FINANCIAL ANALYSIS SUMMARY
Tum Finance p.l.c.
14th June 2021

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

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The Directors
Tum Finance p.l.c.
Tum Invest Head Office,
Zentrum Business Centre
Mdina Road,
Qormi, QRM 9010
Malta

14th June 2021

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the Listing Authority 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 Tum Finance p.l.c. (C 91228) (the "**Issuer**"), and Easysell Limited (C 9778) (the "**Guarantor**") and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2018, 2019 and 2020 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question

(b) The forecast data for the financial year ending 2021 has been provided by management.

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

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

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of 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,

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Nick Calamatta
Director

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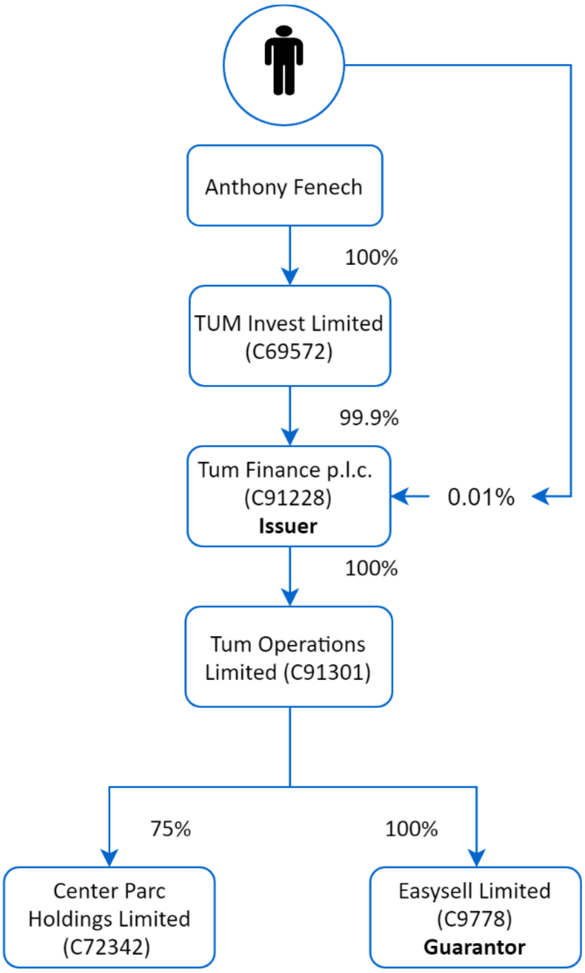
Part 1 - Information about the Group

1.1 Issuer, Guarantor and Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



The "**Group**" of companies consists of TUM Invest Limited, being the '"**Parent**" company of the Group, the Issuer, acting as the finance and holding company of the Group, the Guarantor, Tum Operations Limited, and Center Parc Holdings Limited, of which the Group owns 75%. The objective of the Group is to manage investment property held for rental income, in addition to acquiring and developing new properties to enhance the Group's existing revenues.

The Issuer, Tum Finance p.l.c. (TFP), was incorporated on 26th March 2019 and registered under Maltese law as a public liability company with registered address at (Tum Finance p.l.c., Tum Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi QRM 9010) with company registration number C 91228. The Issuer is, except for two ordinary shares held by Anthony Fenech, a fully owned subsidiary of Tum Invest Limited, the latter being the ultimate holding company of the Group. The Issuer, which was set up and established to act as a finance vehicle, has an authorised share capital of €20,000,000 divided into 20,000,000 shares of one Euro (€1) each, all fully paid up. The issued share capital is of €17,693,000 divided into 17,693,000 shares of one Euro (€1) each, all fully paid up.

The Guarantor, Easysell Limited (ESL), was incorporated on the 5th July 1988 and registered under Maltese law as a private limited liability company with company registration number C 9778. The Guarantor, through

Tum Operations Limited, is a wholly owned subsidiary of the Issuer. The authorised and issued share capital of the Guarantor is €1,164,868.50 divided into 500,000 ordinary shares of €2.329373 each, all fully paid up. The principal objective of the Guarantor is to acquire, develop and manage property primarily for commercial purposes.

Tum Operations Limited (TOL), a wholly owned subsidiary of the Issuer, is a private limited liability company registered under the laws of Malta on 1st April 2019, with company registration number C 91301. Tum Operations Ltd has an authorised share capital of €12,000,000 divided into 2,000,000 ordinary shares and 10,000,000 redeemable preference shares of €1 each, all fully paid up. The issued share capital of TOL is of €6,351,200 divided into 6,351,200 shares of one Euro (€1) each, all fully paid up. TOL holds the investments in the special purpose vehicles owning the investment property assets and does not have any daily operations.

Center Parc Holdings Limited (CPL) is a private limited liability company registered under the laws of Malta on 23rd September 2015. The issuer holds seventy-five per cent of the shares and voting rights in CPL. The remaining twenty-five per cent are held by another shareholder independent of the Group. CPL was set up primarily to acquire, develop and manage property for commercial purposes and owns the Center Parc Property, details of which can be found in section 1.3 below. Management confirmed that this property is now fully developed, commenced operations in October 2019, and was fully occupied by December 2019. Management further confirmed that up until the end of May 2021, the premises remained fully tenanted.

1.2 Directors and Key Employees

Board of Directors - Issuer

As at the date of this Analysis, the Issuer's board is constituted by the following persons:

Name	Office Designation
Mr. Anthony Fenech	Chairman and Executive Director
Mr. Silvan Fenech	Executive Director
Mr. Matthew Fenech	Executive Director
Dr. Stanley Portelli	Independent non-executive Director
Mr. Mario Vella	Independent non-executive Director
Mr. William Wait	Independent non-executive Director

The business address of all of the directors is the registered office of the Issuer. Dr. Malcolm Falzon is the company secretary of the Issuer.

Board of Directors – Guarantor

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

Name	Office Designation
Mr. Anthony Fenech	Chairman and Executive Director
Mr. Silvan Fenech	Executive Director
Mr. Matthew Fenech	Executive Director
Mr. Mario Vella	Independent non-executive Director

The business address of all of the directors is the registered office of the Issuer. Mr. Matthew Fenech is the company secretary of the Guarantor.

The board of the Issuer is composed of six directors who are responsible for its overall direction and management. The three executive directors are entrusted with the Issuer's day-to-day management whereas the three non-executive directors, all of whom are independent of the Issuer, provide direction and strategy, monitoring and supervision of company performance while ensuring that controls and risk management systems are adequately in place. The Issuer does not have any employees of its own and, thus, the day-to-day business of the Issuer has been delegated to the Parent and its employees.

The board of the Guarantor is composed of four directors, of which three also sit on the board of the Issuer. Management confirmed that the Guarantor had two employees on its payroll during 2020, and that the day-to-day business was still being handled by the delegated employees of the Parent and its employees.

1.3 Major Assets owned by the Group

The Issuer's assets consist of the investments in its subsidiaries together with the loans granted to the said subsidiaries, given that it is essentially a special purpose vehicle to set up to act as a holding and financing company.

The Group, through the Guarantor, owns Zentrum Business Centre situated at Mdina Road, Qormi. Prior to the 2019 bond issue of the Issuer (the "Bond Issue"), this property consisted of a showroom, an underground floor and overlying offices.

This property was further developed and now includes another building comprising of six basement levels, a showroom at ground level, and two levels of offices. The development concerning the said property was completed during Q3 2019. Management confirmed that Motors Inc. Limited moved into the Zentrum Business Centre extension in October 2019, whereby the remainder of the office block started being rented out to third parties from 1st January 2020 onwards.

Management explained that this building, which is currently held as a security in terms of the Bond Issue, is currently fully occupied with tenants. Further details concerning movement in tenants within this building throughout 2020 is found in section 1.4 below.

The Guarantor also owns land adjacent to the Zentrum Business Centre. This land is accessible from Sqaq ta' Barnaw, Qormi known as "Ta' Barnaw", measuring approximately 1,634 square metres. The Guarantor also owns a field measuring approximately 2,069 square meters, accessible from Ta' Barnaw. These properties are further explained in the prospectus of the Bond Issue.

Furthermore, the Guarantor owns property at 66, Saint Rita Street, Sliema. This property consists of a two-bedroom townhouse purchased in 1999. It has a footprint of approximately 100 square meters across two floors. Management confirmed that this property is currently rented out to third parties.

Another major asset owned by the Group (through Center Park Holdings Limited) is Center Parc Property situated in Qormi, limits of Marsa, in the district known as "Ta' Stabal", forming part of the land known as "Ta' L-Erbgha Qaddisin", having an area of approximately 9,560 square meters. The Center Parc Retail Hub, being a major retail destination in Qormi, was opened on 4th October 2019 and was fully tenanted by the end of 2019. Management confirmed that the premises currently remained fully occupied.

1.4 Operational Developments

Zentrum Business Centre

As described throughout section 1.3 above, the Group, through the Guarantor, owns Zentrum Business Centre, situated at Mdina Road in Qormi. As per use of proceeds allocation in the prospectus of the Bond

Issue, the Group utilised €4.5m out of the net bond proceeds to refinance existing loan facilities and settle any outstanding costs in respect of the development of the second building adjacent to the existing (one) building, which was completed during Q3 2019.

This property, known as Zentrum Business Centre, was further developed during 2019 and now includes another building comprising six basement levels, a showroom at ground level, and two levels of offices. The development concerning the said property was completed during Q3 2019. Management confirmed that Motors Inc. Limited moved into the extension of the said property in October 2019, whereby the remainder of the office block started being rented out to third parties from 1st January 2020 onwards.

The leasable area of the entire property amounts to 16,119 square meters and 156 car spaces occupied by the tenants and other 6 for the Parent Company against no rent. Lease agreements concerning the new building are now fully concluded and the entire property is currently fully tenanted. The Guarantor has entered into an agreement with Motors Inc. Limited to lease the new showroom together with the previously leased showroom and two and a half floors of the new car park. Motors Inc. Limited has now relocated and consolidated all its operations in the new building.

Movements of tenants throughout the year include Malta Public Transport (MPT) which terminated their lease in September 2020, while the Ministry for Education and the Commission on gender-based violence and domestic violence were added as tenants during 2021. Management explained that, as at May 2021, this building was fully occupied with tenants, and it is expected to remain fully tenanted for the remaining months of 2021.

The Center Parc Retail Hub

As discussed above, Center Parc Holdings Limited developed The Center Parc Retail Hub, which is a major retail destination in Qormi. As per use of proceeds allocation in the prospectus of the Bond Issue, the Group utilised €13.25m out of the net bond proceeds to refinance existing loan facilities and to finance any outstanding development cost on the Center Parc Retail Hub which has been developed by Center Parc Holdings Limited. This property is located within an existing retail hub, which includes the Pavi and Lidl supermarkets as well The Landmark retail complex.

The Center Parc Retail Hub development was fully completed during 2019. Management confirmed that the Center Parc Retail Hub opened its doors on 4th October 2019 and was fully tenanted by the end of 2019. Management further confirmed that up until the date of this Analysis the premises remained fully occupied with tenants.

Tenants within The Center Parc Retail Hub operate in various lines of business including clothing, electronics and catering. The different units have been rented out for fixed periods ranging between three to five years and include progressive increases in rent on a fixed basis.

More recently, management noted that an office within the Center Parc building which was meant to be used by several internal staff members of the Group remained unutilised since the commencement of operations of the retail mall. In view of this, the Group renovated this office at a development cost of *circa* €10k during 2020, whereby this office started to be rented out to Valletta Living Ltd from January 2021. Management explained that the Group is also in the process of developing phase 2 of the Center Parc Retail Hub as clearly set out in detail below.

The Center Parc Retail Hub: Phase 2

Center Parc Retial Hub Phase 2 consists of an extension to the existing built-up footprint as well as the development of an additional three floors covering a total area of approximately 8,000 square meters. Permits have been submitted for approval and management expects this development to be completed by the end of 2022.

Phase 2 is expected to result in an estimated 6,530 square meters of additional leasable retail space. It will primarily consist of an extension for a drive thru and an oriental take-away restaurant on level 1, another retail outlet and additional parking (40 spaces) on level 2, retail and additional parking (40 spaces) on level 3, and a recreational and activity area on level 4.

Total project development cost is estimated at €6.5m, of which €0.5m was already incurred during the development of Phase 1. This project is expected to be funded mainly through the undertaking of additional bank loans as well as through internally generated funds.

Details concerning the COVID-19 impact on the Group’s operational and financial performance, more specifically concerning the operation of Zentrum Business Centre and the Center Parc Retail Hub, will be further discussed in section 1.5 below.

1.5 COVID-19 Update

The COVID-19 pandemic has had a dramatic impact on world economies since March 2020. The pandemic has caused disruption to business and economic activity, particularly in the retail and services sector. The Group is exposed to these sectors as a significant amount of the Group’s tenants within the Center Parc Retail Hub, are heavily involved in this line of business.

Furthermore, many governments have implemented travel restrictions and quarantine measures that required entities to limit or suspend business operations. This severely conditioned the amount of tourist-related revenue from the underlying tenants. Furthermore, health authorities placed restrictions on the opening of non-essential retail stores, putting pressure on tenants’ operations and causing uncertainty to the Group’s business operations.

Whilst minimal disruptions were experienced in terms of the Group’s office block, the shopping complex was closed over a stretch of two months during the current financial year, more specifically from 11th March 2021 till 26th April 2021, in line with the recently implemented health authorities’ policies and restrictions.

Assessment of COVID-19 situation, potential impact on the Group, reasonable assumptions to financial forecasts and necessary disclosures

To date, the repercussions of the COVID-19 pandemic are still ongoing, as travel and freedom of movement remain conditioned. Despite an aggressive vaccine drive in Malta, the rest of the European continent is expected to be tackling their back-log until the latter parts of 2021. To this end, a normalisation of the level of retail operations is not expected during this financial year.

Despite this, given the continued government support, the Group has not experienced any significant adverse impact on its income. Tenants have successfully managed to honour their commitments during FY20, with management reporting that only non-material discounts were granted throughout the year. In view of this, the Group is optimistic about the current financial year.

To this end, management explained that the projections utilised for the purpose of this document were based on both the Group's actual revenue figures for 2020, while taking a provision for discounts and/or defaults to cater for any uncertainties. As a clarification, no discounts were given to tenants during 2021. However, the Group adopted a conservative approach and in formulating the 2021 projections utilised for the purpose of this document, and factored in marginal discounts on their projected rental income.

As previously mentioned, the Group has contractual agreements currently in place with its clients, both in terms of Zentrum Business Centre and the Center Parc Retail Hub, which management expect to be honoured. As a result, management confirmed that there is no indication of any tenant defaulting moving forward.

Liquidity management procedures

Management explained that the Group's capital and liquidity position remained strong and sustainable as revenue during the year was collected in full (apart from MTP rent, which was received till the end of September 2020). All of the companies' legal obligations were honoured in full, including its interest payments for the financial year. The company also expects to be in a position to honour its commitments in the future. Management indicated that projections indicate a good level of cash generation to honour all of the Group's commitments. As such, management confirmed that in view of the current situation, the Group did not seek to obtain any form of additional financing.

Cost mitigation procedures

As part of a cost mitigation procedure undertaken by the Group, during the period in which the Center Parc Retail Hub was closed, day-to-day contractors providing services such as cleaning, were temporarily halted, thus resulted into a lower level of expenses incurred by the Group during the period. The Group also applied for government wage supplements, given that the employees who were considered as surplus to requirements throughout such uncertain times, were kept on company books. The Group also benefitted from a minor water and electricity subsidy.

Concluding remarks

Financial Year ended 2020 is considered to be the most challenging for the Group in terms of pandemic related risks. Nevertheless, the Group expects the situation to improve in the current financial year. The Group has proven to be resilient and successful in the navigating both the tenants' and the Group's requirements. Management has compiled cash flow projections primarily based on the expected revenues and receipts from their tenants, and are confident that these are adequate to support the Group in the foreseeable future.

Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 26th March 2019 and, accordingly, the first year of operations captures the period from incorporation to 31st December 2019.

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to the Group's fellow subsidiaries. The Issuer acts as the holding company of the Group, therefore its consolidated performance captures the operations of all the companies within the Group.

For the purpose of this document, the focus is on a review of the performance of the Guarantor and the Group. The Guarantor's historical financial information for the period ended 31 December 2018 to 31 December 2020, as set out in the audited financial statements of the Guarantor may be found in section 2.1 to 2.3 of this Analysis. This section also includes the projected performance of the Guarantor for the period ending 31 December 2021. Moreover, the Group's historical financial information for the period ending 31 December 2020, together with the Group's projected performance for the period ending 31 December 2021 are set out in section 2.4 to section 2.7 of this Analysis. Forecasts for 2021 are based on projections provided by management.

2.1 Guarantor's Statement of Comprehensive Income

The Guarantor, Easysell Limited, carries on all or any of the business related to acquiring, developing and managing property primarily for commercial purposes. The audited historical performance for the period ended 31 December 2018 to 31 December 2020, in addition to the projected performance for the period ending 31 December 2021, are presented below.

Statement of Comprehensive Income	Dec-18 Audited	Dec-19 Audited	Dec-20 Audited	Dec-21 Forecasted
	€000s	**€000s**	**€000s**	**€000s**
Rental income	420	643	1,359	1,479
Other operating Income	53	67	115	40
Total Revenue	**473**	**710**	**1,474**	**1,519**
Administrative expenses	(60)	(175)	(325)	(200)
EBITDA	**413**	**535**	**1,149**	**1,319**
Depreciation and amortisation	-	-	-	-
EBIT	**413**	**535**	**1,149**	**1,319**
Change in fair value of investment property	7,541	4,139	370	-
Finance costs	(144)	(79)	(127)	(125)
Profit before tax	**7,810**	**4,595**	1,392	1,194
Income Tax Expense	(1,297)	(791)	(505)	(356)
Net Income	**6,513**	**3,804**	**887**	**838**

Ratio Analysis	Dec-18	Dec-19	Dec-20	Dec-21
Revenue Growth (YoY Revenue Growth)	6.8%	50.1%	107.6%	3.1%
EBITDA Margin (EBITDA / Revenue)	98.3%	83.2%	84.5%	89.2%
Net Margin (Profit for the year / Revenue)	1550.7%	591.6%	65.3%	56.7%

The Guarantor generates revenue through rental income derived from the showroom and adjoining offices at the Guarantor's property in Qormi. Revenue generated during FY20 increased by 107.6%, to *circa* €1.5m.

This revenue increase was mainly driven by the full-year recognition of the completed Zentrum Business Centre during FY19. Upon management's confirmation that the property is currently fully tenanted, together with the assumption that this property is expected to remain fully occupied during 2021, the Guarantor's revenue is projected to increase by 3.1%, to *circa* €1.5m. This anticipated increase in revenue is also attributable to the yearly contractual increases included in the tenants' respective contracts.

Administrative expenses incurred by the Guarantor during FY20, which are mostly composed of wages and salaries, social security costs, management fees, audit fees and water and electricity related expenses, increased to *circa* €0.3m. This upsurge in expenses is deemed to be in line with the Guarantor incurring an increase in water and electricity expenses, together with higher levels of wages and salaries. Administrative expenses are projected to decline marginally during FY21, mainly due to ongoing cautious monitoring of general expenses such as cleaning expenses and professional fees.

Property that is held by the Guarantor for long-term rental yields or for capital appreciation or both, is classified as investment property and is measured at fair value. Therefore, as illustrated in the Guarantor's historical performance presented above, no depreciation costs are incurred by the Group.

Further enhancements to the Guarantor's property during FY20, resulted into a positive movement in fair value of investment property of €0.4m concerning. No movements in terms of the Guarantor's investment property is projected for FY21.

During FY20, the Guarantor's finance costs increased marginally to *circa* €0.1m. These are expected to remain stable in FY21.

The Guarantor is taxed at a final tax rate of 15% on gross rental income from third parties and at a 35% on rental income generated from related party tenants after allowing for a 20% maintenance allowance in accordance with existing tax legislation.

As a result of the above, the Guarantor reported a net profit figure amounting to €0.9m during FY20 and is projecting a net profit of €0.8m for FY21.

2.2 Guarantor's Statement of Financial Position

Statement of Financial Position	Dec-18 Audited	Dec-19 Audited	Dec-20 Audited	Dec-21 Forecasted
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment Property	22,000	28,308	30,299	30,399
Total non-current assets	**22,000**	**28,308**	**30,299**	**30,399**
Current assets				
Trade and other receivables	461	254	195	45
Due from related parties	238	182	486	486
Cash and cash equivalents	25	125	90	59
Total current assets	724	561	771	590
Total assets	**22,724**	**28,869**	**31,070**	**30,989**
Equity and liabilities				
Capital and reserves				
Share capital	1,165	1,165	1,165	1,165
Other equity	4,292	6,300	6,300	6,300
Retained earnings	10,411	14,066	14,753	15,591
Total equity	**15,868**	**21,531**	**22,218**	**23,056**
Non-current Liabilities				
Loans and borrowings	3,490	-		
Lease liabilities	192	192	192	192
Loans from related parties	-	3,143	3,175	2,975
Deferred tax liabilities	2,200	2,831	3,029	3,029
Total non-current liabilities	**5,882**	**6,166**	**6,396**	**6,196**
Current liabilities				
Trade and other payables	427	822	1,633	732
Due to related parties	266	260	523	649
Loans and borrowings	267	-		
Tax payable	14	90	300	356
Total current Liabilities	**974**	**1,172**	**2,456**	**1,737**
Total liabilities	**6,856**	**7,338**	**8,852**	**7,933**
Total equity and liabilities	**22,724**	**28,869**	**31,070**	**30,989**

Total assets as at end of FY20 mainly comprised of investment property which accounted for 97.5% of the Guarantor's total assets. The increase in investment property of *circa* €2m as at end of FY20 reflects additional finishing works carried out up to Q1 2020.

Current assets in FY19 comprised only 2.5% of the Guarantor's total assets. Trade and other receivables represent the principal component of current assets, and consist of trade receivables, advance payments and vat recoverable amounts. Current assets are projected to amount to *circa* €0.6m during FY21.

Non-current liabilities represented 72.3% of the Guarantor's total liabilities. Non-current liabilities comprise of loans and borrowings, lease liabilities, loans from related parties and deferred tax liabilities. As described in the use of proceeds of the Bond Issue, several bank borrowings were paid from the said proceeds. Of note, loans from related parties, which originated from the net proceeds of the Bond Issue, were utilised to settle a bank loan with a local bank. Such amount is due from Easysell Limited to Tum Operations Ltd and, in turn, to the Issuer, and is repayable by way of dividends. Non-current liabilities are projected to remain at the same level during FY21.

Current liabilities in FY20 represented 27.7% of the Guarantor's total liabilities. Current liabilities comprise of trade and other payables, amounts due to related parties, loans and borrowings together with tax payable amounts. Trade and other payables during the period increased to €1.6m during FY20 (FY19: €0.8m) due to larger amounts relating to trade creditors recorded during the period. Of note, the majority of such trade creditor amounts are anticipated to be paid off during FY21. As a result, total liabilities for FY21 are expected to decline to *circa* €0.7m.

2.3 Guarantor's Statement of Cash Flows

Statement of Cash Flows	Dec-18 Audited	Dec-19 Audited	Dec-20 Audited	Dec-21 Forecasted
	€000s	**€000s**	**€000s**	**€000s**
Cash flows from operating activities				
Profit before tax	7,810	4,595	1,392	838
Adjustments for:				
Interest expense	144	79	127	125
Fair value gain on investment property	(7,541)	(4,139)	(370)	-
Operating profit before working capital movement	413	535	1,149	963
Movement in trade and other receivables	85	207	59	150
Movement in due from related parties	(32)	56	(304)	
Movement in due to related parties	(127)	395	64	125
Movement in trade and other payables	102	(157)	810	(890)
	441	1,036	1,778	348
Income taxes paid	(91)	(84)	(96)	56
Net cash flows from operating activities	**350**	**952**	**1,682**	**404**
Cash flows used in investing activities				
Additions to investment property	(1,710)	(2,169)	(1,621)	(100)
Net cash flows used in investing activities	**(1,710)**	**(2,169)**	**(1,621)**	**(100)**
Cash flows from financing activities				
Repayment of bank loans	-	(3,685)	-	(200)
Interest paid	(133)	(71)	-	(125)
Proceeds from bank loans	711	-	-	-
Loans from related parties	-	4,500	(85)	-
Proceeds from additional contribution	817	583	-	-
Repayment of lease liabilities	(10)	(10)	(11)	(10)
Net cash flows generated from/(used in) financing activities	**1,385**	**1,317**	**(96)**	**(335)**
Movement in cash and cash equivalents	**25**	**100**	**(35)**	**(31)**
Cash and cash equivalents at start of year	-	25	125	90
Cash and cash equivalents at end of year	**25**	**125**	**90**	**59**

Following the increase of the Guarantor's operating profit before working capital movements, the Guarantor reported a net cash flow from operating activities of *circa* €1.7m. This improvement is largely related to its improved profitability. The Guarantor also benefitted from better credit terms in relation to trade and other payables. Net cash flow from operating activities is expected to amount to €0.4m during FY21. This decline is mainly attributable to the Guarantor not receiving rent in Q1 2021 in relation to the offices vacated by MTP during 2020, with the new tenants occupying the building from April 2021 onwards.

The capital expenditure of €1.6m during FY20 reflects the additional investment made in relation to the finishing works implemented at the extension of the Guarantor's property. Minimal investing activities are projected for FY21.

Net financing activities were negligible, and minimal financing activities are anticipated for FY21. Management further noted that no financing is needed for the Guarantor since the project is now fully completed.

2.4 Group's Income Statement

Income Statement	Dec-19 Audited	Dec-20 Audited	Dec-21 Forecast
	€000s	**€000s**	**€000s**
Revenue	963	3,207	3,405
Administrative expenses (exl. Depreciation)	(363)	(850)	(585)
EBIDTA	**600**	**2,357**	**2,820**
Depreciation and amortisation	(15)	(15)	(15)
EBIT	**585**	**2,342**	**2,805**
Fair value movement on investment property	9,736	4,855	-
Interest income	-	-	-
Interest expense	(277)	(801)	(750)
Profit before tax	**10,044**	**6,396**	**2,055**
Tax	(1,382)	(1,043)	(490)
Net Income	**8,662**	**5,353**	**1,565**

Ratio Analysis[1]	Dec-19	Dec-20	Dec-21
Profitability			
Growth in Revenue (YoY Revenue Growth)	n/a	233.0%	6.2%
EBITDA Margin (EBITDA / Revenue)	62.3%	73.5%	82.8%
Operating (EBIT) Margin (EBIT / Revenue)	60.7%	73.0%	82.4%
Net Margin (Profit for the year / Revenue)	899.5%	166.9%	46.0%
Return on Common Equity (Net Income / Average Equity)	28.3%	16.1%	4.5%
Return on Assets (Net Income / Average Assets)	14.5%	8.5%	2.3%

It is key to note that FY19 consolidated financial statements present the results as from when Tum Operations Ltd acquired its subsidiaries, being April 2019. As a result, the FY19 financial data presented above reflects a 9-month period and is therefore not fully comparable.

Actual consolidated revenue for FY20 amounted to *circa* €3.4m (FY19: €1m) and reflects revenue generated from the Group's properties, namely Zentrum Business Centre and the Center Parc Retail Hub. Management explained that, during FY19, the Center Parc Retail Hub development was fully completed, whereby the

[1] Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology (refer to section 4 of this Analysis) or due to rounding differences variance

shopping complex opened its doors on 4th October 2019 and achieved full occupancy by the end of FY19, thus FY20 reflects a 12-month calendar period of full occupancy.

In terms of Zentrum Business Centre, the Group continued receiving rental income from its tenants occupying the building. This property was further developed and now include another building comprising five basement levels, a showroom at ground level, and two levels of office. The development concerning the said property was completed during Q3 2019. Management confirmed that Motors Inc. Limited moved into the Zentrum Business Centre extension in October 2019, whereby the remainder of the office block started being rented out to third parties from 1st January 2020 onwards.

As clearly set out in section 1.4 of the Analysis, movements of tenants throughout 2020 include Malta Public Transport, which terminated their lease in September 2020, while the Ministry for Education and the Commission on gender-based violence and domestic violence were added as tenants during 2021. Management explained that this building is currently fully occupied with tenants.

The shopping complex within the Center Parc Retail Hub was closed over a stretch of two months during FY20, more specifically from end of March 2020 till the beginning of May 2020. Nonetheless, upon taking the above factors into consideration, the Group managed to reach its objectives for the financial year. This improvement in revenue is deemed to be attributable to the continued full occupancy in terms of the Group's shopping complex and the initiation of operations in terms of the Zentrum Business Centre extension. FY21 is expected to be characterised by a major tenant, with Malta Public Transport being replaced by the above-mentioned two tenants.

Upon determining the projections for FY21, management explained that the Group has evaluated the situation of each tenant closely and prepared a set of financial projections to assess the impact that the pandemic might have on the Group's overall financial performance. As a result, management explained that the projections utilised for the purpose of this document were based on the experience throughout the pandemic and were also based on the contractual agreements that the Group currently has in place with its clients, both in terms of Zentrum Business Centre and the Center Parc Retail Hub.

More importantly, management confirmed that up until the date of this report, no tenant within the Group's properties has defaulted, and management further confirmed that there is no indication of any tenant defaulting moving forward. In light of the current circumstances, management explained that it remained using a cautious approach despite not experiencing material adverse effects from the pandemic to date.

In view of the above, the Group's revenue is expected to increase by 6.2% to €3.4m during FY21, with management attributing this anticipated improvement mainly with the contractual increases included in the tenants' respective contracts.

Overhead expenses include maintenance, utility, common area expenses and other administrative expenses, whereby part of these costs are recovered through the service charge recognised. These amounted to *circa* €0.9m as per FY20 results, mainly due to higher utility bills incurred during the year. These are expected to decline to €0.6m as a result of an optimisation of the cleaning services and professional fees.

As previously discussed, there will be no depreciation costs incurred by the Guarantor. Therefore, the aforementioned depreciation costs incurred by the Group were incurred by Centre Park Limited on property, plant and equipment upon the initiation of operations of the Center Parc Retail Hub in Qormi. The Group's depreciation costs are projected to amount to €15k during FY21.

Fair value of investment property amounted to €4.9m for FY20 and mainly relate to the Zentrum and Center Parc properties. No further property fair value movements or gains are forecasted for FY21, which should have a significant impact on the bottom line, as they constituted a major component in FY19 and FY20.

Finance costs incurred during FY20 amounted to *circa* €0.8m, an increase over FY19 due to the recognition of a full calendar year period. Finance costs are projected to remain level at *circa* €0.8m during FY21.

Tax incurred by the Group during FY20 amounted to €1.0m, a substantial portion of which relate to the aforementioned movement in investment property. The Group is anticipating to incur €0.5m in taxation costs for FY21.

2.5 Group's Variance Analysis

Statement of Comprehensive Income	Dec-20 Forecast	Dec-20 Audited	Variance
	€'000s	**€'000s**	**€'000s**
Revenue	3,277	3,207	(70)
Administrative expenses (exl. Dep)	(537)	(850)	(313)
EBITDA	**2,740**	**2,357**	**(383)**
Depreciation and amortisation	(14)	(15)	(1)
EBIT	**2,726**	**2,342**	**(384)**
Change in fair value of investment property	-	4,855	4,855
Finance income	-	-	-
Finance costs	(789)	(801)	(12)
Profit before tax	**1,937**	**6,396**	**4,459**
Income tax	(640)	(1,043)	(403)
Profit for the period	**1,297**	**5,353**	**4,056**
Other comprehensive income for the period	**-**	**-**	**-**
Total comprehensive income for the period	**1,297**	**5,353**	**4,056**

Actual revenue for FY20 was marginally lower than previously anticipated due to the termination of a lease by a major tenant (Malta Public Transport) in the last quarter of 2020, which was subsequently replaced in 2021.

Utility expenses were the major drive behind the higher than expected administrative expenses. Furthermore, cleaning and sanitization expenses, in line with the repercussions due to the pandemic, returned higher than expected. There was also a higher than expected salary cost which cumulatively increased the operating leverage of the Group, and lowered the level of EBITDA.

Depreciation was negligible, however an unexpectedly higher positive movement in the fair value of the investment property by €4.9m was carried out at the end of the financial period. This subsequently affected the gross level of deferred tax due, which was larger than expected.

2.6 Group's Balance Sheet

Balance Sheet	Dec-19 Audited	Dec-20 Audited	Dec-21 Forecast
Assets	**€000s**	**€000s**	**€000s**
Non-current assets			
Investment property	57,554	64,363	66,463
Property, plant and equipment	45	31	31
Total non-current assets	**57,599**	**64,394**	**66,494**
Current assets			
Due from related parties	510	1,488	1,732
Trade and other receivables	392	351	76
Cash and cash equivalents	1,085	232	413
Tax recoverable	35	112	186
Total current assets	**2,022**	**2,183**	**2,407**
Total assets	**59,621**	**66,577**	**68,901**
Equity and liabilities			
Capital and reserves			
Share capital	17,693	17,693	17,693
Retained earnings	7,244	11,481	12,638
Capital contribution	2,456	2,456	2,456
Other reserves	543	543	542
Non-controlling interest	2,655	3,771	3,965
Total equity	**30,591**	**35,944**	**37,294**
Non-current liabilities			
Deferred tax liability	5,122	5,741	5,742
Lease liabilities	192	192	181
Bank Loan	-	-	2,429
Debt securities in issue	19,534	19,575	19,573
Total non-current liabilities	**24,848**	**25,508**	**27,925**
Current liabilities			
Trade and other payables	2,881	2,660	1,016
Debt securities in issue	390	390	390
Debt to related parties	818	1,581	1,598
Tax payable	93	494	678
Total current liabilities	**4,182**	**5,125**	**3,682**
Total liabilities	**29,030**	**30,633**	**31,607**
Total equity and liabilities	**59,621**	**66,577**	**68,901**

Ratio Analysis[2]	Dec-19	Dec-20	Dec-21
Financial Strength			
Gearing 1 (Net Debt / Net Debt and Total Equity)	39.4%	37.4%	36.4%
Gearing 2 (Total Liabilities / Total Assets)	48.7%	46.0%	48.6%
Gearing 3 (Net Debt / Total Equity)	64.9%	59.8%	57.2%
Net Debt / EBITDA	33.1x	9.1x	7.6x
Current Ratio (Current Assets / Current Liabilities)	0.5x	0.4x	0.7x
Interest Coverage 1 (EBITDA / Cash interest paid)	2.2x	2.9x	3.8x
Interest Coverage 2 (EBITDA / finance costs)	2.2x	2.9x	3.8x

Non-current assets in FY20, mainly consisted of investment property, representing circa 96.7% of total assets. The latter, takes into account movement in fair value of investment property based on an updated property valuation carried out by an architect for the year ending December 2020. Non-current assets are projected to remain at the same level and amount to €66.5m during FY21.

Current assets amounted to €2.2m during FY20 and mainly consisted of amounts due from related parties, trade and other receivables, cash and cash equivalents and tax recoverable amounts. Current assets for FY21 are projected to increase to €2.4m largely as a result of dues from related parties.

Total equity during FY20 amounted to *circa* €35.9m and is projected to increase to €37.3m in FY21 from accumulated retained earnings. An increase in retained earnings, mainly driven by investment property revaluation, was also the cause of the increase in FY20. The Group also reported a higher level of non-controlling interest figure for the period. Of note, total equity is mainly composed of share capital, retained earnings, capital contribution amounts, other reserves and non-controlling interest.

Total non-current liabilities for FY20, represented 83.3% of the Group's total liabilities and amounted to €25.5m during the period. These are mainly composed of deferred tax liabilities and debt securities in issue. While deferred tax liabilities refer to tax liabilities recognised as a result of the revaluation of the Easysell Limited and Center Parcs Holding Limited properties, the debt securities in issue figure relates to the net bond proceeds. Non-current liabilities are expected to increase in FY20 as result of additional bank financing expected to be undertaken by the Group concerning it's the second phase of the Center Parc project.

Current liabilities during FY20 represented 16.7% of the Group's total liabilities and mainly includes trade and other payables, debt securities in issue, debt to related parties and tax payable. Debt to related parties relate to amounts owed to parent, group, and other related companies and are unsecured, interest free and repayable on demand. The Group is projected to settle several payable amounts during FY21 and as such trade payables are expected to decline to €1.0m in FY21 from €2.7m during FY20.

[2] Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology (refer to section 4 of this Analysis)

2.7 Group's Cash Flow Statement

Cash flow statement	Dec-19 Audited	Dec-20 Audited	Dec-21 Forecast
	€000s	€000s	€000s
Cash flows used in operating activities			
Profit before tax	10,043	6,396	1,945
Adjustments for:			
Depreciation	15	15	15
Provision for doubtful debts	-	46	-
Finance costs	277	801	750
Gain on change in fair value of investment property	(9,736)	(4,855)	-
Operating profit before working capital movement	**599**	**2,403**	**2,710**
Movement in trade and other receivables	303	(5)	275
Movement in due to related parties	-	(221)	17
Movement in due from related parties	211	71	806
Movement in trade and other payables	1,995	763	(1,643)
	3,108	3,012	2,165
Income taxes paid	(38)	(99)	(381)
Net cash flows generated from operating activities	**3,070**	**2,913**	**1,784**
Cash flows used in investing activities			
Purchase of property, plant and equipment	(59)	(1)	(15)
Purchase of investment property	(5,582)	(1,954)	(3,255)
Loans advanced to related parties	(300)	-	-
Loans to subsidiaries	-	-	-
Net cash flows used in investing activities	**(5,941)**	**(3,005)**	**(3,270)**
Cash flows from financing activities			
Proceeds from capital issued	49	-	-
Proceeds from debt securities issued	19,534	-	-
Repayment of bank loans	(15,620)	-	2,429
Repayment of lease liabilities	(7)	(11)	(11)
Finance costs	-	(1)	-
Bond Interest Paid		(750)	(750)
Net cash flows generated from/(used in) financing activities	**3,956**	**(762)**	**1,668**
Movement in cash and cash equivalents	**1,085**	**(854)**	**182**
Cash and cash equivalents at start of year	-	1,085	231
Cash and cash equivalents at end of year	**1,085**	**231**	**413**

Ratio Analysis	Dec-19	Dec-20	Dec-21
Cash Flow			
Free Cash Flow (Net cash from operations + Interest - Capex)[3]	€(2,571)	€958	€(1,486)

Following favourable results from operating profit before working capital movements, the Group reported a net cash flow generated from operating activities amounting to €2.9m in FY20. Management expects this

[3] Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology (refer to section 4 of this Analysis)

momentum to carry through to FY21, where they expect to be in a position to reduce the level of trade payables considerably.

The Group anticipates the implementation of additional investment in Center Parc (Phase 2, as described in section 1.4 in this Analysis) property throughout FY21 of €3.3m, financed by bank loans of €2.4m. The Group envisages to enter into a financing of €6.5m over span of the year until full completion of the whole development. As a result, only €2.4m are reflected in the above presented projections for FY21.The closing cash balance is expected to be marginally higher at €0.4m, reflecting the above strategic decisions.

Part 3 – Key Market and Competitor Data

3.1 General Market Conditions

The Group 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 and their profitable operation. 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 Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.2 Economic Update[4]

In April, business conditions improved significantly with respect to the previous month. However, economic activity levels remained low, reflecting the weak economic conditions triggered by COVID-19. European Commission data show that economic sentiment rose significantly in April and reached the highest level recorded since January 2018. It also stood above its long-term average for the first time since the onset of the pandemic. In April, confidence turned positive in industry, the construction and services sectors as well as among consumers. However, sentiment declined significantly and remained negative in the retail sector.

In March, industrial production and the volume of retail trade contracted at a slower pace in annual terms. The number of registered unemployed fell compared with February, while the unemployment rate edged down from a month earlier. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) remained unchanged at 0.1% in March, while inflation based on the Retail Price Index (RPI) rose to 0.4%. Maltese residents' deposits expanded at an annual rate of 7.0% in March, following an increase of 8.0% in the previous month, while annual growth in credit to Maltese residents rose to 11.8%, from 11.1% a month earlier. In March, the deficit on the cash-based Consolidated Fund widened when compared with a year earlier, mainly as a result of higher expenditure which continued to be affected by COVID-19 related support to the private sector.

3.3 Economic Outlook[5]

The pandemic situation in Malta has evolved considerably during 2021. Following a sharp increase in active cases during the first two months of the year, a number of containment measures were re-introduced in March and April, such as school closures and the shutdown of non-essential shops and services. These measures were then gradually eased following a subsequent decline in active cases.

At the same time, the pace of vaccination has been remarkable, with more than 70% of the adult population receiving at least one jab of the vaccine, which was better than envisaged in February. Indeed, while herd immunity was initially expected to be attained towards the end of summer, this was achieved a month ahead of its start. In addition, fiscal support to the private sector was extended.

Hence, the Central Bank of Malta (CBM) estimates that the downward impact on activity emanating from higher stringency during the first half of 2021 will be compensated by the enhanced fiscal response and the impact on confidence of the rapid pace of vaccination.

The level of gross domestic product (GDP) in 2021 is expected to recover somewhat from last year's contraction but is to remain below the 2019 level. It is expected to then reach and exceed 2019 levels in

[4] Central Bank of Malta – Economic Update: Issue 5/2021

[5] Central Bank of Malta – Economic Projections 2020 – 2023 (2021:2)

2022. Containment measures and uncertainty are expected to have negatively affected the supply-side of the economy. In particular, the Maltese economy attracted a smaller net inflow of foreign workers in 2020, average hours worked dropped, investment was postponed and capacity utilisation declined. As a result, potential output growth is estimated to have slowed down from 6.2% in 2019 to 0.9% in 2020.

Potential output growth is expected to pick up to 1.9% in 2021, reflecting an improvement in capacity utilisation, as well as a recovery in investment. It is projected to increase further in 2022 and 2023, mainly reflecting a recovery in productivity and a return of net migration flows more similar to those seen in the pre-pandemic period. Despite the projected recovery in GDP, the economy is expected to continue operating below its potential. Indeed, while the output gap is expected to narrow over the projection horizon, it remains negative throughout, partly reflecting the expectation that the tourism sector will continue to operate below capacity for an extended period.

GDP is set to grow by 4.9% in 2021, 5.4% in 2022, and 4.7% in 2023. These estimates are mainly attributed to a weaker first half due to higher containment measures, which the CBM expects to be broadly offset by a stronger second half due to the very strong pace of vaccination, as well as the enhanced fiscal response.

Due to the pandemic related challenges, private sector firms' investment plans were mostly postponed last year. As uncertainty begins to recede and the economy begins to recover in 2021, investment is expected to bounce back. Furthermore, the EU Budget as well as Next Generation EU (NGEU) funds will provide a substantial boost to government investment during the next three years.

Exports are set to recover somewhat this year from the sharp decline in 2020, but levels will remain relatively low due to the partial recovery in foreign demand and tourism. The recovery in exports is expected to continue in 2022 and 2023, as travel disruptions ease and travellers respond favourably to the high vaccination rate in Malta, although travel exports are not expected to reach 2019 levels until the end of the projection horizon.

With regards to imports, these are set to increase in 2021, reflecting higher domestic demand as well as positive developments in goods exports. Imports are then set to grow further over the rest of the projection horizon, reflecting the expected recovery in final demand.

The unemployment rate is projected to decline marginally to 4.2% this year, from 4.3% last year. It is then expected to remain stable throughout the rest of the projection horizon.

In terms of consumer prices, annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to decelerate in 2021, largely reflecting technical factors, mostly related to the computation of the index. In particular, households' consumption basket changed considerably in 2020 as a result of the pandemic, which brought about a large change in the weights of certain subcomponents of the index in 2021.

In 2021, HICP inflation is projected to stand at 0.3%, down from 0.8% in 2020. Thereafter, inflation is expected to pick up, reaching 1.3% in 2022 and 1.6% in 2023.

Retail Sector

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entry into European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number of shopping destinations in Malta such as The Point Shopping Mall, The Plaza Shopping Centre and D-Mall. This concept has allowed individuals to cater for all their shopping requirements under one roof rather than having to go to different retail shops in multiple locations. Growing consumer expectations has resulted in shops remaining open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

The current COVID-19 pandemic, as highlighted in section 3.3 of the Analysis, has undoubtedly had a negative impact on Malta's retail sector. In accordance to the restrictions implemented by the Government of Malta, all retail outlets were forced to close their doors for the end of March until the beginning of May 2020, and similarly again from March until early May 2021. Whether retail shops will be forced to shut down again remains an uncertainty, however Malta's extremely advanced vaccination program augers well that an extended period of shutdown can be avoided going forward, as virus cases remain manageable. As the current climate remains relatively fluid and uncertain, the full impact that the COVID-19 pandemic has had on the local retail industry, is still not completely known. Undoubtedly, the lower level of tourism numbers compared to the benchmark year 2019 will have a negative effect on the overall industry, and it will take time until full potential will be realised. The outlook for the industry has turned positive though, as the high level, and increasing numbers of vaccinated people originating from typically European countries that visit Malta will create greater confidence; cemented by newly introduced measures like a vaccine passport.

▪ Commercial Property Market

Data specifically related to commercial property in Malta is limited, thus making it more challenging to identify the exact state of this sector. Nevertheless, it is evident that Malta has over recent years completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT related fields. It is therefore apparent that the demand for good commercial property has drastically increased, whereby Malta's property sector has been dominated by a situation of demand seemingly exceeding supply. The latter has resulted into the majority of high quality commercial developments being fully let.

However, in accordance to the economic turmoil caused by the COVID-19 outbreak, leases in Europe, Malta included experienced a higher level of volatility. Many businesses were forced to shut down throughout 2020 and 2021 and employees have been laid off or have had to suffer pay-cuts. The pandemic had overnight caused havoc in commercial as well as in residential leases. Retail outlets, whose revenues have ground to halt overnight as clearly explained within prior sections of the Analysis, are generally still bound to pay their rents, and without the government intervention would have resulted in a major crisis. The situation is no different in the housing sector (including both longer and shorter term lets); landlords have suddenly found themselves with vacant properties, especially properties targeted at tourism related short-let properties and others are attempting to evict defaulting tenants.

At a general level, according to the Djar[6] issued by EY Malta, the report concludes that the local real estate market has been fairly resilient to the turmoil created by pandemic. Most property listings have maintained their prices leading to low recorded average price changes. Asking prices appear to have generally remained stable and not suffered a major drop-downs. Positive average price changes remain in Gozo, although at a somewhat reduced rate. The number of online listings on the market registered a notable drop in 2020Q2, possibly reflecting a propensity in certain segments to withdraw properties from the market rather than negotiating at a reduced sale price. Volumes returned to previous levels over subsequent quarters, during which market supporting measures were provided by Government.

Furthermore, according to a leading Real Estate broker[7], the pandemic automatically put a lot of people's business plans on hold. The movement in the office segment of the market, caused a reorganisation of their business with some relocating, others downsizing and others taking the opportunity to re-organise the way they work, before business becomes busy again and they won't have time to focus on these things.

[6] Djar EY report February 2021
[7] https://franksalt.com.mt/news/covid-19-effect-on-property-market

According to the broker some may opt to retain an element of home-working. However, most businesses will eventually want to return to their normal operations as there is nothing that works as well as an office environment.

3.4 Comparative Analysis

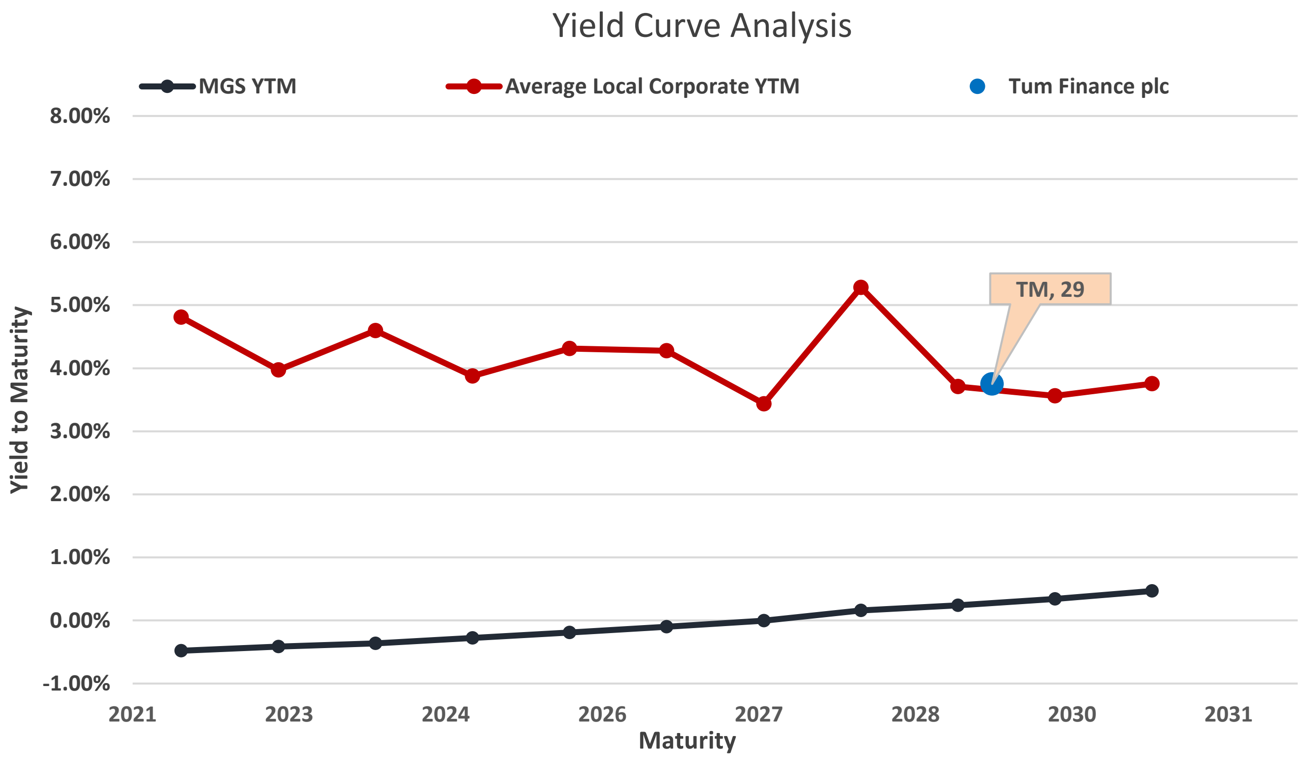
The purpose of the table below is to compare the Group's bond to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5.8% International Hotel Investments plc 2021	20,000	5.65%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
5.75% Central Business Centres plc Unsecured € 2021 S1T1	3,000	3.97%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
3.65% GAP Group plc Secured € 2022	29,812	2.42%	2.2x	103.9	15.1	85.4%	81.1%	7.2x	7.2x	31.2%	17.2%	-15.9%
6% Pendergardens Developments plc Secured € 2022 Series II	21,845	3.52%	1.6x	60.6	29.5	51.3%	36.4%	5.2x	2.2x	0.0x	0.0x	(.4)x
4.25% GAP Group plc Secured € 2023	19,247	2.66%	2.2x	103.9	15.1	85.4%	81.1%	7.2x	7.2x	31.2%	17.2%	-15.9%
5.8% International Hotel Investments plc 2023	10,000	5.12%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
6% AX Investments Plc € 2024	40,000	4.76%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
6% International Hotel Investments plc € 2024	35,000	4.16%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
5% Tumas Investments plc Unsecured € 2024	25,000	3.98%	7.2x	229.6	137.5	40.1%	17.6%	1.6x	4.5x	8.3%	32.6%	-42.5%
5% Hal Mann Vella Group plc Secured € 2024	30,000	4.04%	2.4x	122.4	47.3	61.3%	52.9%	10.8x	1.2x	3.1%	6.1%	4.8%
5.75% International Hotel Investments plc Unsecured € 2025	45,000	4.07%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
4.5% Hili Properties plc Unsecured € 2025	37,000	3.99%	1.6x	149.6	62.7	58.1%	54.9%	14.6x	0.5x	6.8%	52.9%	-11.5%
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000	4.64%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
4.0% Shoreline Mall Plc Secured € 2026	14,000	3.76%	4.7x	19.3	18.1	60.1%	87.5%	3.4x	4.7x	24.5%	36.5%	100.0%
4% MIDI plc Secured € 2026	50,000	3.33%	(.5)x	227.6	101.8	55.3%	37.8%	(64.5)x	2.9x	-2.1%	-75.1%	-89.8%
4% International Hotel Investments plc Secured € 2026	55,000	3.35%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
3.9% Plaza Centres plc Unsecured € 2026	7,720	2.97%	2.8x	38.9	26.7	31.4%	10.7%	1.6x	4.6x	1.6%	17.0%	-22.4%
4% International Hotel Investments plc Unsecured € 2026	60,000	3.69%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	2.28%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.46%	34.1x	69.4	24.3	65.0%	57.1%	1.1x	0.9x	210.3%	125.6%	119.2%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	3.79%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
3.75% Tumas Investments plc Unsecured € 2027	25,000	3.38%	7.2x	229.6	137.5	40.1%	17.6%	1.6x	4.5x	8.3%	32.6%	-42.5%
4% Stivala Group Finance plc Secured € 2027	45,000	3.21%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%
4% Exalco Finance plc Secured € 2028	15,000	3.60%	4.5x	70.9	42.0	40.8%	28.1%	4.5x	1.7x	5.6%	47.7%	10.0%
3.75% TUM Finance plc Secured € 2029	20,000	3.75%	2.9x	66.6	35.9	46.0%	37.4%	9.1x	0.4x	16.1%	166.9%	233.0%
3.65% Stivala Group Finance plc Secured € 2029	15,000	3.51%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	2.69%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	3.75%	34.1x	69.4	24.3	65.0%	57.1%	1.1x	0.9x	210.3%	125.6%	119.2%
4.5% Shoreline Mall Plc Secured € 2032	26,000	4.36%	4.7x	19.3	18.1	60.1%	87.5%	3.4x	4.7x	24.5%	36.5%	100.0%
Average**		**3.72%**										

* Last price as at 11/06/2021

** Average figures do not capture the financial analysis of the Group

Source: *Latest Available Audited Financial Statements and MSE*



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 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 6-10 years (Peers YTM).

As at 11th June 2021, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 6-10 years was 342 basis points. The 3.75% TUM Finance plc 2029 is currently trading at a YTM of 3.75%, meaning a spread of 351 basis points over the equivalent MGS. This means that this bond is trading at a premium of 9 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.
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 Income (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 the 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.
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)	Free cash flow (FCF) represents the cash a Group/Company generates after accounting for cash outflows to support operations and maintain its capital assets. It is calculated by taking Cash Flow from Operating Activities add back the payment of interest and less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio Interest Coverage Level 1 Interest Coverage Level 2	The interest coverage ratio measures how many times a Group/Company can cover its current interest payment with its available earnings. Is calculated by dividing EBITDA by Cash Interest Paid. Is calculated by dividing EBITDA by Finance Costs.
Gearing Ratio Gearing Ratio Level 1 Gearing Ratio Level 2 Gearing Ratio Level 3	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets. Is calculated by dividing Net Debt by Net Debt and Total Equity. Is calculated by dividing Total Liabilities by Total Assets. 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.
Occupancy Level	The occupancy level is expressed as a percentage and indicates the number of rooms occupied to the total number of available rooms in a given time period.