PHOENICIA FINANCE COMPANY P.L.C.

FINANCIAL ANALYSIS SUMMARY

8 February 2024

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1 February 2024

The Directors
The Phoenicia Malta
The Mall
Floriana, FRN1478
Malta

Dear Sirs,

Phoenicia Finance Company p.l.c. – 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 the financial analysis is that of summarising key financial data appertaining to Phoenicia Finance Company p.l.c. ("the Issuer" or "PFC"), in addition to Phoenicia Hotel Company Limited ("PHCL") and Phoenicia Malta Limited ("PML") (collectively, "the Guarantors"). The Issuer and the Guarantors are collectively referred to as "the Group". The data is derived from various sources, as disclosed, or is based on our own computations as follows:

1. Historical financial data for the three years ended 31st December 2020, 31st December 2021 and 31st December 2022 have been extracted from the Group's audited Combined Financial Statements and the Issuer's audited financial statements.
2. The forecast data for the financial year ending 31st December 2023 and 31st December 2024 have been extracted from the Issuer and Group's financial projections as prepared and provided by management.
3. Our commentary on the financial results and position of the Issuer and of the Group is based on the explanations set out by management of the Group.
4. The ratios quoted in the following pages have been computed by us applying the definitions set out and defined in the Section 8 of the Analysis.
5. The comparable companies listed in Section 7 of the Analysis have been identified by us. The relevant financial data in respect of such companies has been sourced from publicly available information, mainly financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the information made available in the public domain by the Group. The Analysis does not constitute an endorsement by our firm of the securities of the Issuer or Group and We shall not accept any liability for any loss or damage arising out of the use of Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the securities of the Issuer or Group.

Yours sincerely,

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

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1 OVERVIEW OF THE ISSUER

1.1 History and Development of the Issuer

Phoenicia Finance Company plc (“the Issuer” or “PFC” or “the Company”) is a public limited liability company that was established on the 23rd October 2018 to act as the financing arm of The Phoenicia Malta Group of companies (“the Group”). The principal object of the Issuer is to carry on the business of a finance company, including managing the cash flow requirements of the Group, mainly the business carried out by the two main operating companies: Phoenicia Hotel Company Limited (“PHCL”) and Phoenicia Malta Limited (“PML”) (collectively, “the Guarantors”). In this respect, the Issuer is mainly dependent on the business prospects of the Guarantors. The Issuer operates exclusively in and from Malta.

1.2 Shareholding of the Issuer

The authorised and issued share capital of the Company is €250,000 divided into 250,000 ordinary shares of a nominal value of €1 each, and are fully paid up and subscribed for. The shares are allotted and taken up by PML, except for 1 share, which is subscribed for, allotted and taken up by Mr Mark Shaw, the ultimate beneficial owner of the Group.

1.3 Directors

The Board of Directors of the Company consists of five directors who are entrusted with setting the overall direction and strategy of the Company. Mrs Robyn Pratt is the General Manager of the Hotel.

As at the date of the Financial Analysis Summary November 2023 (“FAS Nov-23”), the Board of Directors of the Issuer is constituted as follows:

Mark D. Shaw	Chairman and Non-Executive Director
Jean Pierre Ellul Castaldi	Executive Director
Mario P. Galea	Non-Executive Director
Benjamin Muscat	Non-Executive Director
Etienne Borg Cardona	Non-Executive Director

2 OVERVIEW OF THE GROUP

2.1 History of the Group

The Group owns, manages and operates The Phoenicia Malta (“the Hotel” or “the Phoenicia”), a renowned five-star hotel located in Floriana. The Hotel was built in the 1930s and officially opened for business in 1947 as Malta’s inaugural luxury hotel.

The hotel currently contains 132 rooms, of which twelve are luxurious suites and four are interconnected rooms. In February 2022, the total room count at the Hotel was reduced from 136 to 132 as part of a project that transformed eight rooms into four new Pegasus Suites. The Phoenicia also provides conference and banqueting facilities, as well as various food and beverage outlets within its premises. It is worth noting that the Hotel’s physical footprint occupies less than 10 percent of the overall site, which spans over 40,000 square meters of prime land encompassing various zones that have not been fully utilized yet.

In 2020, the Hotel faced several unprecedented challenges related to the outbreak of Coronavirus (Covid-19) pandemic. On 30th January 2020, the World Health Organization declared Covid-19 as a Public Health Emergency of International Concern, and a pandemic on 11th March 2020. Governments globally announced several measures to limit contagion. Hotels suffered a total curtailment of their business during March to June 2020 and they were forced to introduce a number of new restrictions and follow strict guidelines from March 2020. Furthermore, mass events were also restricted, and therefore large conferences, weddings and other receptions were not allowed, also having a significant impact on the operations of the Phoenicia. In order to mitigate the impact on the Hotel’s operational and financial sustainability, management implemented a number of measures, including cost-cutting initiatives and enhanced flexibility within the workforce.

As part of the Refurbishment, the Hotel embarked on a project of completion of the Spa building together with the upgrading of a number of other areas of the hotel. The works on the Spa continued during 2020 and on 15th October 2020 the Spa was open for inhouse guests. Thereafter, it was extended to non-guests. The Spa was open throughout all of 2021 however operating under restrictions on the use of facilities. The first six months of 2021 were still significantly impacted by Covid-19 restrictions. However the Spa’s contribution increased from July 2021 onwards. The Spa entails an indoor swimming pool, five treatment rooms, a gym, studio, sauna, steam room, multi jet showers, salt room and a water bar, and is managed by the management of Hotel Phoenicia Malta..

In 2021, with the Covid-19 vaccination programme being rolled out across Malta and abroad, tourism slowly recovered to more familiar levels. The newly refurbished Phoenicia was prepared to welcome the increase in demand, re-establishing itself as a leader within the luxury hotel space in Malta. This positive momentum continued into 2022 in which business activity surpassed pre-pandemic level. The benefits resulting from the operational efficiencies implemented due to Covid-19, as well as the various recent property renovations and upgrades, are now being realized.

Key historical developments include the following:

1935	PHCL (previously known as “Malta Hotels Company Limited”) was incorporated in the UK for the purpose of acquiring by emphyteutical title the land over which the premises was subsequently constructed.
1947	The Phoenicia Hotel celebrated its official opening in 1947.
1961	PHCL granted the premises on sub-emphyteusis to Ms. Agnes Graham.
1965	PHCL was registered as an overseas company in Malta.
1966	Agnes Graham transferred the sub-emphyteusis over the Premises to Holtours Limited.
1997	The Phoenicia Hotel was renamed “Le Méridien Phoenicia”.
2007	PML (previously Cuffe (Malta) Limited) was incorporated on 8 June 2007, for the purpose of acquiring the sub-emphyteusis over the Premises from Holtours Limited. The hotel was renamed as “The Phoenicia Malta”.
2013	Acquisition of the Phoenicia Group by the Phoenicia Hotel Lux.
2015-2017	The Phoenicia Hotel was closed for refurbishment in 2015 and re-opened for business in 2017
2018	Major refinancing by PFC via issue of the €25million 4.15% Unsecured Bond 2023-2028.
2020	Inauguration of the new Spa building in its unique design, inspired by ancient Roman baths which blends with the Art Deco elements of the Hotel.

2.2 Organisational Structure

The Phoenicia is owned and operated by two companies that are controlled by Phoenicia Holding (LUX) SARL, the immediate parent of the Group. The Hotel is owned by PML, a private limited liability company that principally acts as the property holding company of the Group. PML leases the Phoenicia premises to the operating company of the Group, PHCL. On the basis of an operating lease agreement, PHCL pays rental income arising from the lease of investment property to the asset owning company PML.

The organisational structure of the Group is illustrated in the diagram below. As stated above, the Issuer’s principal activity is that of acting as the financing arm of the Group and is thus dependent upon the operations and performance of the Phoenicia Group entities, namely PML and PHCL.

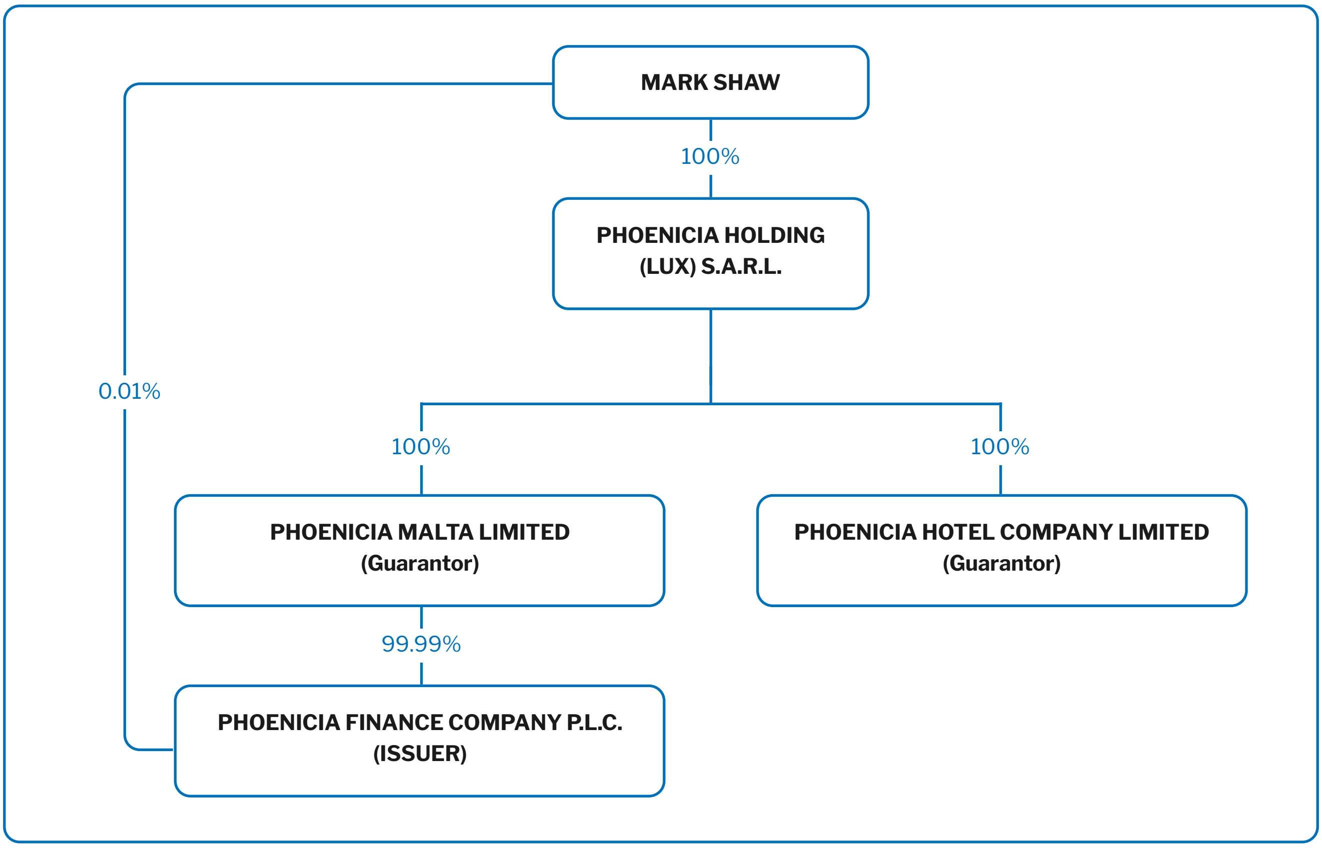

Figure 1: Organisational Structure
Source: Management information

The Issuer and the two operating companies constituting the Group employed an average of 168 employees in 2022. As of October 2023 this number increased to 188 employees.

2.3 Overview of the Guarantors

2.3.1 Phoenicia Malta Limited

PML was established in 2007 to act as the property holding company of the Group. PML owns the premises on which the Phoenicia Hotel is built under the title of perpetual sub-emphyteusis.

The main operating activity of PML is to lease the Phoenicia premises to PHCL by virtue of a lease agreement, which is renewable every year. Rental agreement is currently at €2.5 million per annum, assuming a complete development of the hotel. Rent is paid on a monthly basis in advance and the agreement is renewable every three years.

Following the outbreak of the Covid-19 pandemic, PML gave a rent concession to PHCL of €175k in 2020 followed by further rent concessions of €175k and €75k in 2021 and 2022 respectively.

2.3.2 Phoenicia Hotel Company Limited

PHCL was incorporated in the United Kingdom in 1935 and registered in Malta in 1965. PHCL is responsible for the operations of the Phoenicia Hotel. Through PHCL the Group provides hospitality services which can be further divided into three major segments; hotel accommodation (“Rooms”), restaurants and bars, conferencing and banqueting (“Catering”) and other minor divisions (“Other”) mainly comprising of the Spa. These operations have been performing strongly in recent periods, following the recovery fro the naturally challenging Covid-19 pandemic phase.

Rooms

The Rooms segment is the most important source of income for the Group, accounting for 68% of the Group’s revenue in 2023, up from 65% in 2022. The trend reversed upwards in 2021 following the total curtailment of business between March and June 2020 and continued on this positive trajectory in 2022 and 2023. The Hotel has a capacity of 132 rooms, 12 of which are luxury suites. Room revenue is generated through various channels, including online bookings made on the Hotel’s official website, global distribution systems, the Leading Hotels of the World network (“LHW”) reservation systems and other online travel agents.

Catering

The Catering segment covers the Hotel's food and beverage facilities, which can be further subdivided into the operations of the Hotel's restaurants and bars and the Hotel's conference and banqueting services offered at the Phoenicia. The Hotel operates 4 food and beverage outlets (with a further outlet which is currently leased out) and 650 sqm of conference and banqueting facilities used to cater for large events, weddings, conferences and meeting rooms. In 2021, restrictions which were previously in place following the pandemic were gradually lifted and this continued strongly in 2022, allowing both new and postponed events to be held. Catering revenue accounts for 27% of Group revenue in 2023 which is proportionally similar to the 29% levels of 2019.

Other

Following 7 months of actual data, the newly developed Spa is expected to generate €447k by the end of 2023. Phoenicia also generates income via the provision of concierge services, the sub-leasing of two establishments, as well as guest laundry and airport transfers.

The Phoenicia has been a member of the LHW network since December 2015. This membership further establishes the Hotel's position in the luxury hotel segment and provides access to global loyalty programmes, namely the American Express Travel's Fine Hotels and Resorts, and is presently the only local hotel to be given this prestigious accolade.

During 2023, The Phoenicia has been selected to become a member of the US Virtuoso Network, one of the most prestigious luxury travel networks in the world. Virtuoso is the leading global network of agencies specializing in luxury and experiential travel, with more than 20,000 advisors and partnering with the world's best hotels, cruise lines, tour operators, and more. In addition, during 2023 The Phoenicia earned a Forbes Travel Guide Four-Star award and is showcased with other honorees on ForbesTravelGuide.com.

3 MAJOR ASSETS OF THE GROUP

Figure 2: Phoenicia Hotel
Source: Management information

3.1 The Phoenicia Hotel

The Phoenicia is a prestigious five-star hotel situated in Floriana that is owned by PML and operated by PHCL. The Hotel has a capacity of 132 rooms, including 12 luxury suites, 3 restaurants, 2 bars, a Spa and conference amenities.

Figure 2: Phoenicia Hotel
Source: Management information

The Hotel's property was valued at €99.5 million as at 31 December 2022. In September 2023, the Group engaged independent architects DeMicoli & Associates Architects to carry out an updated and independent valuation of the property. The combined value of the existing property, including a potential proposed development, was estimated to be in the region of €120 million.

This revalued amount was determined by reviewing the previous, current and forecast trading performance while taking into account the following:

1. Land and existing buildings (132 rooms), including the new Spa and Wellness centre
2. Trade fixtures, fittings, furniture and equipment
3. The market's perception of the trading potential together with an assumed ability to obtain or renew existing licenses, consents and certifications
4. The value of the potential development in the form of additional rooms/suites/keys

HOTEL METRICS AND COMBINED FINANCIAL INFORMATION					
KPIs	**2020** Actual	**2021** Actual	**2022** Actual	**2023** Forecast	**2024** Forecast
Revenue (€000)	2,941	8,037	14,747	18,114	20,624
Gross Operating Profit (€000)	(1,662)	1,566	4,850	7,304	8,817
EBITDA (€000)	(1,206)	2,508	4,497	5,855	7,382
Benchmark Performance					
Occupancy	20%	33%	49%		
ARR (€)	140	180	198		
RevPAR (€)	27	59	98		
Phoenicia Performance					
Room Revenue (€000)	1,648	5,102	9,601	12,314	14,261
Gross Operating Profit Margin	-57%	19%	33%	40%	43%
Occupancy	20%	48%	67%	75%	81%
ARR	162	215	295	343	364
RevPAR (€)	33	103	199	256	295

Source: Management information, Combined Financial Statements ; STR benchmark consisting of local 5-star peers

As evidenced in the first 7 months of actual data, 2023 is expected to be a record year for the Hotel in terms of top line revenue and profitability. This is largely attributable to the increasing room rates which the Hotel is able to command, in particular following the upgrades made in recent years coupled with its uniquess in terms of location and footprint, and its ability to tap into upper market niche market sources not only in the UK but also in the US and continental Europe, through its affiliations and partnerships with leading global marketing consortia like LHW, Virtuoso and American Express Travel..

The robust actual results in 2023 and positive outlook, are a continuation of the enhanced performance delivered by the Hotel throughout the recovery period post-pandemic. Elevated and increasing KPIs were achieved in 2021 and 2022, reflecting the first full year of normalized occupancy (after COVID-19), in addition to the continued outperformance also compared to the benchmark and peers in the industry.

Management expects these positive trends to continue in 2024, as occupancy picks up to normalized levels of c. 80% in tandem with an additional 6% increase in ARR to €364 from €343.

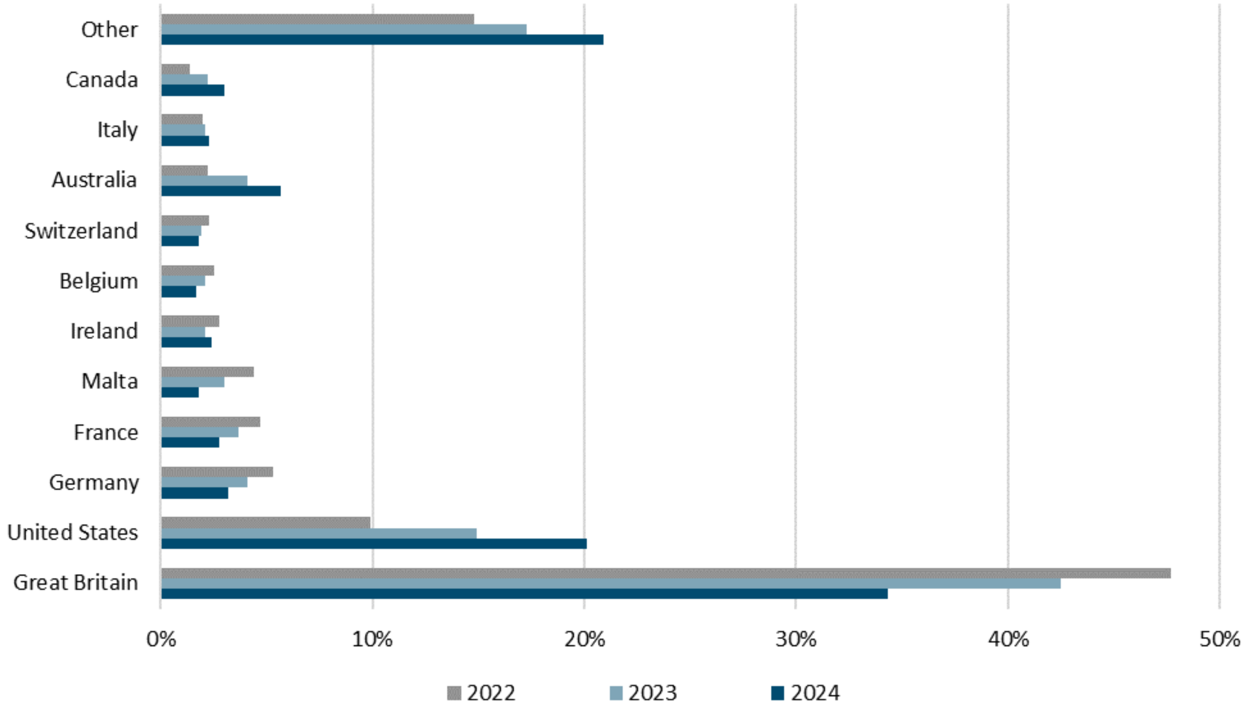

Figure 3: Geographical Mix of Source of Business
Source: Management information (2023 figures are comprised of actual data from January to October)

In terms of guest breakdown, the UK market continues to be dominant despite a drop off from 48% in 2022 to an expected 34% in 2024. Management notes that following the pandemic, the client base benefited from increased diversification with steady growth in guests from continental Europe, from Australia and most notably from a surge in business from the US.

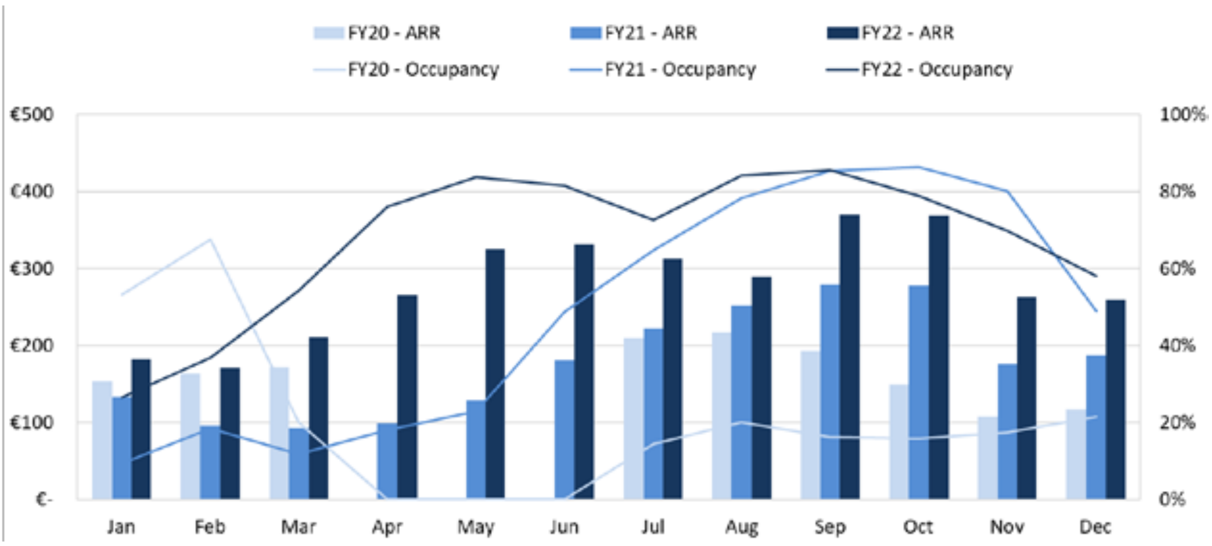

Figure 4: Phoenicia Hotel – Monthly ARR and Occupancy
Source: Management information

The main driver in the stronger-than-expected top line performance in 2022 came as a result of a significant increase in room rates, demonstrating the Hotel's ability to attract guests even at relatively higher rates. As substantiated previously, the Phoenicia's premium pricing model following the various upgrades and renovations to the premises has evidently not had a significant impact on occupancy rates. The €295 ARR of 2022 outperformed the initially forecasted €259, and is expected to continue to rise to €343 in 2023 and €364 in 2024. Lastly, the outperformance in revenue from Rooms had a knock-on effect on (and in turn also benefited from) the Group's other sources of income as in-house guests made greater use of the Hotel's catering outlets and Spa facilities.

3.2 St. John's Gardens Development Project

The St. John's Gardens development project ("SJG Project")is a potential project that is being planned by the Group. The SJG Project is a comprehensive endeavor aimed at revitalizing the St John's Ditch and related areas within the Phoenicia hotel's premises. Whilst still subject to planning approval, the Group intends to submit a full development application in respect of this potential investment.

Managememnt indicates that the primary objective would be to expand the Hotel's current offerings on the basis of a holistic masterplan that embellishes the historical significance of the site.

The Group intends to submit a full development application in respect of the St. John's Gardens Project to the Planning Authority. This application will be intended to substitute planning permit PA/02925/15 which is a renewal of PA /05753/09 for an extension of bedrooms, accompanied by the upgrading of the existing hotel, the restoration and rehabilitation of the nearby stables to accommodate bedrooms, as well as the upgrading of St. John's Ditch and the nearby hotel grounds.

Such expansion will include two new accommodation buildings, one replacing the Old Stables building and the other the old laundry buildings, resulting in a total of 52 guest rooms, which include 11 suites. The Coach House building will be restored and repurposed to serve as a central Reception area between the two guest room blocks, complete with ancillary breakfast, bar and dining facilities, as well as meeting space. A landscaped garden alongside St John's ditch will connect these guest areas and offer a scenic pathway leading to the Bastion Pool. In addition, a new pool facility will be added beside a historical spur, and it will be serviced by the existing Bastion Pool building without the need for a separate structure. To accommodate operational needs, an extension to the existing pool back of house building is proposed. Management highlights that furthermore the SJG Project emphasizes the restoration of several heritage sites on the property, and will prioritise sustainability.

Figure 5: St. John's Gardens Development Project
Source: Management information

The Group is currently forecasting that the SJG Project will reach completion around December 2025, and its operational launch in January 2026. Management notes that on the basis of current estimates, the SJG Project is estimated to cost in the region of circa €38 million, and could potentially result in an expected incremental average annual EBITDA of €7.5 million.

4 INDUSTRY OVERVIEW

4.1 Economic update[1]

In 2022, Malta's economy experienced an increase in private consumption and investment, resulting in real GDP growth of 6.9%. This growth was primarily driven by the services sector and a notable recovery in the Maltese tourism industry. For 2023 however, the forecast suggests a slower real GDP growth rate of 3.9%, mainly due to high inflation and reduced positive effects from tourism. Such growth is expected to rebound slightly in 2024 to 4.1%.

Employment in Malta increased by 6.0% in 2022 across various sectors, including tourism and administrative services. The European Commission's Country Report for Malta indicates that employment is projected to continue growing in 2023 and 2024, in line with population growth and the attraction of foreign workers. However, labor and skills shortages are anticipated to remain significant

1 *European Commission – 2023 Country Report (Malta) – Institutional Paper 242 June '23)*

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constraints on the economy. Malta's unemployment rate was 2.9% in 2022, among the lowest in Europe, and is expected to remain at this level in 2023 and 2024.

According to Statista[2], the collective impact of the travel and tourism sectors on Malta's gross domestic product (GDP) in 2022 experienced a decline of approximately 8.7% in comparison to 2019. The combined direct and indirect contributions of these industries to the nation's GDP amounted to €2.1 billion in 2022.

4.2 Inbound tourism

In 2023, the tourism industry has continued its recovery from the pandemic and is on course to surpass the pre-pandemic total inbound tourist arrivals of 2019. Official data[3] released by the National Statistics Office (NSO) illustrates that Malta welcomed 2,816,641 tourists Between January and November 2023 which is 8.0% higher than the 2,608,533 arrivals during the same 11-month period in 2019. This strong performance experienced in 2023 is evidence of the strong economic recovery witnessed in the latter part of 2022 following the loosening of the pandemic-related and Government-imposed travel restrictions in Q2 2022.

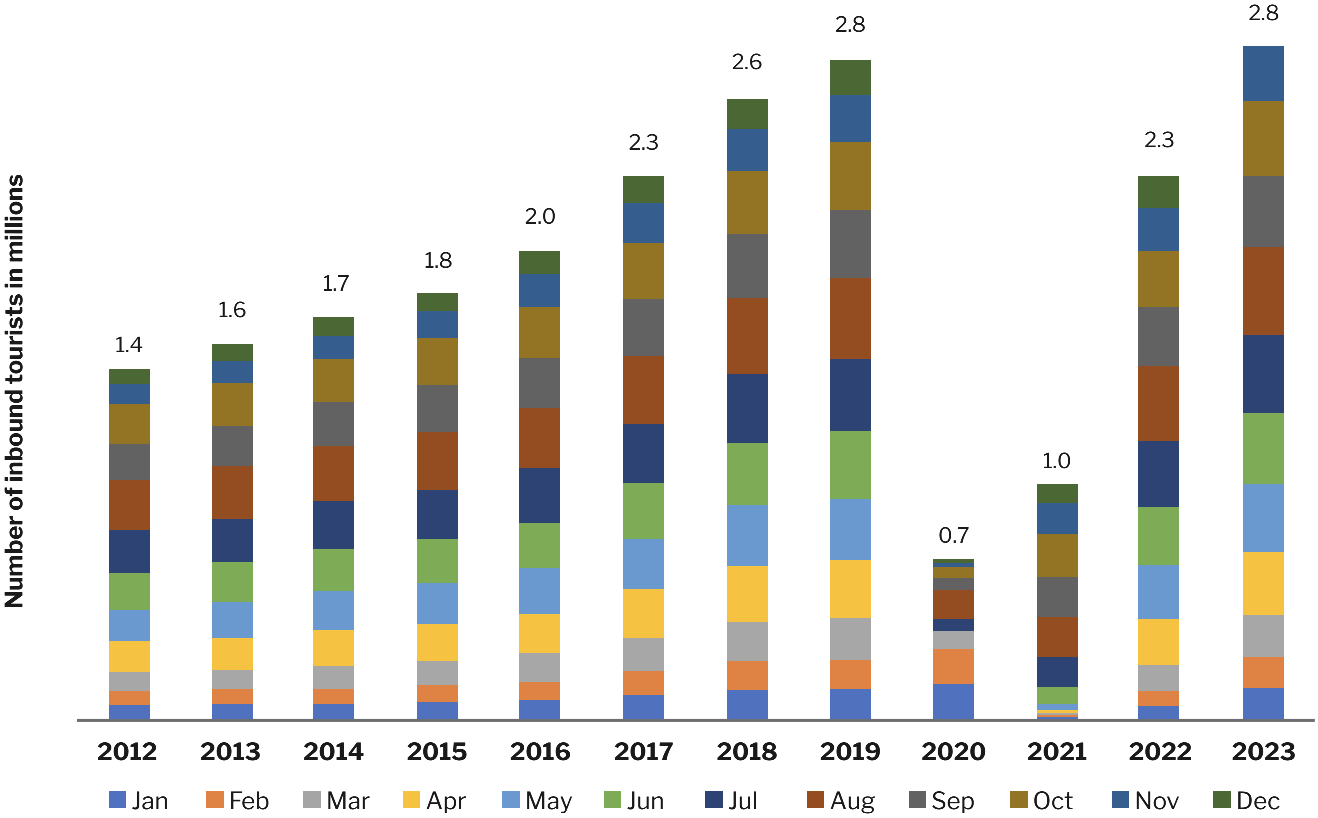

Figure 1: Total inbound tourism in Malta & Gozo monthly between Jan 2012 and Nov 2023
Source: National Statistics Office

Expenditure per capita between January and November 2023 is 3% higher than what was recorded during the same period in 2019 with an average of €870 spent per tourist today versus €845 in 2019. However, the inflationary pressures brought about in 2022 are also contributing to this increase.

On a broader scale, the European Travel Commission[4] highlighted that despite the expectation that Europe is to avoid a technical recession, the persistent higher inflation rates are likely to affect household incomes and discretionary spending, which may potentially slow the travel industry's recovery. Moreover, two further challenges faced by European travel remain the limitations imposed on Russian tourists due to the Ukraine conflict, redirecting them mainly to Serbia and Turkey, as well as the supply of flights persistently below the demand, thereby raising prices and slowing further the recovery of travel. With respect to long-haul travel into Europe, the US is set to regain market share in 2023 while the reopening of China in January should provide an additional boost to inbound travel from Asia.

4.3 Malta's five-star hotel market

The NSO data for inbound tourism referenced earlier further indicates that, in 2023, the five-star hotel industry has seen a similar trend to the wider tourism industry in which 8% more guests have stayed in a five-star hotel in Malta between January and September 2023

2 *Statista Research – Travel, Tourism & Hospitality in Malta (Aug '23)*
3 *National Statistics Office – Inbound Tourism*
4 *European Travel Commission – European Tourism: Trends & Prospects (Q1 2023)*

with respect to the same period in 2019. This may suggest that the high-end hospitality sector is in line to experience similar growth to the wider local tourism industry.

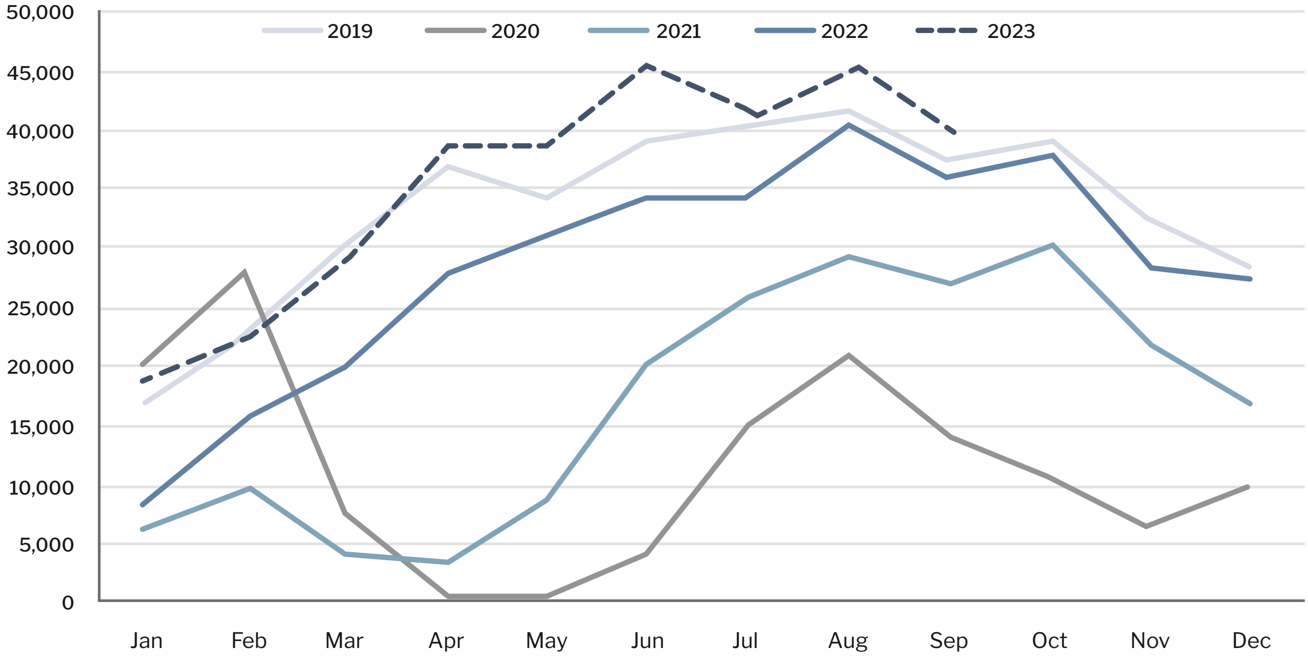

Figure 2: Total guests at 5-star hotels in Malta & Gozo monthly between Jan 2019 and Sep 2023
Source: National Statistics Office

Occupancy rates in five-star hotels in 2023 (62% between January and September) continue to lag pre-pandemic levels (69% January - September 2019) despite an increase in the number of guests, suggesting that the expansion in supply of five-star accommodation is having an effect. In fact, the number of five-star establishments and bedrooms at the end of 2022 stood at 17 and 3,732 respectively, which is considerably higher than the 14 five-star hotels and 3,196 five-star bedrooms around Malta and Gozo in 2019.

According to the annual survey[5] issued by Deloitte and the Malta Hotels & Restaurants Association (MHRA), the average daily rates (ADR) for five-star hotels in Malta during Q2 2023 increased by 18% over Q2 2019, reaching €208 per room.

4.4 Food and beverage industry

From research carried on the food and beverage service activities in Malta[6], it is forecasted that significant growth will be achieved in the industry whereby revenue is expected to grow by 50% between 2023 and 2027.

Findings from the Ernst & Young Attractiveness Survey[7] show that 54% of participants expressed their demand for staff with specialized skills. Malta's labour market, however, is faced with constraints due to its geographical limitations and size. Despite the increased employment of foreign workers, the situation remains only partially alleviated.

5 PERFORMANCE AND FINANCIAL POSITION OF THE ISSUER

The Issuer was incorporated in 2018 to act as a financing vehicle of the Group and is therefore dependent on the financial and operational performance of the Group. The financial information presented for the Issuer represents the audited financial statements of 2020, 2021 and 2022 with the financial year running from 1st January to 31st December. The forecasted financial statements for the year 31st December 2023 include actual data until July and monthly forecasted data from thereon, while the financial forecasts representing 31st December 2024 are entirely projected and based on certain assumptions. Events and circumstances may differ from expectations; therefore, actual results may vary considerably from projections.

5 MHRA Hotel Survey by Deloitte Malta

6 Statista Research – Food & Beverage Service Activities in Malta (Aug '23)

7 EY Attractiveness Survey 2022

5.1 Statement of Comprehensive Income

PHOENICIA FINANCE COMPANY PLC Statement of comprehensive income (€000)	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Finance income	**1,275**	**1,287**	**1,287**	**1,287**	**3,063**
Finance costs	(1,153)	(1,158)	(1,164)	(1,174)	(3,052)
Net interest	**123**	**129**	**123**	**113**	**11**
Administrative expenses	(68)	(82)	(95)	(88)	(92)
Profit before tax	**55**	**47**	**28**	**25**	**(82)**
Income tax expense	(19)	(16)	(10)	(9)	29
Profit for the period	**36**	**30**	**18**	**16**	**(53)**

Source: Phoenicia Finance Company plc annual reports; Management information

PFC was set up as a special purpose vehicle, acting as the finance company for the Group and thus, income is to be generated from interest receivable on advances to Group companies. In 2022, PFC reported finance income of €1.3 million, related to interest received on a loan to the parent company, equal to the interest received in 2021 and is expected to remain flat in 2023. In 2024, an increase to €3.1 million of finance income is anticipated due to the increase in the loan balance, in turn funded via the issue of a new bond amounting to €50 million. Finance costs amounted to €1.2 million during 2022, relating to interest payable on the Bond of €1.0 million and amortisation of bond issue costs of €126k, remaining basically unchanged during 2023. In 2024 finance costs are expected to increase to €3.1 million due to the increased indebtedness as a result of the new bond issue.

5.2 Statement of Cash Flows

PHOENICIA FINANCE COMPANY PLC Statement of cash flows (€000)	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Net cash used in/ generated from operating activities	(46)	(19)	178	(99)	386
Net cash used in investing activities	(325)	-	-	-	(24,486)
Administrative expenses	-	-	-	-	24,000
Net movement in cash and cash equivalents	**(371)**	**(19)**	**178**	**(99)**	**(100)**
Cash and cash equivalents at beginning of year	461	90	71	249	150
Cash and cash equivalents at end of year	**90**	**71**	**249**	**150**	**50**

Source: Phoenicia Finance Company plc annual reports; Management information

During 2022, cash generated from operations of the finance company of €178k related to interest received on advances to parent company. For the year ending 31st December 2023, management is anticipating net cash outflows of €99k, with outflows expected to rise marginally in 2024. This projected amount mainly reflects the movements of cash proceeds of €24 million from the issue of the new bond, and the outflow of €24.5 million relating to the advance made to PML.

5.3 Statement of Financial Position

PHOENICIA FINANCE COMPANY PLC Statement of financial position (€000)	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
ASSETS					
Non-current assets:					
Financial assets	24,501	24,501	24,501	24,501	48,987
Deferred tax asset	5	5	5	5	33
Total non-current assets	**24,505**	**24,505**	**24,505**	**24,505**	**49,020**
Current assets:					
Financial assets	56	56	56	56	134
Other receivables	408	601	587	726	437
Cash and cash equivalents	90	71	249	150	50
Total current assets	554	728	892	932	621
Total assets	**25,059**	**25,233**	**25,398**	**25,437**	**49,641**
EQUITY AND LIABILITIES					
Capital and Reserves:					
Issued Capital	250	250	250	250	250
Retained Earnings	(3)	27	45	62	9
Total Equity	**247**	**277**	**295**	**312**	**259**
Non-current liabilities:					
Interest-bearing borrowings	24,627	24,747	24,874	25,000	49,184
Total non-current liabilities	**24,627**	**24,747**	**24,874**	**25,000**	**49,184**
Current liabilities:					
Interest-bearing borrowings	45	45	45	45	126
Trade and other payables	121	147	183	71	72
Current tax payable	19	16	-	9	-
Total current liabilities	**186**	**209**	**229**	**125**	**198**
Total liabilities	24,812	24,956	25,102	25,125	49,382
Total equity and liabilities	**25,059**	**25,233**	**25,398**	**25,437**	**49,641**

Source: Phoenicia Finance Company plc annual reports; Management information

Table totals may be subject to rounding

The Issuer's balance sheet reflects its role as the financing arm of the Group with total assets of €25.4 million at the end of 2022, mainly consisting of the loan to parent company and other receivables (€0.6 million). These other receivables relate to amounts due from the parent company for expenses paid by PFC as part of general cashflow management purposes. Whilst remaining basically unchanged as at the end of 2023, the balance sheet of PFC is expected to increase to circa €50 million during 2024 during 2024, as the related party balance will increase in line with the issue of a new bond.

In the first quarter of 2024 PFC is expected to issue a bond amounting to €50 million due in 2033 and callable after 5 years at a coupon of 5.75% ("the 5.75% 2028-33"). The transaction will offer holders of the €25 million due 2023-2028 [ISIN: MT0002081207] ("the 4.15% 2023-28") issued in 2018 the opportunity to invest in the 5.75% 2028-33 by exchanging at par their existing holding in the 4.15% 2023-28 for an investment in the new bond, via an exchangeable bond transfer. Therefore, the funding side shows an increase in to circa €50 million.

6 PERFORMANCE AND FINANCIAL POSITION OF THE GROUP

The Issuer is dependent on the business prospects of the Guarantors and, consequently, the operating results of the Guarantors have a direct effect on the Issuer's financial position and performance.

The Group does not have a statutory requirement to prepare consolidated financial statements. However, management prepares combined financial statements based on an aggregation of the audited financial statements of PML, PHCL and PFC[8], and after taking into consideration intercompany and consolidation adjustments ("the Combined Financial Statements"). The Combined Financial Statements for FY2020, FY2021 and FY2022 have been audited by Ernst & Young Malta Limited, independent auditors, as stated in their report. Combined Financial Statements are also provided on the basis of management forecasts, taking into account applicable consolidation adjustments.

The following financial information is extracted from the Combined Financial Statements of the Group for the three years ended 31st December 2020 to 31st December 2022. The forecasted financial information for the year ending 31st December 2023 ("FY2023") and 31st December 2024 ("FY2024") has been provided by the management of the Group. Events and circumstances may differ from expectations; therefore, actual results may vary considerably from projections.

6.1 Statement of Comprehensive Income

COMBINED FINANCIAL STATEMENTS					
Statement of comprehensive income (€000) - 31 Dec	**2020** Actual	**2021** Actual	**2022** Actual	**2023** Forecast	**2024** Forecast
Revenue	**2,941**	**8,037**	**14,747**	**18,114**	**20,624**
Cost of sales	(4,266)	(5,770)	(8,387)	(9,056)	(9,891)
Gross profit	**(1,325)**	**2,267**	**6,360**	**9,058**	**10,732**
Administrative expenses	(2,499)	(2,769)	(4,119)	(4,722)	(4,786)
Selling and marketing expenses	(455)	(457)	(657)	(792)	(833)
Other income	903	1,120	507	-	-
Operating profit	**(3,376)**	**161**	**2,091**	**3,544**	**5,113**
Net finance costs	(1,766)	(1,786)	(1,927)	(2,402)	(2,983)
Profit before tax	**(5,142)**	**(1,625)**	**164**	**1,142**	**2,130**
Income tax credit/ (tax expense)	2,216	1,059	106	349	(407)
Profit for the year	**(2,926)**	**(566)**	**269**	**1,491**	**1,723**
Revaluation of PPE	3,028	-	10,509	-	-
Total comprehensive income for the year	**102**	**(566)**	**10,778**	**1,491**	**1,723**
EBITDA	(1,206)	2,508	4,497	5,855	7,382
Ajusted EBITDA*	(2,109)	1,388	3,989	5,855	7,382

Source: Combined Financial Statements, Management information

**Adjusted EBITDA is calculated by excluding government grant (non-recurring revenue) for reported EBITDA*

In line with the rebound of 2021 (as social restrictive measures began to be released), the Hotel's performance continued to thrive in 2022 and 2023. The Group continues to perform well across all business segments with the Hotel earning above average rates, benefitting strongly from the recently developed Spa and upgraded catering facilities.

Given the natural spillover effect that room occupancy has on the performance of the Hotel's other services, the performance of the bars and restaurant, as well as the Spa facilities all picked up in particular from Q2 2022 onwards and closed off last year performing above pre-pandemic levels. In 2023, a further enhanced performance is being achieved across all revenue streams.

8 *The audited financial statements of the Guarantors have been prepared in accordance with IFRS as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta*

Rooms are forecasted to achieve the most significant increase, with revenues rising by 28% to €12.3 million from the €9.6 million earned in 2022.

The Hotel's restaurant and bars are expected to see a moderate increase of 6% in 2023 driven by the stronger Q1 already achieved in 2023. Lastly, the performance of the Spa has continued to be particularly strong also in 2023, resulting in a 25% overall annual increase to €0.5 million from last year's €0.4 million.

For 2024, management expects similar trends to unfold overall, albeit at a more modest growth of 16% for room revenue. The catering department (including conferencing and banqueting activities in addition to restaurant and bars) is forecasted to achieve an 11% growth in 2024 continuing from the 9% in 2023.

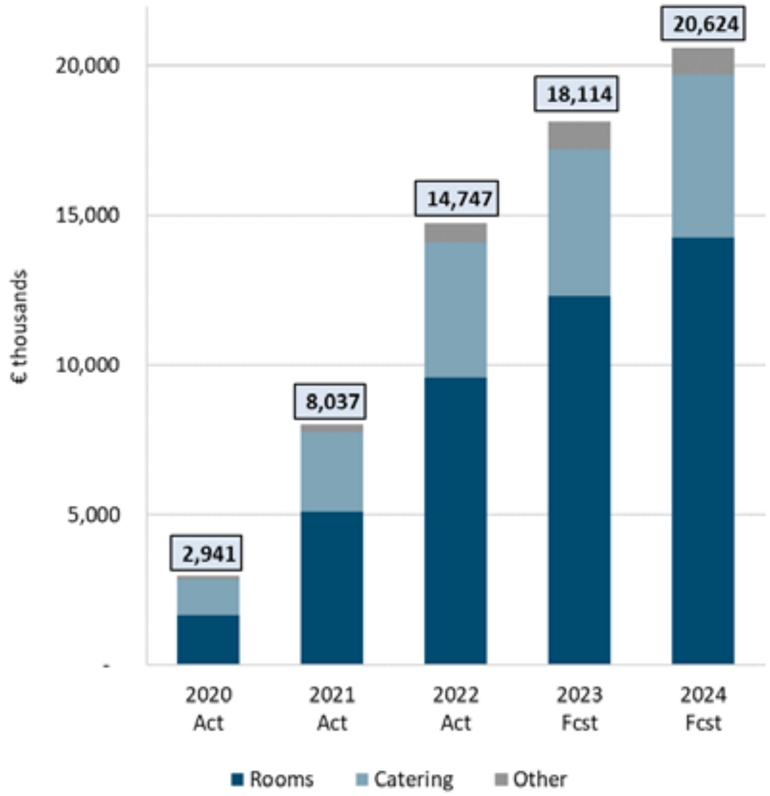

Figure 8: Revenue Breakdown
Source: Management information, Combined financial statements

With the increased business activity cost of sales has also been on a rising trend to support the necessary business demands, given that the nature of such costs is largely variable. Other operating costs including administrative expenses and selling and marketing expenses also rose, experiencing increases of 49% and 44% respectively during 2022.

During 2023 it was fixed charges, including management fees, insurance, costs, and other expnmeses, that showed the greatest increases. The Group paid a management fee of €0.5 million to Hazledene Group Limited, an entity in which the shareholders have an interest. Management notes that the Group entered into transactions with this party for an expense of an administrative nature, relating to the management of the hotel operations, and going forward these activities will be based on a management fee equivalent to 3% of net hotel revenues.

The Group is expected to generate just below €6 million in EBITDA during the current year, up circa €1.9 million on the year, and notably +20% over 2019, which itself was a record year. On the other hand, in 2023 the Group is forecasting to incur a relatively sizeable increase in finance costs following an increase in borrowings during 2022 of €20 million. Additionally, a debt refinancing transaction undertaken at the beginning of 2024 is expected to result in a proportionate increase in bond debt (vs bank borrowings), and in a higher coupon on this new bond debt.

With respect to total comprehensive income in 2022 the Group benefited from a fair value gain (net of tax) of €10.5 million in 2022 attributable to the upward revaluation in the Hotel's property and surrounding sites. Management notes that the fair value was estimated on the basis of a multi-period projection and Discounted Cash Flow model, in order to update the estimated valuation in the context of the improved results following the Covid-19 pandemic period.

6.2 Statement of Cash Flows

COMBINED FINANCIAL STATEMENTS Statement of cash flows (€000) - 31 Dec	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Net cash used in/ generated from operating activities	(340)	2,555	5,218	5,426	7,207
Net cash used in investing activities	(2,194)	(828)	(21,755)	(1,321)	(4,109)
Net cash generated from/used in financing activities	1,430	218	15,658	(4,738)	(1,867)
Net movement in cash and cash equivalents	**(1,105)**	**1,945**	**(879)**	**(633)**	**1,231**
Cash and cash equivalents at beginning of year	1,198	93	2,039	1,160	527
Cash and cash equivalents at end of year	**93**	**2,039**	**1,160**	**527**	**1,759**

Source: Combined Financial Statements, Management information

The Group's net cash flows from operating activities have been on a steady increase during 2022 and 2023, in line with the evident improvement in core operations. Management anticipates a further growth to €7.2 million in 2024.

The Group's capital expenditure in Property, Plant and Equipment over recent years mainly came as a result of investment in the Spa and some additional room improvements related to the new Pegasus suites. Such outlays also include an amount of €1.8 million disbursed in 2022. Separately, outflows from investing activities also reflect the provision of a €20 million loan to the Phoenicia Holding Lux S.a.r.l., the ultimate parent company of the Group ("the Parent Co Loan").

Financing cash flows over the past two years primarily relate to the net impact of debt refinancing transactions. The bank loan facilities held as at 31st December 2021 (€26.8 million) were repaid in full in November 2022 via other bank loan facilities obtained by Phoenicia Malta Limited, which amounted to over €44 million. More specifically, the new borrowings consist of proceeds from two bank loans, a 3-year term loan with a bullet repayment of just below €25 million ("the Bridging Loan") and a 20-year amortising facility of €20 million ("the Term Loan"). The net impact of these transactions amounted to an inflow of over €15 million.

6.3 Statement of Financial Position

COMBINED FINANCIAL STATEMENTS Statement of financial position (€000) - 31 Dec	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
ASSETS					
Non-current assets:					
Property, plant and equipment	90,196	88,677	99,522	98,542	100,382
Deferred tax asset	5,198	6,116	6,330	6,693	6,295
Loan receivable	-	-	20,000	20,000	20,000
Other receivables	50	50	50	50	50
Total non-current assets	**95,444**	**94,843**	**125,902**	**125,285**	**126,727**
Current assets:					
Inventories	150	186	238	314	352
Trade and other receivables	524	809	753	517	905
Income tax receivable	-	-	9	-	-
ST Loan receivable	-	-	119	1,245	2,472
Cash and cash equivalents	93	2,039	1,160	527	1,759
Total current assets	**768**	**3,033**	**2,280**	**2,603**	**5,488**
Total assets	**96,212**	**97,876**	**128,182**	**127,887**	**132,214**
EQUITY AND LIABILITIES					
Capital and Reserves:					
Share capital	13	13	13	419	419
Deferred shares	839	839	839	-	-
Foreign exchange reserve	-	-	-	433	433
Revaluation reserve	39,227	39,164	43,468	43,468	43,468
Retained earnings	(3,508)	(4,012)	2,463	3,954	5,677
Total Equity	**36,571**	**36,005**	**46,783**	**48,274**	**49,997**
Non-current liabilities:					
Interest-bearing loans and borrowings	46,587	48,616	68,214	66,291	67,367
Deferred tax liability	5,506	5,348	6,429	6,440	6,440
Total non-current liabilities	**52,093**	**53,964**	**74,643**	**72,731**	**73,808**
Current liabilities:					
Trade and other payables	4,565	4,952	5,706	5,110	5,375
Interest-bearing loans an borrowings	2,964	2,939	1,045	1,759	3,026
Current tax payable	19	16	4	14	9
Total current liabilities	**7,548**	**7,908**	**6,756**	**6,882**	**8,410**
Total liabilities	**59,641**	**61,872**	**81,399**	**79,613**	**82,218**
Total equity and liabilities	**96,212**	**97,876**	**128,182**	**127,887**	**132,215**

Source: Combined Financial Statements, Management information

Total assets increased to €128.2 million as at 31st December 2022, rising by 31% from the previous year, mainly driven by the upward revaluation of the Hotel's property in April 2022 for an increase of €8.8 million, and the provision of the Parent Co Loan. This asset is a 20-year term loan to the parent company of €20 million, unsecured and bearing an interest of 2.4% plus 3 months EURIBOR per annum. Management notes that in turn this loan funded the buy-out by the shareholder of share options in the Group held by a third party, reflecting the shareholder's long term ownership plans. No major movements relating to fixed assets are expected as at the end of 2023. Trade and other receievables are forecasted to decrease to €0.5 million in 2023 from the significantly higher levels of €0.8 million in 2021 and 2022.

Total liabilities increased from €61.9 million in 2021 to €81.4 million in 2022, driven by the rise in the Group's borrowings to €69.3 million (2021: €51.6 million). The new banking facilities included both short-term and long-term loans and borrowings, namely the Bridging Loan and the Term Loan which accounted for the refinancing transaction implemented last year, as described previously. Overall debt levels are expected to emain almost unchanged as at 31st December 2023 compared to the previous year. Trade and other payables increased marginally from €5.0 million to €5.7 million driven mainly by an increase in trade payables and accruals.

Total equity increased to €46.8 million, driven by the turnaround in profitability as reflected in the sizeable turnaround in retained earnings and in the increase in the revaluation reserve to €43.5 million (2021: €39.2 million). For 2023, total equity is expected to increase to €48.3 million as profitability is forecasted to increase again, and with expected movements also including a redesignation from deferred shares to ordinary shares which took effect in 2023.

6.4 Borrowings

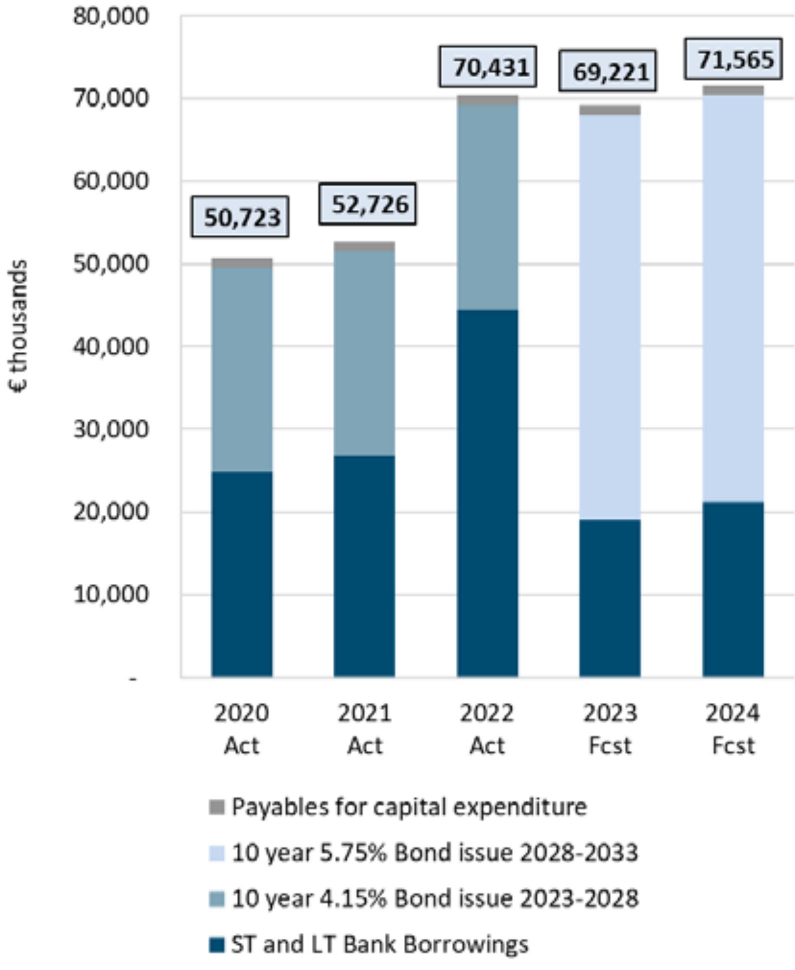

Figure 9: Debt Schedule
Source: Management information, Combined financial statements

The Group has been mainly financed through debt over the years. Total borrowings as at 31st December 2022 amounted to €70.4 million, comprising of a combination of bond debt and bank debt and ,with this estimate also taking into account capital creditors. Whilst the overall debt balance is expected to remain almost unchanged between 2023 and 2024, the composition of borrowings will undergo a restructuring.

In an extension of the refinancing effort, the Group is expecting to repay the Bridging Loan by during this year, resulting in a decline of total bank borrowings to circa €19 million. On the other, bond debt is expected to increase on the back of funding from the issue of a new bond.

As indicated in previous sections, during the first quarter of 2024 the Group will be issuing a new bond, the 5.75% 2028-33. The transaction will offer bond holders of the the 4.15% 2023-28 the opportunity to invest in the 5.75% 2028-33 by exchanging at par their existing holding in the 4.15% 2023-28. This is expected to result in an increase in the bond element of outstanding borrowings relative to bank debt, with cash proceeds from the capital markets transaction funding the repayment of the Bridging Loan. Therefore this refinancing will extend the maturity of the debt profile. Management projections currently assume full participation of holders of the 4.15% 2023-28 in the exchange. It is noted that in the event that less than the full amount of outstanding €25 million in the 4.15% 2023-28 are exchanged any balance of cash proceeds that may result following the repayment of the Bridging Loan will be held in a segregated bank account until the eventual redemption of the 4.15% 2023-28.

6.5 Evaluation of Performance and Financial Position

On the basis of the data available, management believes that the sustained recovery in ARR, RevPAR and occupancy levels will continue following 2023 and into 2024. Revenues and profitability. Upward trends in occupancy levels, RevPAR and ARR generally tracked the loosening of Covid-19 restrictions across 2021 and 2022. Revenues and profitability improved across all levels, also supported by implemented measures in terms of increased efficiencies and cost cutting.

Notwithstanding the termination of government subsidies in May 2022, a further robust increase in EBITDA generation was recorded, totalling to €4.5 million in 2022 with €5.9 million projected in 2023 and €7.4 million in 2024. Operating margins also reflect the robust outlook, with Gross Operating Profit and EBITDA margins expected to reach 44% and 36% respectively in 2024.

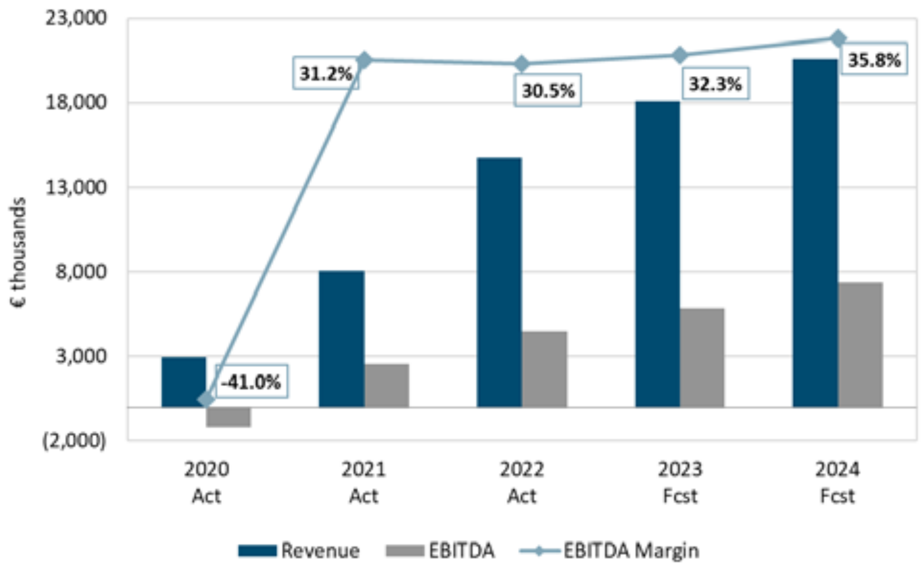

Figure 10: EBITDA Generation
Source: Management information, Combined financial statements

COMBINED FINANCIAL STATEMENTS

Profitability Ratios - 31 December	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Gross Profit Margin *(Gross Profit/ Revenue)*	-45.1%	28.2%	43.1%	50.0%	52.0%
Gross Operation Profit Margin *(Gross Operating Profit/ Revenue)*	-56.5%	19.5%	32.9%	40.3%	42.8%
EBITDA Margin *(EBITDA/ Revenue)*	-41.0%	31.2%	30.5%	32.3%	35.8%
Adjusted EBITDA margin *(Adjusted EBITDA/ Revenue)*	-71.7%	17.3%	27.1%	32.3%	35.8%
Interest Coverage *(EBITDA/ NET Finance Costs)*	-0.7x	1.4x	2.3x	2.4x	2.5x
Adjusted Interest Coverage *(Adjusted EBITDA/ Net Finance Costs)*	-1.2x	0.8x	2.1x	2.4x	2.5x
Return on Assets *(Gross Operating Profit/ Average Total Assets)*	-1.8%	1.6%	4.3%	5.7%	6.8%
Return on Capital Emplyed *(Gross Operating Profit/ Average Capital Employed)*	1.9%	1.8%	4.6%	6.0%	7.2%
Net Profit Margin *(Profit for the year/ Revenue)*	n.a.	-7.0%	1.8%	8.2%	8.4%
Return on Equity *(Profit for the year/ Average Total Equity)*	-8.0%	-1.6%	0.7%	3.1%	3.5%

Source: Management information; Combined Financial Statements; Curmi & Partners Ltd.

The most recent positive trend in profitability ratios since 2021 is attributable to two main factors, namely the rebound following the pandemic and the Hotel's strategy to focus on a value added offering.

Management is forecasting a continuation of this trend on the basis of actual performance registered this year and also of a particularly firm bookings outlook for 2024. Phoenicia is expected to continue benefiting from the global recognitions recently earned, particulary by joining Virtuoso, a premier international luxury travel network, and the LHW consortia. Such awards have enabled the Hotel to attract guests from growing markets such as the US. Whilst cost pressures such as labour present a challenge, the characteristics of the business model allow the Group to be be less sensitive to pricing and cyclical trends.

Forecasts for 2023 across all metrics show improvements on last year's ratios given the Group's strong performance versus the previous year. Such growth is expected to be maintained into 2024.

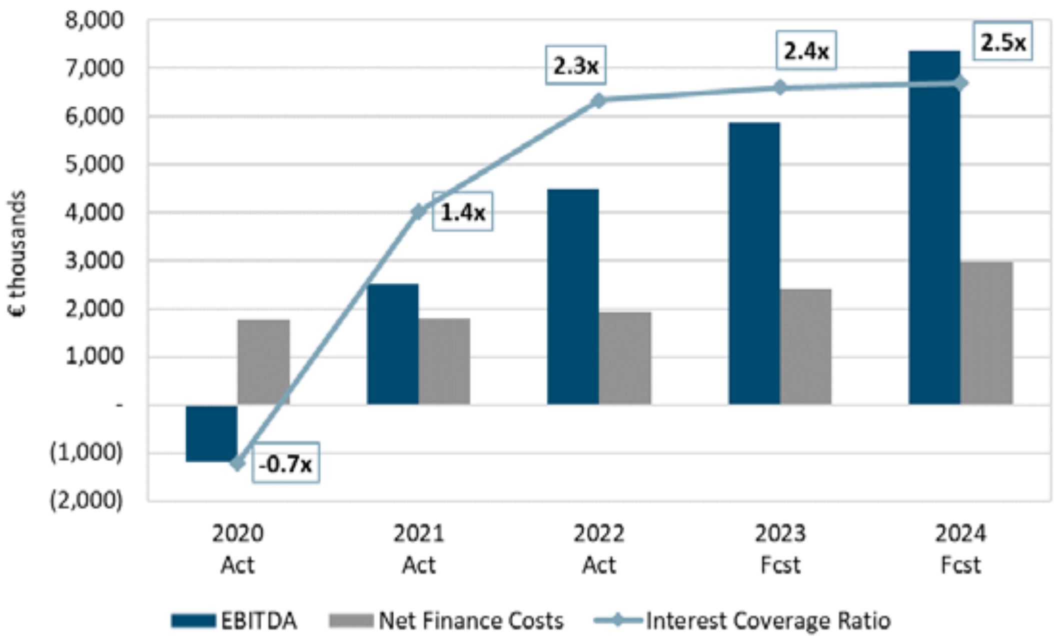

Figure 11: Interest Payment Covereage
Source: Management information, Combined financial statements

CURMI & PARTNERS

As depicted in the chart above, the Group's capability to cover the due interest charges is being enhanced by the improvement in EBITDA following the general recovery in business. It is noted that finance costs have increased on the back of the increase in borrowings. However management expects the positive outlook for EBITDA generation to offset the increased cost of debt servicing, with interest cover gradually increasing to 2.5x in 2024.

COMBINED FINANCIAL STATEMENTS **Balance Sheet Ratios - 31 December**	**2020** Actual	**2021** Actual	**2022** Actual	**2023** Forecast	**2024** Forecast
Current Ratio *(Current Assets/ Current Liabilities)*	0.1x	0.4x	0.3x	0.4x	0.7x
Quick Ratio *(Current Assets - Inventory / Current Liabilities*	0.1x	0.4x	0.3x	0.3x	0.6x
Gearing Ratio *(Borrowings/ Total Equity + Borrowings)*	58.1%	59.4%	60.1%	58.9%	58.9%
Adjusted Gearing Ratio *(Borrowings/ Total Equity)*	1.4x	1.5x	1.5x	1.4x	1.4x
Net Leverage Ratio *(Net/ Borrowings/ EBITDA)*	-42.0x	20.2x	15.4x	11.7%	9.5x
Free Cash Flow to Debt *(Free cash flow/ Borrowings)*	-5.8%	2.3%	-24.1%	6.8%	3.4%

Source: Management information; Combined Financial Statements; Curmi & Partners Ltd.

NB: Certain ratios in 2020 indicate exceptional values given the extraordinary circumstances during.

Within the hospitality industry, liquidity ratios below 1x are not uncommon, with cash inflows from sales mainly received in advance compared to delayed outflows related to suppliers and expenses. The Group's liquidity ratios inevitably declined further during 2020 as cash balances were particularly impacted, however this working capital relationship improved in 2021 and 2022 with the positive recovery of business.

The Group's capital structure and general financial profile had initially improved following the refurbishment and the re-opening of the Hotel, benefiting from both the revaluation and the improved operational performance. However due to the pandemic, this positive trajectory experienced a sharp evident reversal during 2020 followed by an enhanced performance in 2021. In 2022 the Hotel's financial profile has maintained its 2021 levels, with some deterioration in the free cash flow ("FCF") position driven by the capital outflow related to the loan advancement to the parent company. The Group's cash position is expected to stabilise in 2023 and 2024 following the debt restructuring being undertaken via the Bond Issue in which the debt profile is consolidated for the long term.

The Group's net leverage position is considered high at 15.4x. However, management forecasts indicate a deleveraging trend with the the net leverage ratio to returning below 10x by 2024, more in line with 2019, as further improvement in EBITDA generation will compensate for the increased debt levels.

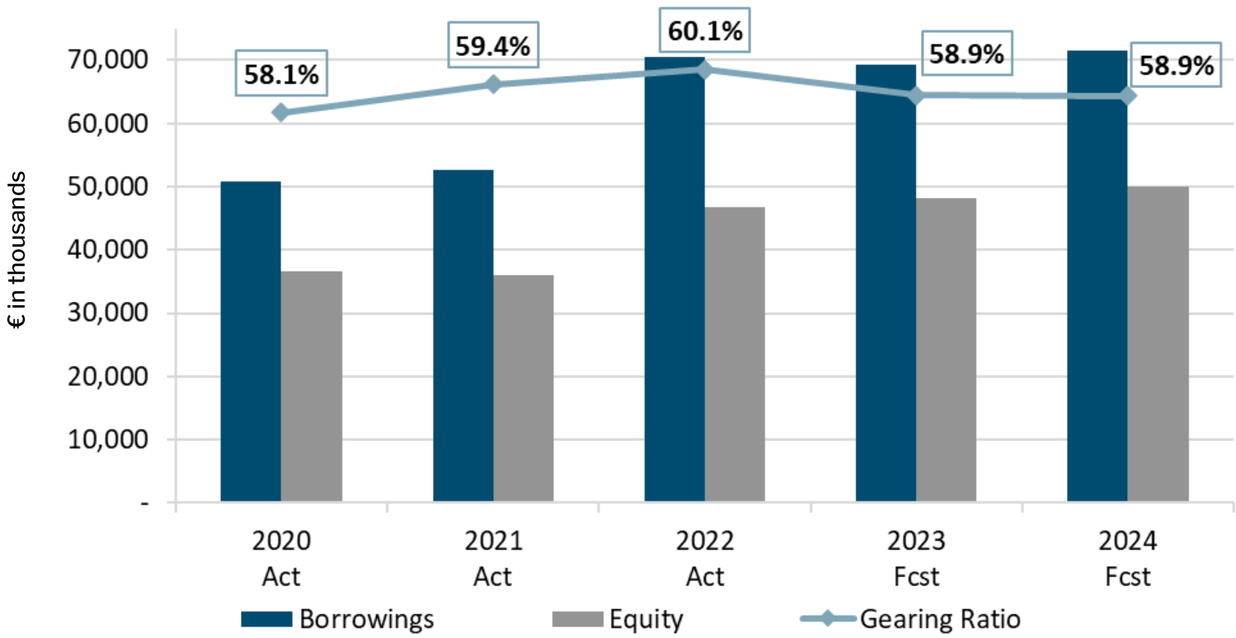

Figure 12: Gearing Ratio
Source: Management information, Combined financial statements

The Group's historical and forecasted gearing remains relatively stable despite taking on additional circa €20 million in bank funding, as it was offset by the strengthened level of retained earnings from core business and the increase in the revaluation reserve following an upward revision of the Hotel property and surrounding sites in 2022.

The consolidation of the capital structure by the shareholder, and the debt refinancing driven by the issue of the new bond, are intended to provide a long term sustainable platform going forward. More specifically with respect to indebtedness, the evolving debt structure is viewed by management as more suitable for potential further investment, such as the SJG Project, which may be undertaken in line with the Group's track record of targeted value accreting investments.

It is also noted that the Group has not made any dividend payments in the past ten years. Management indicates that going forward the Company's dividend pay-out policy will continue to be driven by the level of profitability and the Group's overall strategy, including its investment plans. Additionally, dividend payments are restricted by the restricted payments covenants in place.

7 COMPARABLES

The table below compares a selection of ratios of the Group to those of other issuers and groups operating in the local hotel and entertainment industry. It is relevant to note that there could be variances in the mix of operations undertaken by these groups. In particular, certain other corporate groups operate in a diverse range of sectors, with operations not restricted to the hotel sector as is the case for the Group. This was especially relevant for the initial months of the year until May 2022, after which the local health authorities allowed for normal hospitality operations to be resumed by lifting restrictions, thereby suggesting that some of the Group's competitors operating in other industry segments were less impacted overall in 2022. Furthermore, whilst the Group operates a single property, most other companies operate multiple hotel assets. Other differences could include characteristics of the specific debt instrument.

However, the below comparison of basic credit metrics could be considered a useful indication of the relative financial performance and debt servicing capability of the Issuer. The below ratios are calculated using the latest readily available audited annual financial statements.

COMPARABLE ANALYSIS	Gearing	Interest Coverage	Net Debt/ EBITDA
PHOENICIA GROUP	**60%**	**2.3x**	**15.4x**
AX Group	33%	1.8x	14.8x
International Hotel Investments	52%	1.9x	11.4x
Eden Leisure Group	27%	4.5x	5.1x
SD Holdings	39%	4.7x	1.7x
Tumas Group (Spinola Developments)	27%	6.4x	2.2x

Source: Financial Statements, Curmi & Partners Ltd.

8 GLOSSARY

INCOME STATEMENT	
Gross Operating Profit	Gross operating profit refers to the total revenue of the hotel less expenses incurred earning that revenue. This indicator is a performance measure used in the hotel industry.
Gross Operating Surplus	Gross operating surplus is the surplus on production activities before taking into account interest, rents or charges paid or received for the use of assets.
EBITDA	Earnings before interest, tax, depreciation and amortisation (EBITDA) is a measure of operating profitability. It excludes depreciation and amortisation, and is viewed as measure of a company's core profitability and cash generating ability.
Adjusted EBITDA	A revised EBITDA which takes into consideration the receipt of a government grant between 2020 and 2022 to assist in the recovery following the pandemic.

BALANCE SHEET	
Non-current assets	Non-current assets are long-term investments, the full value of which will not be realised within the accounting year.
Current assets	Current assets are all assets that are realisable within one year from the statement of financial position date. Such amounts include trade receivables, inventory, cash and bank balances.
Current liabilities	Current liabilities are liabilities payable within a period of one year from the statement of financial position date, and include trade payables and short-term borrowings.
Non-current liabilities	Long-term financial obligations or borrowings that are not due within the present accounting year. Non-current liabilities include long-term borrowings, bonds and long-term lease obligations.
Total Equity	Total equity includes share capital, reserves, retained earnings and minority interests. It relates to the capital and reserves that are attributable to owners of the company.
CASH FLOW STATEMENT	
Cash flow from operating activities	Cash flows from operating activities illustrates the cash-generating abilities of a company's core activities, and includes cash inflows and outflows that are related to operating activities.
Cash flow from investing activities	Cash flows from investing activities reflect the change in cash position resulting from investments and divestments.
Cash flow from financing activities	Cash flows from financing activities shows the cash inflows and outflows related to financing transactions with providers of funding, owners and the creditors.
Free Cash Flow	A measure of the ability to generate the cash flow necessary to maintain operations. It is the balance after all cash flows for operating activities, fixed asset net investments, working-capital expenditures. The definition of free cash flow may vary; for this purpose it was based on EBITDA adjusting for net investments, working capital and tax.
KEY METRICS	
ARR	Average Room Rate (ARR) is the average price of each room sold during a particular period of time. It is calculated by dividing accommodation revenue by the number of rooms sold.
RevPAR	Revenue per available room (RevPAR). It is calculated by dividing the hotel's total revenue by the number of rooms available and the number of days in the period under consideration.
Occupancy level	Occupancy level is the percentage of available rooms being sold for a certain period of time. It is calculated by dividing the number of rooms sold by total number of rooms available.
OPERATING & FINANCIAL RATIOS	
Current ratio	The current ratio measures the ability to pay short term debts over the next 12 months. It compares a company’s current assets to its current liabilities.
Quick ratio	Similarly to current ratio the quick ratio measures a company’s ability to meet its short-term obligations with its most liquid assets. It excludes inventories from current assets.
Gearing or leverage ratio	The gearing or leverage ratio indicates the relative proportion of borrowings and equity used to finance a company’s assets. It is estimated by dividing total borrowings by total borrowings plus total equity, or as the ratio of total borrowings to total equity.

Interest Coverage ratio	Interest coverage ratio is generally calculated by dividing a company's EBITDA, or EBIT (operating profit) of one period by the company's interest expense of the same period. It measures the ability of the borrower to service the finance costs related to borrowings.
Net Debt to EBITDA	This ratio compares financial borrowings and EBITDA as a metric for estimating debt sustainability, financial health and liquidity position of an entity. It compares the financial obligations to the actual cash profits.
Gross Profit Margin	Gross profit margin is the ratio of gross profit to revenue. It is the percentage by which gross profits exceed cost of sales, and is a measure of profitability at the most fundamental level.
Operating Profit Margin	Operating margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
Gross Operating Profit Margin	Gross operating profit margin is the ratio of Gross Operating Profit to revenue. It measures how much profit is made on revenue after paying for costs incurred to earn revenue.
EBITDA Margin	Similarly to operating margin, EBITDA margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
Net Profit Margin	Net profit margin is the ratio of profit for the period to revenues, and is a measure of how much of revenues is converted into bottom line profits.
Return on Assets (ROA)	Return on assets is the ratio of profit for the period or operating profit to average total assets for the period. It measures efficiency in using its assets to generate income.
Return on Capital Employed (ROCE)	This ratio measures efficiency in generating income but takes into consideration the sources of financing. Profit for the period or operating profit is divided by the capital employed (fixed assets plus working capital or total assets less current liabilities)
Return on Equity	Measures the profitability in terms of how much profit is generated in relation to owners' investment.