MERCURY TOWERS
by Zaha Hadid Architects

MERCURY PROJECTS FINANCE p.l.c.

Mercury Towers, J Portelli Offices, Triq San Gorg, San Giljan STJ 3202, Malta
Co. Reg. No. C89117

COMPANY ANNOUNCEMENT

Publication of Financial Analysis Summary

It is being announced that the Financial Analysis Summary prepared by the Sponsor and dated 30th June 2025, has been approved for publication by the Board of Directors and is attached herewith.

It is also available for viewing on the Company's website: https://mercury.com.mt/

By order of the Board

Joseph Saliba

Company Secretary

30th June 2025

Calamatta Cuschieri

The Directors
Mercury Projects Finance p.l.c.
1400, Block 14,
Portomaso,
St. Julian's, Malta

30 June 2025

Re: Financial Analysis Summary – 2025

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 Mercury Projects Finance p.l.c. (the "**Issuer**") and Mercury Towers Ltd (the "**Guarantor**"), where the latter is the parent company of the "**Group**". The data is derived from various sources, including the prospectus dated 25th July 2024 published by the Issuer (the "**Prospectus**") for the bonds issued on 23rd August 2024 (the "**Bond Issue**"), or is based on our own computations as follows:

a) Historical financial data for the three years ended 31 December 2022, 2023 and 2024 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question.

b) The forecast data for the current financial year 2025 has been provided by management.

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

d) The ratios quoted in the Financial Analysis Summary 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 comparatives 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,

P. M

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Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS

SUMMARY 2025

Mercury Projects Finance p.l.c.

30 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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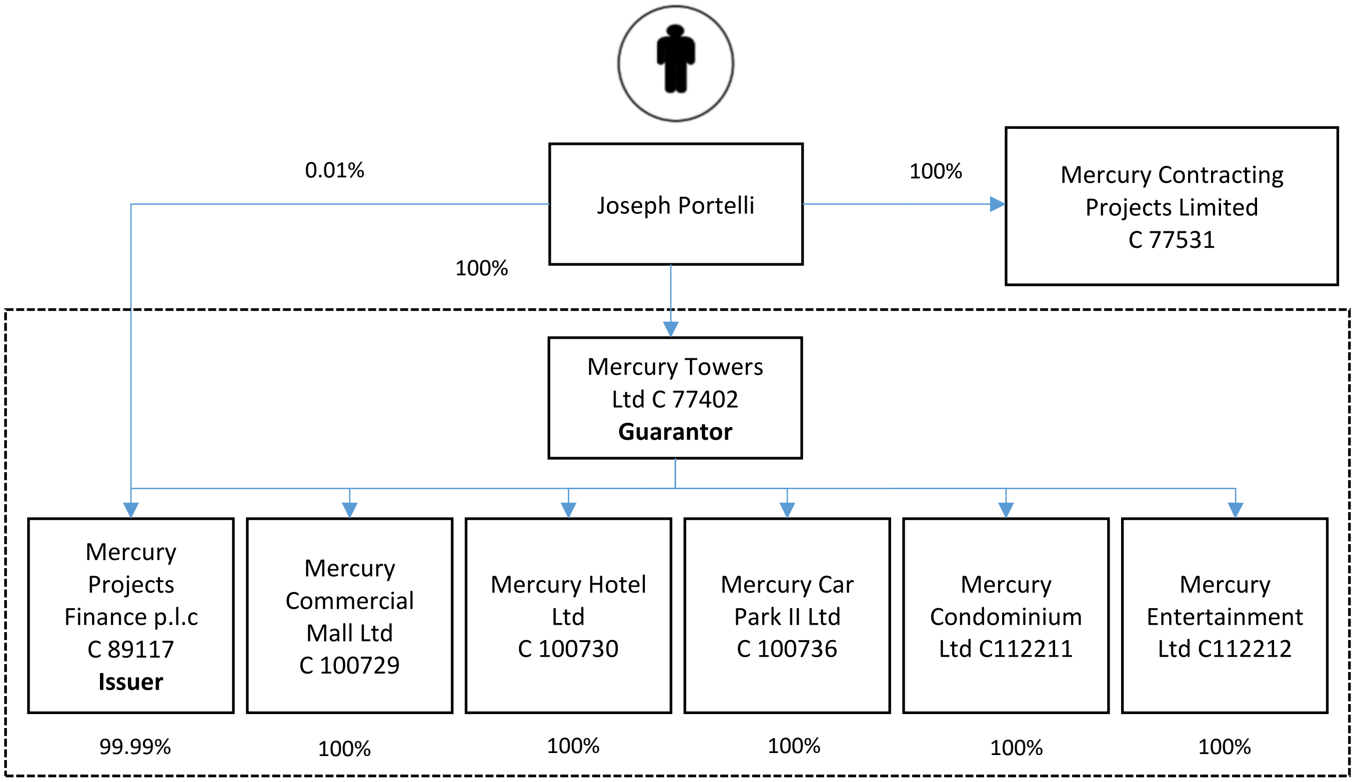
Part 1 Information about the Group

1.1 The Group's Key Activities and Structure

The Group structure is as follows:



The "**Group**" of companies (or the "**Mercury Group**") comprises Mercury Projects Finance p.l.c. (the "**Issuer**"), Mercury Towers Ltd, acting as the Guarantor of the outstanding bonds of the Issuer, Mercury Car Park II Ltd, Mercury Hotel Ltd., and Mercury Commercial Mall Ltd.

The key activities of the Group consist of the development and operation of a mixed-use project (the "**Project**") that *inter alia* involved the development of a 34-floor tower (including serviced apartments), a 5-star luxury hotel spanning over the podium area, retail and commercial spaces spanning across the entire project, a commercial mall (all retail space is committed), a rooftop bar, as well as an underlying car park. As at the date of this Analysis, the commercial mall and commercial outlets are in operation.

The Issuer, with company registration number C 89117, is a public limited liability company registered in Malta on 16 January 2019. The Issuer is, except for one share that is directly held by Mr Joseph Portelli, a wholly-owned subsidiary of Mercury Towers Ltd, which is the parent company of the Group. The Issuer, which was set up and established to act as a finance vehicle has, as at the date hereof, an authorised share capital of €500,000 divided into 500,000 ordinary shares of €1 each and has an issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

The Guarantor, Mercury Towers Ltd ("**MTL**"), is a private limited liability company incorporated and registered in Malta on 28 September 2016, with company registration number C 77402. The Guarantor, has as at the date hereof, an authorised share capital of €30,000,000 divided into 30,000,000 ordinary shares of €1 each and an issued share capital of €15,000,000 divided into 15,000,000 ordinary shares of €1 each, all fully paid up. Mr Joseph Portelli is the sole shareholder of the Guarantor. A total of €27m will be injected by the shareholder during 2025, of which €15m will be capitalised. The remaining €12m will be in the form of a contribution from the shareholder. €12m has been received from the shareholder.

Mercury Car Park II Ltd owns the car park underlying the entire development as further detailed in section 1.4 below.

Mercury Hotel Ltd. ("**MHL**"), a wholly owned subsidiary of MTL, owns and operates the hotel, as explained in more detail in section 1.4 of this Analysis.

Mercury Commercial Mall Ltd., also a subsidiary of MTL, is the proprietor and operator of the commercial mall. The retail outlets were rented to third parties in shell form internally, whilst the common areas of the mall and the outlets' exterior (where applicable) were fully finished.

Finally, Mercury Contracting Projects Limited ("**MCPL**"), although not part of the Group, is fully owned by Mr Joseph Portelli and is entrusted with carrying out the development and completion of the Project.

Mercury Towers Ltd incorporated Mercury Condominium Ltd (C-112211) and Mercury Entertainment Ltd (C-112212) in June 2025. At present, these two new companies are not yet operational, but they will be responsible for managing aspects of the project, including the condominium and other entertainment areas.

1.2 Directors and Key Employees

Board of Directors - Issuer
As of the date of this Analysis, the board of directors of the Issuer is composed as follows:

Name	Office Designation
Mr Joseph Portelli	Chairman and Executive Director
Mr Stephen Muscat	Independent Non-executive Director
Mr Mario Vella	Independent Non-executive Director
Mr Peter Portelli	Independent Non-executive Director

The business address of all of the directors is the registered office of the Issuer. Dr Joseph Saliba is the company secretary of the Issuer.

Board of Directors - Guarantor
As of the date of this Analysis, the board of directors of the Guarantor is composed as follows:

Name	Office Designation
Mr Joseph Portelli	Executive Director
Ms Chloe Portelli*	Executive Director
Mr Tristen Portelli*	Executive Director

**Ms Chloe Portelli and Mr Tristen Portelli were appointed as directors on 14 June 2024*

The business address of the directors of the Guarantor is the registered office of the Issuer. Dr Ian Stafrace is the company secretary of the Guarantor.

The management team is entrusted to oversee the Group companies' day-to-day management and is responsible for the general executive management, sales and business development, as well as for eventual hotel operations.

Management team members are:

Name	Office Designation
Mr Marcel Bonnici	Chief Executive Officer
Mr Neal Debono	Chief Operating Officer
Mr Keith Fabri	Chief Financial Officer

As of the date of this Analysis, the Group employs 104 employees.

1.3 Major Assets owned by the Group

As a special purpose vehicle set up to act as the financing company for the Project, the Issuer does not have any substantial assets other than the loans receivable from the Guarantor. The major assets of the Group are the underlying land and building on which the Project is being constructed.

The Guarantor owns land in St. Julian's measuring *circa* 9,648m^2, which it acquired on a freehold title over two phases. 7,701.8m^2 of said land was acquired in two stages, in December 2016 and June 2017, for a total price of *circa* €24.3m. A plot of land measuring 1,964m^2 was then acquired in August 2021 for €14m.

The land, the construction thereon (the Project), and the airspace have been classified as "*property, plant, and equipment*", "*investment property*" and "*inventory*" in the financial statements of the Group.

- *Property, plant, and equipment ("**PPE**")*: €175.8m, as at 31 December 2024 (2023: €143.2m) consisting of property which is retained by the Group to be used in the supply of services (operated as a hotel and car park). Further explanation on the value of PPE in sub-section 2.5. of this Analysis.
- *Investment property*: €83.4m, as at 31 December 2024 (2023: €80.6m) which comprises the retained property leased out to third parties. As of 31 December 2024, this consisted of serviced apartments on Level 31 of Mercury Tower, the Twist, Mercury House, the Pavilion, the Commercial Mall and other commercial outlets, and the rooftop bar on Level 33.

- *Inventory*: €1.9m as at 31 December 2024 (2023: €2.1m) includes the Group's inventory which consists of the two serviced apartments available for sale.

As at the date of this Analysis, elements of the Project are finished and available for use.

1.4 Operational Developments

The ultimate beneficial owner of the Group, Mr Joseph Portelli, has a long trading history in the acquisition, development, management, and operation of real estate developments, including hotels, residential, office, retail property, and entertainment projects.

The most recent developments of the Group are described hereunder:

Mercury Project

The development and finishing of the Project are carried out by MCPL, a related party that is wholly owned by Mr Joseph Portelli. This is governed through a contract of works agreement entered into between MCPL and MTL in 2016.

To date, the Commercial Mall and the car park are finished and in operation, while the residential area within the tower forming part of the first phase of the project was completely finished and operational.

The finishing works on several commercial areas within the tower and the first phase of the project have been completed. These spaces have been handed over to the respective lessees in 2024 and are now operational. Only two commercial areas remain pending handover one of which is scheduled to open in the coming weeks and the other one in Q4 2025. Mercury House, a listed building, has been fully restored.

The hotel was handed over to the operator in mid-October 2024.

Mercury Tower

The Mercury Tower (the "**Tower**") is a 34-storey building above ground level, and also includes 6 storeys underground, four of which are designated as parking spaces. The gross floor area of the units within the tower (excluding parking spaces) is 20,591m^2. The Tower consists of 291 branded serviced apartments, the majority of which were sold to third parties (279 apartments), with the remaining 12 apartments retained by the Guarantor. As at the date of this Analysis, all apartments have been sold and the deed of transfer has been signed.

Apart from the serviced apartments, the Mercury Tower also includes:

- A commercial area at level 11 (the Twist), which incorporates an outdoor pool, is a unique and versatile event space and has been rented out to third parties to be operated as a restaurant;
- A rooftop bar at level 33 (entrance on level 32); a viewing gallery which will be accessible to guests and patrons alike, also rented out to third parties;
- Three levels of commercial space (level B01 to level 1) will form part of the commercial offering and are connected to other commercial parts of the development. The outlets in level B01 were operational in November 2023;
- Office space situated on level 2 and
- Levels 10, 12, and (part of) level 32 of the Mercury Tower shall include plant rooms and storage facilities.

Peripheral Block

The peripheral residential block is an adjacent 9-storey block and includes a total of 170 serviced apartments across seven levels (levels 2 to 8). The serviced apartments have an average net internal area of *circa* 60m^2. As of the date of this Analysis, 168 apartments have been sold while 2 remain available for sale.

Management confirmed that finishing works on the Peripheral Block have been completed.

Three levels of commercial space (levels B01 to level 1) of the peripheral residential block forms part of the Commercial Mall. The peripheral block also houses 2 outdoor pools for hotel guests and residents.

Another branch of the Project comprises a 20-storey 5-star branded hotel, consisting of 140 rooms (the "**Hotel**"). The room and bed stock will expand by virtue of the serviced apartments whose owners sign up for a hotel accommodation pooling arrangement.

The Hotel is being operated by MHL through a hotel management agreement with the internationally renowned hotel chain Meliá, in particular with Meliá Hotels International S.A. (as manager) and Prodigios Interactivos S.A. (as provider). The Hotel opened its doors in November 2024.

Commercial Outlets

The Project will also comprises a mix of retail and catering outlets, distributed on levels B01, the ground floor, and level 1 of the tower, podium, and in the peripheral building. The commercial outlets consist of a number of shops with a total floor area exceeding 12,348m^2. The commercial shopping mall and entertainment arena are located over four floors across Mercury House, Mercury Tower, the Hotel, and the Peripheral Block (underlying Mercury Suites).

The commercial mall also includes the Flying Theatre and Museum of Illusions, both of which are situated within the Mercury House. The entertainment arena, known as Planet Play started operating in Q1 2024.

Ancillary components

The Project also includes several ancillary components.

- Mercury House, a restored 19th-century building, is home to the restaurants Ruby Ray and the neighbouring bar Kuch Kuch, along with the visitor attractions the Museum of Illusions and Odyssey. The Mercury Experience (described hereunder) is also situated there.
- The Mercury Experience, an attraction with audio-visual presentations of various historical eras and/or points of interest in Malta, and ending in the admission to the flying theatre, which will be a type of entertainment-themed simulator ride, consisting of rigged seats and virtual reality/projection to create the illusion of flight.
- The Pavilion, a stand-alone building situated next to Mercury House intended to be operated by an anchor tenant as a flagship store.
- The rooftop bar and viewing gallery located in the uppermost two floors of the Tower, offering a 360º view from what is so far the highest building in Malta, accessible to guests and patrons alike.

Car Park

The Project also comprises a sub-structure car park, underneath all the sites spanning from levels B07 to B03. The car park now includes a total of 638 car spaces. None of the 638 car spaces will be sold and will be used as a public car park to complement the commercial offering.

Management noted that, out of the aforementioned 638 car spaces, 28 are owned by a third-party.

1.5 Listed Debt Securities of the Issuer

Mercury Projects Finance p.l.c. currently has the following outstanding debt securities:

	ISIN	€m
3.75% Mercury Projects Finance plc Secured € 2027	MT0002191204	11.5
4.25% Mercury Projects Finance plc Secured € 2031	MT0002191212	11.0
4.3% Mercury Projects Finance plc Secured € 2032	MT0002191220	50.0
5.3% Mercury Projects Finance plc Secured € 2034	MT0002191238	20.0

Part 2 Historical Performance and Forecasts

The Issuer's historical financial information for the three years ending 31 December 2022, 2023 and 2024, as set out in the audited financial statements of the Issuer may be found in sub-sections 2.1. to 2.3. of this Analysis. These sub-sections also include the projected performance of the Issuer for the period ending 31 December 2025. Moreover, the Group's historical financial information for the three years ending 31 December 2022, 2023 and 2024, together with the Group's projected performance for the period ending 31 December 2025 are set out in sub-sections 2.4. to section 2.6.

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company 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 Income Statement

Income Statement for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Finance income	2,730	3,371	3,775	4,471
Finance costs	(2,377)	(3,049)	(3,438)	(4,109)
Net finance income	**353**	**322**	**337**	**362**
Administrative expenses	(160)	(195)	(230)	(236)
Profit before taxation	**193**	**127**	**106**	**126**
Taxation	(120)	(44)	(37)	(44)
Profit after taxation	**73**	**83**	69	**82**

Given its role as the finance vehicle of the Group, the Issuer generates income from the differential in interest rates between the coupon on its listed bonds and the interest income charged to the Guarantor on the funds advanced.

Finance income and finance costs both increased from FY23 to FY24, as a result of the €20m bond issued in Q3 of 2024. These are expected to increase further in FY25 as the Issuer will recognise a full year's finance income on the loan to parent and a full year's finance cost on the bonds issued in 2024.

Administrative expenses have also increased from FY23 due to an increase in professional fees. These expenses are assumed to remain stable in FY25.

In terms of taxation, the Issuer reported a mariginally lower tax charge than in the previous year as a result of the lower profit before taxation.

Profit for the year decreased slightly, in line with the changes mentioned herein. The profit after tax for FY25 is projected to increase to €82k mainly driven by the increase in net finance income.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Loans and receivables	72,444	72,444	92,444	92,444
Total non-current assets	**72,444**	**72,444**	**92,444**	**92,444**
Current assets				
Other receivables	2,522	2,565	3,234	2,850
Tax recoverable	-	29	42	-
Cash and cash equivalents	366	235	13	511
Total current assets	**2,888**	**2,829**	**3,289**	**3,361**
Total assets	**75,332**	**75,273**	**95,734**	**95,805**
Equity and liabilities				
Capital and reserves				
Share capital	250	250	250	250
Retained earnings	243	325	395	477
Total equity	**493**	**575**	**645**	**727**
Non-current liabilities				
Interest bearing borrowings	72,500	72,500	92,500	92,500
Total non-current liabilities	**72,500**	**72,500**	**92,500**	**92,500**
Current liabilities				
Other payables	2,294	2,198	2,589	2,534
Current tax liability	45	-	-	44
Total current liabilities	**2,339**	**2,198**	**2,589**	**2,578**
Total liabilities	**74,839**	**74,698**	**95,089**	**95,078**
Total equity and liabilities	**75,332**	**75,273**	**95,734**	**95,805**

The Issuer's assets are mostly made up of loans advanced to the Guarantor, in line with the sole function of the Issuer. As at 31 December 2024, these loans represented *circa* 97% of total assets. The value of these loans increased by €20m in FY24 following the issue of bonds by the Issuer, proceeds of which were all loaned out to the Guarantor. Looking forward into FY25, the Issuer is not forecasting any further increases in loans to the Guarantor.

Current assets are mainly made up of accrued interest on the aforementioned loans, and cash and cash equivalents. These increased in FY24 due to a higher accrued interest balance, in line with the higher loan receivable balance, and an increase in amounts due from parent company.

Total equity in FY24 amounted to €645k . This consists of the Issuer's share capital of €250k and retained earnings of €395k. Total equity is expected to increase to €727k in FY25 driven by the profit after tax in FY25.

The non-current liabilities of the Issuer are its listed securities, as listed in sub-section 1.5. of this Analysis. These were increased by €20m in FY24 as a result of the bond issue in the same year. The only other liabilities of the Issuer are the outstanding interest commitments, which increased slightly in FY24 due to the larger balance of debt securities issued.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the years ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit before tax	192	127	106	126
Movement in working capital:				
Movement in finance income	(1,608)	-	(404)	63
Movement in finance expense	1,478	-	389	(61)
Movement in other receivables	(10)	-	(5)	17
Movement in other payables	14	2	1	6
Taxes paid	(139)	(119)	(50)	42
Net cash generated from / (used in) operating activities	**(73)**	**10**	**38**	**194**
Cash flows from investing activities				
Loans advanced to related parties	(50,000)	-	(20,000)	-
Net cash generated used in investing activities	**(50,000)**	**-**	**(20,000)**	**-**
Cash flows from financing activities				
Proceeds from Bond Issue	50,000	-	20,000	-
Movement on parent company account	406	(141)	(260)	303
Net cash generated from / (used in) financing activities	**50,406**	**(141)**	**19,740**	**303**
Net movements in cash and cash equivalents	**333**	**(131)**	**(222)**	**498**
Opening cash and cash equivalents	33	366	235	13
Closing cash and cash equivalents	**366**	**235**	**13**	**511**

The Issuer's main cash movements, other than that of raising and repaying debt instruments, is to advance loans to the Guarantor against an annual interest charge ranging between 4.50% and 5.5% *per annum*.

There were no major cash movements from operating activities during FY24. However, management are expecting this to increase to €194k in FY25 driven by the profit for the year and a tax refund of €42k. and management is not expecting any in FY25 either.

The Issuer loaned out €20.0m to the Guarantor during FY24 as external financing from the bond proceeds issued during the same period.

The Issuer ended the year under review with a cash balance of €13k, and is projecting to close FY25 with €511k.

2.4 Group's Income Statement

Income Statement for the year ended 31 December	FY2022A	FY2023A	FY2024A	FY2025F
	€000s	**€000s**	**€000s**	**€000s**
Revenue	37,804	24,807	10,212	25,348
Cost of sales	(29,041)	(18,696)	(6,633)	(4,445)
Gross profit	**8,763**	**6,111**	**3,579**	**20,903**
Other income / (expenditure)	27	(478)	64	-
Total operating costs	(2,505)	(2,379)	(5,714)	(12,659)
EBITDA	**6,285**	**3,254**	**(2,070)**	**8,244**
Depreciation and amortisation	(10)	(1,238)	(3,940)	(4,547)
Provision for expected credit losses	-	0	253	-
EBIT	**6,275**	**2,016**	**(5,757)**	**3,697**
Net finance costs	(2,386)	(3,462)	(6,476)	(7,775)
Gain on transfer of asset under construction	6,657	-	-	-
Revaluation of investment property	-	13,140	-	-
Profit / (loss) before tax	**10,546**	**11,694**	**(12,234)**	**(4,077)**
Taxation	(1,871)	(5,957)	(510)	1,537
Profit / (loss) after tax	**8,675**	**5,737**	**(12,744)**	**(2,540)**
Revaluation of property, plant and equipment	(6,657)	43,306	-	-
Revalued deferred tax asset	533	(7,468)	-	-
Other comprehensive income/(expense) for the year	**(6,124)**	**35,838**	**-**	**-**
Total comprehensive income/(expense) for the year	**2,550**	**41,575**	**(12,744)**	**(2,540)**

Ratio Analysis	FY2022A	FY2023A	FY2024A	FY2025F
Profitability				
Growth in Total Revenue (YoY Revenue Growth)	666.2%	-34.4%	-58.8%	148.2%
Gross Profit Margin (Gross Profit / Revenue)	23.2%	24.6%	35.0%	82.5%
EBITDA Margin (EBITDA / Revenue)	16.6%	13.1%	-20.3%	32.5%
Operating (EBIT) Margin (EBIT / Revenue)	16.6%	8.1%	-56.4%	14.6%
Net Margin (Profit after taxation / Revenue)	22.9%	23.1%	-124.8%	-10.0%
Return on Common Equity (Profit after taxation / Average Equity)	24.1%	9.9%	-17.6%	-3.2%
Return on Assets (Profit after taxation / Average Assets)	5.9%	2.6%	-4.6%	-0.9%

During FY24, the Group generated €10.2m in revenue (FY23: €24.8m). While in FY23 approximately 98% of the Group's revenue was generated from the sale of property, revenue generation in FY24 was much more diversified, with circa 60% of total revenue generated from the operation of and rental of the commercial mall, car park and the hotel, as explained in section 1.4.

Indeed, as property inventory levels go down, revenue generation will shift from property sales to commercial and hospitality operations. These revenue streams are anticipated to grow substantially going forward in FY25, especially considering that the hotel was operational for only two months in FY24. Moreover, the commencement of commercial and hospitality operations is expected to enhance profitability in future periods.

After accounting for cost of sales of €6.6m, the Group reported a gross profit of *circa* €3.6m during FY24, with gross profit margin increasing from 24.6% to 35.0%. The increase in gross profit margin is primarily attributable to the fact that the new revenue streams are less costly than that of property development for resale. This trend is expected to continue in FY25 with the gross profit margin expected to reach 82.5%.

Operating costs, which primarily consist of wages and salaries, professional fees, bank charges, insurance, audit fees, and other fees which cannot be capitalised as part of the Project, stood at €5.7m in FY24. These costs increased substantially in FY24 following the full year of operation of the commercial area and the commencement of the hotel operations and are expected to further increase in FY25 following the full year operation of the hotel.

In line with the explained decrease in revenue, EBITDA decreased from €3.3m in FY23 to a negative EBITDA of €2.1m in FY24, as a result of non-rechargeable salary costs in the initial period of operations due to delays in the opening of certain elements with the Mercury Towers Complex. However, these costs are not expected to be recurring in the future once the commercial and hospitality operations stabilise, with EBITDA forecasted to increase to €8.2m in FY25.

Up to FY22, the Group incurred minimal depreciation due to the nature of its assets, which are property developed for sale and investment properties not yet available for use. Following the development of assets for rental or operation, the Group's depreciation increased substantially, in line with the growth in its asset base.

Finance costs amounted to €6.5m in FY24. These figures reflect the interest incurred on the Issuer's bonds as well as on bank overdrafts and loans. The increase in financing costs during the year was primarily driven by the issuance of a new €20.0m bond FY24 and the cessation of interest capitalisation on certain bank borrowings, as the related projects have transitioned out of the constrction phase. Finance costs are expected to increase to €7.8m in FY25 as a full year of interest is recognised on the new €20m bond.

The majority of the tax charge refers to tax on property sales and deferred taxation originating from temporary differences.

The Group reported a loss after tax of €12.7m for FY24, as result of the aforementioned changes in revenue, one-off costs related to the commencement of new operations and the cessation of interest cost capitalisation. In 2025, the group will not benefit from a full 12-month operations of all its revenue-generating assets and is thus expected to register a loss after tax to €2.5m in FY25.

2.4.1 Group's Variance Analysis

Income Statement	2024F	2024A	Variance
	€000s	€000s	€000s
Revenue	29,158	10,212	(18,946)
Cost of sales	(12,025)	(6,633)	5,392
Gross profit	**17,133**	**3,579**	**(13,554)**
Other income / (expenditure)	555	64	(491)
Total operating costs	(6,302)	(5,714)	588
EBITDA	**11,386**	**(2,070)**	**(13,457)**
Depreciation and amortisation	(4,736)	(3,940)	797
Provision for expected credit losses	-	253	253
EBIT	**6,650**	**(5,757)**	**(12,408)**
Net finance costs	(6,154)	(6,476)	(322)
Profit before taxation	**496**	**(12,234)**	**(12,730)**
Taxation	3,483	(510)	(3,993)
Profit after taxation	**3,980**	**(12,744)**	**(16,723)**

Revenue and gross profit for FY24 were lower than forecasted, as the original projections assumed that all inventory would be sold. As at December 2024, the Group still held 17 units from Phase 2, of which 15 were sold during the first half of 2025. The remaining two units are assumed to remain in stock as at December 2025. Moreover, revenue was also lower than anticipated due to delays in the opening of the hotel.

The Group reported other income of €64k in FY24 compared to a forecast of €555k, resulting in a negative variance of €491k. Other income mainly comprises advertising revenue from screens around the piazza, the installation of which was delayed to 2025. Operating costs were also €588k lower than expected, primarily due to the delayed opening of certain components of the project.

Mainly as a result of the lower property sales and delays in opening the hotel, the Group reported an EBITDA of negative €2.1m for FY24 when compared to the forecasted €11.4m.

Depreciation for FY24 was slightly lower than previously projected, as the Group had allocated a higher value to its asset base in prior forecasts.

Finance costs were slightly higher than forecasted, primarily due to actual borrowings exceeding forecasts.

The income tax credit forecast for FY24 was based on tax credits that the Group should have become eligible for once the hotel's operations commenced. However, the actual tax payable in FY24 is mainly influenced by the final withholding tax on property sales. The factors that were expected to lead to the recognition of a tax credit in 2024 are forecasted to materialise shortly.

After consideiring all above factors, the Group reported a negative profit after tax variance of €16.7m.

2.5 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	27,567	143,187	175,836	183,439
Intangible assets	-	270	300	270
Investment property	68,066	80,595	83,432	78,885
Investment in subsidiaries	-	-	-	-
Investment in associate	2	2	2	2
Other receivables	-	252	1,590	-
Restricted cash	20	20	-	-
Total non-current assets	**95,655**	**224,326**	**261,160**	**262,596**
Current assets				
Inventories	15,157	2,081	1,872	476
Trade and other receivables	47,624	39,413	15,094	12,733
Tax recoverable	-	31	43	43
Cash and cash equivalents	21,001	3,702	787	2,930
Total current assets	**83,782**	**45,227**	**17,796**	**16,183**
Total assets	**179,437**	**269,552**	**278,956**	**278,779**
Equity and liabilities				
Capital and reserves				
Share capital	10,500	15,000	15,000	30,000
Revaluation reserve	-	35,838	35,838	35,838
Investment property reserve	16,985	26,106	26,106	26,101
Retained earnings	9,711	1,828	(10,886)	(13,063)
Capital contribution	-	-	-	12,855
Total equity	**37,196**	**78,772**	**66,058**	**91,731**
Non-current liabilities				
Non-interest bearing borrowings	-	-	5,856	-
Borrowings	38,889	73,450	72,248	62,562
Bonds payable	72,500	72,500	92,500	92,500
Trade and other payables	-	-	892	-
Deferred tax liability	2,638	14,120	14,246	12,330
Total non-current liabilities	**114,027**	**160,069**	**185,742**	**167,393**
Current liabilities				
Borrowings	4,394	13,223	16,063	12,152
Trade and other payables	23,775	17,488	11,092	7,503
Taxation payable	45	-	-	-
Total current liabilities	**28,214**	**30,711**	**27,155**	**19,656**
Total liabilities	**142,241**	**190,780**	**212,897**	**187,048**
Total equity & liabilities	**179,437**	**269,552**	**278,956**	**278,779**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	71.8%	66.4%	73.2%	64.2%
Gearing 2 (Total Liabilities / Total Assets)	79.3%	70.8%	76.3%	67.1%
Gearing 3 (Net Debt / Total Equity)	254.8%	197.4%	272.5%	179.1%
Net Debt / EBITDA	15.1x	47.8x	(87.0)x	19.9x
Current Ratio (Current Assets / Current Liabilities)	3.0x	1.5x	0.7x	0.8x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	2.4x	1.4x	0.6x	0.8x
Interest Coverage (EBITDA / Cash interest paid)	2.6x	1.1x	(0.6)x	2.0x

The Group's assets are principally PPE, investment property, inventories, trade and other receivables and cash and cash equivalents. As at 31 December 2024, the Group's total assets stood at €279.0m (FY23: €269.6m).

As at 31 December 2024, the Group's PPE amounted to €175.8m, representing *circa* 63% of total assets . PPE of the Group includes the cost of the airspace of the Mercury Project, along with the construction and development of the components that will be operated by the Group. PPE increased by €32.6m between December 2023 and December 2024, mainly due to the increase in assets which are still under construction and the addition of the Flying theatre. This was lower than what the Group previously forecast. The value of the Group's PPE is expected to increase further in FY25 as a result of further completion milestones of the Project.

Investment property, which represents *circa* 30% of total assets, was reported at €83.4m in FY24 (FY23: €80.6m). Investment property is made up of the cost of the airspace of the Mercury Project, along with its construction and development of the components that will be leased out to, and operated by third parties. The increase in the value of investment property was due to further developments of the aforementioned components.

Other non-current assets include intangible assets and a portion of trade and other receivables, with the former related to amortised licence fees.

The current assets of the Group are mainly its inventories, trade and other receivables, and cash and cash equivalents (the latter will be explained in sub-section 2.6. below).

Inventories, comprising the apartments within Mercury Tower available for sale, decreased year-on-year. As at December 2024, the Group held 17 units in inventory, 15 of which were subject to POSAs, with final deeds signed in the first half of 2025. The value of inventories at the end of FY24 was €1.9m, and this is expected to be €476k by the end of FY25.

Trade and other receivables amounted to €16.7m as at the end of FY24, of which €9.5m represent advances by the Group to Mercury Contracting Projects Limited (a related company) for contracting works and amounts due from associates and related parties. Given the projected completion of other components within the project, trade and other receivables are forecast to decrease to €12.7m.

As at 31 December 2024, the Group's share capital amounted to €15.0m. In November-2024, the Group passed a resolution to increase the authorised share capital to €30m and is expected to increase the issued share capital to €30m in FY25, partly through capitalisation of existing shareholder loans and capital injection. Moreover the equity base of the Group's equity base is projected to be further strengthened by a capital contribution of €12.9m in FY25.

The liabilities of the Group mainly consist of financial debt, advances from shareholder, trade and other payables and deferred tax liabilities. Financial debt is made up of the Issuer's €92.5m bonds currently on the market and total bank borrowings amounting to €88.3m, made up of bank loans and a temporary overdraft. The Group expects its debt to decrease to €62.3m, by the end of FY25, as a result of principal repayments on bank borrowings.

Deferred tax liability at the end of FY24 was reported at €14.2m, marginally higher when compared to FY23.

Trade and other payables amounted to €12.0m as at end of FY24, in line with prior year forecasts. This shows a decrease of circa €5.5m from the FY23 equivalent, with the major contributor to said decrease being the settlement of dues to contractors throughout the year. Going forward, trade and other payables are expected to decrease further to €7.5m, due to settlement of outstanding capital costs of the project.

Due to the increase in borrowings as explained in this sub-section, Group's gearing has risen from 66.4% in FY23 to 73.2%. This is expected to decrease to 64.2% by the end of FY25, mainly due to the capital injection and reduction of bank borrowings. The Group expects to meet all its financing obligations through a combination of capital injections and cash generated from operations.

2.6 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	FY2022A	FY2023A	FY2024A	FY2025F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
EBITDA	6,285	3,254	(2,070)	8,244
Movement in working capital:				
Movement in inventory	8,818	13,076	210	(1,395)
Movement in trade and other receivables	(31,465)	8,211	27	2,361
Movement in trade and other payables	9,311	(7,363)	(961)	(3,589)
Contract liability	932	1,076	745	-
Tax paid	(2,525)	(2,019)	(396)	(112)
Net cash generated from / (used in) operating activities	**(8,644)**	**16,235**	**(2,445)**	**5,510**
Cash flows from investing activities				
Acquisition of investment property	-	(25,921)	(2,837)	-
Acquisition of property, plant and equipment	(23,569)	(46,990)	(36,590)	(7,604)
Acquisition of intangible assets	-	(300)	-	-
Net cash generated from / (used in) investing activities	**(23,569)**	**(73,211)**	**(39,427)**	**(7,604)**
Cash flows from financing activities				
Issue of share capital	-	4,500	-	-
Loan advanced by ultimate beneficial owner	-	-	5,856	22,000
Net movements in borrowings	4,785	39,081	4,380	(15,663)
Movements from loans from related parties	-	(252)	17,939	7,242
Dividends paid	-	(4,500)	0	-
Interest paid	(2,377)	(3,049)	(3,438)	(4,109)
Bank interest paid	(8)	(413)	(3,038)	(3,666)
Net proceeds of bond	50,000	-	20,000	
Net cash generated from / (used in) financing activities	**52,400**	**35,367**	**41,699**	**5,804**
Net movements in cash and cash equivalents	**20,187**	**(21,609)**	**(173)**	**3,710**
Cash and cash equivalents at start of year	814	21,001	(607)	(780)
Cash and cash equivalents at end of year	**21,001**	**(607)**	**(780)**	**2,930**

Ratio Analysis	FY2022A	FY2023A	FY2024A	FY2025F
Cash Flow				
Free Cash Flow (Net cash from operations + interest - Capex)	(29,828)	(53,214)	(35,396)	2,014

The Group reported a loss after tax of *circa* €12.7m in FY24. After adjusting for working capital movements, non-cash items and the payment of tax, the Group reported an outflow of €2.4m in cash used in operating activities. This outflow was mainly a result of the loss recognised during the year, as explained in sub-section 2.4 above.

Investing activities of the Group resulted in an outflow of €39.4m. As explained throughout this Analysis, the development of components within the Mercury Project was ongoing throughout the majority of FY24, requiring a substantial amount of investment. Management is expecting to use less cash in investing activities during FY25 given the advanced status of the developments within the Mercury Project.

The Group reported an inflow from financing activities of €41.7m in FY24. The major financing activity affecting year-end cash was the proceeds from the bond proceeds, closely followed by the movement in in advances to related parties. The Group had a net cash outflow of €173k during FY24 which, after taking into consideration the negative cash balance of €607k at the beginning of FY24, resulted in a year-end cash shortfall of €780k, which was supported by the use of bank overdraft facilities.

The Group is projected to record a positive cash flow movement of €3.7 million in FY25, driven by improved operating cash flows as more project components become operational and by a capital injection from shareholders.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices, and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.2 Malta Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2025, annual growth in business activity increased marginally, and remained slightly above its long-term historical average as estimated since January 2000.

The European Commission confidence surveys show that sentiment in Malta decreased in April, but nevertheless remained above its long-term average, estimated since November 2002. The latest deterioration was mostly driven by the services sector.

In terms of economic uncertainty, the Central Bank of Malta's Economic Policy Uncertainty Index (EPU) continued its increase above its historical average estimated since 2004, indicating elevated levels of uncertainty. However, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty and a potential trend reversal, predominantly driven by industry.

In March, industrial production rose at an accelerating pace whilst retail trade turned positive on a year-on-year basis. In February, the services sector recorded its first year-on-year contraction in activity since 2022.

The unemployment rate remained unchanged at 2.8% in March but stood below that of 3.4% in March 2024.

Commercial and residential building permits in March were higher than a month earlier. In April, the number of residential promise-of-sale agreements rose on a year earlier, whilst the number of final deeds of sale decreased.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.6% in April, up from 2.1% in the previous month. HICP excluding energy and food in Malta clocked in at 2.5%, remaining below the euro area average. Inflation based on the Retail Price Index (RPI) increased to 2.4%, up from 2.1% in March.

3.3 Economic outlook[2]

According to the Central Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to moderate from 6.0% in 2024 to 4.0% in 2025. Growth is then projected to ease further to 3.3% by 2027. Despite the impact of potential US tariffs, the Bank's forecasts remain broadly unchanged driven by an uptick in expected government consumption and investment plans.

The abovementioned growth is expected to be driven by domestic demand predominantly in private consumption and the continued recovery in investment. Net exports are also expected to retain a positive contribution over the projection period, albeit a smaller contribution when compared to domestic demand.

Employment growth is set to moderate, albeit from a high rate of 5.1% in 2024, to 2.3% by 2026 and 2027. The unemployment rate is expected at 3.0% for 2025 and remain at this rate throughout the forecast period. In line with the decrease in inflation pressures and labour market tightness, growth in the average wage is expected to ease from 5.9% in 2024 to 4.4% in 2025, and is then expected to moderate further in the forecast years that follow.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to continue its decrease from 2.4% in 2024 to 2.3% in 2025 and reaching 2.0% by 2027. Compared to previous projections, inflation has been revised up by 0.2 and 0.1 percentage points in 2025 and 2026 respectively, largely reflecting recent outcomes in services inflation.

The general government deficit-to-GDP ratio is set to decline to 3.5% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 2.7% by 2027. The general government debt-to-GDP ratio is set to increase throughout the forecast horizon, stabilising at 48.6% by 2026. When compared with the previous projection round, the projected deficit ratio is higher, while the debt ratio has been revised slightly lower.

Risks to activity are broadly balanced. Downside risks largely relate to possible negative effects on foreign demand arising from geopolitical tensions, additional US tariffs, and any potential additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics

[1] Central Bank of Malta – Economic update – 5/2025

[2] Central Bank of Malta – Economic Projections 2025 – 2027

than expected, which could result in stronger than expected consumption and investment growth.

Risks to inflation are also broadly balanced over the forecast period and mainly related to external factors. Upside risks to inflation in the short term are also linked to global trade policy and potential retaliatory measures. Such risks could also be counterbalanced by the rerouting of exports from competitor countries to the EU and heightened competitive pressures in markets targeted by tariffs. On the downside, imported inflation could fall more rapidly than expected if the adverse effects of trade barriers on global demand turn out stronger than expected.

On the fiscal side, risks are mostly tilted to the downside (deficit-increasing). These mainly reflect the possibility of slippages in current expenditure. They also reflect the possibility of additional increases in pensions and wages in the outer years.

3.4 Tourism update[3]

According to the National Statistics Office (NSO), Malta's tourism sector experienced robust growth in 2024, with increases in tourist arrivals, guest nights and expenditure compared to the previous year.

Such growth appears to be continuing in 2025 with inbound tourists for the first four months of 2025 amounted to 1,044,657, an increase of 17.4% compared to the corresponding period in 2024. Similarly, total nights spent during the January – April 2025 period rose by 17.1%, reaching 5,985,257 nights from 5,109,521 nights over the same period in 2024.

Total tourist expenditure was estimated at €804.7 million during the first four months of 2025 compared to the €647.7 million estimated in 2024, equivalent to a 24.2% increase. Total expenditure per capita increased from €728 in 2024 to €770 in 2025.

According to the Deloitte MHRA Hotel Survey[4], 4 and 5 star occupancy rates increased from 52.2% and 67.3% in Q1 2024 to 52.5% and 70.4% in Q1 2025, showing increased demand in the shoulder months. During the same period, reported average daily rates also increased from €138.5 to €146.3 for the 5 star category and from €61.8 to €66.1 for the 4 star category.

According to the European Travel Commission Q4 2024 report[5], European tourism remained strong in 2024, despite geopolitical pressures and economic pressures, which are expected to continue into 2025. Indeed, inflationary pressures (which have impacted travel costs) have pushed tourists to seek value-for-money destinations, with Malta ranking among the top 5 countries in the EU that received the highest sentiment scores in terms of value for money.

[3] Central Bank of Malta – Economic Projections 2025 – 2027
[4] MHRA Hotel Survey by Deloitte – Key Highlights: Q1 2025
[5] European Travel Commission - European Tourism: Trends & Prospects (Q4/2024)

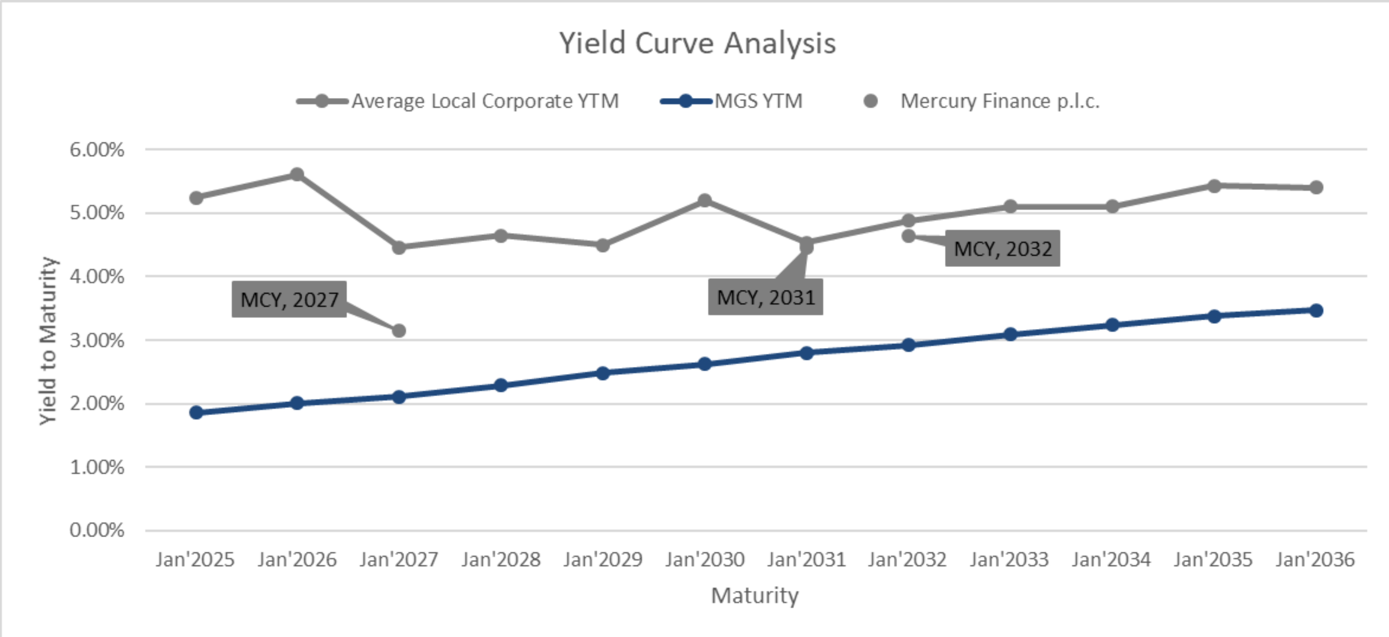
3.5 Comparative Analysis

The purpose of the table below compares the debt issuance of the Group 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.

More importantly, we have included different issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
4% Shoreline Mall plc Secured € 2026	14,000	3.99%	3.1x	85.2	18.5	78.2%	68.2%	22.4x	0.6x	8.4%	15.1%	0.0%
5% Dizz Finance plc Unsecured € 2026	8,000	6.24%	3.9x	85.3	8.8	89.7%	84.2%	9.9x	0.7x	-26.5%	-11.3%	9.4%
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	4.31%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.14%	(.8)x	279.0	66.1	76.3%	73.2%	(87.0)x	0.7x	-17.6%	(124.8%)	-58.8%
4% Eden Finance plc Unsecured € 2027	40,000	4.58%	7.3x	281.3	169.6	39.7%	28.6%	3.1x	0.8x	9.7%	32.5%	0.4%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1 (xd)	6,000	5.48%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
4.75% Best Deal Properties Holding Plc Secured € 2025-2027	14,080	4.74%	97.3x	41.8	8.0	80.9%	78.3%	10.4x	8.9x	20.0%	12.1%	-4.8%
3.75% Bortex Group Finance plc Unsecured € 2027	12,750	5.09%	4.1x	89.0	48.2	45.9%	41.0%	6.2x	2.7x	15.1%	28.6%	5.0%
4% Exalco Finance plc Secured € 2028	15,000	4.17%	6.0x	83.0	58.3	29.8%	16.6%	2.8x	1.2x	5.0%	49.9%	5.1%
5.75% Best Deal Properties Holding plc Secured € 2027-2029	15,000	5.15%	97.3x	41.8	8.0	80.9%	78.3%	10.4x	8.9x	20.0%	12.1%	-4.8%
4% SP Finance plc Secured € 2029	12,000	3.99%	4.0x	44.8	19.1	57.3%	48.0%	7.2x	0.6x	5.6%	10.8%	0.0%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.46%	(.8)x	279.0	66.1	76.3%	73.2%	(87.0)x	0.7x	-17.6%	(124.8%)	-58.8%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.12%	2.1x	308.6	95.8	69.0%	55.2%	11.4x	0.8x	0.7%	0.4%	3.7%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.65%	(.8)x	279.0	66.1	76.3%	73.2%	(87.0)x	0.7x	-17.6%	(124.8%)	-58.8%
4.5% Shoreline Mall plc Secured € 2032	26,000	5.37%	3.1x	85.2	18.5	78.2%	68.2%	22.4x	0.6x	8.4%	15.1%	0.0%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.16%	0.7x	154.2	29.4	80.9%	78.4%	75.6x	0.3x	-10.1%	-20.4%	-8.5%
	Average*	4.59%										

Source: Latest available audited financial statements
Last closing price as at 27/06/2025
*Average figures do not capture the financial analysis of the Issuer



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of Malta Government Stocks (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 stand-alone basis, the Issuer's existing yields of its outstanding bonds.

As at 27 June 2025, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 1-3 (2026-2028) years was 274 basis points. The 3.75% MCY PLC Secured Bonds 2027 is currently trading at a YTM of 314 basis points, meaning a spread of 103 basis points over the equivalent MGS. This means that this bond is trading at a discount of 171 basis points in comparison to the market.

As at 27 June 2025, the average spread over the MGS for corporates with maturity range of 4-6 (2029 - 2031) years was 151 basis points. The 4.25% MCY PLC Secured Bonds 2031 is currently trading at a YTM of 446 basis points, meaning a spread of 166 basis points over the equivalent MGS. This means that this bond is trading at a premium of 15 basis points in comparison to the market.

Meanwhile, as at 27 June 2025, the 4.3% MCY PLC Secured Bonds 2032 is currently trading at a YTM of 465 basis points, meaning a spread of 173 basis points over the equivalent MGSs. This means that the bond is trading at a premium of 15 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.
EBIT (Operating Profit)	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.
Profit After Taxation	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 de 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 de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Current Liabilities	Obligations which are due within 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.

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.

Calamatta Cuschieri

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