MCM
XXIII

1923
INVESTMENTS

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by 1923 Investments p.l.c. (the "Company") pursuant to the Capital Markets Rules as issued by the Malta Financial Services Authority.

QUOTE

The Company hereby announces that in line with the requirements of the Capital Markets Rules, the Financial Analysis Summary of the Company dated June 04, 2024, has been approved for publication and is attached herewith. It is also available for viewing on the Company's website: www.1923investments.com.

Moreover, the Company announces that it has received notice of resignation of its Chief Financial Officer, Mr. Rudolph Mifsud Saydon, holder of Maltese Identity Card number 0449075 (M) and residing at 8, Saydon House, Triq il-Qrendi, Zurrieq, effective July 31, 2024.

The Company will start the search and selection process for a suitable replacement immediately and further information will be brought to the attention of the public as soon as this is available.

For the purpose of Capital Markets Rule 5.21, there is no further matter concerning Mr. Mifsud Saydon requiring disclosure.

UNQUOTE

By order of the Board

Mr. Adrian Mercieca
Company Secretary

04 June 2024

Calamatta Cuschieri

The Directors
1923 Investments p.l.c.
Nineteen Twenty Three,
Valletta Road,
Marsa MRS 3000

Re: Financial Analysis Summary – 2024

4 June 2024

Dear Board Members,

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 on 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 1923 Investments p.l.c. (the "**Issuer**") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2021, 2022 and 2023 has been extracted from the audited financial statements of the Issuer for the three years in question.

(b) The forecast data for the financial year ending 2024 has been provided by management.

(c) Our commentary on the Issuer's results and financial position is based on the explanations provided by management.

(d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 herein.

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Issuer. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

P. Mangion

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2024

MCM XXIII 1923 INVESTMENTS

1923 Investments p.l.c.

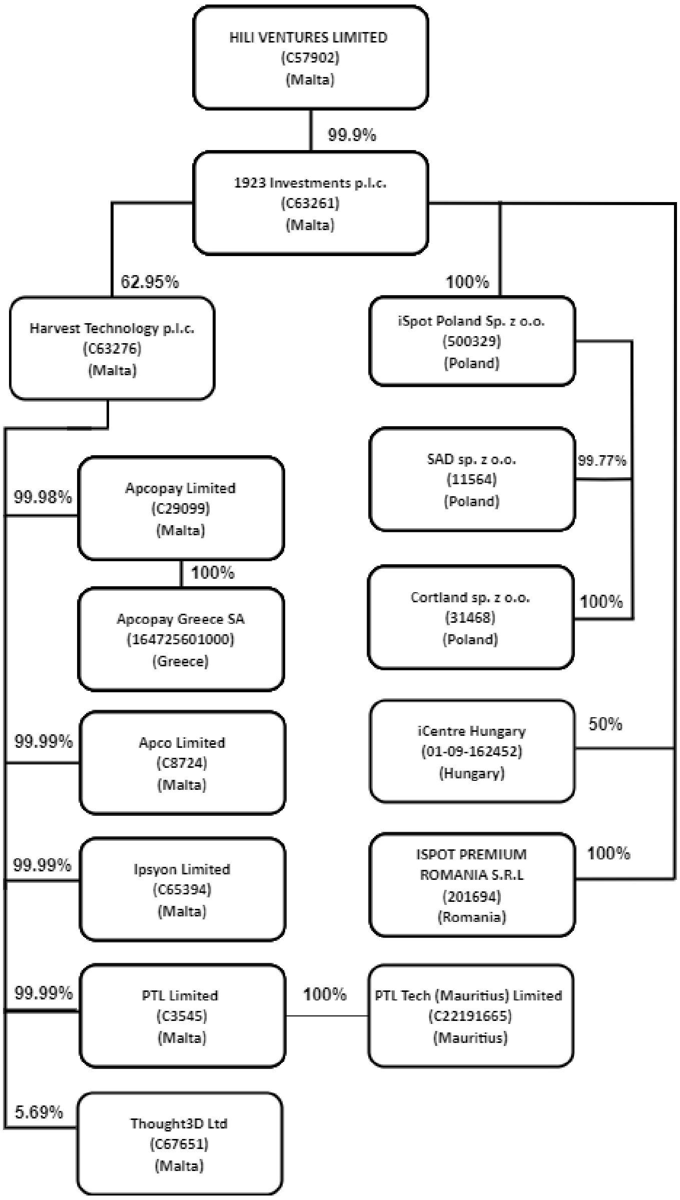
4 June 2024

Prepared by Calamatta Cuschieri Investment Services Limited

Part 1 Information about the Issuer

1.1 Issuer's Subsidiaries Key Activities and Structure

The current organisation structure is as follows:



1923 Investments p.l.c. (the "**Issuer**", the "**Company**" or "**1923 Investments**") was incorporated on 23 December 2013 as a holding company. The Issuer has an authorised share capital of €70,000,000 divided into 70,000,000 ordinary shares of €1 each and an issued share capital of €52,135,000 divided into 52,135,000 ordinary shares, each 100% paid up. The Issuer is wholly owned by Hili Ventures Limited, except for one ordinary share which is held by APM Holdings Limited. The operating and financial performance of 1923 Investments is directly related to the operating and financial performance of its subsidiary companies.

1923 Investments operates a retail division which includes: (1) iSpot Poland sp. z o.o. and its subsidiaries, Cortland sp. z o.o. and SAD sp. z o.o. ("**iSpot**"); and (2) iCentre Hungary, a 50% joint venture. The retail division of 1923 Investments is currently engaged in the sale and distribution of Apple products and third-party electronic products in Poland and Hungary through authorised stores known as Apple Premium Partners ("**APP**"). The business operations of iSpot Premium Romania s.r.l. were sold in April 2019 and, as a result, this company is non-trading.

On 23 June 2022, 1923 Investments announced that it had signed a Master Franchise Agreement with iRiparo s.r.l ("iRiparo") to represent the brand in Germany. iRiparo is a leading European chain engaged in the repair and sale of used electronics. On 28 June 2022, 1923 Investments established E-Lifecycle Holdings GmbH in Germany ("**E-Lifecycle**") and assigned to it the Master Franchise Agreement with iRiparo for Germany. E-Lifecycle was sold in 2024, as explained further in sections 1.4.4 and 1.5.1 of this Analysis.

On 31 March 2023, iSpot Poland sp. z.o.o. acquired Cortland sp. z o.o ("**Cortland**"), a Polish company operating sixteen APRs across Poland and a B2B platform established over the last thirty years. iSpot management plans to grow the Apple retail business further organically by opening new stores, and also through synergies which exist between the two companies.

Harvest Technology p.l.c. ("**Harvest**") and its subsidiary companies are involved in the technology business. They are primarily engaged in the sale, maintenance and servicing of information technology solutions, the provision of physical professional security systems, as well as the delivery of electronic payment solutions. During 2022, through PTL Limited ("PTL"), a new subsidiary in Mauritius, PTL Tech (Mauritius) Limited, was established, which focuses on the sale of IT solutions and security systems and aims to expand PTL's presence in the African continent following previous successful projects.

Until April 2023, the Issuer also owned Hili Logistics Limited and its subsidiary companies ("**Hili Logistics**"), which operate in the transportation and logistics sector in Malta, United Kingdom, and Poland. On 28 April 2023, the Company announced that it had sold its 100% stake in Hili Logistics to its sister company, Breakwater Investments Limited (previously HV Marine Ltd). Therefore, Hili Logistics no longer forms part of the company structure. In the audited financial statements, revenue and expenses, gains and losses relating to Hili Logistics have been eliminated from the results of the Group's continuing operations and are shown as a single line item on the face of the statement of comprehensive income.

1.2 Major Assets owned by 1923 Investments p.l.c.

1923 Investments' major assets are composed of the following:

- **Goodwill**

Goodwill represents the value reflected in the purchase consideration of subsidiaries acquired by 1923 Investments over and above the fair value of specific identifiable net assets at the time of acquisition. During 2023, goodwill increased by *circa* €3.0m, to €66.3m (2022: €63.3m). This movement includes a €37.6m increase related to the acquisition of Cortland, a €36.1m decrease related to the disposal of Hili Logistics and a movement in foreign exchange. This represents 55.6% of total non-current assets and is apportioned across the subsidiary companies as follows:

Goodwill (€'000s)	2023
iSpot Poland sp. z.o.o.	21,216
Apcopay Limited	3,861
Apco Limited	2,168
PTL Limited	1,464
Hili Logistics Limited	0
Cortland sp. z.o.o.	37,557
Total	**66,266**

- **Intangible assets**

The consolidated intangible assets primarily include patents and trademarks, and internally developed software and acquired licences. The consolidated intangible assets as at December 2023 amounted to approximately €21.2m and are mainly composed of:

i. Apple Premium Partner operations concerning the iSpot brand including related contracts. Given that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to iSpot, the useful life of this asset is considered to be indefinite. As at December 2023, this amounted to €10.6m. This assessment is reassessed periodically taking into account the stability of the industry and changes in demand for such products.
ii. Apcopay Limited's payment orchestration platform. In view of possible technological obsolescence, the useful life of the intellectual property is considered to be finite and its cost of €1.0m is being depreciated over the useful life of the asset. As from 2018, the yearly amortisation on this asset amounted to €90k. In addition, the intangible asset in relation to the payment gateway also includes internally-generated software invested to upgrade the gateway in line with the requirements of the market. Included as part of Apcopay Limited's intangible assets is the

new payment orchestration platform, Synthesis, which was completed during 2023.

iii. Apple Premium Partner operations concerning the Cortland brand including the Cortland trademark and the customer base intangible asset. The assets relating to Cortland were valued at €7.8m in December 2023 and are assessed for impairment periodically.

- **Plant and equipment**

The consolidated plant and equipment are classified into improvements to premises, equipment, motor vehicles and furniture, fixtures and fittings used in its operations. As at December 2023, the consolidated plant and equipment amounted to €5.8m and represented *circa* 4.8% of 1923 Investments' total non-current assets.

- **Right-of-use assets**

In terms of leased assets, the consolidated right-of-use ("**ROU**") assets refers to contractual lease agreements concerning buildings and motor vehicles under IFRS 16, which was adopted in 2019. As per latest results, the consolidated right-of-use assets amounts to approximately €13.7m, which equates to approximately 11.5% of 1923 Investments' total non-current assets.

A detailed breakdown of the consolidated right-of-use assets and lease liabilities may be found in the tables below.

ROU assets (€'000s)	2023
Buildings	13,184
Motor vehicles	535
IT equipment	6
Total	**13,725**

Lease liabilities (€'000s)	Within 1 year	Within 2-5 years	After 5 years	Total
Lease payments	5,305	10,897	242	16,444
Finance charges	(1,563)	(1,237)	(16)	(2,816)
Net present value	**3,742**	**9,660**	**226**	**13,628**

1.3 Directors and Key Employees

Board of Directors - Issuer

As at the date of this Analysis, the board of directors of the Issuer is composed as follows:

Name	Office Designation
Mr. David Bonett*	Chairman and independent non-executive director
Mr. Carmelo ***sive*** Melo Hili	Non-executive director
Mr. Dorian Desira	Non-executive director
Dr. Annabel Hili	Non-executive director
Mr. Karl Fritz	Independent non-executive director / audit committee chairman

* Appointed on 29 May 2023

The senior management team of 1923 Investments consists of:

Name	Office Designation
Mr. Keith Busuttil	Chief Executive Officer
Mr. Rudolph Mifsud Saydon	Chief Financial Officer
Mr. Neacail Micallef	Integration Management Officer
Mr. Lorn Chetcuti	Director of Information Technology
Ms. Karolina Bil	Internal Auditor
Ms. Denise Spiteri	Data Protection Officer

The business address of all the directors is the registered office of the Issuer. Mr. Adrian Mercieca was appointed company secretary of the Issuer on 1 July 2022.

The board meets regularly, with a minimum of four times annually, and is currently composed of five members, two of whom are independent of the Issuer.

Mr. Charles Borg resigned as non-executive chairman and director on 29 May 2023, while Mr. David Bonett was appointed in that position on the same day. The board is responsible for the overall long-term direction of the Company, in particular in being actively involved in overseeing the systems of control and financial reporting and that the Company communicates effectively with the market.

Board meetings are also attended by the Chief Executive Officer of 1923 Investments who provides an update on ongoing matters, developments and operations within the Company and its subsidiaries. The Chief Executive Officer is joined by the Chief Financial Officer who provides detailed updates regarding the financial position of the Company and its subsidiaries.

As at the date of this Analysis, the Issuer has a total of nine employees and, in aggregate, the Company and its subsidiaries currently have 737 employees, with an average ratio of 75:25 between operational employees and administrative employees.

1.4 Operational Developments

1.4.1 E-Lifecycle Holdings GmbH

E-Lifecycle was incorporated to carry out the business of repair and sale of second-hand phones as a result of the master franchise agreement signed through E-Lifecycle. Following its incorporation, E-Lifecycle operated 12 outlets in Germany in the period under review. In FY23, E-Lifecycle generated revenues of €0.7m (FY22: €28k), however it suffered an operating loss of €3.2m (FY22: €0.7m). This resulted in a loss before tax of €3.3m (FY22: €0.7m). On 31 January 2024, 1923 Investments sold the business as explained further in section 1.5.1 of this Analysis.

1.4.2 iSpot

The strong performance of brick-and-mortar stores in Poland encouraged iSpot's management to continue to grow this channel. In 2023, two new stores were opened, one in Galeria MM Poznań and one in Forum Koszalin. iSpot also inaugurated three Apple Premium Partner concept stores, two in Warsaw and one in Wroclaw. The new concept store features a sleek minimalist interior, a dedicated space for small and medium business, and an Apple Authorized Service Point. In 2024, iSpot will continue to convert a number of select existing stores into Apple Premium Partners.

Through the acquisition of Cortland, iSpot's Apple business in Poland operates a combined nationwide network of forty-seven stores and two e-commerce sites as well as a strong B2B and Education business.

iSpot adheres to Apple's strict requirements and has been recognised by Apple for providing high quality customer care. Through its technical staff, iSpot offers support and repair services to its customers.

iSpot is also involved in turnkey solutions for business customers. Moreover, as a certified Apple Authorised Training Centre, iSpot has, since incorporation, participated in numerous projects relating to the implementation of Apple technology in higher education.

1.4.3 Harvest Technology plc

Harvest's main operating companies are: PTL Limited ("**PTL**"), Apcopay Limited ("**Apcopay**"), and APCO Limited ("**Apco**").

PTL

IT services provider, PTL, is committed to expanding its service offering, locally and internationally. In 2023, the management team has focused on developing new relationships with prospective partners, where PTL's expertise in health, border security and financial services is attracting interest from various stakeholders. PTL also continued to grow new industry verticals, including its ERP offering and a new cybersecurity product for both domestic and international clients.

PTL is the preferred local partner of IBM and represents other major partners such as Microsoft NCR, CISCO and Lenovo.

PTL has three main revenue segments:

- Products – the sale of hardware and licences;
- Maintenance and support – ongoing agreements with customers for servicing and maintenance of products sold; and
- Services – the revenue stream encompassing all other services.

Apcopay

Apcopay is a payment solutions provider operating a payment orchestration platform offering e-commerce processing services for retailers and internet-based merchants. One of the key milestones for Apcopay in 2023 was the completion of the payment orchestration platform, Synthesis. The new cloud-enabled platform was launched in September 2023 and offers significant additional features for global merchants and scalability for future growth. During 2023, Apcopay reported a significant increase in transaction value which surpassed €1.0b, representing a 51% increase over 2022.

Apco

Apco is a supplier of a broad range of automation and security solutions catering to various sectors, including the banking, retail and hospitality sectors. The management team at Apco has focused on diversifying the business, engaging with new suppliers to expand its product and service portfolio. During 2023, Apco entered into a new collaboration with Cashmatic, a leader in self-pay and automated cash machines and is successfully rolling out these machines across retail and hospitality outlets.

1.5 Subsequent events after the reporting period

1.5.1 Sale of E-Lifecycle

On 31 January 2024, the Company sold all of its shares in E-Lifecycle to management. The consideration paid to the company upon execution of the Share Purchase Agreement ("**SPA**") amounted to one euro and the overall terms of the SPA are considered customary for a transaction of this nature. E-Lifecycle was expected to generate less than 1% of revenue for the Company in FY23 and actual performance fell short of this target, despite significant efforts to gain market presence and develop the business. While the sustained losses were expected, they led the Board to reconsider the viability of this non-core investment during 2024. Due to the increasingly challenging market conditions and trade outlook for Germany, the Company decided to exit this line of business.

1.6 Future Outlook

The directors consider the year-end financial position of the Group to be satisfactory but continue to monitor the macro-economic and geopolitical environment as a change in circumstances may negatively affect future performance. Management is continuously monitoring developments in Ukraine and the Middle East. Whilst the Group does not carry out business in those countries, it does not exclude indirect effects of the wars which can result in disruption in the global supply chain and negatively affect pricing.

1.7 Assumptions undertaken in projections utilised for the purpose of this document

Business activity is projected to further improve when compared to 2023 due to having a full year of Cortland whereas 2023 included only 9 months as well as the organic expansion of at least 2 new outlets in 2024. These projections are also based on the 2023 actual financial performance and on the actual performance of the first few months of 2024, which management reported to be positive.

1.8 Related party securities

1923 Investments is a subsidiary of Hili Ventures Limited. Within the same group of companies, Premier Capital p.l.c., Hili Properties p.l.c., Hili Finance Company p.l.c. and Harvest Technology p.l.c. have the following listed securities. The table below also includes 1923 Investments' current outstanding securities.

Security	ISIN	Amount
5.1% 1923 Investments p.l.c. Unsecured 2024	MT0000841206	€36,000,000
Harvest Technology p.l.c. Ord €0.50	MT0002370105	22,780,636 Shares
4.5% Hili Properties p.l.c. 2025	MT0000941204	€37,000,000
3.75% Premier Capital p.l.c. Unsecured 2026	MT0000511213	€65,000,000
4% Hili Finance Company p.l.c. 2027	MT0001891226	€50,000,000
3.85% Hili Finance Company p.l.c. 2028	MT0001891200	€40,000,000
3.8% Hili Finance Company p.l.c. 2029	MT0001891218	€80,000,000
Hili Properties p.l.c. Ord €0.20	MT0000940107	400,892,700 Shares

Part 2 Historical Performance and Forecasts

The financial information below is extracted from the audited consolidated financial statements of 1923 Investments for the financial years ended 31 December 2021, 2022 and 2023. The projected financial information for the year ending 31 December 2024 has been provided by the management. The projected financial information detailed below relates to events in the future and is based on assumptions which the management believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

As explained in part 1 of this Analysis, following the sale of Hili Logistics, its financial results for 2021, 2022 and 2023 have been disclosed as a single line item in the 2023 audited financials titled "Profit / (loss) for the year from discontinued operations". The disclosure in this Analysis in this respect follows the same discourse methodology adopted in the audited financial statements.

2.1 Issuer's Consolidated Statement of Comprehensive Income

1923 Investments p.l.c. Statement of Comprehensive Income for the year ended 31 December	**2021A***	**2022A***	**2023A**	**2024F**
	€000s	**€000s**	**€000s**	**€000s**
Revenue	141,144	197,548	281,765	355,592
Net operating expenses	(128,156)	(182,543)	(259,857)	(330,389)
EBITDA	**12,988**	**15,005**	**21,908**	**25,203**
Depreciation and amortisation	(4,695)	(6,448)	(12,221)	(7,400)
EBIT	**8,293**	**8,557**	**9,687**	**17,803**
Share of results, dividends of associates & jointly controlled entities	140	328	(54)	100
Other income	-	37	-	-
Net gain on disposal of subsidiaries (or part of)	-	-	2,188	(731)
Impairment of assets in subsidiaries	-	-	(129)	-
Gain on termination of leases	521	-	-	-
Net finance costs	(4,611)	(4,649)	(4,428)	(4,158)
Profit before tax	**4,343**	**4,273**	**7,264**	**13,014**
Taxation	(1,716)	(1,365)	(3,321)	(3,358)
Profit after tax from continuing operations	**2,627**	**2,908**	**3,943**	**9,656**
Profit / (loss) for the year from discontinued operations**	3,211	4,338	1,158	(608)
Profit for the year	**5,838**	**7,246**	**5,101**	**9,048**
Other comprehensive income				
Fair value movement	-	-	(207)	-
Exchange differences - foreign operations	**1,641**	666	3,681	-
Total comprehensive income	**7,479**	**7,912**	**8,575**	**9,048**

EBITDA Derivation	**2021A**	**2022A**	**2023A**	**2024F**
	€000s	**€000s**	**€000s**	**€000s**
EBITDA has been calculated as follows:				
Operating profit (EBIT)	8,293	8,557	9,687	17,803
Adjustments:				
Depreciation and amortisation	4,695	6,448	12,221	7,400
EBITDA	**12,988**	**15,005**	**21,908**	**25,203**

** Numbers have been restated to show discontinued operations separately.*
***Profit/(loss) for the year from discontinued operations includes Hili Logistics from 2021 to 2023 and E-Lifecycle in 2024.*

Ratio Analysis	2021A	2022A	2023A	2024F
Profitability				
Growth in Revenue (YoY Revenue Growth)	N/A	14.8%	42.6%	26.2%
EBITDA Margin (EBITDA / Revenue)	9.2%	7.6%	7.8%	7.1%
Operating (EBIT) Margin (EBIT / Revenue)	5.9%	4.3%	3.4%	5.0%
Net Margin (Profit for the Year / Revenue)	1.9%	1.5%	1.4%	2.7%
Return on Common Equity (Net Income / Average Equity)	5.0%	5.2%	6.2%	13.5%
Return on Assets (Net Income / Average Assets)	1.8%	1.8%	2.2%	5.1%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	12.3%	13.0%	21.6%	20.4%

Consolidated revenue improved by 42.6% from 2022 to 2023, reaching €281.8m. This growth was predominantly driven by robust financial performances registered by iSpot through the acquisition of Cortland, which saw its revenue increase by 47.0%.

In terms of forward-looking expectations, 1923 Investments' management is expecting to generate revenue of *circa* €355.6m during 2024, implying an overall expected improvement of 26.2% when compared to 2023. This increase relates to better organic performance of the existing businesses along with the contribution of the planned new retail store openings.

1923 Investments incurred €259.9m in consolidated operating expenditure during 2023, reflecting an overall increase of 42.4% over the prior year.

EBITDA for the year also improved significantly reaching €21.9m in 2023 (2022: €15.0m), primarily due to the aforementioned increase in revenue. EBITDA Margin for 2023 stood at 7.8% (2022: 7.6%).

The increased revenue expectation in 2024 is projected to result in an EBITDA of €25.2m, which is higher than the €21.9m generated in 2023, by 15.1%.

1923 Investments p.l.c. Divisional Analysis for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	**€000s**	**€000s**	**€000s**
Revenue				
E-Lifecycle	-	28	676	-
iSpot	125,396	181,243	266,442	330,973
Harvest	15,748	16,276	14,647	24,619
Total	**141,144**	**197,547**	**281,765**	**355,592**
% of total revenue				
E-Lifecycle	-	-	0.2%	-
iSpot	88.8%	91.8%	94.6%	93.1%
Harvest	11.2%	8.2%	5.2%	6.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**
% growth				
E-Lifecycle	-	-	2,314.3%	-
iSpot	17.7%	44.5%	47.0%	24.2%
Harvest	-18.1%	3.4%	-10.0%	68.1%
Total Growth	**15.0%**	**14.7%**	**42.6%**	**26.2%**

The depreciation and amortisation charge during 2023 amounted to €12.2m compared to €6.5m during 2022. This sharp increase is mainly due to the acquisition of Cortland and the inclusion of its assets on the Group's balance sheet. This is expected to normalise back to €7.4m in 2024, mainly on account of continued routine capital expenditure.

Taking the above developments into consideration, during 2023, 1923 Investments registered an improved consolidated operating profit of €9.7m (2022: €8.6m). The EBIT Margin, however, decreased from 4.3% in 2022 to 3.4% in 2023. The three main reasons for the EBIT Margin dilution in 2023 are (i) the sales mix at iSpot and Harvest; (ii) post-acquisition integration costs at iSpot along with lower margins in the acquired Cortland business; and (iii) negative EBIT at E-Lifecycle. As per above presented projections, EBIT is envisaged to increase to €17.8m in 2024.

Finance costs mainly consist of interest incurred on the 1923 Investments bond currently in issue, in addition to finance costs on bank borrowings and finance lease liabilities (IFRS 16). Net finance costs decreased to €4.4m in 2023 (2022: €4.7m). These are expected to amount to €4.2m in 2024.
During the year under review, consolidated profit before tax from continuing operations increased to €7.3m (2022: €4.3m). This increase was mainly driven by solid financial performances at iSpot along with the net gain on disposal of Hili Logistics of €2.2m. Meanwhile, profit before tax from continuing operations is expected to be €13.0m during 2024 as a result of the increased revenue.

In 2023, 1923 Investments also generated €1.2m in profit for the year from discontinued operations which led to a profit for the year of €5.1m (2022: €7.3m). The Group also registered a positive €3.7m movement in the exchange reserve. This movement was mainly attributable to a stronger Polish Zloty ("PLN") against the Euro ("EUR") closing at PLN 4.3395 at 31 December 2023 (2022: PLN 4.6808). This led to a total comprehensive income of €8.6m (2022: €7.9m).

Overall, management expects total comprehensive income to amount to €9.1m during 2024 (2023: €8.6m). Given the difficulty to predict foreign exchange trends going forward, it is to note that no exchange differences in terms of foreign operations are projected during 2024.

2.1.1 Variance Analysis

1923 Investments p.l.c. Statement of Comprehensive Income for the year ended 31 December	Dec-23 Forecast	Dec-23 Audited	Variance
	€000s	**€000s**	**€000s**
Revenue	316,503	292,344	(24,159)
Net operating expenses	(297,740)	(268,507)	29,233
EBITDA	**18,763**	**23,837**	**5,074**
Depreciation and amortisation	(7,734)	(12,711)	(4,977)
EBIT	**11,029**	**11,126**	**97**
Share of results, dividends of associates & jointly controlled entities	485	(54)	(539)
Net gain on disposal of subsidiaries (or part of)	183	2,188	2,005
Impairment of assets in subsidiary	-	(129)	(129)
Net finance costs	(4,040)	(4,509)	(469)
Profit before tax	**7,657**	**8,622**	**965**
Taxation	(1,543)	(3,521)	(1,978)
Profit for the year	**6,114**	**5,101**	**(1,013)**
Other comprehensive income			
Fair value movement	-	(207)	(207)
Exchange differences - foreign operations	-	3,681	3,681
Total Comprehensive income	**6,114**	**8,575**	**2,461**

In order to ensure comparability in this sub-section, the actual results here are disclosed on a line-by-line basis as originally forecast last year, rather than on a discontinued operation basis as disclosed in the income statement in the audited consolidated financial statements for the year ended 31 December 2023. This will ensure that the variance analysis of actual results as compared to the forecast published in 2023 will remain meaningful.

Actual revenue for FY23 was lower than previously anticipated, by €24.2m. This negative variance is split €17.4m at iSpot, €5.8m at Harvest, and €1.3m at E-Lifecycle. Hili Logistics, on the other hand, generated revenue that was €0.3m above forecasts. In view of this, actual operating expenditure was €29.2m lower than previously forecast. In line with the revenue variances, net operating expenses differed the greatest at iSpot level, with expenses €22.5m lower than last year's forecasts. Depreciation and amortisation was €5.0m higher than previously forecast and this, again, came mostly from iSpot due to the inclusion of Cortland.

Share of profits in joint ventures was forecasted to be €0.2m, however, iCentre Hungary suffered a loss during FY23 and, as a result, the Group's share of the loss was €54k.

Net gain on disposal of subsidiaries (or part of) showed a positive variance of €2.0m, and this is mainly related to the disposal of Hili Logistics to a sister company. The Group also recognised €0.1m in impairment of assets at E-Lifecycle since it was disposed of after year-end which was not forecast. The €0.5m variance in net finance costs are mainly due to the foreign exchange rate of PLN against the EUR along with the increase in the Euribor rate.

The Company reported a positive profit before tax variance of €1.0m. Upon the sale of E-Lifecycle in 2024, the deferred tax balance as at December 2023 amounting to €1.0 million was written off. In addition, higher profitability at iSpot also contributed to a higher tax charge which in total created a negative tax variance of €1.9m when compared to the projections. Accordingly, the profit after tax variance was a negative €1.0m.

Overall, total comprehensive income amounted to €8.6m compared to a forecasted total comprehensive income of €6.1m. The positive variance also includes €3.7m related to the favourable exchange rate differences on foreign operations.

2.2 Issuer's Consolidated Statement of Financial Position

1923 Investments p.l.c. Statement of Financial Position as at 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Goodwill and other intangibles	74,952	75,362	87,486	87,183
Property, plant and equipment	11,370	13,664	5,749	6,104
Investments in associates and joint ventures	2,919	3,362	2,336	2,234
Right-of-use assets	11,499	11,020	13,725	13,032
Loans and receivables	1,745	9,419	8,719	8,208
Deferred tax asset	1,560	1,945	1,139	2,186
Total non-current assets	**104,045**	**114,772**	**119,154**	**118,947**
Current assets				
Inventory	11,094	19,061	23,603	22,507
Trade and other receivables	17,098	13,966	13,825	14,440
Other current assets	7,784	5,527	31,474	7,418
Cash and cash equivalents	9,666	10,312	11,162	15,045
Total current assets	**45,642**	**48,866**	**80,064**	**59,410**
Total assets	**149,687**	**163,638**	**199,218**	**178,357**
Equity				
Share capital	52,135	52,135	52,135	52,135
Reserves	(4,268)	2,363	11,241	17,194
Non-controlling interest	4,964	5,039	5,215	5,559
Total equity	**52,831**	**59,537**	**68,591**	**74,888**
Liabilities				
Non-current liabilities				
Debt securities	35,758	35,839	-	-
Borrowings and other financial liabilities	6,960	10,433	19,045	36,831
Lease liabilities	8,882	7,913	9,886	9,345
Other non-current liabilities	1,502	1,967	4,031	2,592
Total non-current liabilities	**53,102**	**56,152**	**32,962**	**48,768**
Current liabilities				
Debt Securities in Issue	-	-	35,920	-
Bank overdrafts	-	4,701	7,061	7,181
Borrowings and other financial liabilities	5,050	2,279	4,531	427
Lease liabilities	3,035	3,652	3,742	3,883
Other current liabilities	35,669	37,317	46,411	43,210
Total current liabilities	**43,754**	**47,949**	**97,665**	**54,701**
Total liabilities	**96,856**	**104,101**	**130,627**	**103,469**
Total equity and liabilities	**149,687**	**163,638**	**199,218**	**178,357**

Ratio Analysis	2021A	2022A	2023A	2024F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	48.6%	47.8%	50.2%	36.3%
Gearing 2 (Total Liabilities / Total Assets)	64.7%	63.6%	65.6%	58.0%
Gearing 3 (Net Debt/ Total Equity)	94.7%	91.5%	100.6%	56.9%
Net Debt / EBITDA	3.9x	3.6x	2.9x	1.7x
Current Ratio (Current Assets / Current Liabilities)	1.0x	1.0x	0.8x	1.1x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.8x	0.6x	0.6x	0.7x
Interest Coverage 1 (EBITDA / Cash interest paid)	4.3x	5.1x	5.7x	6.4x
Interest Coverage 1 (EBITDA / Finance Costs)	2.8x	3.2x	4.9x	6.1x

Total assets as at 31 December 2023 amounted to €199.2m (2022: €163.6m) and principally comprise goodwill and intangible assets of €87.5m, current assets excluding cash balances of €68.9m, and cash and cash equivalents of €11.2m. Notable increases in 2023 include a €12.1m increase in goodwill and intangible assets, and a €26.0m increase in other current assets. The movement in goodwill is the effect of the purchase of Cortland, partially offset by the sale of Hili Logistics. The movement in other current assets relates mainly to loans receivable from the ultimate parent.

Total assets are projected to amount to €178.4m at the end of 2024, a decrease over prior year since loans receivable from the ultimate parent amounting to €22.5m in 2023 are expected to be fully paid by December 2024.

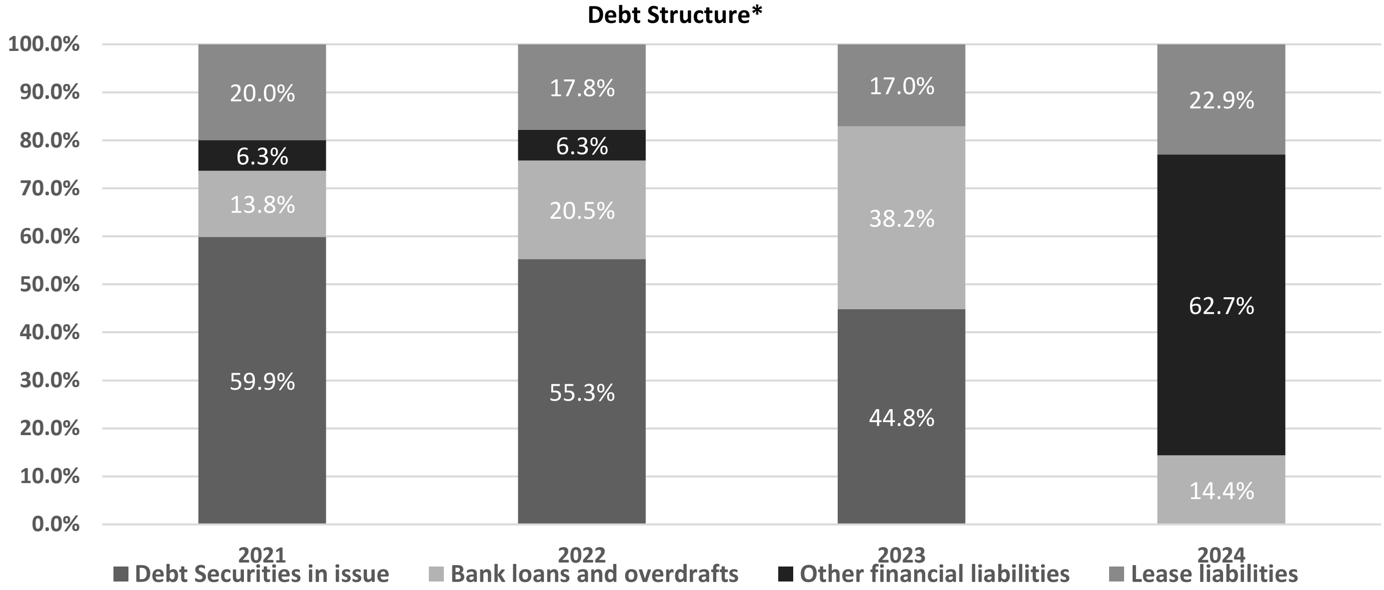
Total equity amounted to €68.6m at end of 2023, which is projected to reach *circa* €74.9m at the end of 2024. This increase is mainly attributable to the Company's anticipated positive financial performance, which is expected to boost the Company's reserves to €17.2m in 2024 (2023: €11.2m).

Total financial debt, which is primarily composed of debt securities, borrowings, other financial liabilities and lease liabilities, amounted to €80.2m at end of 2023 (2022: €64.8m). The increase is mainly attributable to higher bank loans and overdrafts following the purchase of Cortland which totalled €30.6m in 2023 (2022: €13.3m). Total liabilities at end of the year under review amounted to €130.6m.

In December 2023, the Group and the Company had a net current liability of €17.6m and €12.6m respectively. The net current liability is related primarily to the €36m bond which matures in December 2024 and is therefore classified as a current liability.

The Group is expected to generate significant cash from the operations of iSpot and Cortland which are performing in line with the Group's expectations. The Company is also in the process of seeking funding from credit financial institutions and group related companies to be in a position to meet its obligations. The directors feel confident that the Company will secure the necessary funding.

1923 Investments' total financial debt is expected to decrease to €57.7m in 2024, mainly on account of the maturity of the Company's bond in December 2024. The Groups other financial liabilities are expected to increase to €36.2m, mainly due to higher amounts due to the Parent company. Total liabilities during 2024 are projected to amount to €103.5m.



**Further visibility is given in the debt structure chart presented above, showing debt securities in issue, bank loans and overdrafts, other financial liabilities and lease liabilities separately.*

2.2.1 Variance Analysis

1923 Investments p.l.c. Statement of Financial Position as at 31 December	Dec-23 Forecast	Dec-23 Audited	Variance
	€000s	€000s	€000s
Assets			
Non-current assets			
Goodwill and other intangibles	82,055	87,486	5,431
Property, plant and equipment	6,890	5,749	(1,141)
Investments in associates and joint ventures	2,671	2,336	(335)
Right-of-use assets	12,364	13,725	1,361
Loans and receivables	28,287	8,719	(19,568)
Deferred tax asset	2,613	1,139	(1,474)
Total non-current assets	**134,880**	**119,154**	**(15,726)**
Current assets			
Inventory	31,421	23,603	(7,818)
Trade and other receivables	11,362	13,825	2,463
Other current assets	3,767	31,474	27,707
Cash and cash equivalents	7,577	11,162	3,585
Total current assets	**54,127**	**80,064**	**25,937**
			-
Total assets	**189,007**	**199,218**	**10,211**
Equity			
Share capital	52,135	52,135	-
Reserves	9,855	11,241	1,386
Non-controlling interest	5,245	5,215	(30)
Total equity	**67,235**	**68,591**	**1,356**
Liabilities			
Non-current liabilities			
Debt securities	35,920	-	(35,920)
Borrowings and other financial liabilities	19,701	19,045	(656)
Lease liabilities	8,993	9,886	893
Other non-current liabilities	1,656	4,031	2,375
Total non-current liabilities	**66,270**	**32,962**	**(33,308)**
Current liabilities			
Debt Securities in Issue	-	35,920	35,920
Bank overdrafts	1,547	7,061	5,514
Borrowings and other financial liabilities	5,954	4,531	(1,423)
Lease liabilities	3,376	3,742	366
Other current liabilities	44,625	46,411	1,786
Total current liabilities	**55,502**	**97,665**	**42,163**
Total liabilities	**121,772**	**130,627**	**8,855**
Total equity and liabilities	**189,007**	**199,218**	**10,211**

The main variances arising within 1923 Investments' non-current assets during 2023 relate to higher goodwill and other intangibles amounting to €5.4m. Within the €5.4m variance in goodwill, exchange difference on the translation of goodwill in Polish Zloty upon the acquisition of business amounted to €4.1m. The decrease in long term loans and receivables of €19.6m is due to a reclassification of a loan receivable from the ultimate parent company to current assets, which is also the reason for the increase in other current assets at year end.

The negative movements in inventory are split as follows: €0.2m at Harvest, €7.2m at iSpot, and €0.4m at E-Lifecycle.

From an equity perspective, the positive reserve variance relates to increased profitability registered during the year. The main material variance in non-current liabilities relates to the debt securities amounting to €35.9m being reclassified to current liabilities since the current bond matures in December 2024. For current liabilities, bank overdrafts were €5.5m higher than first forecast, and relates to iSpot's increased utilisation of its overdraft facility.

2.3 Issuer's Consolidated Statement of Cash Flow

1923 Investments p.l.c. Statement of Cash Flows for the year ended 31 December	**2021A**	**2022A**	**2023A**	**2024F**
	€000s	**€000s**	**€000s**	**€000s**
Cash flows from operating activities	18,889	2,929	17,154	20,367
Interest paid	(3,028)	(2,919)	(3,875)	(3,926)
Income tax paid	(3,049)	(3,830)	(2,717)	(4,100)
Tax refund	28	448	1,339	200
Net cash from / (used in) discontinued operations	930	5,398	1,646	(1,344)
Net cash flows generated from operating activities	**13,770**	**2,026**	**13,547**	**11,197**
Net cash flows used in investing activities	**(6,242)**	**(1,697)**	**(25,081)**	**(7,521)**
Net cash flows (used in) / generated from financing activities	**(4,523)**	**(4,384)**	**10,024**	**86**
Movement in cash and cash equivalents	**3,005**	**(4,055)**	**(1,510)**	**3,762**
Cash and cash equivalents at start of year	6,661	9,666	5,611	4,101
Cash and cash equivalents at end of year	**9,666**	**5,611**	**4,101**	**7,863**

Ratio Analysis	**2021A**	**2022A**	**2023A**	**2024F**
Cash Flow	**€000s**	**€000s**	**€000s**	**€000s**
Free Cash Flow (Net cash from operations + Interest - Capex)	€14,072	€1,739	€9,248	€11,727

Net cash generated from operating activities in 2023 amounted to €13.6m (2022: €2.0m). This increase reflects the higher EBITDA generated by the Group in 2023. In 2024, net cash from operating activities is expected to be *circa* €11.2m, slightly lower than 2023 levels mainly due to higher tax expected to be paid in 2024 and the inclusion of the non-recurring item "cash from discontinued operations" in 2023 and "net cash used in discontinued operations" in 2024 amounting to € 1.3m in relation to the sale of E-Lifecycle.

Cash outflows from investing activities amounted to €25.1m during 2023 (2022: €1.7m) and mainly comprise €27.3m received from the parent and an investment in Cortland amounting to €43.0m. In view of the Company's continued expansion strategy plans, net cash to be used in investing activities is projected to amount to *circa* €7.5m during 2024.

In 2023, net cash from financing activities amounted to €10.0m, which mainly include €21.4m from bank loans and other facilities, offset by outflows of €5.0m for repayments of bank loans and €4.7m for payments of lease obligations to third parties.

Cash inflows from financing activities in 2024 are expected to amount to €0.1m. This is expected to be the net amount after inflows of €22.5m from the ultimate parent, €17.0m of new borrowings and €19.0m loan advances from the ultimate parent, which in turn will be used for the part repayment of bank loans amounting to €22.4m and the €36.0m repayment of the Company's Bond currently in issue.

2.3.1 Variance Analysis

1923 Investments p.l.c. Statement of Cash Flows for the year ended 31 December	Dec-23 Forecast	Dec-23 Audited	Variance
	€000s	€000s	€000s
Cash flows from operating activities	9,035	18,800	9,765
Interest paid	(2,616)	(3,875)	(1,259)
Income tax paid	(4,447)	(2,717)	1,730
Tax refund	1,048	1,339	291
Net cash flows generated from operating activities	**3,020**	**13,547**	**10,527**
Net cash flows generated from/(used in) investing activities	**(26,131)**	**(25,081)**	**1,050**
Net cash flows generated from / (used in) financing activities	**18,169**	**10,024**	**(8,145)**
Movement in cash and cash equivalents	**(4,942)**	**(1,510)**	**3,432**
Cash and cash equivalents at start of year	5,611	5,611	-
Cash and cash equivalents at end of year	**669**	**4,101**	**3,432**

Management reported that the variances concerning operating activities mainly relate to lease and interest payments, which were forecast to be part of operating activities but were then classified under financing activities. The higher interest paid relates mainly to bank interest which was forecast to be lower due to a lower expected Euribor rate. A portion of the interest paid (€1.9m) was also forecast as an operating activity but should have been included as a financing activity.

Investing activities were largely in line with what was forecast in last year's Financial Analysis Summary of the Issuer. With regard to the variance in financing activities, this related to lease and interest payments which were included as part of operating activities in the forecasts but included as part of financing activities in the 2023 Audited Consolidated Financial Statements of the Issuer.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

European Economic Update[1]

The EU economy staged a comeback at the start of the year, following a prolonged period of stagnation. Though the growth rate of 0.3% estimated for the first quarter of 2024 is still below estimated potential, it exceeded expectations. Activity in the euro area expanded at the same pace, marking the end of the mild recession experienced in the second half of last year. Meanwhile, inflation across the EU cooled further in the first quarter.

This Spring Forecast projects GDP growth in 2024 at 1.0% in the EU and 0.8% in the euro area. This is a slight uptick from the Winter 2024 interim Forecast for the EU, but unchanged for the euro area. EU GDP growth is forecast to improve to 1.6% in 2025, a downward revision of 0.1 pps. from winter. In the euro area, GDP growth in 2025 is projected to be slightly lower, at 1.4% - also marginally revised down. Importantly, almost all Member States are expected to return to growth in 2024. With economic expansion in the southern rim of the EU still outpacing growth in north and western Europe, economic convergence within the EU is set to progress further.

Economic activity broadly stagnated in 2023. Private consumption only grew by 0.4%. Despite robust employment and wage growth, labour incomes barely outpaced inflation. Moreover, households put aside a larger share of their disposable incomes than in 2022, as high interest rates kept the opportunity cost of consumption elevated, while high uncertainty, the erosion of the real value of wealth by inflation and the fall in real estate prices sustained precautionary savings. Investment grew by 1.5% in 2023, but largely driven by a sizeable carry-over from 2022.

Especially towards the end of the year, weakness in investment was widespread across Member States and asset types, with a pronounced downsizing of the interest-rate-sensitive construction sector. External demand did not provide much support either, weighed down by a sharp slowdown in global merchandise trade. Still, with domestic demand stagnating, imports contracted more than exports. Meanwhile, HICP inflation has continued declining. From a peak of 10.6% in October 2022, inflation in the euro area is estimated to have reached 2.4% in April 2024. Inflation in the EU followed a similar path, with the March reading coming in at 2.6%. Rapid fall in retail energy prices throughout 2023 was the main driver of the inflation decline, but underlying inflationary pressures started easing too in the second half of 2023, amidst the weak growth momentum.

Expectations for imminent and decisive rate cuts across the world have been pared back in recent weeks, as underlying inflationary pressures - especially in the US – have proved more persistent than previously expected. In the euro area, where the European Central Bank last hiked its policy interest rates in September 2023, markets now expect a more gradual pace of policy rate cuts than in winter. Euribor-3 months futures suggest that euro area short-term nominal interest rates will decrease from 4% to 3.2% by the end of the year and to 2.6% by the end of 2025.

Malta Economic Update[2]

The Bank's Business Conditions Index (BCI) indicates that in March 2024, annual growth in business activity was unchanged from the previous month, remaining slightly below its historical average, estimated since January 2000. The European Commission confidence surveys show that sentiment in Malta increased in March, but remained below its long-term average, estimated since November 2002. Sentiment mostly improved in industry. Additional data show that in month-on-month terms, price expectations increased in the construction sector, and to a lesser extent in industry and among consumers but decreased in the retail and services sectors.

In March, the European Commission's Economic Uncertainty Indicator (EUI) for Malta increased compared with February, indicating higher uncertainty. Uncertainty increased mostly in the services sector. In January, industrial production contracted on a year-on-year basis, while retail trade rose marginally on a year earlier. The unemployment rate increased to 3.2% in February from 3.1% in January but stood below that of 3.5% in February 2023. The number of commercial and residential building permits in February was higher than a month earlier and was also higher when compared with a year ago. In March, the number of residential promise-of sale agreements rose on a year earlier, but the number of final deeds of sale declined.

[1] European Economic Forecast – Spring 2024

[2] Central Bank of Malta – Economic Update 4/2024

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.7% in March, down from 3.0% in the previous month. HICP excluding energy and food in Malta, remained below the euro area average. Inflation based on the Retail Price Index (RPI) decreased to 1.9%, the lowest rate since July 2021, following a drop in several subcomponents. In February, Maltese residents' deposits increased above their level a year ago for the third consecutive month, following declines in the latter half of 2023. Growth over the year to February was mostly driven by balances belonging to households.

By contrast, deposits held by financial intermediaries and non-financial corporations decreased. Meanwhile, annual growth in credit to Maltese residents increased compared with a month ago. In February, the Consolidated Fund recorded a slightly lower surplus compared to a year earlier. This reflects a rise in government expenditure which outweighed an increase in government revenue.

Apple products

The market in Poland for Apple products and services is competitive. As with other developed markets, the market is characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of mobile communication and media devices, personal computers, and other digital electronic devices. iSpot competes with other resellers of Apple products and services, and therefore competing factors include mainly price of products, location of stores, quality of service provided and share of the business-to-business market.

The integration of Cortland into the iSpot group has greatly increased iSpot's market share in Poland. iSpot's main challenge is to differentiate the total service experience beyond the product. Apple is, however, designing new ways to expand the business generated from its retail platforms beyond the current B2C activity, which is expected to create growth opportunities for the company's already strong portfolio in the market.

iSpot is an official partner of Apple and benefits from the continuous introduction of new and improved products and services ahead of competitors so as to maintain high demand for Apple offerings. Principal competitive factors important to the iSpot brand include price, product features, relative price/performance, product quality and reliability, design innovation, a strong third-party software and peripherals ecosystem, marketing and reselling capability, service and support, and corporate reputation.

IT hardware, software and services industry

The IT services market continues to show promising growth, with a projected Compound Annual Growth Rate (CAGR) of approximately 10.5% during the forecast period from 2023 to 2028. This growth is propelled by increased IT spending globally, coupled with the widespread adoption of cloud-based solutions and software-as-a-service models. The demand for IT services is particularly driven by organizations seeking to enhance their IT infrastructure to address evolving challenges, such as cybersecurity threats and the need for advanced security solutions.

Due to substantial complexity and concerns about security, risk, governance, and control, a significant proportion of banking and financial services organizations are aiming to deploy core systems to the cloud. Various market vendors are driving their investments to accelerate the digital transformation. For instance, EY and IBM have established a Centre of Excellence to assist financial institutions in accelerating digital transformation through hybrid cloud solutions. The Centre of Excellence is a unified virtual centre that provides offerings in regulatory compliance, digital trust, and security to assist clients in leveraging the cloud at scale.

In addition to cloud-based solutions, the integration of artificial intelligence (AI) is increasingly becoming a focal point in the IT services industry. AI-powered technologies are being leveraged to enhance the efficiency and effectiveness of various IT services, ranging from cybersecurity and data analytics to customer support and process automation. With the exponential growth of data and the complexity of modern IT ecosystems, AI offers unprecedented opportunities to extract insights, identify patterns, and automate tasks, thereby enabling organizations to streamline operations and make data-driven decisions. As AI continues to evolve, its integration into IT services will play a pivotal role in driving innovation and addressing emerging challenges, further propelling the growth of the industry.

3.2 Comparative Analysis

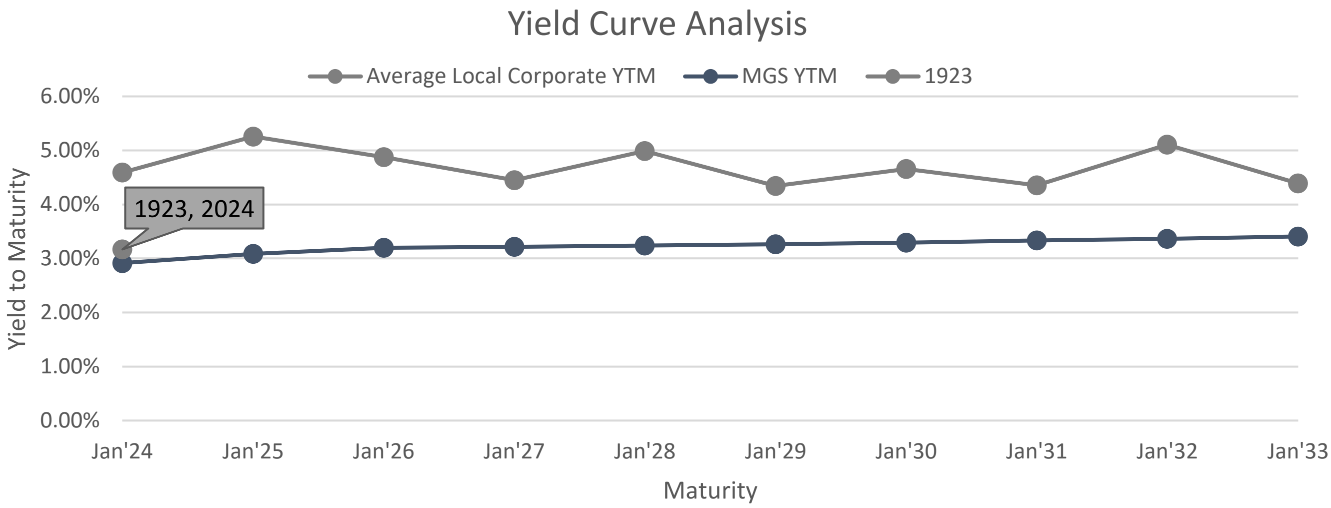
The purpose of the table below compares the proposed debt issuance of the Company to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such we included a variety of Issuers with different maturities.

One must note that given the material differences in profiles and industries, the risks associated with the Company's business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5% Tumas Investments plc Unsecured € 2024	25,000	4.93%	7.2x	240.7	146.9	39.0%	22.5%	2.1x	1.8x	6.6%	18.1%	20.0%
5.1% 1923 Investments plc Unsecured € 2024	36,000	4.07%	5.7x	199.2	68.6	65.6%	50.2%	2.9x	0.8x	6.2%	1.4%	42.6%
5.75% International Hotel Investments plc Unsecured € 2025 (xd)	45,000	3.64%	1.7x	1,768.3	836.3	52.7%	42.1%	9.5x	1.0x	-1.4%	-3.9%	20.8%
4.5% Hili Properties plc Unsecured € 2025	37,000	5.96%	1.8x	255.6	127.1	50.3%	46.2%	9.0x	1.4x	5.1%	39.5%	32.8%
5.25% Central Business Centres plc Unsecured € 2025 S2T1	2,985	5.25%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	-1.8%
4.35% Hudson Malta plc Unsecured € 2026	12,000	4.34%	7.7x	78.3	12.9	83.6%	76.4%	8.1x	1.2x	0.9%	0.2%	8.9%
5.9% Together Gaming Solutions plc Unsec Call Bds €2024-2026	14,762	6.39%	(.0)x	24.4	8.6	64.9%	38.2%	(1,119.3)x	16.2x	-29.8%	-163.1%	-10.4%
4% MIDI plc Secured € 2026	50,000	4.39%	(.5)x	236.3	74.7	68.4%	40.8%	(46.9)x	3.2x	-1.7%	-37.3%	19.2%
4% International Hotel Investments plc Secured € 2026	55,000	3.99%	1.7x	1,768.3	836.3	52.7%	42.1%	9.5x	1.0x	-1.4%	-3.9%	20.8%
3.9% Plaza Centres plc Unsecured € 2026	5,680	4.12%	7.2x	37.0	27.2	26.4%	14.6%	2.2x	1.2x	4.1%	35.9%	7.7%
4% International Hotel Investments plc Unsecured € 2026	60,000	4.41%	1.7x	1,768.3	836.3	52.7%	42.1%	9.5x	1.0x	-1.4%	-3.9%	20.8%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.94%	0.6x	269.6	78.8	70.8%	66.4%	48.2x	1.5x	9.9%	23.1%	-34.4%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	5.10%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	-1.8%
3.75% Tumas Investments plc Unsecured € 2027	25,000	4.37%	7.2x	240.7	146.9	39.0%	22.5%	2.1x	1.8x	6.6%	18.1%	20.0%
4% Stivala Group Finance plc Secured € 2027	45,000	3.99%	27.0x	469.7	328.5	30.1%	22.9%	1.5x	1.2x	21.0%	208.5%	14.5%
3.75% Bortex Group Finance plc Unsecured € 2027	12,750	4.60%	4.2x	80.7	41.8	48.2%	39.8%	5.0x	2.8x	5.3%	9.0%	-4.7%
4% Exalco Finance plc Secured € 2028	15,000	4.13%	4.4x	77.8	52.9	32.1%	21.1%	3.9x	0.7x	4.0%	40.9%	3.5%
4% SP Finance plc Secured € 2029	12,000	4.23%	2.2x	43.3	17.9	58.6%	51.2%	9.3x	0.5x	-0.7%	-1.3%	71.5%
3.65% Stivala Group Finance plc Secured € 2029	15,000	4.64%	27.0x	469.7	328.5	30.1%	22.9%	1.5x	1.2x	21.0%	208.5%	14.5%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.25%	0.6x	269.6	78.8	70.8%	66.4%	48.2x	1.5x	9.9%	23.1%	-34.4%
3.65% IHI plc Unsecured € 2031	80,000	4.81%	1.7x	1,768.3	836.3	52.7%	42.1%	9.5x	1.0x	-1.4%	-3.9%	20.8%
4.3% Mercury Project Finance plc Secured € 2032	50,000	4.30%	0.6x	269.6	78.8	70.8%	66.4%	48.2x	1.5x	9.9%	23.1%	-34.4%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.42%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	-1.8%
	Average	4.55%										

Source: Latest available audited financial statements

Last closing price as at 17/05/2024
***Average figures do not capture the financial analysis of the Issuer**



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of Malta Government Stock ("MGS") (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph also illustrates on a stand-alone basis, the yield of 1923 Investments bond.

As at 17 May 2024, the average spread over the MGS for corporates with maturity range of 1 to 9 years (2024-2033) was 118 basis points. The current 1923 Investments bond is trading at a YTM of 3.17%, translating into a spread of 26 basis points over the corresponding MGS. This means that this bond is trading at a discount of 92 basis points in comparison to the market.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Capex	Represents the capital expenditure incurred by the Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

Calamatta Cuschieri

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