



COMPANY ANNOUNCEMENT

The following is a company announcement issued by AST Group p.l.c. (the “**Company**”) bearing company registration number C 66811, in terms of the Capital Markets Rules issued by the MFSA.

Publication of Financial Analysis Summary

QUOTE

The Company announces that, the Financial Analysis Summary for 2024 is now available, and is available for viewing below as an attachment to this announcement and can be accessed from the Company’s website: <https://astgroupplc.com/news/category/financial-reports/>

UNQUOTE

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to be 'K Cachia'.

Dr Katia Cachia
Company Secretary

28 June 2024

The Directors
AST Group p.l.c.
31-33, 3rd Floor, Kingsway Palace,
Republic Street,
Valletta, VLT 1115,
Malta

28 June 2024

Financial Analysis Summary - 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**” or “**FAS**”) 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 AST Group p.l.c. (the “**Issuer**”, or “**AST**”) as explained in part 1 of the Analysis. The data is derived from various sources, including the prospectus dated 20 April 2023 published by the Issuer (the “**Prospectus**”) for the bonds issued on 16 June 2023 (the “**Bond Issue**”), 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 Issuer’s audited financial statements.
- (b) The forecast data for the financial years ending 2024 has been provided by management.
- (c) Our commentary on the Issuer’s results and financial position is based on the explanations set out by the Issuer.
- (d) The ratios quoted have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (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 Group. 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,



Patrick Mangion
Head of Capital Markets

**FINANCIAL ANALYSIS
SUMMARY**



AST Group p.l.c.

28 June 2024

**Prepared by Calamatta Cuschieri
Investment Services Limited**

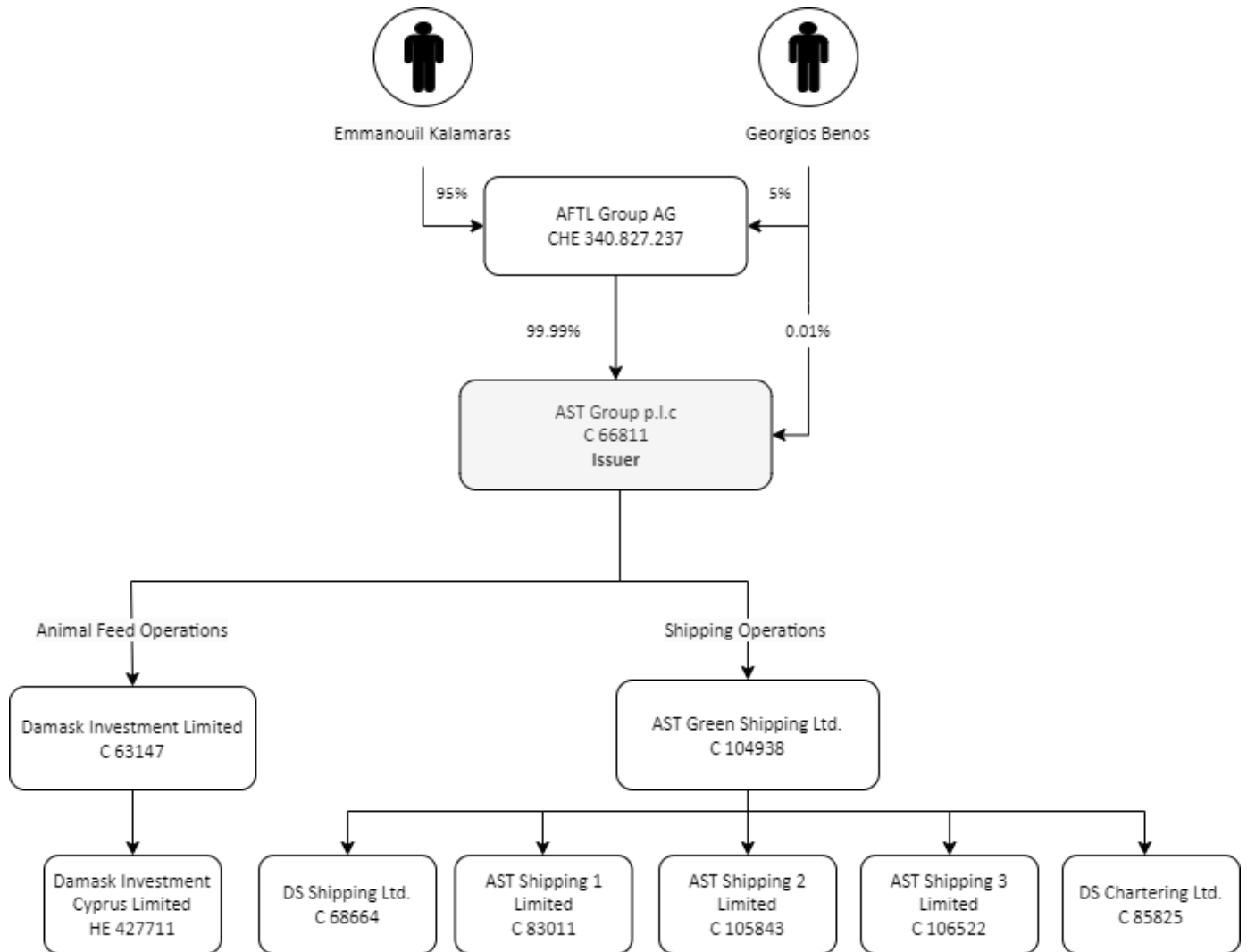


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Part 1 Information about the Group

1.1 Issuer's Key Activities and Structure



* 100% is assumed unless indicated otherwise

AST was incorporated on 22 September 2014 and has, at the date of this Analysis, an authorised share capital of €250,000 made up of 250,000 ordinary shares of €1 each and an issued share capital of €250,000 made up of 250,000 ordinary shares of €1 each, all fully paid up. The Issuer is, except for one ordinary share that is held by Mr Georgios Benos, a fully owned subsidiary company of AFTL Group AG (the “**Parent Company**”) which was incorporated on 20 June 2018 in Switzerland. The ultimate beneficial owners of AFTL Group AG are Mr Emmanouil Kalamaras holding 95% of the company’s share capital, and Mr Georgios Benos holding the remaining 5%. The “**Group**” consists of AST Group p.l.c and all of its subsidiaries. During 2023 the Group went through a corporate restructuring whereby the Issuer sold three subsidiaries; DS Shipping Ltd. (“**DSSL**”), AST Shipping Limited (“**AST Shipping**” or “**ASL**”) and DS Chartering Ltd. (“**DSC**”) to the newly incorporated fully-owned subsidiary AST Green Shipping Ltd. (“**AGS**”) at no additional cost. AGS therefore

became the holding company of the shipping activities of the Group. Furthermore, the Issuer is the full owner of DST (Damask Shipping & Trading) Holding Ltd.

AGS now has 5 subsidiaries, namely, DSSL, ASL which changed its name to AST Shipping 1 Limited (“**AST Shipping 1**” or “**ASL1**”), AST Shipping 2 Limited (“**AST Shipping 2**” or “**ASL2**”), AST Shipping 3 Limited (“**AST Shipping 3**” or “**ASL3**”), and DSC.

In 2011, Damask Investment Inc., a company registered on 17 December 2013 in Liberia, commenced trading in roasted guar meal churi and roasted guar meal korma through two branches set up in Greece and Cyprus. In May 2016, Damask Investment Inc Limited was re-domiciled to Malta and continued its operations under Damask Investment Malta Limited (C 75659).



In December 2013, Damask Investment Limited (“DIL”), a company registered in Malta, commenced trading in roasted guar meal korma and fish meal from Malta. In the following months, DIL expanded its operations, both in terms of animal feed products traded as well as locations. In September 2016, the process was initiated for Damask Investment Malta Limited to be merged with DIL, with the merger becoming effective as of 9 December 2016.

Following this, all the branches trading in animal feed are owned and managed by DIL, which operates branches in Cyprus, Greece, France, Spain, and Malta. Animal feed products are sourced from suppliers based in India, Morocco, South Africa, Bulgaria, Ukraine, Moldova, Hungary, Slovakia, Serbia and Romania. Over the years, the Group introduced new animal feed products to its product range and now trades in roasted guar meal korma, fish meal, Distiller’s dried grains with soluble and HiPro Sunflower meal, corn, soya meal, feed wheat and barley. As at the date of this Analysis, DIL has an authorised share capital of €1,500 made up of 1,500 ordinary shares of €1 each and an issued share capital of €1,165 made up of 1,165 Ordinary Shares of €1 each, partially paid up.

Due to the Group’s end-to-end supply chain management, from sourcing raw materials for high-nutrient animal feed to the delivery of animal feed to producers, the Group intended to vertically integrate the animal feed operations and expand into the logistics business, by transporting the Group’s animal feed on vessels owned by the Group or time-chartered vessels from third parties. For this reason, the Group acquired a vessel in 2018 to carry its own cargo whilst expanding its animal feed operations. This complemented both business lines since the vessels provide security of supply to the Group’s animal feed customers. Nevertheless, the Group continually assesses whether it is more feasible to transport cargo with containers rather than by vessel.

AGS was incorporated on 23 March 2023 to act as the holding company for the Group’s shipping operations. As at the date of this Analysis, AGS has an authorised share capital of €2,198,700 divided into 2,198,700 ordinary shares of €1 each and an issued share capital of €2,198,700 divided into 2,198,700 ordinary shares of €1 each, all fully paid up.

DSSL, previously named Damask Shipping Management Company Limited, was incorporated on 20 January 2015 and has an authorised and issued share capital of 1,200 shares of €1 each. DSSL manages, operates, and maintains the vessels M/V AST Malta, M/V AST ECO and M/V AST Rising and incurs all the running and maintenance expenses. A management fee to DSC, ASL1, ASL2, and ASL3 is issued annually.

ASL1, previously known as AST Shipping Limited, was incorporated on 16 October 2017 and has an authorised and issued share capital of 1,165 shares of €1 each. ASL1 is the owner of the M/V AST Malta, a 5,000-deadweight ton (“DWT”) German-built multi-purpose vessel, bearing

International Maritime Organisation (“IMO”) number 9143398, with further details on the vessel in sections 1.3 and 1.4.

ASL2 was incorporated on 7 April 2023 and has an authorised and issued share capital of 1,165 shares of €1 each. In accordance with the Prospectus and the Security Trust Deed, the issued shares of AST Shipping 2 Limited shall be pledged in favour of Onyx Trustees Limited (previously VB Onyx Limited) as security trustee of the AST Trust II which is the trust established in virtue of the Security Trust Deed II, which deed is available for inspection at the registered office of the Issuer as mentioned in section 15 of the Prospectus. ASL2 is the owner of the M/V AST ECO, bearing IMO number 9414656, with further details on the vessel in sections 1.3 and 1.4.

ASL3 was incorporated on 26 September 2023 and has an authorised and issued share capital of 1,165 shares of €1 each. Also, in terms of the Prospectus, a first preferred mortgage on the Vessel was registered in favour of the Onyx Trustees Limited as security trustee of the AST Trust II for the benefit of Bondholders on 18 October 2023. ASL3 is the owner of the M/V AST Rising, bearing IMO number 9437828, with further details on the vessel in sections 1.3 and 1.4.

DSC was incorporated on 16 April 2018 and has an authorised and issued share capital of 1,165 shares of €1 each. DSC was previously named Damask Chartering Limited and was set up as the commercial operations and management company of the Group. Hence, its main trading activity is chartering to M/V AST Malta, M/V AST ECO, M/V AST Rising, and third-party vessels to DIL. DSC is responsible for negotiating the terms and conditions of the charter as well as providing a communication channel between the owner and the charterer of the motor vessels. Whenever M/V AST Malta is chartered out to third parties directly through ASL1, it is invoiced directly by ASL1 but whenever DSC uses M/V AST Malta, ASL invoices DSC for freight services on a tonnage basis. The same is applicable to M/V AST ECO with ASL2 and M/V AST Rising with ASL3.

1.2 Directors and Key Employees

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Giuseppe Muscat	Chairman and Executive Director
Mr Austin Demajo	Independent Non-executive Director
Mr William Wait	Independent Non-executive Director
Dr Kristian Balzan	Independent Non-executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Katia Cachia is the company secretary of the Issuer.



The board of the Issuer is composed of four directors who are entrusted with its overall direction and management. The non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

1.3 Major Assets owned by the Group

1.3.1 M/V AST Malta

This ship was built in 1998 and purchased by ASL1 for €1.4m in 2018 with the proceeds raised from the bonds issued by the Issuer subject to a Company Admission Document dated 17 December 2017 (the “**2018 Prospects MTF Bonds**”). Since then, the vessel has been reinstated to a container/multi-purpose vessel and was also subject to dry-docking costs which were capitalised and have pushed up the value at cost of the vessel. The vessel is being depreciated over its useful life, being ten years until 2028. Dry-docking and special survey costs are capitalised and depreciated over 2.5 years and 5 years, respectively.

Initially, this vessel was held under a security trust as a guarantee for the bondholders of the 2018 Prospects MTF Bonds, the security trustee overseeing the vessel's collateralisation shifted to Onyx Trustees Limited on 16 June 2023 following the redemption of the 2018 Prospects MTF Bonds and the issuance of the €8,500,000 6.25% Secured Bonds 2033. Further explanation on this can be found in section 1.4.

1.3.2 M/V AST ECO

On 28 July 2023 the Group, through AST2, acquired a new vessel, M/V AST ECO, which is a general cargo ship sailing under the flag of the Marshall Islands. Built in 2007, it has a length of 81 meters and a width of 13.6 meters. With a gross tonnage of 1972, the vessel offers ample capacity for transporting various types of cargo, including grains and containers.

1.3.3 M/V AST Rising

On 18 October 2023 the Group, through AST3, acquired the vessel M/V AST Rising, which is a general cargo ship sailing under the flag of the Marshall Islands. Constructed in 2009, it has a length overall of 99.89 meters and a width of 16.6 meters. With a gross tonnage of 4109, the vessel offers significant capacity for transporting various types of cargo, including grains and containers.

1.4 Operational Developments

During FY23, the Issuer issued €8,500,000 6.25% Secured Bonds 2033 (the “**Bonds**”), as per the Prospectus. Part of the proceeds were used to redeem the 2018 Prospects MTF

Bonds, whilst the remaining money was used to acquire the aforementioned vessels, M/V AST Rising and M/V AST Eco.

AST changed the security trustee of the Bonds from the Security Trustee defined in the Prospectus to Onyx Trustees Limited on 18 October 2023. Onyx Trustees Limited is a Maltese private limited liability company, with company registration number C 105362. It will hold the Collateral in line with the terms of the Prospectus and the Security Trust Deed for the benefit of the holders of the Bonds.

The security rights constituted for the 2018 Prospects MTF Bonds were cancelled as of 16 June 2023, and the Collateral was duly constituted in favour of the security trustee for the Bonds. This Collateral includes the registration of a first priority mortgage on M/V AST Malta in the Malta Ship Registry in favour of Onyx Trustees Limited, as security trustee of the AST Trust II for the benefit of Bondholders, registered on 16 June 2023.

The 2018 Prospects MTF Bonds were redeemed on 16 June, 2023, and the Bonds were admitted to listing on the Official List of the Malta Stock Exchange on the same date.

1.4.1 M/V AST Malta

During FY23, M/V AST Malta underwent a dry-docking and special survey making it non-operational for a month.

1.4.2 New Vessel/s

In line with the Prospectus, two additional vessels - M/V AST ECO and M/V AST Rising, were acquired through AST2 and AST3, respectively and, prior to purchase, both vessels went through structural and condition inspections.

Ownership of M/V AST ECO was transferred to AST2 on 28 July 2023, following its registration under the Marshall Islands flag. The registration process also involved establishing a first preferred Marshall Islands mortgage on the vessel in favour of Onyx Trustees Limited, serving as the security trustee of the AST Trust II for the benefit of the holders of the Bonds.

Ownership of M/V AST Rising was officially transferred to AST3 on 18 October 2023, subsequent to its registration under the Malta Maritime Flag. During the registration process, a first preferred Mortgage on the vessel was established in favour of Onyx Trustees Limited, acting as the security trustee of the AST Trust II for the benefit of holders of the Bonds.

Security measures, such as the first-priority mortgage, ensure security for the holders of the Bonds and support the Group's strategic vessel acquisition and fleet expansion goals. Fleet expansion will not only allow the Group to expand its trading business but will also allow the Group to benefit from synergies and increased efficiency.



1.4.3 Change of Flag Vessels

On 21 December 2023, both MV AST Malta and MV AST Rising, with approval from Group's management and AST's board of directors were deregistered from the Maltese Maritime Flag following the voluntary closure of registry requests submitted by their respective ship-owning companies. Subsequently, M/V AST Malta was registered under the Palau flag, and M/V AST Rising was registered under the Marshall Islands Flag on the same date.

With the flag change, the existing first priority mortgages on the vessels, previously registered with the Merchant Shipping Directorate within Transport Malta, were discharged on 21 December 2023.

New first priority statutory mortgages were then registered at the Palau Ships Registry and Marshall Islands Ships Registry for M/V AST Malta and M/V AST Rising, respectively, in favour of Onyx Trustees Limited as security trustee of the AST Trust II for the benefit of the holders of the Bonds.

Despite the flag change and associated security arrangements, both vessels will continue to carry their intended cargo, including grains and containers, thereby supporting the Group in increasing volumes along existing trade routes.

1.5 Other impacts on the Group's operational and financial performance

As the Group expanded its operations following the acquisition of two vessels during 2023, combined with ongoing geopolitical conflicts in the Middle East, the Group encountered various transportation, logistical and operational issues. As mentioned in section 1.4, the Group acquired two vessels and management incurred additional expenditure to upgrade the vessels and integrate them within the Group's operations. Testament of this is the revaluation which was accounted for in FY2024, following vessel upgrades.

Furthermore, as the vessels acquired were positioned in China and South Korea, it took a significant amount of time and money to bring them to the Mediterranean region. This resulted in the vessels being non-operational for some time, impacting revenue and profitability. Likewise, M/V AST Malta was due for a special survey which resulted in the vessel being non-operational for a month.

As at the date of this report, all vessels integrated into the Group's operations.

Part 2 Historical Performance and Forecasts

The financial information in sections 2.1 to 2.3 is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2021, 2022 and 2023. The Group's financial statements for the same period is covered in sections 2.4 to 2.6.

The projected financial information for the year ending 31 December 2024 has been provided by management for both the Issuer and the Group. This financial information relates to events in the future and are based on assumptions which the Issuer 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.

2.1. Issuer's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	FY21A	FY22A	FY23A	FY24F
	€000s	€000s	€000s	€000s
Finance income	145	138	274	593
Finance costs	(101)	(102)	(288)	(531)
Net finance income / (loss)	44	35	(14)	61
Management fee	-	-	-	56
Administrative overheads	(49)	(72)	(143)	(83)
Other Income	-	104	1	-
Other Charges	-	-	(9)	-
Amortisation of issue costs	(6)	(6)	-	(33)
Profit / (loss) before tax	(11)	61	(165)	2
Tax	(11)	(9)	-	(1)
Profit / (loss) after tax	(22)	53	(165)	1

Ratio Analysis	FY21A	FY22A	FY23A	FY24F
<i>Profitability</i>				
Growth in Revenue (YoY Revenue Growth)	0.00%	(5.02)%	98.96%	116.28%
Gross Profit Margin (Gross Profit/ Revenue)	30.3%	25.6%	(5.1)%	10.4%
Net Margin (Profit for the year / Revenue)	(15.2)%	38.4%	(60.6)%	0.2%
Return on Common Equity (Net Income / Average Equity)	(9.1)%	20.5%	(12.8)%	0.0%
Return on Assets (Net Income / Average Assets)	(1.0)%	2.0%	(2.4)%	0.0%

The Issuer was set up as the finance and holding company of the Group and therefore its revenue consists of interest income generated on the funds advanced to its subsidiaries. AST generated finance income from loans granted to its subsidiary companies amounting to €274k and during the year, no dividends were received by the parent from its subsidiaries. Interest expense on the bond amounted to €288k. Consequently, the Issuer generated a net finance loss of €14k.

Administrative expenses incurred increased to €143k mainly due to additional listing fees and professional fees.

With no current or deferred tax charges incurred during the year the Issuer made a loss of €165k.

Looking forward, the Issuer shall generate interest on the amounts advanced to its subsidiaries at 1% over the bond interest rate which was purposefully set to compensate the Issuer for its ongoing administrative expenses to administer the €8.5m bond issued in FY23. The initial bond issue costs of €0.3m are amortised over the ten-year term of the bond using the straight-line method.

The net finance income of €61k in FY24 is supplemented by the €56k management fee the Issuer charges its subsidiaries. The management fee is expected to increase at an inflation rate of 2%. Administrative expenses incurred are expected to be €83k. Additionally, the Issuer projects to incur €33k amortisation of bond issue costs which give a profit before tax of €2k. At the end of the year the Issuer is anticipating a net margin of 0.2%.

2.2. Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	FY21A	FY22A	FY23A	FY24F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment in subsidiaries	1	1	2,200	2,200
Sinking fund	-	300	-	-
Right-of-use assets	-	15	-	-
Loans receivables	1,518	1,264	8,251	8,174
Total non-current assets	1,519	1,580	10,451	10,374
Current assets				
Loans receivables	581	973	-	-
Trade and other receivables	265	340	575	575
Cash and cash equivalents	-	1	40	355
Total current assets	846	1,314	615	930
Total assets	2,365	2,894	11,066	11,304
Equity				
Share capital	50	250	250	250
Other reserves	-	-	2,198	2,198
Retained earnings	181	34	(132)	(130)
Total equity	231	284	2,316	2,318
Liabilities				
Non-current liabilities				
Interest bearing borrowings	1,800	1,806	8,192	8,225
Total non-current liabilities	1,800	1,806	8,192	8,225
Current liabilities				
Trade and other payables	298	756	549	761
Lease liabilities	-	16	-	-
Current tax payable	36	32	9	1
Total current liabilities	334	804	558	762
Total liabilities	2,134	2,610	8,750	8,986
Total equity and liabilities	2,365	2,894	11,066	11,304

Ratio Analysis	FY21A	FY22A	FY23A	FY24F
<i>Financial Strength</i>				
Gearing 1 (Net Debt / Net Debt and Total Equity)	88.6%	86.40%	77.88%	77.25%
Gearing 2 (Total Liabilities / Total Assets)	90.2%	90.2%	79.1%	79.5%
Gearing 3 (Net Debt / Total Equity)	779.2%	635.3%	352.0%	339.6%
Current Ratio (Current Assets / Current Liabilities)	2.5x	1.64x	1.10x	1.22x
Interest Coverage 1 (Finance Income / Cash interest paid)	1.5x	1.35x	2.77x	1.12x
Interest Coverage 1 (Finance Income / Finance Costs)	1.4x	1.34x	0.95x	1.12x



The Issuer's total assets are split 94% non-current assets and 6% current assets. Non-current assets in FY23 are made up of €8.2m loans receivable and €2.2m investment in subsidiaries. Loans advanced to subsidiaries are unsecured and bear interest at 7.25% per annum, except for an amount of €1,753,407 which bears interest at 8% per annum. All loans receivable from subsidiary companies are repayable by 16 June 2033.

After the disposal of the three subsidiaries mentioned in section 1.1, AST's investment in subsidiaries is made up of Damask Investment Limited (€233), DST (Damask Shipping & Trading) Holding Ltd (€939), and AST Green Shipping Limited. (€2.2m).

Trade and other receivables increased from €340k to €575k mainly due to an increase of €83k in the amounts due from the subsidiaries and an increase of €152k in prepayments and accrued income. The trade and other receivables also include trade receivables, amounts due from the Parent Company and amounts due from the ultimate beneficial owner.

The equity base of the issuer increased to €2.3m due to an increase in other reserves from group restructuring, partially

offset by the accumulated loss during the year. This is also expected to be the case in FY24 as there are no anticipated changes in the share capital and other reserves.

During the fiscal year, AST Group p.l.c. repaid the 2018 Prospects MTF Bonds and issued a new €8.5m bond at 6.25% due in 2033 and listed on the Malta Stock Exchange's Official List on 16 June 2023. This bond, net of issue costs, makes up 94% of the total liabilities.

The current liabilities are 6% of the total liabilities and are mostly made up of trade and other payables which have decreased by €207k in FY23.

The gearing level has decreased to 77.9% which albeit relatively high indicates a better leveraged position for the Issuer. Current assets cover the current liabilities by 1.1x which is a healthy short-term liquidity position. Additionally, during the year the Issuer was in a position to cover its interest obligations by 2.77x.

The Issuer does not expect any material changes in the balance sheet for FY24.



2.3. Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	FY21A	FY22A	FY23A	FY24F
	€000s	€000s	€000s	€000s
Operating Activities				
Operating profit / (loss) for the year	(10)	61	(166)	2
<i>Adjustments</i>				
Depreciation on right-of-use assets	-	15	15	-
Amortisation of bond costs	6	6	17	33
Finance income	(145)	(138)	(274)	(593)
Finance costs	100	102	288	531
<i>Movements in</i>				
Trade and other receivables	6	(1)	(1)	77
Trade and other payables	(4)	3	7	212
Cash generated from / (used in) operations	(47)	49	(113)	262
Taxation paid	-	(11)	(23)	(9)
Interest received	20	-	-	593
Interest paid	(99)	(102)	(99)	(531)
Net cash generated from / (used in) operating activities	(126)	(64)	(235)	315
Investing Activities				
Additions of investment in subsidiaries	-	-	(1)	-
Net cash generated from / (used in) investing activities	-	-	(1)	-
Financing Activities				
Net advances to fellow subsidiaries	-	-	(6,378)	-
Advances from / (to) subsidiary	122	381	-	-
Utilisation of / (release of) sinking fund	-	(300)	300	-
Issuance of new bonds	-	-	6,369	-
Payment for lease obligations to third parties	-	(16)	(16)	-
Net cash generated from / (used) financing activities	122	65	275	-
Movement in cash and cash equivalents	(4)	1	39	315
Cash and cash equivalents at start of year	4	-	1	40
Cash and cash equivalents at end of year	-	1	40	355

Ratio Analysis	FY21A	FY22A	FY23A	FY24F
<i>Cash Flow</i>	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	€27	€38	€(136)	€846

The net cash used in operations during the year was €113k after adjusting for tax and interest paid, the Issuer's net cash used in operating activities during FY23 was €235k.

Following the restructuring mentioned in section 1 of this analysis there were additions of roughly €1k which reflect the value of the percentage that is held in DST (Damask Shipping & Trading) Holding Ltd. This wholly represents the cash used in investing activities.

The net cash generated from financing activities increased to €275k. As mentioned in section 1.4 of this Analysis, AST issued Bonds, with part of the proceeds not resulting in a cash movement since the holders of the 2018 Prospects MTF Bonds were given the opportunity to switch to the new bond issue. As a result of the new bond issue an amount €6.7m was advanced to AGS and subsequently to the sub-subsidiaries, for the acquisition of two new vessel within the Group's fleet. The €6.7m is the total of the €6.4m from the issuance of new bonds and €0.3m utilisation of sinking fund line items.



Overall the issuer had a positive cash movement of €39k during the year and ended with a cash position of €40k at the end of the year.

After adjustments to the profit made during the year and movements in working capital, the Issuer expects to generate €262k from operations in FY24. Management anticipates receiving €593k in interest, which is the main contributor to the Issuer's forecast of €315k to be generated from operating activities, net of the anticipated tax and interest paid.

Management does not foresee any investing or financing activities for FY24, resulting in the overall cash movement for the year being the cash generated from operating activities. Consequently, the cash position at the end of FY24 is projected to reach €355k.



2.4. Group's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	FY21A	FY22A	FY23A	FY24F
	€000s	€000s	€000s	€000s
Revenue	29,660	45,022	28,041	22,559
Cost of sales	(27,897)	(43,007)	(27,456)	(19,519)
Gross profit	1,695	1,511	585	3,040
Selling and distribution expenses	(167)	(206)	(127)	(117)
Administrative expenses	(565)	(725)	(854)	(607)
Other income	10	264	255	-
Other charges	(33)	(13)	(57)	-
EBITDA	1,008	1,335	(198)	2,316
Depreciation and amortisation	(373)	(504)	(1,263)	(1,709)
EBIT	635	831	(1,461)	607
Finance income	-	39	22	-
Finance costs	(189)	(350)	(700)	(584)
Profit / (loss) before tax	446	520	(2,139)	23
Tax	19	(142)	146	18
Profit / (loss) after tax	465	378	(1,993)	41
Revaluation of property, plant and equipment	1,706	723	642	-
Total comprehensive income / (loss)	2,171	1,101	(1,351)	41

Ratio Analysis	FY21A	FY22A	FY23A	FY24F
<i>Profitability</i>				
Growth in Revenue (YoY Revenue Growth)	57.39%	51.79%	(37.72)%	(19.55)%
Gross Profit Margin (Gross Profit / Revenue)	5.9%	4.5%	2.0%	13.5%
EBITDA Margin (EBITDA / Revenue)	3.4%	3.0%	(0.7)%	10.3%
EBIT Growth	165.7%	30.8%	(275.8)%	N/a
Operating (EBIT) Margin (EBIT / Revenue)	2.1%	1.8%	(5.2)%	2.7%
Net Margin (Profit for the year / Revenue)	1.6%	0.8%	(7.1)%	0.2%
Return on Common Equity (Net Income / Average Equity)	21.4%	9.9%	(54.1)%	1.4%
Return on Assets (Net Income / Average Assets)	7.4%	4.5%	(16.1)%	0.3%
Return on capital employed (EBITDA / Total Assets - Current Liabilities)	19.3%	21.4%	(1.7) %	20.8%

The Group's revenue primarily comprises sales of animal feed and commission receivable, presented net of discounts allowed and any indirect taxes. Additional contributors to the Group's revenue include freight and other services. In FY23, the revenue saw a significant 37.7% decline, mainly attributed to a €13.9m decrease in the sale of animal feed. Additionally, M/V AST Malta underwent a scheduled special survey, which rendered it non-operational for a month. A further 19.6% decline in revenue is expected in FY24 due to tariff reductions in both the shipping and trading operations.

Due to the logistical issues encountered after acquiring of M/V AST Eco and M/V AST Rising from China and South Korea to the Mediterranean region, a lower gross profit margin of 2.0% was generated when compared to the 4.5% in FY22. In FY24 the Group will benefit from the full operation of 3 vessels, which will result in economies of scale

throughout its operations, thereby increasing its gross profit margin to 13.5% in FY24.

The depreciation and amortisation charge increased by roughly €759k mainly due to the increase in property, plant and equipment ("PPE") during the year. This includes a €15k depreciation charge on right-of-use assets and a €17k amortisation of bond issue costs.

The Group experienced higher finance costs, reaching €0.7m in FY23, due to increased bond finance costs and interest expenses from factoring agreements. These agreements, excluding recourse, provide coverage for the Group's credit exposure up to 80% of receivables. Finance income decreased to €22k, resulting in net finance costs of €678k. In FY24, no finance income is expected, but financing costs are projected to be lower at €584k.



The Group incurred a loss before taxation of €2.1m in FY23, mainly due to non-operational vessels and challenges from conflicts in the Middle East. A minor tax credit of €146k reduced the loss to €1.9m. In FY24, the Group is expected to generate a modest profit after tax of €41k, due to the increased synergies achieved through the new vessels which are expected to greatly boost the Group's efficiency and hence profitability.



2.4.1 Group's Variance Analysis

Statement of Comprehensive Income	FY23F	FY23A	Variance
	€000s	€000s	€000s
Revenue	46,354	28,041	(18,313)
Cost of sales	(42,842)	(27,456)	15,386
Gross profit	3,512	548	(2,927)
Selling and distribution expenses	(244)	(127)	117
Administrative expenses	(732)	(854)	(122)
Other income	-	255	255
Other charges	-	(57)	(57)
EBITDA	2,536	(198)	(2,734)
Depreciation and amortisation	(1,312)	(1,263)	49
EBIT	1,224	(1,461)	(2,685)
Finance income	-	22	22
Finance costs	(617)	(700)	(83)
Profit / (loss) before tax	607	(2,139)	(2,746)
Tax	7	146	139
Profit / (loss) after tax	614	(1,993)	(2,607)
Revaluation of property, plant and equipment	-	642	642
Total comprehensive income / (loss)	614	(1,351)	(1,965)

The Group's revenue decreased significantly to €28.0m in 2023 mainly as a result of lower animal feed sales volumes following geopolitical conflicts in the Middle East. This was €18.3m lower than was initially forecast.

In the year under review the Group encountered transportation, logistical and operational issues after acquiring the two vessels M/V Eco and M/V Rising. When making the initial forecasts, the specific country of origin for the newly acquired vessels was yet to be determined. The vessels required upgrades and a significant amount of time to integrate into the Group's operations due to their positioning in China and South Korea and subsequent relocation to the Mediterranean.

All the above reasons led to a reported gross profit of €548k compared to the original forecast of €3.5m.

Administrative expenses incurred were €122k higher than the expected €732k.

The Group also incurred other charges such as differences on exchange and settlement of insurance claims which were not expected to be incurred during the year.

The Group recorded a €146k tax credit in 2023 which is higher than the €7k forecasted. Despite this, the overall loss after tax was still significant due to the aforementioned factors. The ongoing geopolitical conflicts in the Middle East further exacerbated by transportation, logistical, and operational issues, affected the overall efficiency and profitability of the Group's operations.

During the year the Group revalued their motor vessels, resulting in a €642k increase in asset value. However, this revaluation also reflects the substantial investments made in upgrading the vessels, impacting the financial results.



2.5. Group's Statement of Financial Position

Statement of Financial Position as at 31 December	FY21A	FY22A	FY23A	FY24F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	3,771	4,016	10,785	10,565
Right of use assets	15	27	9	-
Sinking fund	-	300	-	-
Deferred tax asset	158	69	245	271
Total non-current assets	3,944	4,413	11,039	10,835
Current assets				
Inventories	1,572	1,088	650	1,467
Trade and other receivables	1,280	2,886	3,375	1,570
Cash and cash equivalents	621	1,120	257	1,476
Total current assets	3,473	5,094	4,282	4,512
Total assets	7,417	9,506	15,321	15,348
Equity				
Share capital	50	250	250	250
Total reserves	3,403	4,127	4,768	4,768
Accumulated losses	(196)	(18)	(2,011)	(1,970)
Total equity	3,257	4,359	3,007	3,049
Liabilities				
Non-current liabilities				
Borrowings	1,792	1,800	8,192	8,225
Lease liability	18	10	7	-
Deferred tax liability	-	-	274	-
Other non-current liabilities	159	64	54	328
Total non-current liabilities	1,969	1,874	8,527	8,553
Current liabilities				
Trade and other payables	2,032	3,187	3,755	3,746
Lease liability	3	19	4	-
Other liabilities	-	10	10	-
Current tax liabilities	156	58	18	1
Total current liabilities	2,191	3,274	3,787	3,747
Total liabilities	4,160	5,148	12,314	12,299
Total equity and liabilities	7,417	9,506	15,321	15,348



Ratio Analysis	FY21A	FY22A	FY23A	FY24F
<i>Financial Strength</i>				
Gearing 1 (Net Debt / Net Debt and Total Equity)	26.79%	13.99%	72.55%	68.88%
Gearing 2 (Total Liabilities / Total Assets)	56.1%	54.1%	80.4%	80.1%
Gearing 3 (Net Debt / Total Equity)	36.6%	16.3%	264.3%	221.4%
Net Debt / EBITDA	1.18x	0.53x	(40.13)x	2.91x
Current Ratio (Current Assets / Current Liabilities)	1.59x	1.56x	1.13x	1.20x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.87x	1.22x	0.96x	0.81x
Interest Coverage 1 (EBITDA / Cash interest paid)	7.41x	3.82x	(0.52)x	6.24x
Interest Coverage 1 (EBITDA / Finance Costs)	5.33x	3.81x	(0.28)x	3.97x

As explained in section 1.4 of this analysis, AST issued an €8.5m bond which was mainly used to acquire the two new vessels – M/V AST Eco and M/V AST Rising. These additional vessels increased the value of the property plant and equipment from €4.1m in FY22 to €10.8m in FY23 which now makes up 70% of the Groups total assets in FY23. The rest of the non-current assets are made up of a €245k deferred tax asset and €9k right of use asset. Deferred taxation is principally composed of deferred tax assets and liabilities which are to be recovered and settled after more than twelve months. Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority.

The current assets are mostly made up €3.4m trade and other receivables which increased by roughly €0.5m. Additionally the current assets are also made up of inventories and cash and cash equivalents.

The equity base decreased by €1.4m in line with the loss made during the year, partially offset by an increase of €0.6m in total reserves which are made up of capital contribution, revaluation reserves, general reserves, and other reserves. The authorised and issued share capital did not change.

The Bonds issued in 2023, net of bond issue costs amounted to €8.2m and constitute 93.6% of the Group's total liabilities. The Bond issue resulted in a material increase in total liabilities when compared to FY22.

The Group does not expect any overall material changes in the balance sheet for FY24. The focus will be on stabilising operations and improving profitability to enhance financial stability and reduce gearing levels. The projected lower financing costs and improved operational position should contribute to a modest recovery in financial performance



2.6. Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	FY21A	FY22A	FY23A	FY24F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
EBITDA	1,008	1,335	(198)	2,316
Adjustments	60	1	(127)	-
Adjusted EBITDA	1,068	1,336	(325)	2,316
<i>Working capital changes</i>				
Movement in inventories	(365)	404	439	(816)
Movement in trade and other payables	1	(1,398)	(713)	(232)
Movement in trade and other receivables	135	1,148	645	1,804
Cash generated from operations	839	1,490	46	3,073
Taxation paid	(35)	(154)	(77)	(24)
Interest received	-	39	21	-
Interest paid	(136)	(350)	(383)	(371)
Net cash generated from / (used in) operating activities	668	1,025	(393)	2,677
Cash flows from investing activities				
Acquisition of property, plant and equipment	(252)	(2)	(7,084)	(1,459)
Net cash used in investing activities	(252)	(2)	(7,084)	(1,459)
Cash flows from financing activities				
Net advances to parent	(16)	(12)	(4)	-
Net advances to ultimate beneficial owner	(106)	(193)	(32)	-
Release of / (additions to) sinking fund	-	(300)	300	-
Issuance of new bonds	-	-	6,369	-
Payment for lease obligations to third parties	(7)	(19)	(19)	-
Net cash (used in) / generated from financing activities	(129)	(524)	6,614	-
Movement in cash and cash equivalents	287	499	(836)	1,218
Cash and cash equivalents at start of year	334	621	1,120	257
Cash and cash equivalents at end of year	621	1,120	257	1,475

Ratio Analysis	FY21A	FY22A	FY23A	FY24F
<i>Cash Flow</i>	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	552	1,373	7,094	1,589.70

After adjusting EBITDA for movements in working capital and non-cash items such as taxation and interest, the Group generated €46k from operating activities in FY23. This is expected to improve in FY24 mainly due to an expected higher EBITDA.

The largest movement in the Groups cash flows during FY23 was the €7.1m used for the acquisition of PPE which wholly represent the Group's investing activities.

The cash generated from financing activities amounted to €6.6m mainly because of the Issuance of new bonds during the year and the €0.3m movement related to the sinking fund.

During FY23 there was a net cash outflow of €836k and the cash balance at the end of the year was €257k. Due to a higher cash generated from operating activities and less cash used in investing activities the Group expects to have a cash inflow of €1.2m with a positive cash balance of €1.5m at the end of the year.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2023. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Economic Update¹

The Bank's Business Conditions Index (BCI) indicates that in April 2024, annual growth in business activity declined marginally, and remained slightly below its historical average, estimated since January 2000.

The European Commission confidence surveys show that sentiment in Malta decreased in April, and remained below its long-term average, estimated since November 2002. The latest deterioration was mostly driven by developments in industry, construction and among consumers.

Additional data show that in month-on-month terms, price expectations increased among consumers, and to a lesser extent in the retail and services sectors, but decreased significantly in the construction sector and, to a lesser extent in industry.

In April, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty. Uncertainty declined in all sectors except construction.

In March, both industrial production and retail trade contracted on a year-on-year basis. The unemployment rate remained unchanged at 3.2% in March but stood below that of 3.4% in March 2023.

Commercial and residential building permits in March were lower than a month earlier. Commercial permits were also lower when compared with a year ago, but residential permits were higher. In April, the number of residential promise-of-sale agreements rose on a year earlier, as did the number of final deeds of sale.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.4% in April, down from 2.7% in the previous month. Following this decline, HICP

inflation in Malta was in line with the euro area average. HICP excluding energy and food in Malta, remained below the euro area average. Inflation based on the Retail Price Index (RPI) decreased to 1.6%, down from 1.9% in March.

3.3 Economic Outlook²

According to the Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to grow by 4.3% in 2024. Growth is then projected to ease to 3.5% in both 2025 and 2026. This implies a marginally downward revision in 2024 and 2025, when compared to the Bank's previous projections, while for 2026 the outlook is revised upwards.

In 2023, growth was primarily driven by net exports, while domestic demand is envisaged to be the main driver of growth in 2024. Private consumption growth continues at a brisk pace, and private investment, is expected to gradually recover. Net exports are also projected to contribute positively, driven mainly by services exports. Growth in 2025 and 2026 is expected to continue to be led by domestic demand.

Employment growth is set to moderate, albeit from high rates, in the projection horizon, while the average wage is expected to grow at a faster rate in 2024, partly in response to the pronounced inflation in the recent past and a tight labour market.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to drop significantly, from 5.6% in 2023 to 2.4% in 2024, before reaching 1.9% by 2026. Compared to previous projections, inflation has been revised down by 0.5 percentage point in 2024, largely reflecting the unexpected rapid drop experienced in the initial months of the year.

The general government deficit-to-GDP ratio is set to decline to 4.1% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 3.1% by 2026. The general government debt-to-GDP ratio is set to increase throughout the forecast horizon, reaching 54.3% by 2026. When compared with the previous projection round, the projected deficit ratio is higher, while the debt ratio is broadly unchanged.

Risks to activity are broadly balanced over the projection horizon. Downside risks largely emanate from possibly adverse trade effects related to ongoing geopolitical tensions. On the other hand, the labour market could exhibit even stronger dynamics than envisaged in this projection round, both in terms of employment and wages. This could then result in stronger private consumption growth.

¹ Central Bank of Malta – Economic update – 05/2024

² Central Bank of Malta – Economic Projections 2024 – 2026



Risks to inflation are balanced over the project horizon. Upside risks to inflation could stem from extreme weather events and effects of geopolitical developments. Other upside risks to headline inflation include the potential impact of measures to combat climate change. Furthermore, wage pressures could be stronger than envisaged in the baseline. On the downside, imported inflation could fall more rapidly than expected, while services inflation could normalise more quickly than envisaged in this projection round.

On the fiscal side, risks are tilted to the downside (deficit-increasing). These mainly reflect the likelihood of slippages in current expenditure, including higher-than-expected outlays on energy support measures if commodity prices are higher than envisaged. They also reflect the likelihood of additional increases in pensions and public sector wages in the outer years of the forecast horizon. Should these risks materialise, they are set to be partly offset by the likelihood of additional fiscal consolidation efforts to comply with the EU's fiscal rules.

3.4 Animal Feed Trading³

The global animal feed market has demonstrated significant growth, reaching a valuation of USD 518.4 billion in 2023. Projections indicate that this market will continue to expand, reaching USD 674.7 billion by 2032, with a compound annual growth rate (CAGR) of 2.9% during the forecast period from 2024 to 2032.

The escalating global population is a primary driver of increased demand for livestock products, including meat, dairy, and eggs. This surge emphasizes the importance of animal nutrition in meeting protein requirements, thereby boosting the animal feed market.

Economic conditions significantly impact consumer purchasing power and preferences. During economic upturns, increased disposable incomes lead to higher consumption of animal-derived products. Conversely, downturns may shift preferences towards more affordable alternatives, influencing feed formulations.

Strict regulations ensure the safety and quality of animal feed, governing formulation, production, and distribution. Compliance with these standards fosters consumer trust and drives market growth.

Innovations in feed production and processing technologies enhance feed efficiency, nutritional value, and overall production processes, contributing to market expansion. Growing environmental concerns and the push for sustainable practices are driving demand for eco-friendly feed solutions, further propelling market growth.

³ <https://www.imarcgroup.com/animal-feed-market>

The global animal feed market is characterised by a dynamic competitive environment where companies continuously adapt to changing consumer preferences, regulatory requirements, and technological advancements. Key players focus on innovation in feed formulations and production processes, aiming to provide value-added products that meet evolving nutritional demands. Supply chain optimisation and sustainable practices are also pivotal

The animal feed market is poised for steady growth over the next decade, driven by population growth, economic dynamics, regulatory frameworks, technological advancements, and sustainability trends. Companies operating in this sector must navigate a complex landscape, focusing on innovation, compliance, and sustainable practices to maintain a competitive edge. The Asia Pacific region remains a crucial market, with significant contributions from North America and Europe. As the industry evolves, strategic investments and partnerships will be essential for capturing new opportunities and driving future growth.

3.5 Shipping Operations⁴

In 2023, the shipping market experienced notable fluctuations and resilience across various sectors. The ClarkSea index, while declining year-over-year, remained 33% above the ten-year trend, underscoring a robust market performance driven by gas, tanker, offshore, and car carrier segments, despite later recoveries in dry bulk and container markets.

The energy shipping sector demonstrated significant strength. LPG rates reached an all-time high for Very Large Gas Carriers (VLGC) at \$91,625 per day. Tankers had another prosperous year, and although LNG rates decreased, they remained healthy. The offshore segment saw a substantial recovery, with drilling rig utilization hitting 90% for the first time since 2014. Car carrier charter rates maintained their peak levels, a continuation of growth since 2019, with a 19% increase in trade against a modest 1% fleet growth.

In the bulk carrier sector, despite a challenging year with rates falling 40% year-over-year, there was a positive turn in the fourth quarter. A low orderbook, comprising only 6% of the fleet, suggests potential improvement in 2024. Container freight and charter rates plummeted by 71% and 68%, respectively. However, disruptions such as those in the Red Sea led to an uptick in localized rates, with Shanghai to Europe freight rates rising by 220%, though still significantly below their COVID-19 peak.

Global trade rebounded in 2023, growing by 3% to 12.4 billion tonnes, with projections indicating a rise to 12.6

⁴ Clarksons 2023 Shipping Market Review



billion tonnes in 2024. Key growth areas included car trade (up 15%), LPG (up 6%), and dry bulk (up 4.3%), bolstered by China's reopening. Although container volumes were weak, they stabilized by mid-year. Tonne miles saw a 5% increase, the largest since 2017, driven by shifts in oil flow patterns, with oil and oil product tonne miles increasing by 7% and 10%, respectively. The cruise industry also showed signs of recovery, with passenger volumes returning to pre-pandemic levels of 31 million.

Fleet supply grew modestly by 3.2% to 2.3 billion DWT. The tanker fleet expanded by 1.9%, while the container fleet grew by 8%. Global shipyard output increased by 10% year-over-year, with China contributing 50% of this output for the first time. Orders for new ships remained steady in terms of DWT and GT, with a significant 235% increase in tanker orders by DWT from a low base. The orderbook, representing 12% of the fleet, is predominantly skewed towards containers and gas, indicating potential constraints in tanker and bulker supply. The forward cover for shipyards remains healthy at approximately 3.6 years, and the new-build price index rose by 10%. The average age of the world fleet increased to 12.6 years, with 31% of tonnage anticipated to report D or E ratings under the Carbon Intensity Indicator (CII). Sales and purchase (S&P) volumes

stayed elevated at 129.9 million DWT, with tanker and bulker prices rising by about 15%. Scrap volumes remained low at 10.7 million DWT, with scrap pricing steady at \$510 per Light Displacement Tonnage (LTD).

Throughout the year, the industry focused on managing disruptions, particularly in the Red Sea and Panama, while advancing green initiatives, including EEXI, CII, and the EU Emissions Trading System, alongside the International Maritime Organization's (IMO) commitment to net-zero emissions. Despite various challenges, the shipping market exhibited resilience and overall health across numerous segments.

3.6 Comparative analysis

The purpose of the table below compares the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we have included different issuers with a similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the business and that of other issuers are therefore different:

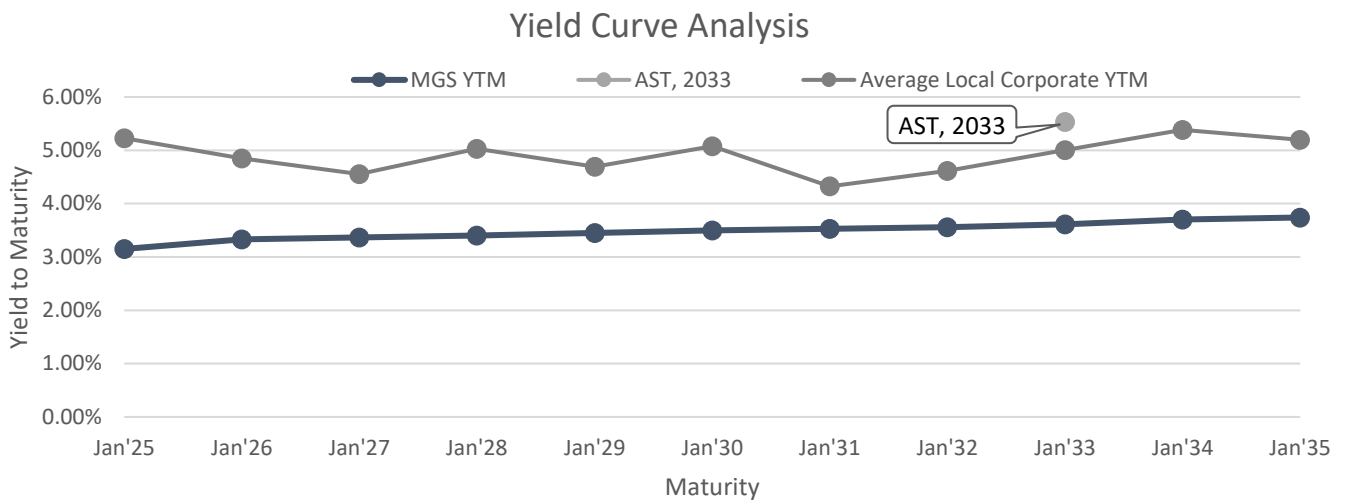


Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.39%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	(1.8)%
6% Pharmacare Finance plc Unsecured € 2033	17,000	5.46%	0.8x	43.1	13.1	69.7%	59.9%	(16.8)x	2.2x	(25.8)%	(46.5)%	(5.4)%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.96%	2.2x	37.6	17.1	54.7%	15.9%	3.0x	0.7x	0.0%	0.1%	19.0%
6.25% AST Group plc Secured Bonds 2033 (xd)	8,500	5.53%	0.3x	15.3	3.0	80.4%	72.5%	(40.1)x	1.1x	(54.10)%	(7.1)%	(37.7)%
5.85% AX Group plc Unsecured € 2033	40,000	5.30%	1.8x	474.0	243.5	48.6%	39.4%	20.9x	0.9x	(1.6)%	(7.7)%	30.3%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.43%	1.7x	76.3	20.3	73.3%	63.1%	16.9x	2.1x	0.1%	0.2%	9.6%
6% International Hotel Investments plc 2033	60,000	5.31%	1.7x	1,768.3	836.3	52.7%	42.1%	9.5x	1.0x	(1.4)%	(3.9)%	20.8%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.81%	(1.3)x	15.5	2.3	85.3%	78.2%	(15.2)x	0.7x	(50.5)%	(34.4)%	(38.2)%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.27%	2.6x	0.1	0.0	63.3%	59.0%	11.9x	0.3x	0.7%	1.6%	29.9%
Average*		5.12%										

Source: Latest available audited financial statements

Last closing price as at 31/05/2024

*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 MGSs (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 illustrates on a standalone basis, the Issuer's existing yields of its outstanding bonds.

As at 31 May 2024, the average spread over the Malta Government Stocks (MGS) for Issuer's with the same year of maturity (2033) was 150 basis points. The 6.25% AST Group p.l.c. bonds 2023 are currently trading at a YTM of 553 basis points, meaning a spread of 192 points over the equivalent MGS. This represents a premium of 41 basis points in comparison to the market.

Part 4 Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/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 Group/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 Group/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 Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/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 Group/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 Group/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 Group/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 Group/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 Group's/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.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/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.
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Calamatta Cuschieri

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