

Company Registration No. C 88958

PHOENICIA FINANCE COMPANY P.L.C.

**Condensed Interim Financial Statements
(Unaudited)**

30 June 2025

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025

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PHOENICIA FINANCE COMPANY P.L.C.

Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025

INTERIM DIRECTORS' REPORT

This interim report is published in terms of Chapter 5 of the Capital Markets Rules as prescribed by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act, Cap. 345 of the Laws of Malta.

The interim condensed financial statements have been extracted from the Company's unaudited accounts for the period ended 30 June 2025. The interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the IASB and adopted by the EU. In terms of Capital Markets Rule 5.75.5, the Directors state that the half yearly financial report has not been audited or reviewed by the Company's independent auditor.

Company incorporation

Phoenicia Finance Company p.l.c. ('the Company') was registered in Malta on 23 October 2018 as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The Company is incorporated and domiciled in Malta with its registered office at The Phoenicia Hotel, The Mall, Floriana, FRN1478, Malta.

Principal activities

The Company's principal activity is to carry on the business of a finance company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities, and tourism related activities.

Review of the business

The interim condensed Statement of Comprehensive Income is set out on page 4. During the period ended 30 June 2025, the Company generated a profit before tax of EUR21,122 (period ended 30 June 2024: loss before tax of EUR28,181).

The Company has issued EUR50,000,000 5.75% Unsecured Bonds 2028-2033 ("New Bonds") to the general public by virtue of prospectus dated 8 February 2024 and approved by the Malta Financial Services Authority with trading commencing on 12 March 2024.

The 5.75% Unsecured Bonds 2028-2033 are redeemable on 30 December 2033, subject to early redemption at the option of the Company at any date falling between 30 December 2028 and 30 December 2033 subject to the Company giving the Bondholders at least 60 days' notice in writing. Interest is payable annually on 30 December. These bonds are subject to a fixed interest rate of 5.75%.

The related companies Phoenicia Malta Limited and Phoenicia Hotel Company Limited have jointly and severally provided a guarantee in favour of the bondholders in respect of both the interest due and the principal amount.

The Company's assets consist principally of the loans advanced to the related companies and the accrued interest thereon.

Related party transactions

Related party transactions are disclosed in note 7 to the Condensed Interim Financial Statements.

INTERIM DIRECTORS' REPORT - continued

Principal risks and uncertainties

The Company's activities expose it to financial risks, including market risk, credit risk and liquidity risk.

Credit risk

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of current and non-current financial assets and cash and short-term deposits

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company considers that with the exception of the non-current financial assets (note 4), it is not exposed to major concentrations of credit risk.

The Company's short-term deposits are placed with quality financial institutions.

Liquidity risk

The presentation of the financial assets and liabilities under the present headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

The Company actively manages its risk of a shortage of funds by closely monitoring the maturity of its financial assets and liabilities and projected cash flows from operations.

Interest rate risk

In view of the nature of its activities, the Company's transactions consist of interest income on the loans advanced to related companies from the proceeds of the bond issue and the interest payable on the bonds. However, these are independent of changes in market interest rates. Both the loans receivable from related companies and the bonds are subject to fixed interest rates. The Company has charged a higher lending rate on its receivables to cover its operating expenses. Also, the loans receivable have similar maturities to the bonds payable.

Directors' Statement Pursuant to Capital Markets Rule 5.75.3 Issued by The Malta Financial Services Authority

We confirm that, to the best of our knowledge:

- The interim condensed financial information gives a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2025 and of its financial performance and its cash flows for the period then ended, in accordance with IAS 34 Interim Financial Reporting issued by the IASB and as adopted by the EU; and
- The Interim Directors' Report includes a fair review of the information required under Capital Markets Rule 5.81 to 5.84.



MARK SHAW
Director



MARIO P. GALEA
Director

10 July 2025

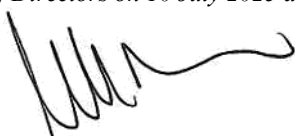
PHOENICIA FINANCE COMPANY P.L.C.**Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2025**

	6 months ended 30 June	
	2025	2024
	EUR	EUR
Finance income	1,553,152	1,233,985
Finance costs	(1,463,957)	(1,213,478)
Net interest	89,195	20,506
Administrative expenses	(56,698)	(63,862)
Profit/(loss) before tax	32,495	(43,356)
Income tax (expense)/credit	(11,373)	15,175
Profit/(loss) for the period	21,122	(28,181)
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period, net of tax	21,122	(28,181)


PHOENICIA FINANCE COMPANY P.L.C.**Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2025**

	Notes	30 June 2025 EUR	31 December 2024 EUR
ASSETS			
Non-current assets			
Financial assets	4	48,924,846	48,924,846
Deferred tax asset		52,435	63,808
		48,977,281	48,988,654
Current assets			
Financial assets	4	1,570,267	17,115
Other receivables		430,867	636,600
Current tax receivable		11,849	9,833
Cash and cash equivalents	5	2,406	28,454
		2,015,389	692,002
TOTAL ASSETS		50,992,670	49,680,656
EQUITY AND LIABILITIES			
Equity			
Issued share capital		250,000	250,000
Retained earnings		76,677	55,555
Total equity		326,677	305,555
Non-current liabilities			
Interest -bearing borrowings	6	49,131,749	49,093,477
		49,131,749	49,093,477
Current liabilities			
Interest accrued	6	1,441,438	15,754
Trade and other payables		92,806	265,870
		1,534,244	281,624
Total liabilities		50,665,993	49,375,101
TOTAL EQUITY AND LIABILITIES		50,992,670	49,680,656

The condensed interim financial statements (unaudited) on pages 4 to 11 have been authorised for issue by the Board of Directors on 10 July 2025 and signed on its behalf by:



MARK SHAW
Director



MARIO P. GALEA
Director

PHOENICIA FINANCE COMPANY P.L.C.**Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025****CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2025**

	Issued capital EUR	Retained earnings EUR	Total EUR
At 1 January 2025	250,000	55,555	305,555
Profit for the period	-	21,122	21,122
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	21,122	21,122
At 30 June 2025	250,000	76,677	326,677
At 1 January 2024	250,000	64,219	314,219
Loss for the period	-	(28,181)	(28,181)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(28,181)	(28,181)
At 30 June 2024	250,000	36,038	286,038

PHOENICIA FINANCE COMPANY P.L.C.

Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025

CONDENSED INTERIM STATEMENT OF CASH FLOWS
for the period ended 30 June 2025

	1 January to 30 June 2025	1 January to 30 June 2024
	EUR	EUR
Net cash flows (used in)/from operating activities	(26,049)	347,483
Net cash flows used in investing activities	-	(24,424,145)
Net cash flows from financing activities	-	29,740,719
Net movement in cash and cash equivalents	(26,048)	5,664,059
Cash and cash equivalents at 1 January	28,454	21,246
Cash and cash equivalents at 30 June	2,406	5,685,305

PHOENICIA FINANCE COMPANY P.L.C.

Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued

1 CORPORATE INFORMATION

Phoenicia Finance Company p.l.c. ('the Company') was registered in Malta on 23 October 2018 as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The Company is incorporated and domiciled in Malta with its registered office at The Phoenicia Hotel, The Mall, Floriana, FRN1478, Malta.

The Company's principal activity is to carry on the business of a finance company in connection with the Group's ownership, development, operation and financing of hotels, resorts, leisure facilities, and tourism related activities.

2 BASIS OF PREPARATION

These condensed interim financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34, 'Interim financial reporting'.

These condensed interim financial statements have not been audited nor reviewed by the Company's independent auditors. The condensed interim financial statements do not include all the information and disclosure required in the financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended 31 December 2024.

The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The changes resulting from these standards, interpretations and amendments are not expected to have a material effect on the financial statements. The Company will adopt the changes in standards on their effective date.

4. FINANCIAL ASSETS

	30 June 2025 EUR	31 December 2024 EUR
<i>Non-Current</i>		
Loan to parent company	48,938,219	48,938,219
Allowance for expected credit losses	(13,373)	(13,373)
Loan to parent company, net of expected credit losses	<u>48,924,846</u>	<u>48,924,846</u>
<i>Current</i>		
Accrued interest on loan to parent company	<u>1,570,267</u>	<u>17,115</u>

Financial assets represent the funds raised by the bond issues which have been advanced to the parent company. On 11 March 2024, further loan of EUR 24,424,145 was advanced, financed by the proceeds from the recent bond issue. As from 11 March 2024, the loan bears a fixed interest rate of 6.40% (previously 5.25%) per annum payable annually in arrears. The loan is repayable on 30 December 2033.

As at 30 June 2025, the loan is recognised net of an allowance for expected credit losses of EUR13,373 (31 December 2024: EUR13,373).

PHOENICIA FINANCE COMPANY P.L.C.**Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued****5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprise of the following items within the statement of financial position:

	30 June 2025 EUR	31 December 2024 EUR
Cash at bank	2,406	28,454
	2,406	28,454

6. INTEREST-BEARING BORROWINGS

	30 June 2025 EUR	31 December 2024 EUR
<i>Non-current</i>		
5.75% Unsecured Bonds 2028-2033 (ii)	49,131,749	49,093,477
	49,131,749	49,093,477
<i>Current</i>		
Accrued interest on 5.75% Unsecured Bonds 2028-2033 (ii)	1,441,438	15,754
	1,441,438	15,754

- i) The Unsecured Bonds are disclosed at the value of the proceeds less the net book value of the issue costs, as follows:

	30 June 2025 EUR	31 December 2024 EUR
<i>Non-current</i>		
Bonds (note ii)	50,000,000	50,000,000
Issue costs	(967,321)	(967,321)
Accumulated amortisation	99,070	60,798
	49,131,749	49,093,477

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued

6. INTEREST-BEARING BORROWINGS - continued

- ii) The 5.75% Unsecured Bonds 2028-2033 are redeemable on 30 December 2033, subject to early redemption at the option of the Company at any date falling between 30 December 2028 and 30 December 2033 subject to the Company giving the Bondholders at least 60 days' notice in writing. Interest is payable annually on 30 December. These bonds are subject to a fixed interest rate of 5.75%. The quoted market price as at 30 June 2025 for the Unsecured bonds was EUR102.10.
- iii) The related companies Phoenicia Malta Limited and Phoenicia Hotel Company Limited have jointly and severally provided a guarantee in favour of the bondholders in respect of both the interest due and the principal amount.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

The following table provides the total amount of transactions and balances with related parties:

	1 January to 30 June 2025 EUR	1 January to 30 June 2024 EUR
Transactions		
Interest income from immediate parent company	1,553,152	1,177,282
Balances		
<i>Included with Other receivables:</i>		
Amounts due from immediate parent company	374,411	590,228
<i>Included with Financial assets:</i>		
Loan receivable from immediate parent company	50,508,486	48,955,334
<i>Included with Trade and other payables:</i>		
Amounts owed to other related company	-	(12,294)

The Company has issued a loan to its immediate parent company (note 4) mainly for the purpose of re-financing of debt.

Amounts from/(to) related parties relate to balances with its immediate parent company and another related company, Phoenicia Hotel Company Limited, for expenses paid by the Company on behalf of related companies or paid by the related companies on behalf of the Company.

The bonds are guaranteed by the Company's parent and other related company (note 6).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued

7. FAIR VALUE MEASUREMENT

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible as outlined above. For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At 30 June 2025 and 31 December 2024, the carrying amounts of cash at bank, trade and other payables and current interest-bearing borrowings approximated their fair value in view of the nature of the instruments or their short-term maturity (level 2).

The fair value of non-current interest-bearing borrowings can be defined by reference to the quoted market price (level 1) which as at 30 June 2025 was EUR102.10 (31 December 2024: EUR103.50).

The fair value of the non-current financial assets is estimated at 2.1% above the carrying amount (31 December 2024: 3.5% above the carrying amount) in line with the quoted price of the non-current interest loans and borrowings (level 2).