SP FINANCE p.l.c

No. 89, The Strand,
Sliema,
Malta.

Co. Registration No. C-89462

Ref: SPF - 66

COMPANY ANNOUNCEMENT

The following is a company announcement issued SP Finance p.l.c. (hereinafter the "Company") pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

The Board of Directors of the Company announces the approval and publication of the Financial Analysis Summary for the financial year 2025. This is available for download and can be accessed on the Company's website https://pebbleshotelmalta.com/investor-relations/. A copy of the Financial Analysis Summary is also attached herewith.

Unquote

Dr. Andrea Micallef
Company Secretary

26th June 2025

Calamatta Cuschieri

The Directors
SP Finance p.l.c,
89,
The Strand,
Sliema, Malta

Re: Financial Analysis Summary – 2025

26 June 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 SP Finance p.l.c. (the "**Issuer**") and Sea Pebbles Limited (the "**Guarantor**"), where the former is the parent company of the "**Group**". The data is derived from various sources, or is based on our own computations as follows:

a. Historical financial data for the three years ending 31 December 2022, 2023 and 2024 have been extracted from the audited financial statements of the Issuer and the Guarantor.

b. The forecast data for the financial year ending 31 December 2025 has been provided by management.

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

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

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,

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Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2025

sp finance

SP Finance p.l.c.

26 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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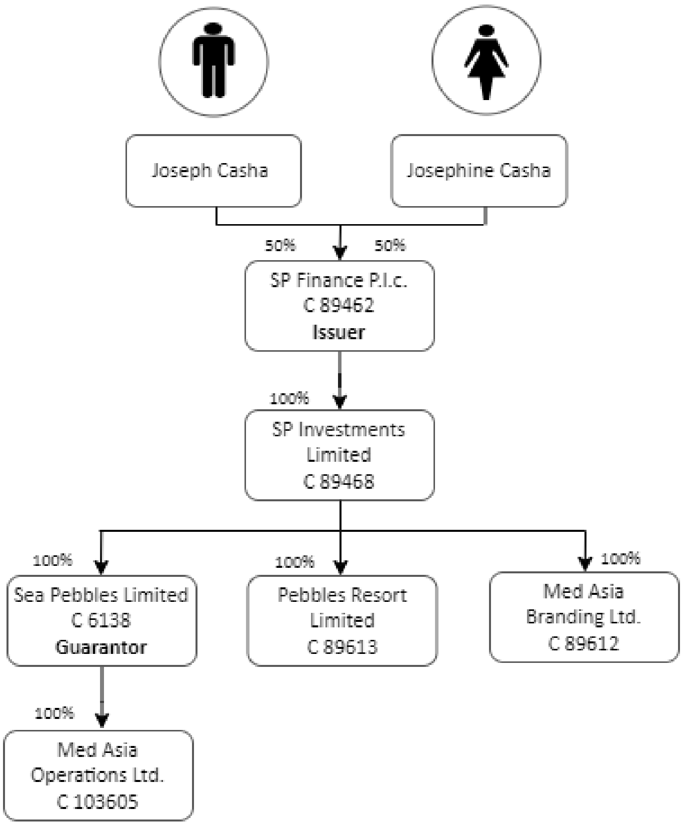
Part 1 Information about the Group

1.1 Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



The "**Group**" of companies consists of: SP Finance p.l.c. (the "**Issuer**"), SP Investments Limited acting as the "**Holding Company**", and its subsidiaries; Sea Pebbles Limited ("the **Guarantor**"), Pebbles Resort Limited and Med Asia Branding Ltd. In February 2023, Sea Pebbles Limited acquired 100% of the shares in Med Asia Operations Ltd (C 103605). Soon after, in March 2023, Pebbles St Julians Limited changed its name to Med Asia Branding Ltd and acquired certain intellectual property relating to the catering operations which were acquired by its sister company Med Asia Operations Ltd.

The Issuer was incorporated on 19 November 2018 as a private limited liability company, registered in terms of the Companies Act with company registration number C 89462, and subsequently changed its status to a public company with effect from 23 January 2019. The Issuer, which was set up and established to act as the parent company of the Group and as a finance vehicle, has an authorized and issued share capital of €250,000 made up of 250,000 ordinary shares of €1.00 each, all fully paid up. The ultimate beneficial owners are Mr Joseph Casha and Ms Josephine Casha, who hold 125,000 ordinary shares each.

Following its bond issue in 2019, the Issuer transferred the bond proceeds to the Group subsidiaries through an equity injection. €12.0m were invested into SP Investments Limited through the allotment of 12,000,000 €1.00 redeemable preference shares. In turn, SP Investments Limited invested €3.75m, €3m and €0.6m in Sea Pebbles Limited, Pebbles Resort Limited and Med Asia Branding Ltd, respectively, through the allotment of 3,750,000, 3,000,000 and 600,000 ordinary shares of €1.00.

SP Investments Limited, a fully owned subsidiary of the Issuer, is a private limited liability company incorporated and registered in Malta on 19 November 2018, with company registration number C 89468. SP Investments Limited has an authorised and issued share capital of €12,010,000 divided into 10,000 ordinary shares of €1.00 each and 12,000,000 redeemable preference shares of €1.00 each, all fully paid up. SP Investments Limited carries out the activity of a holding company within the Group.

The Guarantor was incorporated on 15 November 1982 as a private limited liability company, registered in terms of the Companies Act with company registration number C 6138.

Pursuant to a reorganization concluded on 10 December 2018, the Guarantor, through the Holding Company, is a wholly owned subsidiary of the Issuer. On 30 December 2022, the Guarantor converted €2.5m worth of its share capital into a loan due to SP Investments Limited, thus reducing its issued share capital to €1,715,875 (1,715,875 ordinary shares of €1.00 each, all fully paid up). The Guarantor's authorised share capital remained at €4,215,875. The principal objective of the Guarantor is to carry out all or any of the business of hotel-keepers, hotel managers or operators, and to manage and operate one or more hotels and guest houses.

Pebbles Resort Limited (C 89613) and Med Asia Branding Ltd (C 89612) were both incorporated on 28 November 2018 and are wholly owned by the Issuer through the Holding Company. Pebbles Resort Limited was set up to operate the hotel Pebbles Resort situated in St. Paul's Bay, which is held under a 5-year lease commencing in May 2019 and extendable by a further two 5-year terms. The company has already started availing of the second 5-year which commenced on 1 May 2024.

Med Asia Branding Ltd (formerly Pebbles St Julians Limited) was incorporated to construct and manage a hotel overlying Ryan's Pub ("Pebbles St Julian's Hotel"), which was to be held under a 20-year lease. However, as the permit for Pebbles St Julian's Hotel was granted for a 10-room, instead of an 18-room hotel, management decided not to proceed with this investment. Accordingly, Pebbles St Julians Limited had not carried out any operations and was considered dormant until March 2023. In March 2023, Pebbles St Julians Limited had its name changed to Med Asia Branding Ltd and acquired certain intellectual property relating to the catering operations which were acquired by its sister company Med Asia Operations Ltd following the acquisition made by the Guarantor as described in more detail in section 1.4.

1.2 Directors and Key Employees

Board of Directors – Issuer

As at the date of this Analysis, the board of the Issuer is made up of the following persons:

Name	Designation
Joseph Casha	Executive Director
Josephine Casha	Executive Director
Alex Perici-Calascione	Independent non-executive Director
Mark Grech	Independent non-executive Director
Reuben Debono	Independent non-executive Director

The business address of all the directors is the registered office of the Issuer. The company secretary of the Issuer is Dr Andrea Micallef.

The board of directors of the Issuer currently consists of two executive directors who are entrusted with the Issuer's day-to-day management, and three non-executive directors, all of whom are independent of the Issuer. The main functions of the non-executive directors are to monitor the operations of the executive directors and their performance, as well as to review any proposals tabled by the executive directors. This practice goes in accordance with the generally accepted principles of sound corporate governance, where at least one of the directors shall be a person independent of a group of companies.

The Issuer does not have any employees of its own (excluding directors) and thus is dependent on the resources within the Group entities. Meanwhile, the Group entities had 130 employees as at 2024 (excluding directors).

Board of Directors – Guarantor

As at the date of this Analysis, the board of the Guarantor is constituted by the following persons:

Name	Designation
Joseph Casha	Executive Director
Josephine Casha	Executive Director

The business address of all the directors is the registered office of the Issuer. The company secretary of the Guarantor is Ms Josephine Casha.

1.3 Major Assets owned by the Group

Given its function as a special purpose vehicle set up to act as a holding and financing company, the Issuer's assets consist of the investments in its subsidiaries together with the loans granted to the said subsidiaries.

All major assets owned by the Group's subsidiary companies are set out below.

1.3.1 Guarantor

The Group, through the Guarantor, owned and operated (up to beginning of January 2024) the Pebbles Boutique Aparthotel situated at No. 88/89, The Strand, Sliema, and the neighbouring corner building situated at No. 90, The Strand, Sliema.

Both properties are freehold and consist of two 9-storey blocks. The said properties overly the former commercial outlet TexMex Bar & Grill and the popular restaurant MEDASIA Fusion Lounge. In January 2024 the hotel received its last guests and works started in preparation for the expansion project. Once the expansion is completed, the commercial outlet formerly operated as TexMex will be leased to Med Asia Operations Ltd and will be an extension of the MedAsia Fusion Lounge. The said expansion is explained in further detail project in section 1.5.

From the two aforementioned properties, the Guarantor operated a 54-room aparthotel along the Gzira/Sliema promenade. These two buildings include apartments and garages, all of which are operated by the Guarantor.

The Guarantor also owns two apartments and the relative airspace overlying the block at No. 90, The Strand Sliema, and an adjoining guesthouse in Sliema. Management confirmed that the total value of the aforementioned two apartments and airspace, as well as the adjoining guesthouse, is of €4.4m.

In February 2023, Sea Pebbles Limited acquired 100% of the shares in Med Asia Operations Ltd. On 1 April 2023, the Guarantor, through its subsidiary Med Asia Operations Ltd, acquired the catering operations previously carried out by related companies outside the Group. These are namely, MedAsia Fusion Lounge, MedAsia Playa, Noodle Box, MedAsia Golden Sands, and the various restaurants/bars situated within the Pebbles Resort Hotel in St. Paul's Bay.

Operational Performance - Pebbles Boutique Aparthotel

The following table sets out the highlights of Pebbles Boutique Aparthotel's operating performance for the years indicated therein:

Pebbles Boutique ApartHotel	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Revenue	1252	1455	12	N/A
Gross operating profit	471	535	(300)	N/A
Gross operating profit margin	37.6%	36.8%	N/A	N/A
Occupancy level	80.0%	83.8%	N/A	N/A
Average daily rate (€)	79.5	88.1	71.7	N/A
Revenue per available room (Rev/PAR) (€)	23.2	26.9	N/A	N/A
Gross operating profit per available room (GOP/PAR)	8.7	9.9	N/A	N/A

No forecasted results are reported given the closure of the Pebbles Boutique Aparthotel as explained further in section 1.5. Further analysis on the Guarantor's operational performance can be found in section 2.1.

1.3.2 Pebbles Resort Limited

Pebbles Resort Limited operates Pebbles Resort, which is held under a 5-year lease. The lease commenced in May 2019 and can be extended by a further two 5-year terms. The company has taken the option to avail of the second 5-year term which commenced in May 2024.

As part of the refurbishment of the Pebbles Resort in 2019 and 2020, Pebbles Resort Limited had constructed a 6-room extension on level 5. This extension was finished in July 2023 and resulted in an increase in the hotel's rooms from 211 to 217.

Operational Performance - Pebbles Resort Limited

The following table sets out the highlights of Pebbles Resort Limited's operating performance for the years indicated therein:

Pebbles Resort	2022A	2023A	2024A	2025F
	€000s	**€000s**	**€000s**	**€000s**
Revenue	2,374	3,912	4,609	4,940
Gross operating profit	736	1,142	1,749	1,946
Gross operating profit margin	31.0%	29.2%	37.9%	39.4%
Occupancy level	41.5%	70.9%	74.3%	76.4%
Average daily rate (€)	74.7	70.6	78.1	81.6
Revenue per available room (Rev/PAR) (€000s)	11.3	18.3	21.5	22.8
Gross operating profit per available room (GOP/PAR) (€000s)	3.5	5.3	8.2	9.0

Revenue generated by this hotel in FY24 was €4.6m, which exceeded FY23 levels by 17.8% (€0.7m) and also exceeding the projections set out by management in the previous financial analysis summary dated 27 June 2024. This translated into a gross operating profit of €1.7m.

Occupancy levels in FY24 improved to around 74.3%, while average daily rates increased to €78.1 in FY24 (FY23: €70.6). Moving into FY25 the hotel is expected to exceed FY24 levels across the board. Revenue is expected to increase by 7.2%, to €4.9m, with gross operating profit increasing to €1.9m resulting in a gross operating margin of 39.4%. Average occupancy levels are also expected to increase throughout FY25 and reach 76.4%. Average daily rates, on the other hand, are projected to increase in FY25 and reach €81.6 whilst revenue per available room and gross operating profit per available room are expected to reach €22.8 and €9.0, respectively.

1.4 Operational Developments

1.4.1 Closure of Pebbles Boutique ApartHotel

As part of its growth strategy, and following the conclusion of the revised permits, the Pebbles Boutique ApartHotel was closed down with the intention being to construct and extend the Pebbles Boutique Aparthotel whilst also comprising an overlying Class 4 D restaurant, 3 large penthouses, and a roof-top pool, as explained further in section 1.5.

1.5 Subsequent events after the reporting period

On 12 March 2025, the Planning Authority granted a full development permission to Sea Pebbles Limited to construct a Class 3B Hotel with a total of 109 suites and ancillary facilities including a Class 4D restaurant on the company's site on the Sliema – Gzira seafront. The new hotel is expected to welcome its first guests in mid-2026 and once fully operational is expected to generate revenue and profits well in excess of what was generated by the much smaller Pebbles Boutique Aparthotel.

Part 2 Historical Performance and Forecast

The financial information in sections 2.1 to 2.3 is extracted from the audited financial statements of the Guarantor for the financial years ended 31 December 2022, 2023 and 2024. The financial information in section 2.4 to 2.6 is extracted from the audited financial statements of the Group for the financial years ended 31 December 2022, 2023 and 2024.

The projected financial information for the year ending 31 December 2025 has been provided by the Group's management. This financial information relates to events in the future and is based on assumptions which the Group 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 Guarantor's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Revenue	1,252	1,455	12	-
Cost of sales	(781)	(920)	(312)	(234)
Gross profit	**471**	**535**	**(300)**	**(234)**
Administrative expenses	(87)	(747)	(366)	(118)
Other operating income	58	61	264	150
Operating loss/profit	**442**	**(151)**	**(402)**	**(202)**
Depreciation	(166)	(164)	(62)	(62)
EBIT	**276**	**(315)**	**(464)**	**(264)**
Profit on sale of property	153	-	-	-
Profit on sale of intellectual property	-	942	-	-
Investment income	-	422	-	-
Finance costs	(325)	(437)	(76)	(70)
Profit before tax	**104**	**612**	**(540)**	**(334)**
Income tax	2	114	164	117
Profit after tax	**106**	**726**	**(376)**	**(217)**

Ratio Analysis	2022A	2023A	2024A	2025F
Growth in Revenue (YoY Revenue Growth)	73.4%	16.2%	N/A	N/A
Gross Profit Margin (Gross Profit / Revenue)	37.6%	36.8%	N/A	N/A
EBITDA Margin (EBITDA / Revenue)	35.3%	-10.4%	N/A	N/A
Net Margin (Profit for the year / Revenue)	8.5%	49.9%	N/A	N/A

The Guarantor generates revenue from room rentals of the Pebbles Boutique Aparthotel in Sliema. The hotel hosted its last guests in early 2024, and as explained in section 1.5, and since then the hotel has been closed for redevelopment. Therefore, looking ahead, management expects to generate minimal revenue for FY25 and is on track to reopen by mid-FY26.

Cost of sales mainly represents booking fees paid to third-party online booking portals like "booking.com", as well as the day-to-day operating costs such as salaries and wages, water and electricity expenses, and repairs and maintenance expenses. For FY24 costs of sales were €312k a 66% decrease compared to the previous year due to the hotel closure. Moving forward these are expected to decrease further to €234k.

Administrative expenses decreased to €366k during FY24 (FY23: 747k) mainly due to a lower loss on disposal of property, plant and equipment (PPE) in 2024 compared to 2023 (both losses were related to the disposal of equipment and furniture and the demolition of existing buildings due to the extension project). Administrative expenses mainly include management fees, professional fees and loss on sale of PPE in relation to the hotel's reconstruction. No further losses on sales of PPE are expected in FY25, which will bring these expenses down to €118k.

Other operating income represents rental income, service charge receivables and management fees. This has increased to €264k mainly due to higher management fees and service charges.

The Guarantor recognised a depreciation charge of €62k related to the hotel with this charge expected to remain unchanged in FY25.

Finance costs decreased to €76k in FY24, due to the capitalisation of interest on related party loans amounting to €346k relating to qualifying assets under construction in accordance with IAS 23. Looking ahead, these are expected to reduce slightly to €70k.

The Guarantor incurred a loss before tax of €540k and had a deferred tax income of €164k, resulting in a loss of €376k. Looking ahead, management is forecasting a lower loss after tax.

2.2 Guarantor'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				
Intangible assets	-	1	-	-
Property, Plant and Equipment (PPE)	22,001	21,221	20,854	20,796
PPE (under construction)	-	-	718	6,233
Investment property	6,004	6,005	5,960	5,960
Right-of-use-assets	14	10	7	3
Investment in associate/subsidiary	-	1	1	1
	28,019	**27,238**	**27,540**	**32,993**
Current assets				
Trade and other receivables	348	1,823	2,317	807
Other financial assets at amortised cost	500	350	-	-
Current tax recoverable	-	32	32	-
Cash and cash equivalents	68	92	8	-
Total current assets	**916**	**2,297**	**2,358**	**807**
Total assets	**28,935**	**29,535**	**29,898**	**33,800**
Equity and liabilities				
Capital and reserves				
Share capital	1,716	1,716	1,716	1,716
Revaluation reserve	14,800	14,800	14,800	14,800
Other reserves	2,838	2,838	2,838	2,838
Retained earnings	96	822	446	229
Total equity	**19,450**	**20,176**	**19,800**	**19,583**
Non-current liabilities				
Long-term borrowings	6,441	6,278	6,190	11,198
Deferred taxation	2,148	2,034	1,871	1,754
Lease liabilities	10	6	1	-
	8,599	**8,318**	**8,062**	**12,952**
Current liabilities				
Short-term borrowings	445	675	1,021	381
Trade and other payables	322	362	1,012	883
Current tax payable	115	-	-	-
Lease liabilities	4	4	4	1
Total current liabilities	**886**	**1,041**	**2,037**	**1,265**
Total liabilities	**9,485**	**9,359**	**10,099**	**14,217**
Total equity and liabilities	**28,935**	**29,535**	**29,898**	**33,800**

The non-current assets of the guarantor made up for 92.1% of the total assets. These are mainly made up of property, plant and equipment ("**PPE**") (€20.1m), PPE under construction (€718k) and Investment property (€6.0m). Looking ahead, management expects non-current assets to increase by €5.5m, mainly due to additions to PPE under construction.

Current assets made up 7.9% of the Guarantor's total assets. These are mainly composed of trade and other receivables standing at €2.3m and mainly represent amounts owed by related companies and a credit note for construction materials to be supplied for the extension project. In the projected period, management expects trade and other receivables to decrease to €0.8m.

Total equity decreased to €19.8m during FY24, which is in line with the €19.9m forecast last year. The loss during the year ultimately impacted the Guarantor's retained earnings, which had a negative effect on equity. Total equity is projected to amount to €19.6m at the end of FY25 due to the expected loss.

Non-current liabilities account for 79.8% pf the Guarantor's total liabilities. The largest item within this account is the long-term borrowings amounting to €6.2m. This is expected to increase by €5.0m due to new bank financing for hotel development.

Current liabilities have doubled to €2.0m in comparison to previous year (FY23: €1.0m), due to higher amounts due to related parties within their trade payables (€1.0m) and higher amounts of borrowings mainly due to parent company (€1.0m). Moving forward current liabilities are expected to decrease to €1.3m due to repaid borrowings and trade payables.

2.3 Guarantor's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
EBITDA	442	791	(402)	(202)
Recharge of surrendered losses from group companies	(151)	-	-	-
Interest and tax paid	(376)	(585)	(76)	(28)
Change in trade and other receivables	(5)	(1,325)	(144)	-
Change in trade and other payables	175	241	650	(238)
Dividend income	-	423	-	-
Loss (Profit) on disposal of PPE	(29)	619	246	-
Net cash flows generated from / (used in) operating activities	**56**	**164**	**274**	**(468)**
				-
Cash flows from investing activities				-
Capex	(16)	-	(611)	(5,515)
Acquisition of intangible assets	-	(1)	-	-
Proceeds from the sale of property, plant and equipment	182	-	-	-
Net cash flows generated from / (used in) investing activities	**166**	**(1)**	**(611)**	**(5,515)**
Cash flows from financing activities				
Movement in related party loan	2,500	-	402	855
Movement in bank loan	(180)	(158)	(163)	5,162
Movement in other borrowings	(4)	(4)	(4)	(4)
Issue of / (reduction in share capital)	(2,500)	-	-	-
Net cash flows generated from / (used in) financing activities	**(184)**	**(162)**	**235**	**6,013**
Movement in cash and cash equivalents	**38**	**1**	**(102)**	**30**
Cash and cash equivalents at start of year	(107)	(69)	(68)	(170)
Cash and cash equivalents at end of year	**(69)**	**(68)**	**(170)**	**(140)**

The Guarantor recorded a negative EBITDA of €402k, however, after accounting for adjustments in trade payables (€650k) and the loss on disposal of (€246k) it generated a net cash from operations of €274k.

A capex of €611k was the only movement within the investing activities of the Guarantor. In the projected period, these are expected to increase to €5.5m due to increases in ongoing construction works.

The Guarantor experienced positive cash inflows from financing activities amounting to €235k which came from movements in related party loans of €402k. Net cash flow generated from financing activities is projected to amount to €6.0m in FY25 mainly due to increases in bank borrowings.

All this led to a reduction in the Guarantor's cash position in FY24 down to negative €170k. This is made up of a bank overdraft of €177k and cash in hand and at bank of €7k.

2.4 Group's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Revenue	3,626	10,521	9,872	10,298
Cost of sales	(2,469)	(7,625)	(6,899)	(7,242)
Gross profit	**1,157**	**2,896**	**2,973**	**3,056**
Administrative expenses	(276)	(403)	(342)	(312)
Other operating income	145	147	55	72
EBITDA	**1,026**	**2,640**	**2,686**	**2,816**
Depreciation	(1,470)	(1,487)	(1,456)	(1,670)
EBIT	**(444)**	**1,153**	**1,230**	**1,146**
(Loss) / profit on sale of property, plant & equipment	182	(619)	(246)	-
Finance cost	(859)	(938)	(616)	(528)
Reversal of Impairment on non-financial instruments	-	-	1,026	-
Write off of amounts receivable	-	(22)	-	-
Impairment of Intangible assets	(1,500)	-	(630)	-
Profit before tax	**(2,621)**	**(426)**	**764**	**618**
Tax credit / (expense)	70	293	299	(216)
Profit after tax	**(2,551)**	**(133)**	**1,063**	**402**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
Growth in Revenue (YoY Revenue Growth)	79.1%	190.2%	-6.2%	4.3%
EBITDA Margin (EBITDA / Revenue)	28.3%	25.1%	27.2%	27.3%
Operating (EBIT) Margin (EBIT / Revenue)	-12.2%	11.0%	12.5%	11.1%
Net Margin (Profit for the year / Revenue)	-70.4%	-1.3%	10.8%	3.9%
Return on Common Equity (Net Income / Average Equity)	-17.4%	-0.8%	5.7%	2.1%
Return on Assets (Net Income / Average Assets)	-6.6%	-0.3%	2.4%	0.9%

Revenue is primarily generated from the Group's two hotel operations — Pebbles Boutique Aparthotel and Pebbles Resort — as well as from catering outlets operated by Med Asia Operations Ltd.

In FY24, the Group reported revenue of €9.9 million, representing a 6.2% year-on-year decline. This decrease was largely attributable to the closure of the Pebbles Boutique Aparthotel, as outlined in Section 1.5. For FY25, revenue is projected to increase to €10.3 million, driven by higher contributions from the Pebbles Resort, supported by increased occupancy levels and operational activity.

Cost of sales and administrative expenses totalled €7.2 million in FY24, down from €8.0 million in FY23 — a 10.9% decrease. These costs primarily consist of direct operating expenses, staff salaries, directors' remuneration, utilities, and maintenance. The decline reflects reduced direct costs following the closure of one of the Group's hotel operations. In line with the anticipated increase in activity at Pebbles Resort, cost of sales is expected to rise to €7.2 million in FY25.

Other operating income amounted to approximately €55k in FY24 (FY23: €147k), with the Group forecasting an increase to €72k in FY25.

EBITDA for FY24 came in at €2.7 million, exceeding prior-year forecasts by 20%. For FY25, EBITDA is projected to rise modestly to €2.8 million, reflecting stronger top line performance offset by the anticipated cost increases.

Depreciation remained stable at €1.5 million in FY24 and is expected to increase slightly to €1.6 million in FY25. During the year, the Group carried out a revaluation of its right-of-use assets and property, plant, and equipment, resulting in a reversal of impairment charges totalling €1.0 million (€0.6 million related to ROU assets and €0.4 million to PPE). No further revaluations are expected in FY25.

Finance costs declined by 34.3% in FY24 due to borrowing costs amounting to €346k, which have been capitalised during the year relating to qualifying assets under construction in accordance with IAS 23. Finance costs are forecast to remain broadly stable in FY25. The Group also recorded an impairment of non-financial instruments amounting to €630k, which was made up of an impairment in the value of goodwill in Med Asia Operations Limited amounting to €455k and an impairment in the value of intangible property in Med Asia Branding Limited amounting to €175k.

The Group reported a profit before tax of €0.8 million. After recognizing a tax credit of approximately €0.3 million, net profit for FY24 stood at €1.1 million. The Group does not anticipate benefiting from a similar tax credit in FY25 and is projecting a net profit of approximately €0.4 million.

2.4.1 Group's Variance Analysis

Statement of Comprehensive Income for the year ended 31 December	2024F	2024A	Variance
	€000s	€000s	€000s
Revenue	9,969	9,872	(97)
Cost of sales	(7,458)	(6,899)	559
Gross profit	**2,511**	**2,973**	462
Administrative expenses (excl. Depreciation)	(346)	(342)	4
Other operating income	75	55	(20)
Third party loan waiver	-	-	-
EBITDA	**2,240**	**2,686**	446
Depreciation	(1,378)	(1,456)	(78)
EBIT	**862**	**1,230**	368
Fair value gain on investment property	-	-	-
(Loss)/ Profit on sale of property, plant & equipment	-	(246)	(246)
Finance costs	(918)	(616)	302
Reversal Impairment of non-financial instruments	-	1,026	1,026
Impairment of Intangible assets	-	(630)	(630)
Profit before tax	**(56)**	**764**	820
Tax credit / (expense)	20	299	279
Profit after tax	**(36)**	**1,063**	1,099

The Group's performance was broadly in line with projections outlined in the prior year's Analysis. Notably, cost of sales amounted to €6.9m, reflecting a favourable variance of €559k. This translated into a gross profit of €3.0m —18% above forecast.

Administrative expenses and other operating income remained largely consistent with expectations and in line with prior projections, exhibiting only marginal deviations.

At the operating level, the Group delivered EBIT of €1.2m, representing a 43% positive variance, notwithstanding a 6% increase in the depreciation charge relative to forecast.

Several one-off or non-operating items were not anticipated in the original projections. The loss on disposal of €246k is attributable to the demolition of the hotel, as previously outlined. A reversal of impairment totalling €1.0m was recorded made up of €0.6 million related to ROU assets and €0.4 million to PPE both related to the Pebbles Resort.

The Group also recorded an impairment of intangibles assets which was not forecast related to goodwill in Med Asia Operations Ltd and the value of intangible property in Med Asia Branding Ltd.

On the financing side, the Group capitalised additional interest expenses associated with ongoing property development activities.

In aggregate, the Group reported a net income of €1.1m, resulting in a positive variance of €1.1m versus prior expectations.

2.5 Group's Statement of Financial Position

Statement of Finance Position as at 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment (PPE)	25,976	25,640	24,985	24,119
PPE under development	-	-	704	6,205
Intangible assets	-	4,103	3,620	3,620
Right-of-use assets	2,686	2,700	2,724	2,028
Investment property	6,004	6,004	5,960	5,960
Trade and other receivables	-	79	-	-
Deferred tax asset	1,166	1,488	1,889	1,673
Total non-current assets	**35,832**	**40,014**	**39,882**	**43,605**
Current assets				
Inventory	-	117	111	111
Trade and other receivables	872	2,978	4,586	3,243
Current income tax asset	-	-	148	-
Cash and cash equivalents	88	149	52	63
Total current assets	**960**	**3,244**	**4,897**	**3,417**
Total assets	**36,792**	**43,258**	**44,778**	**47,022**
Equity and liabilities				
Capital and reserves				
Share capital	250	250	250	250
Share premium	17,750	17,750	17,750	17,750
Revaluation reserve	14,800	14,800	14,800	14,800
Fair value gain reserve	2,938	2,938	2,938	2,938
Other reserve	(17,532)	(12,917)	(12,770)	(12,770)
Retained earnings	(4,780)	(4,914)	(3,851)	(3,449)
Total equity	**13,426**	**17,907**	**19,117**	**19,519**
Non-current liabilities				
Borrowings	12,980	12,237	12,037	16,903
Lease liability long term	4,419	4,279	3,201	2,227
Deferred tax liability	2,262	2,278	2,279	2,278
Total non-current liabilities	**19,661**	**18,794**	**17,517**	**21,408**
Current liabilities				
Trade and other payables	1,772	4,006	5,316	4,454
Current income tax liability	116	130	378	164
Borrowings	1,545	1,819	1,503	499
Lease liability	272	602	947	978
Total current liabilities	**3,705**	**6,557**	**8,144**	**6,095**
Total liabilities	**23,366**	**25,351**	**25,661**	**27,503**
Total equity and liabilities	**36,792**	**43,258**	**44,778**	**47,022**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	58.8%	51.2%	48.0%	51.3%
Gearing 2 (Total Liabilities / Total Assets)	63.5%	58.6%	57.3%	58.5%
Gearing 3 (Net Debt / Total Equity)	142.5%	104.9%	92.3%	105.3%
Net Debt / EBITDA	18.6x	7.1x	6.6x	7.3x
Current Ratio (Current Assets / Current Liabilities)	0.3x	0.5x	0.6x	0.6x
Net Debt / Net cash from operations	17.5x	9.1x	9.6x	8.0x
Interest Coverage level 1 (EBITDA / Cash interest paid)	1.2x	4.5x	4.3x	5.3x
Interest Coverage level 2 (EBITDA / finance costs)	1.2x	2.8x	4.4x	5.3x

Non-current assets represented 89.1% of the Group's total assets in FY24. These primarily consisted of property, plant and equipment (PPE) (€25.0m), PPE under development (€0.7m), investment property (€5.9m), and intangible assets (€3.6m). Overall, the Group's non-current assets remained stable during the year. Projections indicate that these will increase to €43.6m in FY25, driven mainly by a €5.5m increase in PPE under development, despite anticipated decreases in PPE and right-of-use assets.

Current assets made up the remaining 10.9% of total assets in FY24. Trade and other receivables were the largest component, amounting to €4.6m, largely comprising balances due from commonly controlled entities. These are expected to decrease to €3.2m, primarily due to settlements in trade receivables.

With respect to equity and reserves, the Group's retained losses narrowed to -€3.8m (FY23: -€4.9m). Other reserves include a capitalisation reserve, which reflects contributions from related parties outside the Group. In FY23, the Group acquired the Med Asia brand and related catering operations from a related party. As part of this transaction, an agreement was signed between the subsidiary and the related party, whereby €4.6m in payables created upon acquisition would be settled at the discretion of the Group. This arrangement led to a capitalisation of €4.6m, resulting in total equity increasing to €17.9m. In FY24 and going forward, equity is expected to fluctuate in line with the Group's performance through its retained earnings.

Non-current liabilities accounted for 68.3% of total liabilities. The largest item within this category was borrowings, standing at €12.0m, representing the issued bonds net of related expenses. Management expects these to increase by an additional €4.9m in FY25, linked to new financing required for construction works. Current liabilities on the other hand mainly consist of trade and other payables of €5.3m and borrowings of €1.5m.

The stronger equity position translated into an improved gearing ratio of 48.0% in FY24, which is forecast to increase modestly to 51.3% in FY25.

2.6 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
EBITDA	1,026	2,616	3,082	2,816
Interest paid	(828)	(593)	(631)	(528)
Tax paid/refunded	37	-	-	(74)
Movement in receivables/ related company party	-	-	133	964
Reversal of Impairment of non-financial instruments	-	-	(1,026)	-
Provision for doubtful debts	41	-	-	-
Impairment of Intangible assets	-	-	630	-
Change in trade and other receivables	248	(2,194)	(1,417)	243
Change in trade and other payables	571	2,233	1,071	(862)
Net cash flows generated from operating activities	**1,095**	**2,062**	**1,842**	**2,559**
Cash flows from investing activities				
Investment Capex	(169)	(180)	(358)	(5,609)
Consideration paid on business combination	-	(650)	-	-
Net cash flows used in investing activities	**(169)**	**(830)**	**(358)**	**(5,609)**
Cash flows from financing activities				
Movement in bank loans	(494)	(622)	(641)	4,845
Third party borrowings	(367)	(333)	41	-
Lease liability payments	(257)	(671)	(1,033)	(944)
Net cash flows generated from / (used in) financing activities	**(1,118)**	**(1,626)**	**(1,634)**	**3,901**
Movement in cash and cash equivalents	**(192)**	**(394)**	**(150)**	**851**
Cash and cash equivalents at start of year	(142)	(334)	(728)	(878)
Cash and cash equivalents at end of year	**(334)**	**(728)**	**(878)**	**(27)**

Ratio Analysis	2022A	2023A	2024A	2025F
Cash Flow	€000s	€000s	€000s	€000s
Free Cash Flow to the firm (Net cash from operations + interest - Capex)	€1,754	€2,475	€2,115	€(2,522)

The Group reported a higher EBITDA of €3.1m in FY24 (FY23: €2.6m). The impairment of intangible assets (€630k) and the movement in related company balances (€133k) mostly offset the reversal of impairment (€1.0m) which is a non-cash income. As a result, the Group generated €1.8m in net cash from operating activities (FY23: €2.1m). In FY25 the Group is projecting net cash flows from operating activities of €2.6m.

Cash used in investing activities declined by €472k to €358k in FY24, primarily related to continued refurbishment works at the Pebbles Resort Hotel. However, net cash outflows from investing activities are expected to increase significantly to €5.6m in FY25, driven mainly by capital expenditure linked to the expansion of the Pebbles Boutique Aparthotel.

Net cash used in financing activities remained stable at €1.6 million, reflecting repayments of bank loans and higher lease liability payments, which increased to €1.0m (FY23: €671k). For FY25, financing cash flows are projected to amount to €3.9m, mainly reflecting a bank loan inflow of €4.9m. The movements for the year led to negative movement in the Group's cash position of €150k. The closing cash position was negative €878k in FY24 and this was made up of 931k in bank overdrafts and 52k of cash in hand and at bank.

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 Economic Update[1]

The Bank's Business Conditions Index (BCI) suggests that in April, annual growth in activity rose slightly, and continued to stand moderately above its long-term average estimated since January 2000.

The European Commission's confidence surveys show that sentiment in Malta decreased in April but remained above its long-term average, estimated since November 2002. In month-on-month terms, the largest deterioration was recorded in the services sector.

Meanwhile, the Bank's Economic Policy Uncertainty Index (EPU) rose further above its historical average estimated since 2004, indicating higher economic policy uncertainty. However, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty to make business decisions. The largest decrease was recorded in industry.

In March, industrial production rose at a faster pace compared to February, while annual growth in retail trade turned positive. In February, services production contracted on a year earlier for the first time since 2022.

In March, the unemployment rate remained the same at 2.8% as in the previous month but stood below that of 3.4% in March 2024.

In March, commercial building permits rose compared with February, as did residential permits. They were also higher on a year earlier. In April, the number of residential promise-of-sale agreements increased on a year earlier, while the number of final deeds of sale was lower.

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

In March, the Consolidated Fund registered a larger deficit than that registered a year earlier. This was due to a rise in government expenditure which offset a smaller increase in government revenue.

The annual rate of change of Maltese residents' deposits edged up compared to February, while the annual growth of credit remained unchanged.

3.3 Economic Predictions[2]

According to the Bank's latest forecasts, Malta's real GDP growth should ease from 6.0% in 2024, to 4.0% in 2025. Growth is set to moderate further in the following two years, reaching 3.3% in 2027. Compared to the Bank's previous projections, GDP growth is being revised up by 0.1 p.p.in 2025 and is revised down by 0.1 p.p. in 2027.

The marginal upward revision in GDP growth in 2025 reflects a higher contribution from both domestic demand and net exports. The downward revision in 2027 is driven by net exports. Growth over the projection horizon is expected to be driven by domestic demand, reflecting continued brisk growth in private consumption, in part driven by a reduction in the income tax burden, and a gradual recovery in private investment.

The contribution of net exports is also expected to be positive but smaller than that of domestic demand. Employment growth is set to moderate, albeit from high rates, driven by the projected easing in economic growth and an assumed recovery in productivity. The unemployment rate is projected to converge to 3% by the end of the projection horizon. As tightness in the labour market is projected to dissipate over time and inflation continues to moderate, this should dampen upward pressure on wages.

Wage growth is thus expected to moderate from almost 6% in 2024 to 3.6% in 2025 and 2026, and further to 3.5% in 2027. Annual inflation based on the Harmonised Index of Consumer Prices is, in fact, projected to drop further in the projection horizon, from 2.4% in 2024, before falling gradually to 2.0% by 2027. Compared to the Bank's previous forecast publication, overall HICP inflation is being revised

[1] Central Bank of Malta – Economic Update [-]

[2] Central Bank of Malta – Economic Projections [-]

down by 0.1 percentage point in 2025, while it remains unchanged in 2026 and 2027.

The downward revision for this year reflects recent negative surprises in unprocessed food inflation and NEIG inflation. The general government deficit-to-GDP ratio is set to narrow to 3.4% in 2025, and to decline below 3.0% of GDP in subsequent years. By 2027, the deficit is forecast to reach 2.6% of GDP. The government debt-to-GDP ratio is set to increase, reaching 50.1% by 2026 before levelling off in 2027.

The forecast deficit-to-GDP ratio between 2025 and 2027 is mostly unchanged compared with the Bank's December projections. Meanwhile, the debt-to-GDP ratio was revised slightly downwards, largely due to revisions in national accounts data. Risks to activity are broadly balanced. Downside risks largely emanate from possible adverse effects on foreign demand related to geopolitical tensions, higher new US tariffs beyond those included in the baseline, and the possibility of retaliatory measures. A prolongation of the current elevated economic and geopolitical uncertainty could also dampen activity.

On the other hand, the labour market could exhibit even stronger dynamics than envisaged in this projection round, both in terms of employment and wages. This could then result in stronger private consumption growth and thus stronger output growth than envisaged. Investment could also grow faster than projected. Another upside risk could stem from a stronger consumption response to the widening of the income tax bands.

Risks to inflation are balanced over the projection horizon. 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 arising from changes in global trade policy, especially in the event of retaliation to higher US tariffs. Having said that, such risks could also be counterbalanced by the subsequent monetary policy response and heightened competitive pressures in markets targeted by tariffs. Furthermore, from the domestic side, there is a risk that higher fees charged to producers and importers with respect to beverages' containers could be passed on to consumers.

On the downside, imported inflation could fall more rapidly than expected if economic growth in the euro area is weaker than expected due to the adverse effects of barriers to trade on global growth. 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 are higher than assumed. They also reflect the likelihood of additional increases in pensions and wages in the outer years.

3.4 Tourism

Comparison between the data of 2023 and 2024 provides valuable insights into the trajectory of the local tourism industry over the span of a single year, reflecting the pace and direction of recovery following the disruptions caused by the pandemic.

Inbound tourist arrivals experienced a notable surge from 2.976m in 2023 to 3.564m in 2024, marking an impressive increase of 19.7%. This significant uptick underscores the industry's robust recovery momentum and highlights the successful implementation of strategic initiatives aimed at rejuvenating tourism demand and stimulating visitor traffic.

Correspondingly, the metric of tourist guest nights witnessed a substantial growth, escalating from 20.242m in 2023 to 22.9m in 2024, reflecting a noteworthy increase of 13.1%. This surge in guest nights not only indicates a resurgence in tourist engagement but also underscores the sustained interest and participation in the local tourism offerings, contributing to the overall vibrancy of the sector.

However, amidst the recovery, there was a notable decline in the average length of stay, dropping from 6.8 days in 2023 to 6.4 days in 2024, representing a significant decrease of 5.9%. This decline may raise concerns regarding visitor engagement and expenditure patterns, necessitating a deeper examination into the underlying factors driving this trend and potential strategies to address it.

On the economic front, tourist expenditure exhibited a remarkable increase from €2,671m in 2023 to €3,300m in 2024, depicting a substantial surge of 23.5%. This surge in spending reflects the revitalization of tourism-related economic activities and underscores the sector's pivotal role in driving economic growth and employment.

Furthermore, the metric of tourist expenditure per capita demonstrated a modest increase, rising from €898 in 2023 to €924 in 2024, representing a marginal increment of 2.9%. While this increase reflects improved spending capacity and propensity among tourists, further analysis is required to discern the underlying factors influencing spending behaviour and patterns. The trends are also summarised in the following table, illustrating the number of tourist arrivals over the last four years:

Category[3]	2021	2022	2023	2024	2023 vs. 2024
Inbound tourists (000s)	968	2,287	2,976	3,564	19.7%
Tourist guest nights (000s)	8,390	16,600	20,424	22,900	13.1%
Avg. length /stay (days)	8.7	7.3	6.8	6.4	-5.9%
Tourist expenditure (€m)	871	2,013	2,671	3,300	23.5%
Tourist exp. per capita (€)	899	880	898	924	2.9%

January – April 2025[4]

Inbound tourists for the first four months of 2025 amounted to 1.044m, an increase of 17.4% over the same period in 2024. Total nights spent by inbound tourists went up by 17.1%, almost reaching 6.0 million nights.

Total tourist expenditure was estimated at €804.7m, 24.2% higher than that recorded for the same period in 2024. Total expenditure per capita increased to €770 from €728 for the same period in 2024.

The number of tourists visiting Gozo and Comino, including both same-day and overnight visitors, totalled 0.5m, or 50.4% of total tourists.

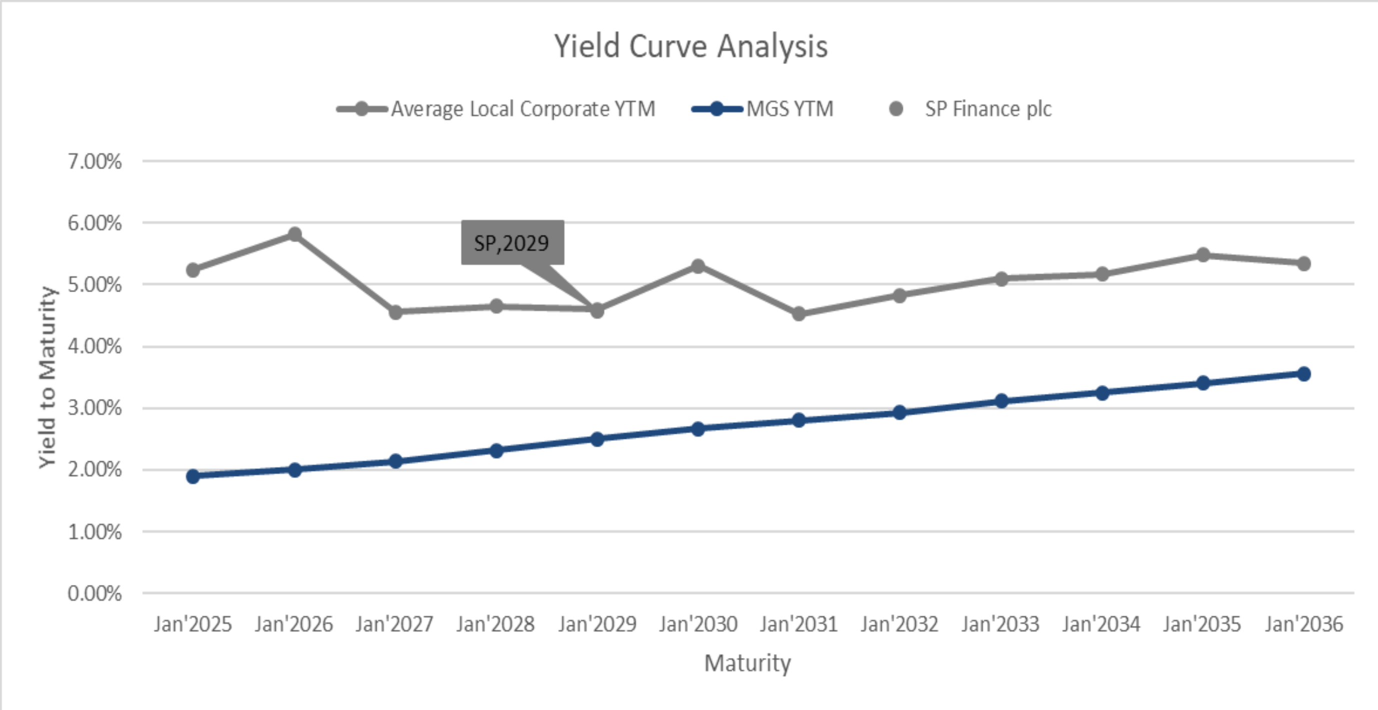
3 National Statistics Office, Malta - Tourism

4 National Statistics Office, Malta - Tourism

The purpose of the table below compares the proposed debt issuance of the Group to other debt instruments with similar duration. 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) (%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	2.63x	92.2	8.3	91.03%	86.66%	9.18x	2.44x	9.55%	1.83%	78.26%
3.65% IHI plc Unsecured € 2031	80,000	4.92%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.42%	2.1x	308.6	95.8	69.0%	55.2%	11.4x	0.8x	0.7%	0.4%	3.7%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.46%	(.6)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.99%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4% SP Finance plc Secured € 2029	12,000	4.56%	4.4x	44.8	19.1	57.3%	48.0%	6.6x	0.6x	5.6%	10.8%	-6.2%
5.85% Mediterranean Investments Holding plc Unsecured € 2028	20,000	5.15%	6.4x	318.1	212.5	33.2%	-36.1%	(2.6)x	0.9x	6.4%	41.8%	17.4%
4% Stivala Group Finance plc Secured € 2027	45,000	5.84%	22.9x	510.6	358.9	29.7%	22.0%	1.9x	0.9x	14.0%	170.8%	-10.7%
3.65% Stivala Group Finance plc Secured € 2029	15,000	6.55%	22.9x	510.6	358.9	29.7%	22.0%	1.9x	0.9x	14.0%	170.8%	-10.7%
5.25% Mediterranean Investments Holding plc Unsecured € 2027 (xd)	30,000	5.70%	6.4x	318.1	212.5	33.2%	-36.1%	(2.6)x	0.9x	6.4%	41.8%	17.4%
	Average*	5.01%										

Source: latest available audited financial statements
Last price as at 20/06/2025
**Average figures do not capture the financial analysis of the Group*



Source: Central Bank of Malta and Malta Stock Exchange (MSE)

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 plots the entire MGS yield curve, thus taking into consideration the yield of comparable issuers. The graph illustrates on a stand-alone basis, the yield of comparable issuers having a maturity between 2-8 years respectively (Peers YTM).

As at 20 June 2025, the average spread over the MGS for corporates with maturity range of 2-8 years was 253 basis points. The 4% SP Finance plc 2029 is currently trading at a YTM of 4.56%, meaning a spread of 206 basis points over the equivalent MGS. This means that this bond is trading at a discount of 47 basis points in comparison to the market.

Part 4 Glossary and Definitions

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

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

Balance Sheet	
Total Assets	What the Group/Company owns which can 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.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

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

Calamatta Cuschieri

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