QAWRA PALACE PLC

The following is a Company Announcement issued by QAWRA PALACE P.L.C., a company registered under the laws of Malta with company registration number C 27835 (hereinafter the "Company"), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Publication of Financial Analysis Summary

The Company hereby announces that the updated Financial Analysis Summary dated 25th September 2025 is available for viewing below as an attachment to this announcement and at the Company's registered office, and is also available for download from the following link on the Company's website: https://www.qawrapalaceplc.com/investors.

Unquote

By order of the Board

Dr Luca Vella
Company Secretary

25th September 2025

Company Announcement: QWR18

Calamatta Cuschieri

The Directors
Qawra Palace p.l.c.
Qawra Palace Hotel
Coast Road
St. Paul's Bay
Malta

25 September 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 Qawra Palace p.l.c. (the "**Issuer**") and Mallard Co Ltd ("**MCL**" or "**Operating Company**") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 March 2023, 2024 and 2025 has been extracted from the audited financial statements of the Issuer for the three years in question.

(b) Historical financial data for the two years ended 31 March 2023 and 2024 has been extracted from the audited financial statements of MCL for the two years in question, whilst the financial data for the period ended 31 March 2025 was provided by management.

(c) The forecast data for the financial year ending 31 March 2026 has been provided by management.

(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,

P. M

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2025

Qawra Palace p.l.c.

25 September 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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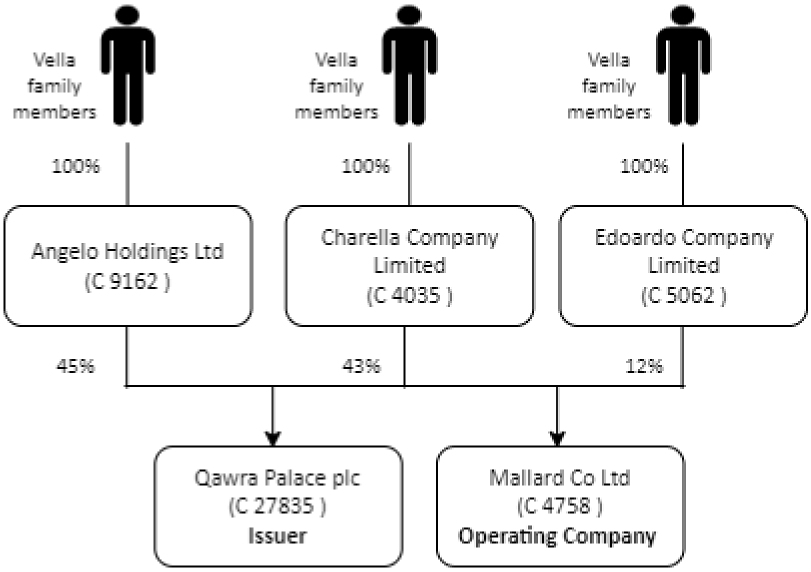
Part 1 - Information about the Group

1.1 Issuer's Key Activities and Structure

The Group structure is as follows:



The Issuer was incorporated on 9 March 2001 and has, at the date of this Analysis, an authorised and issued share capital of €2,329,373 divided into 1,000,000 Ordinary Shares of €2.33 each, all fully paid up. The Issuer was incorporated to hold the Qawra Palace Hotel property (the "**Hotel**" or the "**Hypothecated Property**"), which ownership was transferred to the Issuer from Mallard Co Ltd. The Issuer is owned by Angelo Holdings Ltd (45%), Charella Company Limited (43%) and Edoardo Company Limited (12%), all 3 of which are owned by the Vella family members ("**UBOs**"). Given that the Issuer is not a trading company, it is economically dependent on the income it derives from Mallard Co Ltd (the "**Operating Company**" or "**MCL**").

MCL was incorporated on 28 November 1979 and has an authorised and issued share capital of 70,000 ordinary shares all of nominal value of €2.33. Mallard Co Ltd was originally established to develop, own and operate the Qawra Palace Hotel but since then, as mentioned previously, ownership has been transferred to the Issuer albeit day to day operations still going through MCL. The Issuer and MCL constitute the "**Group**" of companies accordingly.

The Bonds are secured by the Hotel. The Hotel consists of the unnumbered hotel complex known as 'Qawra Palace Hotel' with all its immovable amenities, everything included and nothing excluded (such as tennis courts, gardens and lido) as well as with all its singular rights and appurtenances. The hotel complex has its main entrance on Qawra Coast Road, at Qawra in the limits of St Paul's Bay, including the facilities underlying that stretch of Qawra Coast Road adjacent to the main building of the hotel and which link the main complex of the hotel to those on the foreshore.

The distinct portions of land on which the Qawra Palace is built were originally acquired by the Operating Company from Angelo Vella, Charles Vella, Edward Vella, Francis Mamo, John Vella, Josephine Vella and Agnes Vella by virtue of a public deed dated 1 May 1980. The Hotel was then built in 1982 and opened its doors to guests three years later in 1985. Subsequently, the Issuer acquired the Hypothecated Property from the Operating Company pursuant to a public deed dated 21 January 2002.

In 2005, the hotel entered an operational transition by Mallard Co. Limited and a significant milestone arrived in 2010 when the hotel embarked on a major renovation, aimed at modernizing its facilities and enhancing guest experiences. This commitment to excellence was duly recognised in 2012 when the Malta Tourism Authority awarded the hotel a prestigious 4-star rating, underscoring its dedication to quality service.

Furthermore, in order to strengthen the Hotels' competitive position in the local hospitality market, in 2019 the Issuer again embarked on a major extension and refurbishment project geared towards upgrading the Qawra Palace's existing facilities and occupancy. In Q4 2022, the Issuer subsequently issued €25.0m worth of bonds, a portion of which was earmarked to finalise these refurbishments and extensions.

1.2 Directors of the Issuer

As of the date of this Analysis, the following persons constitute the board of directors of the Issuer:

Name	Office Designation
Mr Robert Ancilleri	Independent Non-executive Director and Chairman
Mr Stephen Muscat	Independent Non-executive Director
Mr Paul Muscat	Independent Non-executive Director
Mr Edward Vella	Executive Director
Ms Esther Vella	Executive Director
Mr Victor Vella	Executive Director

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

Dr Luca Vella is the company secretary of the Issuer.

The board of the Issuer is composed of 6 directors who are entrusted with its overall direction and management. The executive directors are in charge of the decision-making and the day-to-day management of the Issuer, whereas 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

The Qawra Palace Hotel is a 4-star hotel located on the Qawra seafront and is currently managed by the Vella family who are the UBOs of the property. The Hotel was opened in 1985 and has been in operation for over 38 years. Prior to the Hotel extension and upgrades touched upon in section 1.1, the Hotel facilities included 394 rooms, an indoor and outdoor pool, a games room, mini-golf and 6 food and beverage ("F&B") outlets.

Through the upgrading of the Hotel, which will be discussed further in 1.4 below, management intends to re-position the hotel with the top performing 4-star hotels in the north of the Island. It is pertinent to note that although the above-mentioned investment is being undertaken by MCL, it is being financed by the Issuer through an intragroup lending arrangement. Therefore, the assets relating to the upgrade and extension have been recorded in the balance sheet of MCL. In July 2024, part of the assets were transferred from MCL to the Issuer in order to consolidate the asset base at the Issuer level.

As the landowner however, the Issuer owns all the non-movable assets developed on the land (including those undertaken by MCL). The Issuer is then bound by a lease and operating agreement in force with MCL with the rental charge being equal to the value of the property owned by the Issuer, net of investment undertaken and planned to be undertaken by MCL.

1.4 Operational Developments

In 2020, the Issuer secured a permit which resulted in the construction of an additional 173 rooms resulting in a grand total of 567 rooms. These rooms have been fully developed, finished and now operational as at the time of this Analysis. This means that they have been integrated seamlessly into Qawra Palace's range of available rooms.

Management confirmed that all permits, including amendments thereto, have been obtained in order to finalise the development project. There are no pending items as of the date of this analysis all outlets have been completed. To date, the all-encompassing upgrade and extension endeavour has incurred a total cost of €45.0m, which includes all bond proceeds received by MCL from the Issuer.

The Group has opened a number of new food and beverage outlets complementing the hotel and has made investments in minor new assets such as kitchen machinery and equipment, chillers, generator, reverse osmosis and laundry machinery.

Management stated that since its re-opening in June 2023, the hotel's accommodation amounted to 60% of revenue, with the remaining 40% being from F&B operations. This indicates greater revenue generation from F&B.

Part 2 - Historical Performance and Forecast

The financial information below is extracted from the audited financial statements of the Issuer for the financial years ended 31 March 2023, 2024 and 2025, and the audited financial statements of MCL for the financial years ended 31 March 2023 and 2024. Group management has provided the financial information for the year ending 31 March 2025 for MCL, as well as the Issuer's projected financial information for the year ending 31 March 2025.

The projected 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

Issuer's Statement of Comprehensive Income for the year ended 31 March	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Revenue	-	2,400	2,448	2,836
Administration expenses	(64)	(99)	(104)	(107)
EBITDA	**(64)**	**2,301**	**2,344**	**2,729**
Depreciation and amortization	(7)	(51)	(235)	(189)
Change in fair value of investment property	21,530	4,699	5,380	-
Reversal/provision Impairment	(41)	(195)	503	80
EBIT	**21,418**	**6,754**	**7,992**	**2,620**
Finance income	159	792	280	-
Finance costs	(249)	(1,313)	(1,310)	(1,363)
Profit before tax	**21,328**	**6,233**	**6,962**	**1,257**
Current tax	-	(487)	(322)	(332)
Deferred tax	(2,153)	(470)	(2,364)	(390)
Profit for the year	**19,175**	**5,276**	**4,276**	**535**

Ratio Analysis	2023A	2024A	2025A	2026F
Profitability				
Growth in Revenue (YoY Revenue Growth)	n/a	n/a	2.0%	15.8%
EBIT Margin (EBIT / Revenue)	n/a	281.4%	326.5%	92.4%
Net Margin (Profit for the year / Revenue)	n/a	219.8%	174.7%	18.9%
Return on Common Equity (Profit for the year / Average Equity)	43.5%	9.4%	7.0%	0.8%
Return on Assets (Profit for the year / Average Assets)	28.2%	6.0%	4.5%	0.5%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	-0.1%	2.5%	2.4%	2.8%

The Issuer's main source of revenue is rental income received from MCL for the leasing of the Hotel. The rental income is backed by a lease agreement which was amended and restated in October 2022 and includes a *di fermo* period up to at least 31 March 2033 with a rental charge of €2.4m as from 1 April 2023 subject to a yearly increase of 2.0%.

No rental income was generated before that time since the Issuer and MCL agreed that no charge rental fees would apply for the three-year period (1 April 2020 - 31 March 2023) due to the effects of COVID-19 on the operation of MCL. Due to this, in FY2023 revenue generated from rental income remained nil. It should be noted that, commencing in 2024, the issuer has been receiving annual rental income, with projections indicating this revenue stream is expected to continue on a recurring basis.

The Issuer reported €104k in administration expenses for FY25, remaining stable in comparison to FY24. These are forecast to remain stable for FY26.

Changes in the fair value of investment property refer to fluctuations in the value of the Hotel based on periodic valuations. Said valuation are is done in accordance with the fair value model using discounted cash flow techniques. This is carried out by an independent architect who has experience in the location and category of investment property being valued. The Issuer recognised an increase of €5.4m in the fair value of the investment property in FY25. The Issuer forecasts no changes in fair value of its investment property for FY26.

As mentioned previously in section 1.1, the investment property is being used as security in favour of the bondholders of the Issuers 5.25% Secured Bonds due 2033.

The Issuer recognised in FY25, a reversal of impairment of €503k relating to the loan receivable from MCL. For the following year, management anticipates a reversal of impairment of €80k, as the bulk of the loan was settled during FY25 accounts.

EBIT amounted to €7.9m in FY25, substantially higher than FY24, driven by the €5.4m increase in fair value and the €503k impairment reversal. EBIT, is projected at €2.6m in FY26, reflecting no expected change in fair value and a smaller impairment reversal.

After accounting for interest income of €280k and finance costs of €1.3m, the Issuer reported profit before tax of €6.9m in FY25. In FY2026 profit before tax is expected to be €1.2m.

After deducting an aggregate amount of €2.7m in tax, the Issuer’s net profit was €4.3m in FY25 (FY24: €5.3m). In FY26, management expects that, with no fair value changes, deferred tax will decline to €390k while current tax remains stable at €332k. After accounting for these adjustments the Issuer is expected to end the year with a net profit of €535k.

Return on common equity indicates management’s efficiency in utilising shareholders equity to generate income for the Issuer. This was 7.00% at the end of FY25, being substantially lower than the 9.37% of the previous year due to the lower net income.

Return on assets stood at 4.50% at the end of FY25, lower than that of end of FY24 due to the aforementioned lower net income in line with higher forecasted profits and higher assets.

2.1.1 Issuer's Variance Analysis

Issuer's Statement of Comprehensive Income for the year ended 31 March	2025P	2025A	Variance
	€000s	€000s	€000s
Revenue	2,448	2,448	-
Administration expenses	(101)	(104)	(3)
EBITDA	**2,347**	**2,344**	(3)
Depreciation and amortization	(50)	(235)	(185)
Change in fair value of investment property	7,309	5,380	(1,929)
Impairment provision	-	503	503
EBIT	**9,606**	**7,992**	(1,614)
Finance income	394	280	(114)
Finance costs	(1,313)	(1,310)	3
Profit before tax	**8,687**	**6,962**	(1,725)
Current tax	(428)	(322)	106
Deferred tax	(731)	(2,364)	(1,633)
Profit for the year	**7,528**	**4,276**	(3,252)

The Issuer's revenue was in line with projections , reflecting the contractual rental income from MCL for the Hotel property (see Section 2.1). Depreciation and amortisation showed an adverse variance of €185k.

A negative variance of €1.9 million between the projected and realized fair value of the property arose following an external professional valuation, which was subsequently endorsed by the Board.In addition, the Issuer recognised an impairment provision of €503k linked to the partial settlement of the intra-company loan with MCL.

Finance income experienced a negative variance of €114k compared to forecasts, driven by a lower volume of loans.

The current tax was €106k lower than anticipated in reflecting the lower finance income. The deferred tax was significantly higher than that projected.

Overall, the Issuer's net income recorded a negative variance of €3.2m, largely attributable to adverse fair value movements in the investment property.

It would be pertinent to note that the main business of the Issuer is rental of the property to the operating company, which is contractually bound as evidenced by zero variance in revenue income. Because of the existing business model, it is only the change in fair value of investment property, which can be expected to fluctuate from year to year.

2.2 Issuer's Statement of Financial Position

Issuer's Statement of Financial Position as at 31 March	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	66,122	70,820	94,463	94,874
Intangible assets	1	1	-	-
Loans receivable	9,439	18,579	-	-
Total non-current assets	**75,562**	**89,400**	**94,463**	**94,874**
Current assets				
Loans receivable	814	795	615	302
Cash held by Trustee	8,618	-	-	-
Current tax receivable	5	-	-	-
Prepayments	16	1,211	2,907	323
Cash and cash equivalents	58	147	562	3,797
Total current assets	**9,511**	**2,153**	**4,083**	**4,422**
Total assets	**85,073**	**91,553**	**98,546**	**99,296**
Equity				
Share capital	2,329	2,329	2,329	2,329
Retained earnings	51,336	56,612	60,888	61,814
Total equity	**53,665**	**58,941**	**63,217**	**64,143**
Liabilities				
Non-current liabilities				
Bonds	24,400	24,450	24,500	24,500
Deferred tax liability	6,612	7,082	9,446	9,446
Total non-current liabilities	**31,012**	**31,532**	**33,946**	**33,946**
Current liabilities				
Current tax liabilities	-	482	803	654
Trade and other payables	396	597	580	553
Total current liabilities	**396**	**1,079**	**1,383**	**1,207**
Total liabilities	**31,408**	**32,611**	**35,329**	**35,153**
Total equity and liabilities	**85,073**	**91,552**	**98,546**	**99,296**

Ratio Analysis	2023A	2024A	2025A	2026F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	31.2%	29.2%	27.5%	24.4%
Gearing 2 (Total Liabilities / Total Assets)	36.9%	35.6%	35.9%	35.4%
Gearing 3 (Net Debt / Total Equity)	45.4%	41.2%	37.9%	32.3%
Net Debt / EBITDA	(380.3)x	10.6x	10.2x	7.6x
Current Ratio (Current Assets / Current Liabilities)	24.0x	2.0x	3.0x	3.7x
Interest Coverage 1 (EBITDA / Cash interest paid)	(3.4)x	1.6x	1.8x	2.1x
Interest Coverage 2 (EBITDA / Finance Costs)	(0.3)x	1.8x	1.8x	2.0x

Non-current assets accounted for 95.9% of the Issuer's total assets in FY25. This comprised the investment property, namely the Qawra Palace Hotel (the "Hotel"). The property was valued as of FY25 at €94.4m, an increase of €23.6m from FY24 (€70.8m). This increase arises from a €5.4m fair value change and €18.4m of additions due to MCL transferring assets onsite previously accounted for on MCL balance sheet. For the coming year, management does not anticipate significant changes in non-current assets.

The Issuer's current assets stood at €4.0m representing 4.1% of total assets. These comprised loans receivables (€615k), trade receivables (€2.9m) and cash (€562k). The increase in current assets is due to higher trade receivables with MCL. Management expects to collect the majority of trade receivables, with loan receivables expected to reduce by approximately 50%.

Loans receivable represent advances made by the Issuer to MCL to partly finance the extension and upgrade programme of the Hotel. The majority of these balances were settled in FY25, in conjunction with the property transfer accounted for as additions, as noted above.

Total assets in FY25 stood at €98.6m, being €6.9m higher than the previous year, mainly due to increase in investment property, as explained above. These are expected to increase margnally in FY26 to €99.3m.

Equity is made up of share capital and retained earnings. Share capital has remained stable throughout the last 4 years and is expected to remain as such in FY26, at €2.3m. Retained earnings, on the other hand, increased year-on-year, and stood at €60.9m by the end of FY25. These are expected to increase further in line with the forecasted increased in profit.

The Issuer's non-current liabilities consist predominantly of outstanding bonds, which represent 72% of this category. The remainder comprises deferred tax, which increased by approximately €2.4m reflecting the changes in investment property value. The Issuer does not anticipate significant changes for the coming financial year.

Current liabilities stood at €1.4m representing 3.9% of total liabilities. These are comprised €803k in current tax liabilities and €580k in trade and other payables. The combined amount is expected to decrease to €1.2m in FY26.Gearing remained low at 27.5%, mainly due to the Issuer's substantial equity base. Gearing is expected to decline to 24.4% in FY26 as the Issuer's retained earnings continue to grow.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 March	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Profit before tax	21,328	6,233	6,962	1,257
Adjustments for:				
Depreciation	-	-	185	189
Revaluation	(21,530)	(4,699)	(5,380)	-
Impairment loss	41	195	(503)	(80)
Interest payable and similar charges	249	1,313	1,310	1,313
Amortisation of bond issuance costs	7	51	50	50
Amortisation of intangible assets	1	1	1	-
Deferred rental income	-	-	-	(342)
Interest income	(159)	(793)	(280)	(16)
Cash generated from operations	**(63)**	**2,301**	**2,344**	**2,371**
Movement in trade and other payables	(123)	314	(18)	(131)
Movement in cash held by trustee	(8,618)	8,618	-	-
Movement in prepayments	(16)	(1,195)	(1,660)	2,907
Interest received	-	-	-	16
Bank interest paid	(19)	(1)	(1)	(1)
Bond interest paid	-	(1,424)	(1,310)	(1,313)
Tax paid	(98)	-	-	(927)
Net cash generated from / (used in) operating activities	**(8,937)**	**8,613**	**(645)**	**2,922**
Payments to acquire intangible assets	(2)	-	-	-
Movements in balances with related company	(3,790)	(8,524)	1,060	313
Net cash generated used in investing activities	**(3,792)**	**(8,524)**	**1,060**	**313**
Proceeds from bonds	24,393	-	-	-
Movement in borrowings	(11,605)	-	-	-
Net cash generated from financing activities	**12,788**	**-**	**-**	**-**
Movement in cash and cash equivalents	**59**	**89**	**415**	**3,235**
Cash and cash equivalents at start of year	-	59	148	563
Cash and cash equivalents at end of year	**59**	**148**	**563**	**3,798**

Ratio Analysis	2023A	2024A	2025A	2026F
Cash Flow	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	(8,918)	10,038	666	4,236

Cash inflows from operations remained stable at €2.3m in FY25. This is after adjusting for revaluations, impairment losses, interest income, interest expense, and amortisation. These are expected to remain at similar levels for FY26.

The net cash from operating activities decreased from an inflow of €8.6m in FY24, to an outflow of €645k. The main driver was the remaining cash held by the trustee of €8.6m was released in FY24, and the prior year had higher amounts in trade receivables. Management anticipates an inflow of €2.9m for FY26, due to the collection of its trade receivables.

The investing activities of the Issuer consist solely of movements in balances with related parties (MCL), which resulted in a €1.0m inflow. Management expects a transfer of €313k to occur for FY26.

The Issuer recorded no activities within its financing activities, and expects no financing activities in FY26.

The Issuer's cash movements decreased by €329k, ending FY25 with cash equivalents of €563k. The Issuer expects cash movements to increase by €3.2m, ending FY26 with €3.7m in cash, reflecting higher cash from operations and related-party balance movements with MCL.

The Issuer in FY25 generated a Free Cash Flow (FCF) of €666k, a substantial decrease from FY24 (€10.0m). The decrease (as mentioned) previously is due to one-off cash inflows from the trustee in FY24, which had significantly boosted FCF in that year. Looking ahead, the Issuer projects FCF of €4.2m in FY26, driven by stronger operating activities and the collection of trade receivables.

2.4 Other Relevant Information

2.4.1 MCL's Statement of Comprehensive Income

MCL's Statement of Comprehensive Income for the year ended 31 March	2023A	2024A	2025M
	€000s	€000s	€000s
Revenue	5,850	13,423	24,048
Cost of sales	(2,362)	(5,383)	(9,509)
Gross profit	**3,488**	**8,040**	**14,539**
Overheads	(2,019)	(3,559)	(4,032)
Gross operating profit	**1,469**	**4,481**	**10,507**
Rent to property company	-	(2,400)	(2,448)
Administration expenses	(850)	(1,020)	(1,309)
EBITDA	**619**	**1,061**	**6,750**
Depreciation	(1,531)	(3,287)	(3,843)
EBIT	**(912)**	**(2,226)**	**2,907**
Finance costs	(640)	(2,007)	(1,349)
Profit before tax	**(1,552)**	**(4,233)**	**1,558**
Tax	571	1,508	-
Profit after tax	**(981)**	**(2,725)**	**1,558**

Ratio Analysis	2023A	2024A	2025M
Profitability			
Growth in Revenue (YoY Revenue Growth)	66.1%	129.5%	79.2%
Gross Profit Margin (Gross Profit/ Revenue)	59.6%	59.9%	60.5%
EBITDA Margin (EBITDA / Revenue)	10.6%	7.9%	28.1%
Operating (EBIT) Margin (EBIT / Revenue)	-15.6%	-16.6%	12.1%
Net Margin (Profit for the year / Revenue)	-16.8%	-20.3%	6.5%
Return on Common Equity (Net Income / Average Equity)	-16.3%	-65.4%	65.9%
Return on Assets (Net Income / Average Assets)	-4.4%	-7.6%	4.5%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	2.6%	3.1%	30.7%

MCL reported a revenue figure of €13.4m for FY24, representing a 129% increase from FY23 (€5.8m).The hotel commenced operating from June 2023 onwards with limited capacity as rooms were still being completed, and rates set below competitors to quickly establish market presence and gain market share. This strategy appears to have paid off, with FY25 management accounts showing a revenue of €24.0m, an increase of 79% year-on-year.

Cost of sales totalled €5.4m for FY24. Management explained that this figure comprises F&B consumption, utilities and a substantial portion of the payroll, all of which increased as the Hotel started operating. Moreover, payroll increased year-on-year both due to increases in the workforce and operations. FY25 management account show COS increasing in line with the increase in business.

Overheads increased to €3.5m in FY24, up €1.5m from FY23. In audited accounts, overheads primarily consists of payroll, marketing, property, and insurance costs. The FY25 management accounts are anticipating an increase also in line with increase in business

Overall, the aggregate expenses of COS and OH, are expected to rise materially in line with the growth of the operation.

In terms of expenses, MCL incurred a rental charge of €2.4m and administration expenses of €0.4m. The rental charge, as explained in section 2.1 of this Analysis, was the first rental payment due from MCL to the Issuer.

The depreciation charge for FY24 was €3.3m up €1.8m from FY23. This is expected to increase to €3.8m for FY25,.

Net finance costs of MCL have increased to €2.0m, mainly due to the higher amounts of borrowings, that were used for the development and finishing works of the Hotel. Management accounts indicate a reduction of €1.3m in net finance costs for FY25, linked to the repayment of these borrowings.

In terms of taxation, the company reported approximately €1.5m in deferred tax credit as a result of the loss made for the year .

Overall, MCL concluded FY24 with a net loss of €2.7m. Management attributed the loss to the hotel commencing operations in June 2023, and thus not benefiting from a full year of operations. During part of the period under review, there was a shortage of inventory because some rooms and amenities were still under construction.

Additionally, the hotel relied on third-party booking platforms (e.g., Booking.com and Expedia), which charge higher commissions, as agreements with tour operators were not yet in place. Following a three-year operational hiatus, management adopted a dynamic and assertive pricing strategy aimed at re-establishing the Hotel’s market presence.

Management accounts for FY25 show significant revenue growth, with a net income of €625k and a margin of 6.5%.

2.4.2 MCL's Statement of Financial Position

MCL's Statement of Financial Position as at 31 March	2023A	2024A	2025M
	€000s	€000s	€000s
Assets			
Non-current assets			
Property, plant and equipment	18,464	34,712	18,399
Deferred tax	1,995	3,503	-
Total non-current assets	**20,459**	**38,216**	**18,399**
Current assets			
Inventories	99	331	400
Trade and other receivables	7,147	3,301	2,284
VAT and tax receivable	-	-	387
Amounts due from shareholders	-	-	979
Cash and cash equivalents	166	1,672	2,758
Total current assets	**7,412**	**5,305**	**6,808**
Total assets	**27,871**	**43,521**	**25,207**
Equity			
Share capital	163	163	163
Retained earnings	4,798	2,074	1,190
Reserves	568	568	568
Total equity	**5,529**	**2,805**	**1,921**
Liabilities			
Non-current liabilities			
MDB Loan	-	-	1,598
Bank debt	9,125	14,693	17,779
Loan due to Qawra Palace p.l.c	9,439	16,623	723
Total non-current liabilities	**18,565**	**31,316**	**20,100**
Current liabilities			
Tax	21	21	-
Trade and other payable	1,110	4,562	3,186
Bank debt	2,647	4,818	-
Total current liabilities	**3,777**	**9,400**	**3,186**
Total liabilities	**22,342**	**40,716**	**23,286**
Total equity and liabilities	**27,871**	**43,521**	**25,207**

Ratio Analysis	2023A	2024A	2025M
Financial Strength			
Gearing 1 (Net Debt / Net Debt and Total Equity)	79.2%	92.5%	90.0%
Gearing 2 (Total Liabilities / Total Assets)	80.2%	93.6%	92.4%
Gearing 3 (Net Debt / Total Equity)	380.6%	1228.7%	902.8%
Net Debt / EBITDA	34.0x	32.5x	2.6x
Current Ratio (Current Assets / Current Liabilities)	2.0x	0.6x	2.1x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.9x	0.5x	2.0x
Interest Coverage (EBITDA / Finance Costs)	1.0x	0.5x	5.0x

As of FY24 non-current assets stood at €38.2m making up 88% of total assets. Property, Plant and equipment (PPE), accounted for 91% of non-current assets with the remainder being deferred tax. FY25 management accounts indicate that the non-current assets are expected to decrease to €18.4m, mainly due to the transfer of approximately €18m in assets to the Issuer and adjustments to deferred taxes.

The current assets of MCL as of FY24 stood at €5.3m making up 12% of the total assets. These were mainly composed of inventories (€331k), trade receivables of (€3.3m), cash, and cash equivalents of (€1.7m). FY25 illustrates that current assets will increase to €6.8m, mainly due to higher cash levels and amounts due from shareholders.

Overall, total assets as of FY24 stood at €43.5m, and management accounts indicate that these are expected to decrease to €25.2m, mainly due to decreases in PPE and the reversal of the deferred tax.

MCL's equity is made up of share capital, retained earnings and reserves. The share capital has remained constant throughout historical years at €0.2m. The €1.2m in retained earnings on the other hand have decreased in line with the losses registered for the years. Reserves have been stable since FY21 at €0.6m. The drop in retained earnings was the main reason for the lower total equity year-on-year.

In FY24, non-current liabilities stood at €31.3m making up 77% of the total liabilities. These were mainly made up of loan due to the Issuer (€14.7m), and bank debt (€16.6m). The management accounts show that the intercompany loan to Qawra will be settled reducing non-current liabilities to €723k.

The current liabilities of MCL stood at €2.8m making up the remainder 23% of total liabilities. These were made up of tax (€21k), trade and other payables (€4.6m) and bank debt (€4.8m). In FY25 current liabilities are composed of trade and other payables of €3.2m.

Overall, total liabilities for FY24 were €40.7m, and management accounts show that these are expected to decrease to €23.3m mainly as a result of a decrease in amounts due to relted party after transfer of assets.

2.4.3 MCL's Statement of Cash Flows

MCL's Statement of Cash Flows for the year ended 31 December	2023A	2024A	2025M
	€000s	**€000s**	**€000s**
Net cash flow (used in) / generated from operating activities	(4,635)	6,911	7,708
Net cash flow used in investing activities	(7,625)	(19,535)	(3,843)
Net cash flow generated from financing activities	10,982	15,065	(2,779)
Movement in cash and cash equivalents	**(1,278)**	**2,442**	**1,086**
Cash and cash equivalents at start of year	509	(769)	1,673
Cash and cash equivalents at end of year	**(769)**	**1,673**	**2,759**

Ratio Analysis	2023A	2024A	2025M
Cash Flow	**€000s**	**€000s**	**€000s**
Free Cash Flow (Net cash from operations + Interest - Capex)	(11,459)	(11,395)	5,214

MCL reported a cash inflow of €6.9m in FY24, driven primarily by favourable movements in payables and receivables. Management recorded an inflow of €7.7m for FY25, reflecting the recovery of operations.

Cash outflows from investing activities amounted to €19.5m in FY24, reflecting capital expenditure for the Hotel. In FY25, investing outflows declined to €3.8m.

Financing activities continued generating cash for the company, with an inflow of €15m in FY24 from bank debt and related parties. For FY25, an outflow of €2.8m was recorded due to the repayment of loans and intercompany debt.

Free cash Flow (FCF) was negative for FY23 and FY24, reflecting significant capex on the Hotel's finishing works. In FY25, MCL generated a positive FCF of €5.2m as investment outflows eased following the completion of major works and continued growth in operating activities.

2.4.4 MCL Variance Analysis

MCL's Statement of Comprehensive Income for the year ended 31 March	2025P	2025M	Variance
	€000s	€000s	€000s
Revenue	21,178	24,048	2,870
Cost of sales	(4,235)	(9,509)	(5,274)
Gross profit	**16,943**	**14,539**	**(2,404)**
Overheads	(8,029)	(4,032)	3,997
Gross operating profit before rent to property company	**8,914**	**10,507**	**1,593**
Rent to property company	(2,448)	(2,448)	-
Administrative expenses	-	(1,309)	(1,309)
EBITDA	**6,466**	**6,750**	**284**
Depreciation	(2,651)	(3,843)	(1,192)
EBIT	**3,815**	**2,907**	**(908)**
Net finance costs	(1,604)	(1,349)	255
Profit before tax	**2,211**	**1,558**	**(653)**
Tax	(93)	-	93
Profit after tax	**2,118**	**1,558**	**(560)**

MCL generated a total revenue of €24.0m for FY25, resulting in a positive variance of €2.9m. A higher occupancy rate and better pricing than what management initially projected drove this. Along with the higher revenues, cost of sales and overheads increased accordingly.

MCL's overall EBITDA exceeded expectations, with a positive variance of €284k. The material fluctuations in line items cost of sales, overheads and administrative expenses are strictly the result of classifications when projections first published in bond prospectus.

Depreciation was higher than anticipated by €1.2m. Management attributed the variance to higher than anticipated investment in fixed assets.

This subsequently influenced the EBIT, resulting in a negative variance of €908k. Finance costs were lower than projected by €255k.

Overall, the positive revenue variance and finance costs savings were offset by a higher depreciation charge than that projected, resulting in an overall profit after tax negative variance of €0.6m.

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 2024. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Economic Update[1]

The Maltese Central Bank's Business Conditions Index (BCI) suggests that in July, annual growth in activity fell slightly, but remained moderately above its long-term average estimated since January 2000.

The European Commission's confidence surveys show that sentiment in Malta decreased in July, and fell below its long-term average, estimated since November 2002. In month-on-month terms, sentiment deteriorated across all sectors bar among consumers. The most significant decrease was observed in the construction sector.

Meanwhile, the Maltese Central Bank's Economic Policy Uncertainty (EPU) Index rose sharply and stood above its historical average estimated since 2004, indicating higher economic policy uncertainty. The European Commission's Economic Uncertainty Indicator (EUI) for Malta increased slightly compared with June, indicating somewhat higher uncertainty surrounding financial and business decisions.

In June, industrial production and retail trade rose in annual terms. In May, services production contracted for the fourth consecutive time.

In June, the unemployment rate reached a new historical low of 2.5%, as it decreased from 2.6% in May and remained below the 3.0% rate in June 2024.

In June, commercial building permits increased compared to May but were unchanged on a year earlier. Residential permits rose compared to May and were also higher than a year earlier. In July, the number of residential promise-of-sale agreements increased 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 2.5% in July, unchanged from the previous month. HICP excluding energy and food in Malta stood at 2.4%. Both indices stood above the euro area average. In July inflation based on the Retail Price Index (RPI) remained unchanged at 2.4%.

3.3 Economic Outlook[2]

According to the Maltese Central Bank's latest forecasts, Malta's real GDP growth is set to moderate from 5.9% in 2024 to 3.9% in 2025. Growth is set to ease further in the following two years, reaching 3.3% in 2027. Compared to the Bank's previous projections, the outlook for GDP growth is revised marginally down in 2025 and is broadly unchanged from the previous forecast for the following two years.

Private consumption is expected to be the main driver of GDP growth over the projection horizon, maintaining a brisk pace, though easing from recent highs, while investment should also continue to recover in the first two years of the projection horizon. Furthermore, net exports are projected to contribute positively to GDP growth over the forecast horizon, driven by trade in services. However, this contribution is set to be much smaller than that of domestic demand.

As activity slows down, employment growth is expected to moderate gradually from 5.3% in 2024 to 3.0% this year before easing further to 2.4% and 2.3% by 2026 and 2027, respectively. The unemployment rate is forecast to edge down to 2.7% by the end of the projection horizon.

The labour market is expected to remain tight and this will be a key factor driving the wage outlook. However, the ongoing disinflaiton, together with a growing need for a small open economy as Malta to remain competitive in a challenging trade environment, should dampen upward pressure on wages. Wage growth is expected to moderate to 4.4% in 2025 from 6.3% last year. It is set to edge further down to 3.7% and 3.5% in 2026 and 2027, respectively.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to stand at 2.3% in 2025, from 2.4% last year, reflecting lower food and services inflation. It is expected to ease further to 2.1% in 2026 and

[1] Central Bank of Malta – Economic Update 08/2025

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

2.0% in 2027, driven primarily by lower services inflation. Compared to the Bank's previous forecast publication, overall HICP inflation is broadly unrevised. While services inflation was revised up by 0.1 percentage points in 2025 and 2026, food, NEIG and energy inflation are unchanged.

The general government deficit-to-GDP ratio is set to decline gradually over the forecast period. It is forecast to narrow from 3.7% in 2024 to 3.4% in 2025, to 3.0% in 2026 and to 2.6% by 2027. The government debt-to-GDP ratio is set to peak at 48.7% in 2026 and to decline slightly in 2027. Compared to the Bank's June projections, the forecast deficit and debt profile remained mostly unchanged for 2025 and 2026 and slightly lower in 2027.

Risks to activity are broadly balanced. Downside risks largely emanate from possible adverse effects on foreign demand related to geopolitical tensions and future changes relating to the imposition of US tariffs beyond those included in the baseline. On the other hand, employment and wages could exhibit even stronger dynamics than envisaged in this projection round. This would lift private consumption growth and thus raise output growth more than envisaged.

Risks to inflation are broadly balanced over the projection horizon and mainly relate to external factors. Upside risks to inflation could stem from renewed supply-side bottlenecks that could be triggered by ongoing geopolitical conflicts as well as higher input costs and supply disruptions arising from changes in global trade policy. Having said that, 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. Furthermore, imported inflation could fall more rapidly than expected if euro area growth turns out weaker than expected due to the adverse effects on global growth from barriers to trade or negative spillovers from the tighter market financing conditions that may be triggered by changes in trade policy.

On the fiscal side, risks are mostly 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 turn out higher than assumed. They also reflect the likelihood of additional increases in pensions and wages in the outer years.

3.4 Hospitality[3]

The tourism sector in Malta has been on a consistent upward trend since 2010, rising especially in the later years from 2017. The Maltese tourism industry has, in recent years, been renowned for its unabated growth, with each passing year yielding new record highs of inbound tourists visiting the island. Indeed, the tourism industry is considered to be a crucial pillar of the local economy as it is estimated to account for 30% of Malta's GDP.

In 2024 tourism continued its post COVID revival in Malta, in line with the improvement of the tourism situation in Europe however the figures still lag 2019 figures. Statistics illustrate that the number of inbound tourists increased by 19.7% vs. 2023. Similarly, tourist guest nights increased by 13.1% in 2024 when compared to 2023. Total expenditure increased by 23.5% on the same basis. The above trends are also summarised in the following table, illustrating the number of tourist arrivals over the last four years:

Category	2021	2022	2023	2024	2023 vs. 2024
Inbound tourists*	968	2,287	2,976	3,564	19.7%
Tourist guest nights*	8,390	16,600	20,200	22,900	13.1%
Avg. length /stay	8.7	7.3	10.2	3,300	-5.9%
Tourist expenditure**	871	2,013	2,700	6.4	23.5%
Tourist exp. per capita (€)	899	880	898	924	2.9%

*in thousands
**in € millions

January – July 2025

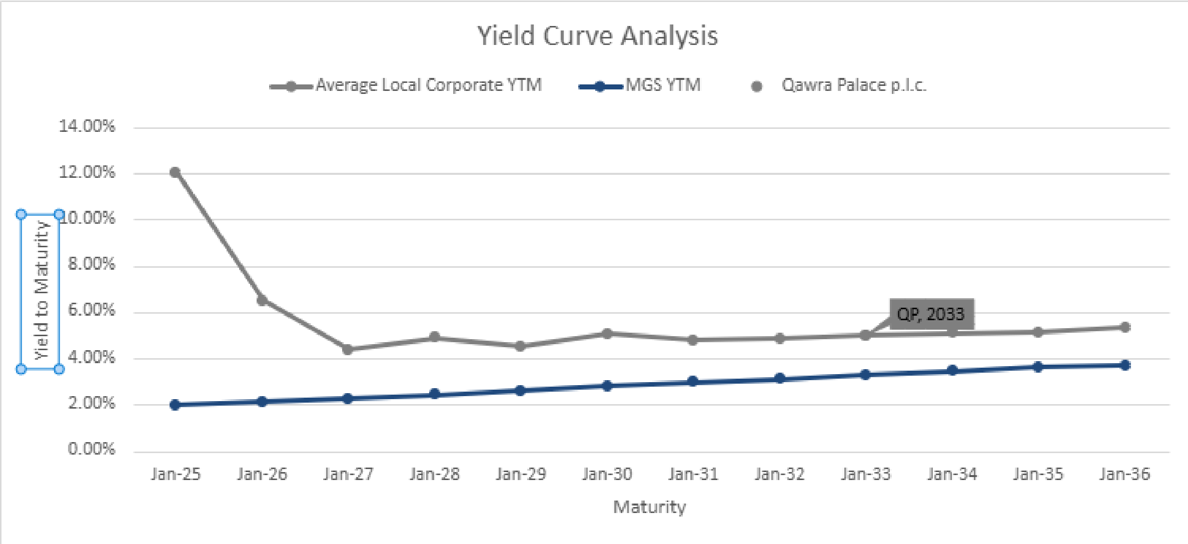
Total inbound tourists for July 2024 were estimated at 385,591 an increase of 18.5% when compared to the corresponding month in 2023. Total nights spent amounted to 2,781,255, and total expenditure almost reached €403.9 million. The largest share of guest nights (89.2%) was spent in rented accommodation establishments. Inbound tourists for the first seven months of 2024 amounted to 1,976,457, while total nights spent surpassed 12.2 million nights. Total tourism expenditure for the period January-July 2024 was estimated at €1.7 billion, while expenditure per capita stood at €858.

[3] National Statistics Office

3.5 Comparative Analysis

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)	(%)	(%)	(%)
3.5% AX Real Estate plc Unsecured € 2032	40,000	4.51%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4.5% G3 Finance plc Secured € 2032	12,500	4.50%	2.2x	61.4	22.3	63.6%	54.4%	13.8x	0.3x	3.3%	4.9%	23.1%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.39%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1	25,000	4.00%	(2.6)x	99.4	57.5	42.2%	33.2%	7.2x	2.2x	4.5%	44.6%	13.5%
4.5% Shoreline Mall plc Secured € 2032	26,000	5.38%	3.1x	85.2	18.5	78.2%	68.2%	22.4x	0.6x	8.4%	15.1%	0.0%
4.65% Smartcare Finance plc Secured € 2032	7,500	4.56%	0.6x	46.7	10.1	78.4%	73.5%	38.4x	1.9x	-9.9%	-18.9%	-16.3%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	5.18%	5.8x	126.9	34.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
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%
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.96%	2.1x	39.8	17.9	54.9%	43.3%	10.0x	0.4x	5.1%	61.4%	26.4%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.67%	5.8x	126.9	34.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
5.85% AX Group plc Unsecured € 2033	40,000	5.38%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.56%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
6% International Hotel Investments plc 2033	60,000	5.53%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.44%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
4.50% The Ona plc Secured € 2028-2034	16,000	4.50%	(2.3)x	38.9	8.0	79.6%	77.3%	12.8x	1.4x	-9.7%	-10.6%	110.3%
5.3% Mercury Projects Finance plc Secured € Bonds 2034 (xd)	20,000	5.05%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
5.2% VBL plc Secured € Bonds 2030-2034	10,000	4.99%	7.6x	95.4	67.7	29.0%	21.0%	4.9x	2.7x	3.7%	37.5%	25.3%
5.2% TUM Finance plc Secured Callable € Bonds 2031 -2034	12,000	5.19%	1.3x	137.8	40.0	71.0%	54.5%	46.8x	0.8x	-3.6%	-79.0%	-49.4%
5.25% Qawra Palace plc Secured € 2033	**25,000**	**5.00%**	**1.8x**	**98.5**	**63.2**	**35.9%**	**27.5%**	**10.2x**	**3.0x**	**7.0%**	**174.7%**	**2.0%**
	Average*	4.95%										

Source: Latest available audited financial statements
Last Price as at 03/09/2025
*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 yield on the Issuer's bonds.

As at 3 September 2025, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 7 – 9 years was 166 basis points. Meanwhile, the Qawra Palace p.l.c. bond is trading at a spread of 167 basis points over the equivalent MGSs.

Therefore, as at this same date, the Bond was trading at a premium of 1 basis points in comparison to the market of comparable corporate bonds. The above analysis is based on an industry-matching basis.

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.
OH	Overhead costs
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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