PHOENICIA FINANCE COMPANY P.L.C

PHN/65

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Phoenicia Finance Company p.l.c. (C 88958) (hereinafter the "Company") of The Phoenicia Hotel, The Mall, Floriana, pursuant to the Capital Markets Rules issued by Malta Financial Services Authority:

Quote

During a meeting of the Board of Directors of the Company held on 28 August 2026, the Board of Directors approved the Company's interim (unaudited) financial statements for the period ended 30 June 2026.

The interim (unaudited) financial statements for the period ended 30 June 2026 are attached herewith and are also available for viewing on the Company's website through the following link: http://www.phoeniciafinance.com/financial-statements/.

Unquote

BY ORDER OF THE BOARD

28 August 2026

Signed by:
Amanda Vella

Dr. Amanda Vella
Bastion Corporate Services Limited, Company Secretary

Company Registration No: C88958
Registered Address: The Phoenicia Hotel, The Mall, Floriana, Malta
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Company Registration No. C 88958

PHOENICIA FINANCE COMPANY P.L.C.

Condensed Interim Financial Statements (Unaudited)

30 June 2026

CONTENTS

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 condensed interim financial statements have been extracted from the Company's unaudited accounting records for the six-month period ended 30 June 2026. They have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, as adopted by the European Union. In accordance with Capital Markets Rule 5.75.5, these condensed interim financial statements have neither been audited nor reviewed by the Company's independent auditor.

Company incorporation

Phoenicia Finance Company p.l.c. ("the Company") was incorporated 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's registered office is situated at The Phoenicia Hotel, The Mall, Floriana FRN 1478, Malta.

Principal activities

The Company's principal activity is to act as the financing company of the Phoenicia Group by providing financing in connection with the ownership, development and operation of hotels, leisure facilities and tourism-related activities.

Review of the business

During the first six months of 2026, the Company continued to operate in accordance with its established business model as the financing company of the Phoenicia Group.

The Company's performance continues to be supported by the financial performance of the Phoenicia Group. During the reporting period, the Group continued to operate successfully, generating sufficient cash flows to meet its financing obligations and supporting the Company's ability to service its obligations to bondholders.

The Company has €50,000,000 5.75% Unsecured Bonds 2028–2033 listed on the Official List of the Malta Stock Exchange. The bonds mature on 30 December 2033 and are redeemable at the option of the Company at any time between 30 December 2028 and 30 December 2033, subject to the conditions set out in the Prospectus. Interest is payable annually at a fixed rate of 5.75%. The obligations of the Company under the bonds continue to be guaranteed jointly and severally by Phoenicia Malta Limited and Phoenicia Hotel Company Limited.

The Company's operations continued to perform in line with its financing activities throughout the reporting period. As a financing entity, its results are principally derived from interest earned on loans advanced to related companies, funded through the proceeds of the €50 million 5.75% Unsecured Bonds 2028–2033 issued in March 2024.

For the period ended 30 June 2026, the Company generated finance income of €1,553,152 (2025: €1,553,152), resulting in net interest income of €86,829 (2025: €89,195). Administrative expenses amounted to €58,856 (2025: €56,700), reflecting the normal operating costs of the Company.

Profit before tax amounted to €27,973 (2025: €32,495), while profit after taxation amounted to €18,183 (2025: €21,122).

The Company's financial position remained stable throughout the reporting period, with total assets of €51.2 million, consisting principally of loans advanced to related companies together with accrued interest thereon. The Company met all of its obligations as they fell due during the reporting period.

The Directors are satisfied that the Company has continued to meet all of its obligations during the reporting period and remains able to meet its obligations under the issued bonds as they fall due.

INTERIM DIRECTORS' REPORT - continued

Principal Risks and Uncertainties

As a financing company, the Company's performance and ability to meet its obligations are principally dependent on the financial performance and liquidity of the Phoenicia Group.

The Company's assets consist primarily of loans advanced to related companies together with accrued interest. Consequently, the recoverability of these assets depends on the ability of those companies to generate sufficient cash flows to meet their obligations.

The Directors have considered the principal risks and uncertainties facing the Company and are satisfied that there have been no material changes to the principal risks disclosed in the Company's Annual Report and Financial Statements for the year ended 31 December 2025.

The Company continues to monitor its exposure to credit, liquidity and interest rate risks. Based on the assessments performed as at 30 June 2026, the Directors continue to assess the loan receivable from the parent company as having low credit risk. No defaults have been experienced.

Liquidity risk continues to be managed through regular monitoring of expected cash flows, financial assets and liabilities, ensuring that sufficient resources are available to meet obligations as they fall due.

Related Party Transactions

The Company's related party transactions are disclosed in Note 7 to the condensed interim financial statements. Related party transactions were carried out in the ordinary course of business.

Outlook

The Directors do not expect any material changes to the Company's business model, financing arrangements or principal risks during the remainder of the financial year. The Company is expected to continue generating stable interest income and to meet its obligations under the issued bonds.

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 2026 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

28 August 2026

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2026

	6 months ended 30 June	
	2026	2025
	EUR	EUR
Finance income	**1,553,152**	1,553,152
Finance costs	**(1,466,323)**	(1,463,957)
Net interest	**86,829**	89,195
Administrative expenses	**(58,856)**	(56,700)
Profit before tax	**27,973**	32,495
Income tax expense	**(9,790)**	(11,373)
Profit for the period	**18,183**	21,122
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period, net of tax	**18,183**	21,122

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Notes	30 June 2026 EUR	31 December 2025 EUR
ASSETS			
Non-current assets			
Financial assets	4	**48,924,846**	48,924,846
Deferred tax asset		**30,204**	39,994
		48,955,050	48,964,840
Current assets			
Financial assets	4	**1,570,313**	17,162
Other receivables		**666,229**	656,137
Current tax receivable		**10,080**	19,913
Cash and cash equivalents	5	**11,663**	142,673
		2,258,285	835,885
TOTAL ASSETS		**51,213,335**	49,800,725
EQUITY AND LIABILITIES			
Equity			
Issued share capital		**250,000**	250,000
Retained earnings		**112,364**	94,181
Total equity		**362,364**	344,181
Non-current liabilities			
Interest -bearing borrowings	6	**49,212,478**	49,171,841
		49,212,478	49,171,841
Current liabilities			
Interest accrued	6	**1,441,438**	15,754
Trade and other payables		**197,055**	268,949
		1,638,493	284,703
Total liabilities		**50,850,971**	49,456,544
TOTAL EQUITY AND LIABILITIES		**51,213,335**	49,800,725

The condensed interim financial statements (unaudited) on pages 4 to 11 have been authorised for issue by the Board of Directors on 28 August 2026 and signed on its behalf by:

MARK SHAW
Director

MARIO P. GALEA
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2026

	Issued capital EUR	Retained earnings EUR	Total EUR
At 1 January 2026	250,000	94,181	344,181
Profit for the period	-	18,183	18,183
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	18,183	18,183
At 30 June 2026	**250,000**	**112,364**	**362,364**
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**

CONDENSED INTERIM STATEMENT OF CASH FLOWS
for the period ended 30 June 2026

	1 January to 30 June 2026 EUR	1 January to 30 June 2025 EUR
Net cash flows used in operating activities	**(131,010)**	(26,048)
Net cash flows used in investing activities	**-**	-
Net cash flows from financing activities	**-**	-
Net movement in cash and cash equivalents	**(131,010)**	(26,048)
Cash and cash equivalents at 1 January	**142,673**	28,454
Cash and cash equivalents at 30 June	**11,663**	2,406

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 2026 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 2025

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 2025.

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 2026 EUR	31 December 2025 EUR
Non-Current		
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	**48,924,846**	48,924,846
Current		
Accrued interest on loan to parent company	**1,570,313**	17,162

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 EUR24,424,145 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 now repayable on 30 December 2033.

As at 30 June 2026, the loan is recognised net of an allowance for expected credit losses of EUR13,373 (31 December 2025: EUR13,373).

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 2026 EUR	31 December 2025 EUR
Cash at bank	**11,663**	142,673

6. INTEREST-BEARING BORROWINGS

	30 June 2026 EUR	31 December 2025 EUR
Non-current		
5.75% Unsecured Bonds 2028-2033 (ii)	**49,212,478**	49,171,841
Current		
Accrued interest on 5.75% Unsecured Bonds 2028-2033 (ii)	**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 2026 EUR	31 December 2025 EUR
Non-current		
Bonds (note ii)	**50,000,000**	50,000,000
Issue costs	**(967,321)**	(967,321)
Accumulated amortisation	**179,799**	139,162
	49,212,478	49,171,841

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 2026 for the Unsecured bonds was EUR102.00.

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 2026 EUR	1 January to 30 June 2025 EUR
Transactions		
Interest income from immediate parent company	**1,553,152**	1,553,152

	30 June 2026 EUR	31 December 2025 EUR
Balances		
Included with Other receivables:		
Amounts due from immediate parent company	**616,799**	374,411
Included with Financial assets:		
Loan receivable from immediate parent company	**50,508,532**	50,508,486
Included with Trade and other payables:		
Amounts owed to other related company	**129,882**	-

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 2026 and 31 December 2025, 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 2026 was EUR102.00 (31 December 2025: EUR100.50).

The fair value of the non-current financial assets is estimated at 2% above the carrying amount (31 December 2025: 0.5% above the carrying amount) in line with the quoted price of the non-current interest loans and borrowings (level 2).