2026 Projection €'000</th><th>2027 Projection €'000</th></tr><tr><td>Finance income</td><td>2,405</td><td>2,152</td></tr><tr><td>Finance costs</td><td>(1,444)</td><td>(1,925)</td></tr><tr><td>Net finance income</td><td>961</td><td>227</td></tr><tr><td>Net operating costs</td><td>(847)</td><td>(124)</td></tr><tr><td>Profit before tax</td><td>114</td><td>103</td></tr><tr><td>Taxation</td><td>(40)</td><td>(36)</td></tr><tr><td>Profit after tax</td><td>74</td><td>67</td></tr><tr><td>Total comprehensive income</td><td>74</td><td>67</td></tr></table>	2025 Forecast €'000	2026 Projection €'000	2027 Projection €'000	Finance income	2,405	2,152	Finance costs	(1,444)	(1,925)	Net finance income	961	227	Net operating costs	(847)	(124)	Profit before tax	114	103	Taxation	(40)	(36)	Profit after tax	74	67	Total comprehensive income	74	67
2025 Forecast €'000	2026 Projection €'000	2027 Projection €'000																										
Finance income	2,405	2,152																										
Finance costs	(1,444)	(1,925)																										
Net finance income	961	227																										
Net operating costs	(847)	(124)																										
Profit before tax	114	103																										
Taxation	(40)	(36)																										
Profit after tax	74	67																										
Total comprehensive income	74	67																										
MM Star Malta Finance p.l.c. Statement of Cash Flows For the financial year 31 December	<table><tr><th>2025 Forecast 12 months €'000</th><th>2026 Projection 12 months €'000</th><th>2027 Projection 12 months €'000</th></tr><tr><td>Net cash used in operating activities</td><td>(847)</td><td>(165)</td></tr><tr><td>Net cash used in investing activities</td><td>-</td><td>-</td></tr><tr><td>Free cash flow</td><td>(847)</td><td>(165)</td></tr><tr><td>Net cash from financing activities</td><td>2,349</td><td>159</td></tr><tr><td>Net movement in cash and cash equivalents</td><td>1,502</td><td>(6)</td></tr><tr><td>Cash and cash equivalents at beginning of year</td><td>-</td><td>1,496</td></tr><tr><td>Cash and cash equivalents at end of year</td><td>1,502</td><td>1,496</td></tr></table>	2025 Forecast 12 months €'000	2026 Projection 12 months €'000	2027 Projection 12 months €'000	Net cash used in operating activities	(847)	(165)	Net cash used in investing activities	-	-	Free cash flow	(847)	(165)	Net cash from financing activities	2,349	159	Net movement in cash and cash equivalents	1,502	(6)	Cash and cash equivalents at beginning of year	-	1,496	Cash and cash equivalents at end of year	1,502	1,496			
2025 Forecast 12 months €'000	2026 Projection 12 months €'000	2027 Projection 12 months €'000																										
Net cash used in operating activities	(847)	(165)																										
Net cash used in investing activities	-	-																										
Free cash flow	(847)	(165)																										
Net cash from financing activities	2,349	159																										
Net movement in cash and cash equivalents	1,502	(6)																										
Cash and cash equivalents at beginning of year	-	1,496																										
Cash and cash equivalents at end of year	1,502	1,496																										



MM Star Malta Finance p.l.c.
Statement of Financial Position
For the financial year 31 December

ASSETS

Non-current assets

Loan receivable

Current assets

Cash at bank and in hand

Total assets

EQUITY

Called up share capital

Retained earnings

LIABILITIES

Non-current liabilities

Debt securities

Current liabilities

Trade and other payables

Total liabilities

Total equity and liabilities

2025 Forecast €'000	2026 Projection €'000	2027 Projection €'000
35,303	35,303	35,303
1,502	1,496	1,496
36,805	36,799	36,799
303	303	303
19	17	17
322	320	320
35,000	35,000	35,000
1,483	1,479	1,479
36,483	36,479	36,479
36,805	36,799	36,799

The projections for FY2025 primarily reflect the issuance of €35,000,000 in secured bonds due 2029 – 2031. The net bond issue proceeds shall be on-lent to the Guarantor, following which, an amount of *circa* €18.80 million shall be on-lent to MM Star BidCo for the purposes of refinancing the outstanding loan facility taken out with Clydesdale Bank plc which was used to acquire the YOTEL Edinburgh; and an amount of *circa* €15.40 million shall be used to refinance, in part, shareholder advances which were used for the acquisition of the YOTEL Edinburgh.

INCOME STATEMENT

Finance income represents interest receivable from the loan provided to the Guarantor. On the other hand, finance costs comprise interest payable to holders of the secured bonds.

STATEMENT OF FINANCIAL POSITION

The aforementioned loan to the Guarantor is classified as a non-current asset in the statement of financial position.

Liabilities include the secured bonds and interest accrued on the secured bonds (which is accounted for as trade and other payables).

10. PRO FORMA FINANCIAL INFORMATION RELATING TO MM STAR GROUP

The MM Star Group came into existence in July 2024 following the acquisition by MM Star BidCo of YOTEL Edinburgh through the acquisition of two companies, namely, Erskine OpCo and Erskine PropCo. The pro forma financial information has been prepared for illustrative purposes only to demonstrate how the Group's consolidated statement of comprehensive income would have appeared if the said acquisition had been hypothetically carried out as at 1 January 2024. Due to its nature, the pro forma financial information reflects a hypothetical situation and does not represent the Group's actual statement of comprehensive income as at the date mentioned above.



MM Star Holdco Limited
Pro Forma Consolidated Statement of Comprehensive Income
For the financial year 31 December 2024

	Audited £'000	Adj. 1 £'000	Adj. 2 £'000	Adj. 3 £'000	Adj. 4 £'000	Adj. 5 £'000	Adj. 6 £'000	Adj. 7 £'000	Adj. 8 £'000	Pro Forma £'000
Revenue	6,412	6,711	95							13,218
Cost of sales	(2,217)	(1,748)		41	(62)					(3,986)
Gross profit (loss)	4,195	4,963	95	41	(62)	-	-	-	-	9,232
Administrative expenses	(2,501)	(2,401)	(1,161)	314	(571)	(16)				(6,336)
Operating profit (loss)	1,694	2,562	(1,066)	355	(633)	(16)	-	-	-	2,896
Net finance costs	(1,233)	(86)	(1,973)				2,059	(713)	(815)	(2,761)
Profit (loss) before tax	461	2,476	(3,039)	355	(633)	(16)	2,059	(713)	(815)	135
Taxation	(639)			(88)	158	4	(515)	178	204	(698)
Profit (loss) after tax	(178)	2,476	(3,039)	267	(475)	(12)	1,544	(535)	(611)	(563)
Other comprehensive income										
Revaluation on property, net of tax	11,330									11,330
Total comprehensive income	11,152	2,476	(3,039)	267	(475)	(12)	1,544	(535)	(611)	10,767

The pro forma adjustments include the following:

- (1) Being the pre-Transaction pre-tax profit generated by Erskine OpCo over the period 1 January 2024 to 18 July 2024, amounting to £2.5 million, which comprises operating revenue of £6.7 million, cost of sales of £1.7 million, administrative expenses of £2.4 million and finance costs of £86,000 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 £3.0 million, which comprises an operating loss of £1.1 million and net finance costs of £2.0 million, and 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 £355,000 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 £634,000, 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 £16,000, 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 £2.1 million, and the corresponding tax shield amounting to £0.5 million;
- (7) Being the inclusion of incremental finance costs amounting to £713,000, 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;



- (8) Being the inclusion of incremental finance costs amounting to £815,000, 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 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 main revenue streams of YOTEL Edinburgh are room nights sold and sales of food and beverages to guests and visitors. Room revenue represents the largest contributor, accounting for circa 90% of total revenue.

In FY2024, YOTEL Edinburgh achieved an occupancy rate of 88.20% and revenue amounted to £13.22 million. Gross profit amounted to £9.26 million, thereby reporting a gross profit margin 70%. After accounting for administrative expenses and net finance costs, the Guarantor registered a profit before tax of £135,000.

During the reviewed financial year, the MM Star Group recognised an uplift in the fair value of YOTEL Edinburgh amounting to £11.33 million, net of tax.

11. FINANCIAL INFORMATION RELATING TO MM STAR GROUP

The historical information is extracted from the audited consolidated financial statements of MM Star HoldCo for the six-month period from 1 July 2024 to 31 December 2024.

The forecast information for the current financial year ending 31 December 2025 and the projections for FY2026 and FY2027 have been provided by the MM Star Group and are based on assumptions deemed reasonable. However, actual outcomes may be affected by unforeseen circumstances, and the variation between forecasts and actual results could be material.

MM Star Holdco Limited Income Statement For the financial year 31 December		2024 Actual 6 months £'000	2025 Forecast 12 months £'000	2026 Projection 12 months £'000	2027 Projection 12 months £'000
Revenue		6,412	14,002	14,701	15,289
Cost of sales		(2,217)	(4,002)	(4,202)	(4,369)
Gross profit		4,195	10,000	10,499	10,920
Net operating costs		(1,436)	(4,773)	(4,383)	(4,508)
EBITDA		2,759	5,227	6,116	6,412
Depreciation and amortisation		(1,065)	(1,224)	(1,364)	(1,511)
Operating profit		1,694	4,003	4,752	4,901
Net finance costs		(1,233)	(3,543)	(3,122)	(3,159)
Profit before tax		461	460	1,630	1,742
Taxation		(639)	97	101	(63)
Profit / (loss) after tax		(178)	557	1,731	1,679
Other comprehensive income					
Revaluation of property, plant, and equipment, net of tax		11,330	2,067	3,779	3,459
Total comprehensive income		11,152	2,624	5,510	5,138



MM Star Holdco Limited Key Financial Ratios	FY2024 Actual	FY2025 Forecast	FY2026 Projection	FY2027 Projection
Gross profit margin (%) (Gross profit / revenue)	65.42	71.42	71.42	71.42
EBITDA margin (%) (EBITDA / revenue)	43.03	37.33	41.60	41.94
Operating profit margin (%) (Operating profit / revenue)	26.42	28.59	32.32	32.06
Net profit margin (%) (Profit after tax / revenue)	(2.78)	3.98	11.77	10.98
Return on equity (%)* (Profit after tax / average equity)	(1.16)	2.16	6.02	6.31
Return on assets (%)* (Profit after tax / average assets)	(0.46)	0.69	2.05	1.84
Return on invested capital (%)* (Operating profit / average equity and net debt)	4.83	5.69	6.59	6.64
Interest cover (times) (EBITDA / net finance costs)	2.24	1.48	1.96	2.03

* FY2024 annualised

INCOME STATEMENT

The MM Star Group came into effect in July 2024 with the acquisition of YOTEL Edinburgh. As such, the FY2024 results of MM Star HoldCo reflect the operational performance of YOTEL Edinburgh for the six-month period ended 31 December 2024. Refer to Section 10 of this report for a review of the operational results of YOTEL Edinburgh for the financial year ended 31 December 2024.

In FY2024, the MM Star Group recognised an uplift in the fair value of YOTEL Edinburgh amounting to £11.33 million, net of tax.

For the 3-year projected financial years (FY2025 to FY2027), revenue and gross profit generated from the operation of the YOTEL Edinburgh are expected to amount to £43.99 million and £31.42 million respectively. As a result, MM Star Group expects to achieve a gross profit margin of 71.42% in each of the projected financial years.

After accounting for net operating costs, EBITDA is projected to increase from £5.23 million in FY2025 to £6.41 million in FY2027, thus achieving an EBITDA margin by FY2027 of 41.94% (FY2025: 37.33%). Interest cover is projected at 1.48 times in FY2025, and 1.96 times and 2.03 times in the subsequent two financial years.

MM Star Group expects to register a profit in FY2025 of £0.56 million, which is projected to increase to £1.73 million in FY2026 and £1.68 million the year after.

During the three projected financial years, MM Star Group anticipates that the fair value of YOTEL Edinburgh will increase by £9.31 million (net of taxation).



MM Star Holdco Limited Statement of Cash Flows For the financial year 31 December				
	2024	2025	2026	2027
	Actual	Forecast	Projection	Projection
	6 months	12 months	12 months	12 months
	£'000	£'000	£'000	£'000
Net cash from operating activities	3,557	5,678	5,965	6,258
Net cash used in investing activities	(62,454)	(185)	(420)	(441)
Free cash flow	(58,897)	5,493	5,545	5,817
Net cash from / (used in) financing activities	59,630	(1,339)	(2,467)	(2,467)
Net movement in cash and cash equivalents	733	4,154	3,078	3,350
Cash and cash equivalents at beginning of year	2	735	4,889	7,967
Cash and cash equivalents at end of year	735	4,889	7,967	11,317

STATEMENT OF CASH FLOWS

Net cash from operating activities in FY2024 amounted to £3.56 million and related to the operation of YOTEL Edinburgh for the six-month period ended 31 December 2024. A description of the operational performance of the hotel for the full year is included in Section 10 of this Analysis.

During the three projection years, cash inflows from operating activities are expected to amount to £17.90 million.

Net cash used in investing activities principally reflects the acquisition of YOTEL Edinburgh, while cash inflows from financing activities relate to the financing thereof and comprise shareholders' advance (£19.55 million), sale-and-leaseback transaction (£25.00 million) and bank loan (£15.08 million). Further information on the hotel transaction is included in Section 6.2 – 'The Acquisition' of this Analysis.

No material capital expenditure is anticipated at least in the near term. As such, net cash used in investing activities is projected at £1.05 million for the three projected financial years (FY2025 to FY2027).

MM Star Group is expected to use a net amount of £6.27 million for financing activities, which shall comprise interest on bank borrowings and debt securities, and lease payments. Furthermore, in FY2025, the net proceeds raised from the issue of Bonds, amounting to *circa* £29 million, shall be used to repay bank borrowings and part of shareholders' advances.

STATEMENT OF FINANCIAL POSITION



MM Star Holdco Limited
Statement of Financial Position
For the financial year 31 December

	2024	2025	2026	2027
	Actual	Forecast	Projection	Projection
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Property, plant and equipment	76,100	78,338	82,954	87,017
Deferred tax assets	76	-	-	-
	76,176	78,338	82,954	87,017
Current assets				
Inventories	20	-	-	-
Trade and other receivables	437	468	495	518
Cash at bank and in hand	735	4,889	7,967	11,317
	1,192	5,357	8,462	11,835
Total assets	77,368	83,695	91,416	98,852
EQUITY				
Called up share capital	-	250	250	250
Revaluation reserve	11,330	13,397	17,176	20,635
Shareholders' advances	19,545	6,474	6,474	6,474
Retained profits	(178)	770	2,892	4,961
	30,697	20,891	26,792	32,320
LIABILITIES				
Non-current liabilities				
Debt securities	-	28,926	28,926	28,926
Bank borrowings	14,417	-	-	-
Other financial liabilities	25,062	25,686	26,341	27,033
Deferred tax liabilities	4,050	4,663	5,923	7,076
	43,529	59,275	61,190	63,035
Current liabilities				
Bank borrowings	700	-	-	-
Trade and other payables	2,442	3,529	3,434	3,497
	3,142	3,529	3,434	3,497
Total liabilities	46,671	62,804	64,624	66,532
Total equity and liabilities	77,368	83,695	91,416	98,852
<i>Total debt</i>	<i>40,179</i>	<i>54,612</i>	<i>55,267</i>	<i>55,959</i>
<i>Net debt</i>	<i>39,444</i>	<i>49,723</i>	<i>47,300</i>	<i>44,642</i>
<i>Invested capital (total equity plus net debt)</i>	<i>70,141</i>	<i>70,614</i>	<i>74,092</i>	<i>76,962</i>



MM Star Holdco Limited Key Financial Ratios	FY2024 Actual	FY2025 Forecast	FY2026 Projection	FY2027 Projection
Net debt-to-EBITDA (times)* (<i>Net debt / EBITDA</i>)	7.15	9.51	7.73	6.96
Net debt-to-equity (times) (<i>Net debt / total equity</i>)	1.28	2.38	1.77	1.38
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	56.24	70.42	63.84	58.01
Debt-to-assets (times) (<i>Total debt / total assets</i>)	0.52	0.65	0.60	0.57
Leverage (times) (<i>Total assets / total equity</i>)	2.52	4.01	3.41	3.06
Current ratio (times) (<i>Current assets / current liabilities</i>)	0.38	1.52	2.46	3.38

* FY2024 EBITDA annualised

Total assets of the MM Star Group as at 31 December 2024 amounted to £77.37 million and principally comprised the YOTEL Edinburgh with a value of £76.10 million. The property is recognised at its full freehold value, while the sale-and-leaseback transaction is accounted for as a financial liability in non-current liabilities (£25.06 million). The YOTEL Edinburgh was acquired for £60.15 million in July 2024 and subsequently revalued to £76.10 million as at 31 December 2024.

Total liabilities amounted to £46.67 million and mainly included the above-mentioned financial liability and bank borrowings of £15.12 million, proceeds of which were used for the acquisition. Deferred tax liability of £4.05 million resulted from the revaluation uplift of the property.

Equity of £30.70 million comprised:

- (i) Share capital of £1.
- (ii) Shareholders' advances of £19.55 million represents funding from MM Star HoldCo's immediate parent company Millemont 3 Limited Partnership, out of an original facility of £20.50 million drawn down in connection with the acquisition of YOTEL Edinburgh as well the working capital requirements of the Group. The loan is interest-free, unsecured and has no repayment date.

MM Star HoldCo may elect to repay the advance in whole or in part at any time and MM Star HoldCo may repay any part of the advance by settling in cash or through an issuance of a fixed number of ordinary shares of MM Star HoldCo. If MM Star HoldCo elects to repay any advance through an issuance of ordinary shares of MM Star HoldCo, the ratio will be 1 ordinary share for each £1 of advance. The option to settle in cash or by issuing shares of MM Star HoldCo is at MM Star HoldCo's sole election and there are no circumstances which would allow the Partnership to demand repayment of any advance in either cash or through an issuance of shares of MM Star HoldCo.

- (iii) Revaluation reserve of £11.33 million relates to the increase in fair value of the property.
- (iv) Accumulated losses of £0.18 million.

Movements in the statement of financial position as at 31 December 2025 compared to the prior year mainly reflect the issuance of circa £29 million in debt securities, the net proceeds of which shall be used to repay bank borrowings and part of shareholders' advances. In consequence, the Group's equity is expected to decrease from £30.70 million as at 31 December 2024 to £20.89 million as at 31 December 2025.

In non-current assets, the carrying value of the YOTEL Edinburgh is projected to increase from £76.10 million as at 31 December 2024 to £87.02 million by 31 December 2027 (+14%).

The net gearing of MM Star Group is expected to reach 70.42% as at 31 December 2025, but progressively decrease to 58.01% by 31 December 2027, mainly in consequence of an increase in equity of £11.43 million (on account of an increase in accumulated earnings and revaluation reserve) and higher cash balances (+£6.43 million).



PART 3 – COMPARATIVE ANALYSIS

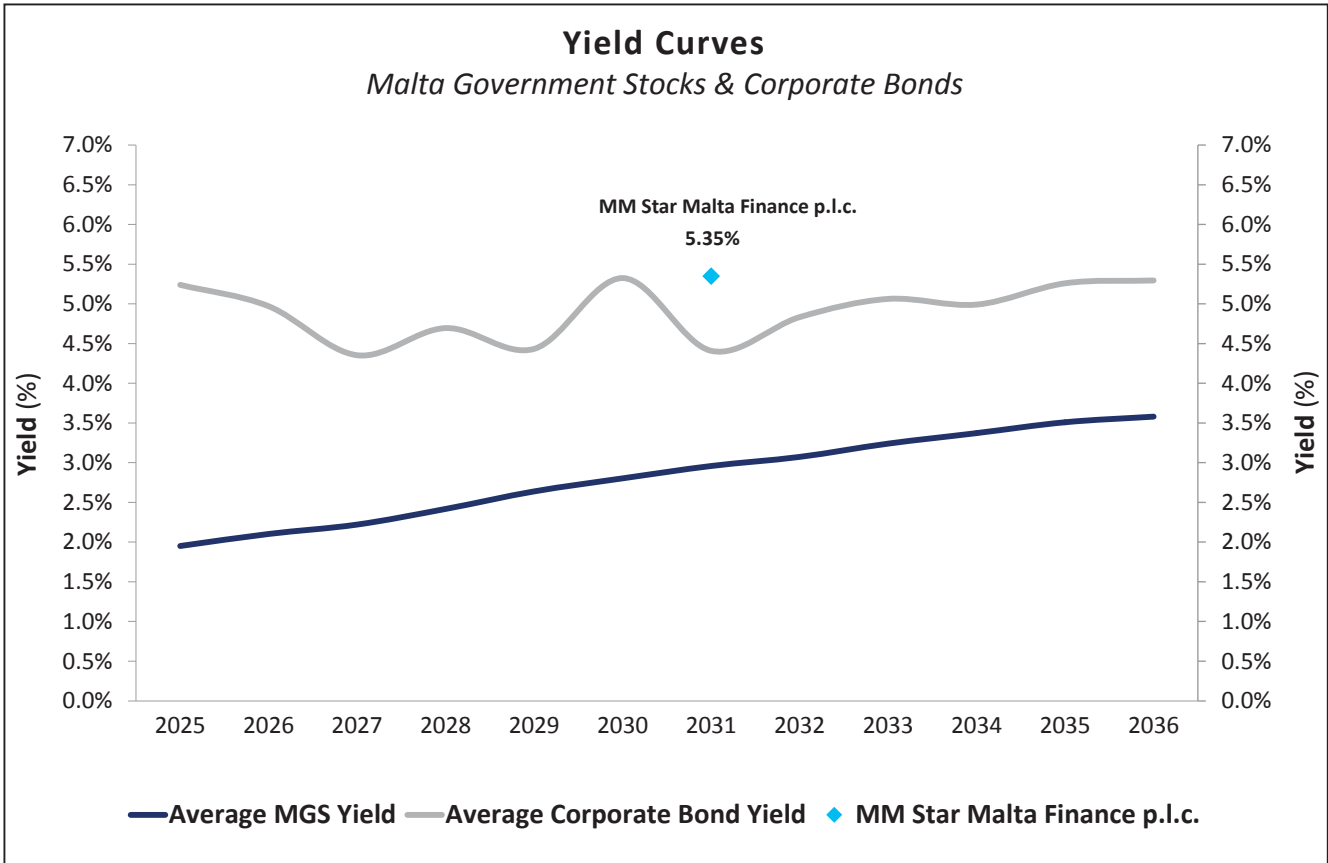
The table below provides a comparison between MM Star Group and its bonds with other debt issuers and their respective debt securities listed on the Official List of the Malta Stock Exchange. Although there are significant variances between the activities of MM Star Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with MM Star 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 MM Star Group.

Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity / Worst (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	0.00	2.01	7.67	45.64	0.42
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.33	4.93	4.63	73.87	0.55
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	4.46	1.35	11.96	43.62	0.40
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.99	1.46	11.17	43.36	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	5.09	1.96	9.84	84.18	0.55
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	3.81	12.23	2.16	69.41	0.59
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	3.99	1.46	11.17	43.36	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.24	3.09	7.54	42.13	0.37
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.07	5.86	2.93	30.32	0.34
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	3.94	4.55	6.93	28.64	0.26
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.12	5.81	2.45	20.10	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	3.55	4.46	5.18	21.99	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	14,438	4.74	110.36	8.31	74.19	0.73
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.74	n/a	1.04	26.65	0.33
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.15	5.81	2.45	20.10	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	5.10	2.48	14.28	51.39	0.46
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	5.17	110.36	8.31	74.19	0.73
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.41	4.46	5.18	21.99	0.20
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	3.09	7.54	42.13	0.37
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.00	1.81	6.89	96.76	0.83
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	5.35	2.24	7.15	56.24	0.52
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	5.02	1.46	11.17	43.36	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	5.11	2.87	8.01	51.84	0.47
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	4.90	110.36	8.31	74.19	0.73
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.45	1.81	6.89	96.76	0.83
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.83	4.00	5.48	45.91	0.45
5.85% AX Group p.l.c. Unsecured 2033	40,000	4.96	3.09	7.54	42.13	0.37
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.32	1.46	11.17	43.36	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.50	2.35	12.72	77.11	0.69
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	4.79	2.69	7.13	47.59	0.42
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.04	1.46	11.17	43.36	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.30	15.06	23.23	58.68	0.48
5.80% Agora Estates p.l.c. Secured 2036 S1 T1	12,000	5.33	0.99	21.21	35.45	0.33
5.50% Agora Estates p.l.c. Secured 2036 S1 T2	9,000	5.26	0.99	21.21	35.45	0.33

*As at 15 May 2025

Sources: Malta Stock Exchange, M.Z. Investment Services Limited, and most recent audited annual financial statements of respective Issuers and, or Guarantors.





The new **5.35% MM Star Malta Finance p.l.c. secured and guaranteed bonds 2029-2031** have been priced at a premium of 94 basis points over the average yield-to-maturity of 4.41% of other local corporate bonds maturing in the same year as at 15 May 2025. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (2.96%) stood at 239 basis points.



PART 4 – EXPLANATORY DEFINITIONS

INCOME STATEMENT

Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.

PROFITABILITY RATIOS

EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

STATEMENT OF CASH FLOWS

Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of 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.
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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.
