

FINANCIAL SUSTAINABILITY FORECASTS

Summary of Significant Assumptions and Accounting Policies

A. Introduction

The forecast statement of financial position, the forecast statement of profit or loss, and the forecast statement of cash flows (“the Forecasts”) of the Issuer for the period ending 31st December 2026 has been prepared to provide financial information for the purposes of the announcement of Financial Sustainability Forecasts. The assumptions set out below are the sole responsibility of the Directors of the Company.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecast Financial Information relates.

The Forecasts are not intended to and do not provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

These Forecasts were formally approved on 27th April 2026 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section C below.

B. Significant accounting policies

The Forecast Financial Information shows the projected financial performance and position of Middletown Investments Limited (the “Company”) in accordance with International Financial Reporting Standards as adopted by the European Union (“EU-IFRS”) except that, due to the nature of Forecast Financial Information, the Forecast Financial Information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386).

C. Basis of preparation and significant assumptions

The principal assumptions relating to the environment in which the Company operates, and the factors which are exclusively outside the influence of the Directors, and which underlie the forecast financial statements, are the following:

- The rate of inflation will be in line with historic trends;
- The basis and rates of taxation, direct and indirect, will not change materially throughout the year covered by the Forecast Financial Information

D. Other significant assumptions

1. Revenue

Annual revenue has been projected using 2025 trends. Profits after tax generated by one of the associates is expected to increase by 12%.

2. Administrative expenses

Administration expenses include professional fees and other general or corporate overheads. These costs are based on historical trends and agreements.

3. Finance costs

Finance costs comprise of interest on the outstanding bond issue and the amortisation of the issue costs.

4. Taxation

Tax is calculated at 35% of adjusted taxable profit before tax, also taking into account an estimate of the deferred tax movement for the year.

5. Loans and receivables

Loans and receivables comprise loan receivable from related party.

6. Working capital

The Company's working capital mainly comprises the net impact of trade receivables, inventory and trade payables and is based on historical trends.

7. Borrowings

Non-current liabilities are debt securities in issue and borrowings are from related parties.

Middletown Investments Ltd - C75568

IT No: 997924937

Statement of Comprehensive income

	Audited FY2025	Forecasted FY2026
	€	€
Finance Income	133,370	135,185
Other Income	-	10
Share of profit/(loss) from equity accounted investments	(1,107,621)	(258,200)
Finance Costs	(124,129)	(120,292)
Administrative expenses	(36,878)	(32,972)
Unrealised gain/loss on investments	(8,250)	(4,125)
(Loss)/profit before tax	(1,143,508)	(280,394)
Tax income/expense for the year	4,741	1,224
(Loss)/profit for the period	(1,138,767)	(279,170)
Present value adjustment on loans	-	42,334
Total comprehensive income	(1,138,767)	(236,836)
Attributable to:		
Owners of the parent	(1,138,767)	(236,836)
Non-controlling interest	-	-
	(1,138,767)	(236,836)

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Statement of Financial Position as the years ending:

	Audited 2025	Forecast 2026
	€	€
ASSETS		
Non-current assets		
Investments accounted for using the equity method	3,801,752	4,355,563
Financial assets at fair value through profit and loss	137,250	141,375
Other financial investments	20	20
Other investments	74,000	74,000
Loan receivable	1,761,500	1,736,750
Deferred Tax	22,009	21,627
Total non-current assets	5,796,531	6,329,334
Current assets		
Loan receivable	900,000	925,000
Other receivables	105,355	106,798
Current tax receivable	-	625
Cash and cash equivalents	97,468	94,864
Total current assets	1,102,823	1,127,287
TOTAL ASSETS	6,899,354	7,456,621
EQUITY AND LIABILITIES		
Equity		
Share capital	1,200	1,200
Other reserves	84,667	84,667
Retained Earnings	1,852,227	2,421,611
Non-controlling interest	2	2
Total equity	1,938,096	2,507,480
Liabilities		
Non-current liabilities		
Other borrowings	442,380	433,879
Debt securities in issue	1,974,447	1,970,884
Current liabilities		
Borrowing	2,439,486	2,439,486
Current tax payable	7	7
Other payables	104,938	104,886
Total liabilities	4,961,258	4,949,142
TOTAL EQUITY AND LIABILITIES	6,899,354	7,456,621

Statement of cashflows for the years ending:		
	Audited FY2025 (12 months) €	Forecast FY2026 (12 months) €
Cashflow from operating activities		
(Loss/profit for the year/period	(1,143,507)	(281,540)
Tax expense	4,741	3,517
Share of profit (loss) from equity accounted investments	1,107,621	258,200
Loan interest income	(188,245)	(187,810)
Interest on financial assets at fair value through profit and loss	(6,750)	(6,750)
Change in fair value of financial assets at fair value through profit and loss	8,250	1,875
Bond coupon expense	100,000	100,000
Interest expense	78,627	74,974
Amortisation of bond issue costs	7,127	6,943
other income	-	(10)
Loss from operations	(32,136)	(30,591)
Movement in other receivables	2,886	2,663
Movement in other payables	103	1,827
Tax paid	485	(264)
Net cash flows used operating activities	(28,662)	(26,365)
Cashflow from investing activities		
Payments to acquire financial assets at fair value through profit and loss	-	-
Proceeds from interest received	188,245	187,810
Proceeds from investment income received	6,750	6,750
Loan advanced to associate	-	(250,000)
Net cash flows used in investing activities	194,995	194,560
Cashflow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from issue of bonds	-	-
Loans advanced from shareholders	-	250,000
Loans advanced from associates	500	250
Payment of bond interest	(161,625)	(161,625)
Net cash provided by financing activities	(161,125)	88,625
Net increase/decrease in cash	5,208	256,820
Net movement in cash and cash equivalents	5,208	6,810
Cash and cash equivalents at beginning of year/period	92,260	88,055
Cash and cash equivalents at end of year/period	97,468	94,864

E. Conclusion

The Directors believe that the assumptions on which the Forecast Financial Information is based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 27th April 2026.