FINANCIAL ANALYSIS SUMMARY 2024

JD Capital p.l.c.

19 June 2024

Prepared by
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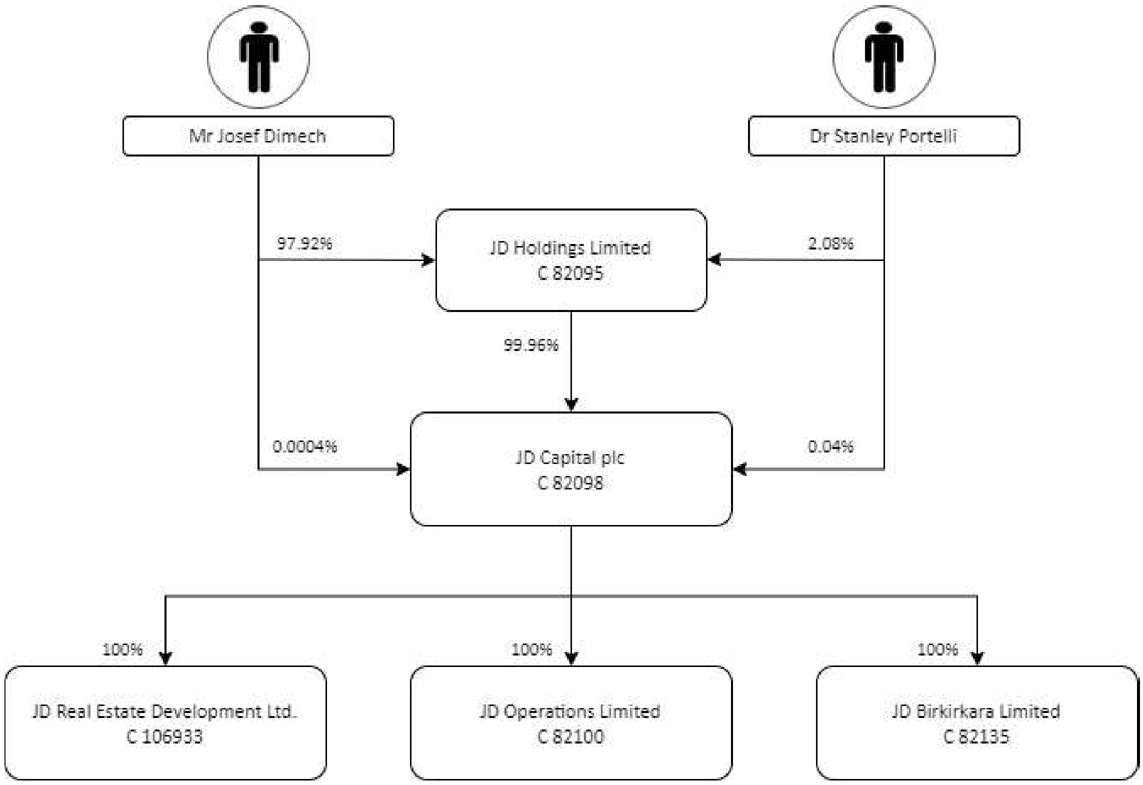
Part 1 Information about the Group

1.1 Issuer's Key Activities and Structure

The Group structure is as follows:



The Issuer was incorporated on 9 August 2017 and has, at the date of this Analysis, an authorised and issued share capital of €7,546,700 divided into 7,543,621 Ordinary Shares of €1 each and 3,079 Ordinary A shares of €1 each, all fully paid up. The Issuer along with its three subsidiaries constitute the "**Group**". The Issuer acts as both the holding company and financing arm to its subsidiaries. JD Capital p.l.c. is a fully owned subsidiary company of JD Holdings Limited, except for 3,079 ordinary A shares held by Dr Stanley Portelli ("**SP**") and 31 ordinary shares held by Mr Josef Dimech ("**JD**").

JD Holdings Limited ("**JDH**") was incorporated on 9 August 2017. The authorised share capital of JDH consists of 10,000 ordinary shares made up of 9,900 ordinary shares and 100 ordinary A shares, all of nominal value of €1. As at the date of this Analysis, the issued share capital of JDH was €4,800, made up of 4,700 ordinary shares held by JD and 100 ordinary A shares held by SP.

JD, through his shareholding in JDH, is the majority shareholder of the Group. JD has 30 years of experience in the business of aluminium, steel, and stainless steel works. JD started working in wrought iron at the age of 16 with his father in a small garage in Msida. In 2004, at the age of 25, JD set up JSDimech Limited ("**JSD**"), which was controlled by himself as an individual and went from strength to strength reaching a revenue figure of €10.8m in 2016. In 2017, JD founded the Group and transferred all operations from JSD to the Group.

JD Birkirkara Limited ("**JDB**"), JD Operations Limited ("**JDO**") and JD Real Estate Development Ltd. ("**JDR**") are subsidiaries of the Issuer. JDR was incorporated on 20 November 2023 and has an authorised and issued share capital of 1,200 shares with a nominal value of €1 per share, which are fully paid up and owned by the Issuer. JDR's principal activity is to act as a property investment company. JDO was incorporated on 9 August 2017 and has an authorised and issued share capital of 3,501,200 shares with a nominal value of €1 each, which are fully paid up and owned by the Issuer.

JDO's principal activity is to manufacture, assemble and install aluminium, steel, wrought iron, large-scale glass formats and stainless-steel works. JDB was incorporated on 11 August 2017 and has an authorised and issued share capital of 200,000 shares with a nominal value of €1 per share, which are fully paid up and owned by the Issuer. JDB's principal activity is to act as a property investment company.

The Group operates in mainly two lines of business, these being the manufacturing business line and the property development business line. The manufacturing business line includes the production and installation of wrought iron, apertures, steel railings, curtain walling, structural glazing, steel structures, composite cladding, large glass and different door systems. On the other hand, the property development line includes the development of the Birkirkara Site and the Ta' Monita Residence (as described in sub-sections 1.3 and 1.4 of this Analysis).

1.2 Directors and Key Employees

Board of Directors - Issuer

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

Name	Office Designation
Mr Josef Dimech	Executive Director
Dr Jesmond Manicaro	Independent Non-executive Director
Mr Stephen Muscat	Chairman and Independent Non-executive Director
Mr Jonathan Donald Pace	Executive Director
Dr Stanley Portelli	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.

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

The senior management team of the Group consists of:

Name	Designation
Mr Josef Dimech	Executive Director Business Development
Mr Franco Azzopardi	Chief Executive Officer
Mr Robert Zammit Lucas	Chief Financial Officer
Mr Clint Agius	Chief Operating Officer

1.3 Major Assets owned by the Group

1.3.1 Hal Far Site

On 6 March 2018, INDIS Malta Ltd ("**INDIS**") granted JDO a temporary emphyteusis contract for a period of 65 years relating to a site in the Hal Far Industrial Estate. The site has a footprint of 16,245m^2 consisting of a manufacturing plant of 5,308m^2 and adjoining land of 10,937m^2 (the "**Hal Far Site**").

The factory within the site includes a stainless steel and aluminium manufacturing area, a steel section manufacturing area, an alucabond section, a spray-painting block, a glass section, and an administration block. The Group negotiated with INDIS to allow JDO to use the site as collateral for the Bonds and use the site for additional activities unrelated to JDO's core business. The Hal Far Site was last valued at €26.0m as per the latest independent architect's valuation dated 22 February 2024.

1.3.2 Birkirkara Site

The site in Birkirkara is situated in Triq Dun Karm, corner with Triq Kanonku Karm Pirotta, with a total area of 1,437m^2 (the "**Birkirkara Site**") This site was originally purchased by JSD on 12 May 2015. It was then transferred to JDB on 8 March 2018 for €4.0m. JD Birkirkara Limited submitted a development permit application for the development of the Birkirkara Site into a commercial office block, comprised of *circa* 4,000m^2 of office space over six overlying floors, together with 127-car spaces over five underlying floors, for a total built up space of 10,000m^2.

1.3.3 Ta' Monita Residence

On 7 February 2024, the Group, through JDR, acquired part of a complex of apartments in Marsascala, along with garages and gardens *inter alia*, and a site with a total area of 4,862m^2, which includes, amongst others, seven apartments within the same block, airspace of two other blocks, and a pool area measuring *circa* 1,000m^2 (the "**Ta' Monita Residence**").

1.4 Operational Developments

1.4.1 Hal Far Site

The re-development of the Hal Far Site will be split into two phases. It is envisaged that the footprint of the manufacturing plant within the site will increase from 5,308m^2 to 19,812m^2. This increase in land area will consist of an office block which will be suspended over a three-storey high steel truss of 1,722m^2, an industrial area of 19,812m^2, a loading and storage area of 3,427m^2, and a common area of 2,050m^2. The extension is expected to be constructed using steel framing manufactured by JDO itself.

The first phase of the development constitutes the construction of the factory extension, offices and rentable area phase 1 whilst the second phase relates to the construction of the rentable area phase 2 which is expected to generate substantial revenue for the Group. The first and second phases are being financed by the net proceeds of the Series 1 Bonds and the Series 2 Bonds, as defined and explained in sub-section 1.4.5.

Phase 1 of the development of the Hal Far Site is well in progress, with the construction of the office block and phase 1 of the rentable area envisaged to be completed by the end of Q3 2024, and works on the factory currently at an advanced stage. Management added that there was a delay in the development process following an update in layout plans done in order to enable maximum operational efficiency. Management confirmed that it is expected that phase 1 will be fully completed by H1 2025.

1.4.2 Birkirkara Site

The Group submitted a development request (PA/04895/16) on 23 June 2016 to remove the existing column stubs and excavate the Birkirkara Site at a depth of 18 metres. This application was followed by another development request (PA/04369/19), proposing 6 levels of car park from level B6 to level B1 consisting of 127 car space, store at part level B1 and 6 floors of Class 4A offices from level 0 to level 5. To this end, JD Birkirkara Limited obtained development permits relative to both above applications on 31 August 2022.

Management noted that the site has now been cleared of the existing structures and that excavation works have begun.

This development is being part-funded by the net proceeds of the Series 2 Bonds, as defined and explained in sub-section 1.4.5.

1.4.3 Ta' Monita Residence

As per company announcement JDC76 published by the Issuer on 12 February 2024, it is the intention of JDR to retain the Ta' Monita Residence as investment property.

Management confirmed that the Group is considering a number of development options.

This acquisition was funded by part of the net proceeds of the Unlisted Bonds, as defined and explained in sub-section 1.4.5. below.

1.4.4 Skorba Property

As detailed in the Unlisted Bonds Prospectus, the ultimate beneficial owner of the current Group entered into a promise of sale agreement with the co-owner of the Skorba Developments Ltd. (C 91498), committing to acquire 50% of its shares, resulting in full ownership of the aforementioned company by the UBO. Development works are being done in line with PA/06974/20 and the company is developing one residential block with excavation and construction of four levels of basement garages, including a substation at -1 and overlying apartments at ground, first, second, third and penthouse levels.

Upon acquisition of the above-mentioned shares, Mr Josef Dimech shall transfer the 100% shareholding of J&J Development Ltd. to JDR. It is the Group's intention to sell the units of the Skorba Property.

1.4.5 Bond Issues

JD Capital p.l.c. issued its first bond on the main market of the Malta Stock Exchange on 25 November 2022. These bonds were issued as part of a bond issuance programme pursuant to the Base Prospectus and Final Terms dated 3 October 2022 (the "**Series 1 Bonds**"). The net proceeds of the Series 1 Bonds were used for an exchange offer on the Issuer's previous bond on the Prospects MTF, and to part-finance the first phase of the redevelopment of the Hal Far Site by way of a loan from the Issuer to JDO, as well as a portion for general corporate funding purposes.

The Issuer then issued the second series of the above-mentioned bond issuance programme on 20 July 2023, pursuant to the Base Prospectus and Final Terms dated 16 June 2023 (the "**Series 2 Bonds**"). The net proceeds of the Series 2 Bonds were used to part-finance the second phase of the redevelopment of the Hal Far Site by way of a loan from the Issuer to JDO, and to develop an office complex in Birkirkara by way of a loan from the Issuer to JDB, as well as a portion for general corporate funding purposes.

During the year under review, JD Capital p.l.c. issued another bond through an unlisted offer to the public, pursuant to the Unlisted Bonds Prospectus (the "**Unlisted Bonds**"). The net proceeds of the Unlisted Bonds were used as follows:

- €3,000,000 on-lent to JDR for its utilisation by way of part consideration for the acquisition of the Ta' Monita Residence;
- Approximately €600,000 were on-lent to JDR to cover the costs associated with the acquisition of the Ta' Monita Residence; and
- €1,400,000 for general corporate funding

Collectively, the Series 1 Bonds, Series 2 Bonds, and Unlisted Bonds will hereinafter be referred to as the "**Issuer's Bonds**".

1.5 List of Issuer's Bonds

JD Capital p.l.c. has the following outstanding debt securities:

Bond	Security Name	Amount
Series 1 Bonds	4.85% JD Capital Plc 2032	€14,000,000
Series 2 Bonds	6% JD Capital Plc 2033	€11,000,000
Unlisted Bonds	7.25% JD Capital Plc 2025-2027	€5,000,000

Part 2 Historical Performance and Forecasts

The Issuer's historical financial information for the three years ending 31 December 2021, 2022 and 2023, as set out in the audited financial statements of the Issuer may be found in section 2.1 to 2.3 of this Analysis. These sections also include the forecast performance of the Issuer for the year ending 31 December 2024. Moreover, the Group's historical financial information for the three years ending 31 December 2021, 2022 and 2023, together with the Group's forecast performance for the year ending 31 December 2024 are set out in section 2.4 to section 2.6.

The forecast financial statements detailed below relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.

2.1 Issuer's Income Statement

Income Statement for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Administrative expenditure	(61)	(162)	(268)	(280)
EBITDA	**(61)**	**(162)**	**(268)**	**(280)**
Depreciation and amortisation	(11)	(13)	(34)	(73)
EBIT	**(72)**	**(175)**	**(302)**	**(353)**
Finance cost	(250)	(393)	(977)	(1,776)
Finance income	318	342	1,073	1,897
Impairment of financial assets	-	(11)	(43)	-
Loss before tax	**(4)**	**(237)**	**(249)**	**(232)**
Taxation charge	(66)	-	-	-
Loss for the year	**(70)**	**(237)**	**(249)**	**(232)**

As mentioned in section 1.1 of the Analysis, the Issuer acts as both the holding and financing arm of the Group and as such has no operations itself. Therefore, the Issuer has no revenue or cost of sales in its financial statements.

Administrative expenses, increased further in FY2023 following an increase in directors and professional fees, previously not forecast. The Issuer is forecasting that these will remain more or less the same for FY2024.

Amortisation of bond issue costs increased year-on-year, following the issuances of the Series 1 Bonds, the Series 2 Bonds and the Unlisted Bonds (see sub-section 1.4.5.). The Issuer is expecting this amortisation to increase in FY2024 following bond issue costs incurred for the issuance of the Series 2 Bonds and the Unlisted Bonds during FY2023.

Finance costs represent the interest payable to the bondholders and were therefore stable up to FY2021. Like the amortisation of bond issue costs, these increased year-on-year, with FY2024 being the first year during which all three bonds (see sub-section 1.4.5.) will incur a full year's interest.

Finance income is made up of interest receivable from related parties and dividend income. This goes hand-in-hand with the amortisation of bond issue costs and finance costs, as the net proceeds from the Issuer's Bonds were all on-lent to other companies within the Group (in line with the Issuer's status as the financing arm of the Group). Therefore, given the issuance dates mentioned in sub-section 1.4.5., this Issuer is forecasting higher finance income for FY2024.

The Issuer reported a loss for the year, mainly representing administrative expenditure and amortisation of bond issue costs which, unlike finance costs, are not recouped from other companies within the Group.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Financial assets at amortised cost	4,885	7,004	22,292	29,253
Investment in subsidiaries	7,502	7,502	10,704	10,704
Total non-current assets	**12,387**	**14,506**	**32,996**	**39,957**
Current assets				
Financial assets at amortised cost	56	45	7	-
Trade and other receivables	202	6,650	2,550	1,126
Cash and cash equivalents	-	10	-	119
Total current assets	**258**	**6,705**	**2,557**	**1,245**
Total assets	**12,645**	**21,211**	**35,553**	**41,202**
Equity and liabilities				
Equity				
Share capital	7,547	7,547	7,547	7,633
Other reserves	-	-	3,200	3,200
Retained earnings	(51)	(288)	(538)	(770)
Total equity	**7,496**	**7,259**	**10,209**	**10,063**
Liabilities				
Non-current liabilities				
Borrowings	4,917	13,625	24,471	29,544
Total non-current liabilities	**4,917**	**13,625**	**24,471**	**29,544**
Current liabilities				
Borrowings	3	237	447	816
Current tax liabilities	48	-	-	-
Trade and other payables	181	90	426	779
Total current liabilities	**232**	**327**	**873**	**1,595**
Total liabilities	**5,149**	**13,952**	**25,344**	**31,139**
Total equity and liabilities	**12,645**	**21,211**	**35,553**	**41,202**

The Issuer's non-current assets are made up of financial assets at amortised cost and investments in subsidiaries. Given the Issuer's function as the finance arm and the holding company of the Group, financial assets make up the majority of its assets (approximately 62% of total assets).

Financial assets at amortised cost have increased in FY2022 following the issuance of the Series 1 Bonds, the proceeds of which were made available to subsidiaries in the form of loans. Similarly, these have increased in FY2023 following the issuance of the Series 2 Bonds, and an increase is forecast for FY2024 following the issuance of the Unlisted Bonds. The Issuer expected a lower level of financial assets at the end of FY2023. However, the net proceeds of the Series 2 Bonds were received by the Issuer earlier than expected.

As highlighted in sub-section 1.1. of this Analysis, JDR was incorporated in Q4 2023. During the same year, JDH injected €3.2m in JDR, which transaction is captured in the Issuer's balance sheet as a capital contribution. Management does not forecast any changes in this regard for FY2024.

The only other notable asset of the Issuer is the trade and other receivables which, in line with its function as a holding company, represent the amount to be received from the group companies as at year end. As previously mentioned in this sub-section, the net proceeds from the Series 2 Bonds were received by the Issuer earlier than previously forecast, resulting in only €2.5m left outstanding.

The Issuer's equity increased in FY2023 following the capital contribution mentioned above, as well as non-cash consideration to take over Skorba Developments Ltd., as explained in sub-section 1.4.4. of this Analysis.

The Issuer's non-current liabilities are made up exclusively of its outstanding bonds, which increased year-on-year following the issuances of the Issuer's Bonds, as explained in sub-sections 1.4.5. and 2.1. of this Analysis.

In terms of short-term liabilities, the Issuer has a number of dues to subsidiaries, which are interest-free and repayable on demand. Management expects to have a higher level of such short-term borrowings by the end of FY2024 due to an expected intra-group borrowing to be utilised for the payment of duty on documents related to the acquisition of the Ta' Monita Residence.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit before tax	(4)	(237)	(250)	(232)
Adjustments for:				
Finance costs	250	292	977	1,776
Impairment on financial assets	-	11	43	-
Amortisation of bond issue costs	11	86	34	73
Finance and dividend income	(318)	(342)	(1,073)	(1,897)
Movement in working capital				
Movement in trade and other receivables	(1)	(6,438)	6,416	1,599
Movement in trade and other payables	15	(3)	38	353
Cash flows from operations	**(47)**	**(6,631)**	**6,185**	**1,672**
Interest received	319	342	757	1,496
Taxation paid	(19)	(48)	-	-
Net cash flows generated from / (used in) operating activities	**253**	**(6,337)**	**6,942**	**3,168**
Cash flows from investing activities				
Movement in amounts due from subsidiary and related parties	(3)	(2,131)	(15,292)	(6,954)
Net cash flows generated from / (used in) investing activities	**(3)**	**(2,131)**	**(15,292)**	**(6,954)**
Cash flows from financing activities				
Net proceeds from bonds issue	-	8,623	8,811	4,875
Interest paid	(250)	(379)	(679)	(1,339)
Movement in amounts due to subsidiary	-	234	208	369
Dividends paid	-	-	-	-
Net cash flows generated from / (used in) financing activities	**(250)**	**8,478**	**8,340**	**3,905**
Movement in cash and cash equivalents	**-**	**10**	**(10)**	**119**
Cash and cash equivalents at start of year	-	-	10	-
Cash and cash equivalents at end of year	**-**	**10**	**-**	**119**

In line with its function with the Group, the Issuer's cash flows from operating activities mainly consist of movements relating to interest payable to bondholders and interest receivable from related companies. In FY2023, cash flow from operations consisted of interest paid and interest received, as explained in sub-section 2.1., as well as movements in its trade receivables, as explained in sub-section 2.2. There were no extraordinary cash movements from operating activities in FY2023, and management is not forecasting any in FY2024 either.

The Issuer's only investment activity is related to amounts due from its related parties, as explained in the previous two sub-sections. The cash outflows from investing activities in FY2023 were made up of the loans granted to JDO and JDB, following the net proceeds received by the Issuer from part of the Series 1 Bonds and the majority of the Series 2 Bonds. In FY2024, management expects the movement in FY2024 to amount to approximately €7.0m, made up exclusively of the *circa* €5.0m net proceeds from the Unlisted Bonds and the *circa* €2.0m remaining net proceeds from Series 2 Bonds.

Inflows from financing activities of the Issuer mainly represent the net proceeds from the bond issue. To note that approximately €2.0m of the Series 2 Bonds still remain at the security trustee.

2.4 Group's Income Statement

Income Statement for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Revenue	16,268	11,832	12,965	18,270
Cost of sales	(13,637)	(9,768)	(9,996)	(13,295)
Gross profit	**2,631**	**2,064**	**2,969**	**4,975**
Selling and distribution	(151)	(141)	(180)	(200)
Administrative expenses	(776)	(995)	(1,013)	(1,132)
Other income	294	213	239	210
EBITDA	**1,998**	**1,141**	**2,015**	**3,853**
Depreciation and amortisation	(842)	(955)	(654)	(1,487)
EBIT	**1,156**	**186**	**1,361**	**2,366**
Revaluation of investment property	-	971	-	6,437
Finance cost	(584)	(724)	(1,189)	(1,710)
Finance income	206	42	51	273
Other losses	(12)	(2)	-	-
Impairment of financial assets	(297)	(56)	36	-
Profit before tax	**469**	**417**	**259**	**7,366**
Taxation charge	(309)	(199)	(230)	(807)
Profit for the year	**160**	**218**	**29**	**6,559**

Ratio Analysis	2021A	2022A	2023A	2024F
Profitability				
Growth in Revenue (YoY Revenue Growth)	7.4%	-27.3%	9.6%	40.9%
Gross Profit Margin (Gross Profit/ Revenue)	16.2%	17.5%	22.9%	27.2%
EBITDA Margin (EBITDA / Revenue)	12.3%	9.6%	15.5%	21.1%
Operating (EBIT) Margin (EBIT / Revenue)	7.1%	1.6%	10.5%	13.0%
Net Margin (Profit for the year / Revenue)	1.0%	1.8%	0.2%	35.9%
Return on Common Equity (Net Income / Average Equity)	1.3%	1.3%	0.2%	26.3%
Return on Assets (Net Income / Average Assets)	0.4%	0.4%	0.0%	7.3%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	6.0%	2.7%	3.5%	5.6%

The Group generates the majority of its revenue through the carrying out of contracts of work. Revenue during FY2022 was less than previous years, with management having attributed this to the general election in Malta during that year, which resulted in a number of contracts being put on hold pending political stability. The Group reported higher revenue in FY2023. This consisted of a mix of completion of material contracts which commenced in prior years, works on a major significant project which commenced in FY2023, and smaller-sized projects in which the Group is involved.

In FY2024, the Group expects a significant increase in revenue following the signing of contracts, projects of which are expected to be completed during the year, as well as sales of units within the Skorba Property post-acquisition and post-development.

Gross Profit Margin increased from 17.5% in FY2022 to 22.9% in FY2023, as a result of efficiencies in the production process. This is forecast to increase further in FY2024, also due to the change in mix of revenue streams given that part of the revenue of FY2024 relates to the sale of units within the Skorba Property.

The Group reported a depreciation charge of €654k in FY2023 (FY2022: €955k). This was lower than that reported in the previous year as some machinery was fully depreciated by FY2022 and, therefore, incurred no such charge for FY2023. Management expects this to be higher in FY2024 following the revaluation of the Hal Far Site after the completion of the first phase of development.

Finance costs for the year were higher due to the increase in interest payable following the issuance of the Series 2 Bonds and the Unlisted Bonds during the year. This is expected to increase further in FY2024 as it would be the first year wherein the Issuer's Bonds will all incur one full year's worth of interest.

The Group reported a profit of €29k in FY2023 with a significantly higher profit in FY2024 expected, following the commencement of development and revaluation of the Birkirkara Site as well as the expected revaluation of the Ta' Monita Residence.

2.4.1 Variance Analysis

Income Statement for the year ended 31 December	2023F	2023A	Variance
	€000s	€000s	€000s
Revenue	14,200	12,965	(1,235)
Cost of sales	(11,208)	(9,996)	1,212
Gross profit	**2,992**	**2,969**	**(23)**
Selling and distribution	(151)	(180)	(29)
Administrative expenses	(878)	(1,013)	(135)
Other income	-	239	239
EBITDA	**1,963**	**2,015**	**52**
Depreciation and amortisation	(726)	(654)	72
EBIT	**1,237**	**1,361**	**124**
Finance cost	(1,247)	(1,189)	58
Finance income	77	51	(26)
Impairment of financial assets	-	36	36
Profit / (loss) before tax	**67**	**259**	**192**
Taxation charge	(98)	(230)	(132)
Profit / (loss) for the year	**(31)**	**29**	**60**

Revenue for the year was €1.2m lower than previously forecast, mainly as a result of delays of work on projects as is common in such an industry. Management confirmed that these were purely timing delays and there were no unplanned shifts in business.

The cost of sales was also understandably lower than previously projected given the lower revenue reported. Management also attributed this to minor price variations of materials from suppliers. As is evident, this has offset the lower revenue and, hence, the resultant gross profit was in line with that previously forecast by management.

Selling and distribution expenses were higher than previously projected by €29k, with management attributing this to higher actual costs than forecast on transport/motor vehicle expenses, advertising and promotion.

With regard to administrative expenses, management explained that there was an increase in professional fees, director fees, as well as salaries of a new executive team.
On the other hand, the Group received other income in the form of a management fee from a related party of €239k, which was not previously forecasted.

The other notable variance between the forecasted FY2023 figures and the consolidated audited financial statements of the Group is the higher tax charge, which was a result of deferred tax on the revaluation of property, plant and equipment.

The above-mentioned variances resulted in a profit after tax of €29k, as opposed to the forecasted €31k loss.

2.5 Group's Statement of Financial Position

Statement of Financial Position as at 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	23,627	22,812	28,008	42,289
Investment property	4,523	5,494	5,734	21,777
Intangible assets	224	224	224	224
Financial assets at amortised cost	1,619	1,664	1,714	3,453
Trade and other receivables	1,085	2,313	-	-
Total non-current assets	**31,078**	**32,507**	**35,680**	**67,743**
Current assets				
Financial assets at amortised cost	3,151	5,394	9,225	9,231
Inventory	1,529	1,364	1,563	1,600
Property held for resale	-	-	-	7,819
Contract assets	4,514	6,517	11,141	8,000
Trade and other receivables	6,647	10,813	18,332	9,157
Cash and cash equivalents	361	891	384	415
Total current assets	**16,202**	**24,979**	**40,645**	**36,222**
Total assets	**47,280**	**57,486**	**76,325**	**103,965**
Equity and liabilities				
Equity				
Share capital	7,547	7,547	7,547	7,633
Revaluation reserve	7,857	7,857	8,166	10,803
Other reserves	-	-	3,200	3,200
Retained earnings	1,183	1,401	1,431	7,991
Total equity	**16,587**	**16,805**	**20,344**	**29,627**
Liabilities				
Non-current liabilities				
Borrowings	7,398	17,050	28,851	36,520
Lease liabilities	3,492	3,447	3,395	3,173
Trade and other payables	3,899	3,564	1,685	-
Deferred tax liabilities	1,593	1,638	2,644	3,159
Non-current tax liabilities	508	459	243	-
Total non-current liabilities	**16,890**	**26,158**	**36,818**	**42,852**
Current liabilities				
Borrowings	3,602	3,086	2,809	12,760
Lease liabilities	36	45	51	222
Contract liabilities	2,212	2,890	4,185	4,150
Current tax liabilities	1,080	1,072	952	52
Trade and other payables	6,873	7,430	11,166	14,302
Total current liabilities	**13,803**	**14,523**	**19,163**	**31,486**
Total liabilities	**30,693**	**40,681**	**55,981**	**74,338**
Total equity and liabilities	**47,280**	**57,486**	**76,325**	**103,965**

Ratio Analysis	2021A	2022A	2023A	2024F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	46.1%	57.5%	63.1%	63.8%
Gearing 2 (Total Liabilities / Total Assets)	64.9%	70.8%	73.3%	71.5%
Gearing 3 (Net Debt / Total Equity)	85.41%	135.30%	170.67%	176.39%
Net Debt / EBITDA	7.1x	19.9x	17.2x	13.6x
Current Ratio (Current Assets / Current Liabilities)	1.2x	1.7x	2.1x	1.2x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.1x	1.6x	2.0x	0.9x
Interest Coverage 1 (EBITDA / Cash interest paid)	4.9x	1.8x	1.8x	2.5x
Interest Coverage 1 (EBITDA / Finance Costs)	3.4x	1.6x	1.7x	2.3x

The Group's non-current assets are primarily made up of property, plant and equipment ("**PPE**") and investment property.

PPE as at the end of FY2023 was €28.0m, which is more or less in line with that previously forecast. This shows an increase of approximately €5.2m from the previous year as a result of additions to the Hal Far Site as part of the first phase of development. Following a revaluation of the site in FY2024, as well as continuing developments on the Hal Far Site throughout the year, management is expecting its PPE to increase substantially by the end of year by €14.3m.

The Group's investment property at the end of FY2023 represents the value of the Birkirkara Site, the fair value of which increased slightly since acquisition. As from FY2024, as per sub-sections 1.3.3. and 1.4.3., the Group's investment property will include the Ta' Monita Residence. It is to be noted that this purchase was previously slated for FY2023 but, following a minor delay, resulted in it happening in Q1 2024.

Non-current financial assets at amortised cost are expected to increase to €3.5m from €1.7m in FY2023.

The current assets of the Group increased by approximately 63% from FY2022 levels. Current assets are made up of financial assets at amortised cost (current), inventory within the Hal Far Site, contract assets relating to works done relative to the Group's manufacturing business line, and trade and other receivables (as explained hereunder).

The current financial assets at amortised cost represent amounts owed to the Group by the ultimate parent and related parties, payable within a year. This was €9.2m as at end of FY2023, up from €5.4m in FY2022. Management attributed this increase to the €3.2m capital contribution as explained in sub-section 2.2.

The Group reported €11.1m in contract assets as at end of FY2023 which is €4.6m higher than that reported in the previous year. As explained in the previous Financial Analysis Summary of the Issuer dated 16 June 2023, the Group had a disputed amount on works on the Quad of €3.0m as at end of FY2022. This was subsequently settled in Q1 2024, resulting in the amount included in the FY2023 balance. Moreover, the Group reported an amount of approximately €4.6m arising from payments received for projects not yet completed, which the Group cannot recognise as revenue in their entirety.

The Group's short-term trade and other receivables for FY2023 were mainly made up of the receivables in the normal course of business, net proceeds of the Series 2 Bonds held at the security trustee as at year end (in line with the section 15.2.4.5 of the Base Prospectus). This amount is noticeably lower than the amount previously projected, with management explaining that this was previously considered non-current and moved to current on the assumption that it will be settled during FY2024. The Group is expecting to end FY2024 with a lower balance following the drawdown of amounts held at the security trustee and the settlement of the latter reclassified amount.

The Group's equity base is made up of share capital, revaluation reserve, retained earnings, and the €3.2m capital contribution as explained in sub-section 2.2. and this sub-section 2.5. The increase from the FY2022 figures are the aforementioned €3.2m and the increase in revaluation reserve following a revaluation of the PPE, net of a deferred tax element. Equity in FY2024 is expected to increase following a slight increase in the Issuer's capital, as stated in sub-section 2.2., a revaluation of the Hal Far Site, and expected higher profits as elaborated upon in sub-section 2.4.

As at year-end FY2023, the Group's long-term borrowings were composed of the Series 1 Bonds and the Series 2 Bonds in issue (net of amortised bond issue costs) and other bank facilities, which include a Malta Development Bank loan and a revolving facility with a local credit institution. The Issuer expects this to be higher as at end of FY2024 as it will include the Unlisted Bonds as well as long-term borrowings expected to be added to the Group's balance sheet following the planned acquisition of Skorba Developments Ltd.

The Group's non-current trade and other payables are mainly indirect taxes and social security contributions. These were reported at €1.7m, which was in line with what was previously forecast, and are expected to remain at the same level as at end of FY2024.

Deferred tax liabilities for FY2023 were about €1.0m higher than the amount previously forecast, with management attributing this to the revaluation of PPE. This is expected to increase further following higher projected PPE value for FY2024.

The Group's current liabilities are mainly made up of short-term borrowings, contract liabilities, and trade and other payables. Short-term borrowings remained relatively stable when compared to those reported as at end of FY2022. Management is expecting these to increase substantially as at end of 2024, mainly due to short-term borrowings expected to be added to the Group's balance sheet following the planned acquisition of Skorba Developments Ltd.

Contract liabilities for the year under review amounted to €4.2m. These represent advance payments for projects and services, which is standard in the Group's line of business. These were roughly 45% higher at end of FY2023. Management explained that these are usually rather difficult to predict accurately as they refer to deferred revenue from invoices of projects which are not recognised until project completion. Management confirmed that there were no extraordinary movements in contract liabilities and all is in line with the current project pipeline.

The other major component of the Group's short-term liabilities is its trade and other payables, which represent outstanding balances payable to third parties from the Group's manufacturing business line. These fluctuate depending on the level of activity and the agreed-upon credit terms with suppliers.

On a general note, the Group's balance sheet size saw a year-on-year increase and, following ongoing developments as well as the new Skorba Property endeavour, it is expected to increase further.

Following the substantial increase in interest bearing debt mainly due to the bond issue during 2023, the Group has maintained an adequate gearing level only increasing by 5.6% in FY23. Additionally, the current assets cover the current liabilities by 2.1x which indicate an improved short-term liquidity position from the 1.7x in FY22.

2.6 Group's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2021A	2022A	2023A	2024F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit before tax	468	418	259	7,366
Adjustments for:				
Finance costs	584	717	1,189	1,710
Depreciation	832	955	654	1,414
Revaluation of investment property	-	(971)	-	(6,437)
Impairment on financial assets	297	(50)	(36)	-
Amortisation of bond issue costs	11	86	34	73
Loss on disposal of motor vehicles	12	2	-	-
Finance and dividend income	(206)	(42)	(51)	(273)
Movement in working capital				
Movement in inventories	(154)	165	(199)	(7,856)
Movement in trade and other receivables	(7,131)	(9,549)	(7,794)	12,316
Movement in trade and other payables	3,619	997	3,226	1,416
Cash flows from operations	**(1,668)**	**(7,272)**	**(2,718)**	**9,729**
Interest paid	-	-	(64)	(200)
Taxation paid	(60)	(220)	(430)	(1,143)
Net cash flows generated from / (used in) operating activities	**(1,728)**	**(7,492)**	**(3,212)**	**8,386**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(217)	(144)	(4,669)	(10,230)
Intangible assets	(1)	-	-	-
Investment property	-	-	(240)	(9,606)
Receipt from disposal of motor vehicles	2	2	-	-
Movement in amounts due from subsidiary and related parties	(591)	(45)	(631)	(1,744)
Receipts from loan	2,349	-	-	-
Net cash flows generated from / (used in) investing activities	**1,542**	**(187)**	**(5,540)**	**(21,580)**
Cash flows from financing activities				
Net proceeds from bonds issue	-	8,622	8,811	4,875
Interest paid	(407)	(630)	(1,026)	(1,339)
Movement in amounts due to subsidiary	(104)	8	121	-
Interest paid on lease liabilities	(177)	(175)	(173)	(171)
Payment on finance leases	(34)	(36)	(45)	(51)
Advance / (repayment of bank loans)	(1,680)	(2,856)	-	(239)
Net proceeds from borrowings	2,438	3,767	500	10,217
Net cash flows generated from / (used in) financing activities	**36**	**8,700**	**8,188**	**13,292**
Movement in cash and cash equivalents	**(150)**	**1,021**	**(564)**	**98**
Cash and cash equivalents at start of year	11	(140)	881	317
Cash and cash equivalents at end of year	**(139)**	**881**	**317**	**415**

Ratio Analysis	2021A	2022A	2023A	2024P
	€000s	€000s	€000s	€000s
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	(1,884)	(7,414)	(5,886)	5,492

The Group reported a profit before tax of approximately €259k in FY2023. Following adjustments for non-cash items, tax paid, and movements in its working capital, the latter of which is explained in detail in section 2.5, the Group reported a cash outflow from operating activities of €3.2m. This outflow was less than that in FY2022, with the main contributors being its working capital movements.

During FY2023 the Group had used €5.5m in investing activities, specifically related to the Group's Hal Far Site which, as explained throughout this Analysis, is undergoing development. An outflow of €21.6m is expected during FY2024, representing expected development costs on the Birkirkara Site.

The Group's cash flows generated from financing activities were primarily the Series 2 Bonds issued during the year under review, in line with the intended use of proceeds.

During FY2023 the group experienced a net outflow of €564k ending the year with a cash balance of €317k. However, in FY2024, the Group expects a healthy profit of over €7.3m, cash-favourable movements in its working capital, and a greater cash outflow for the developments of the Hal Far Site, the Birkirkara Site, and the Skorba Property. This is projected to improve the cash position at the end of FY2024 by €98k, with an expected balance of €415k.

Part 3 Key Market and Competitor Data

3.1. General Market Conditions

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

3.2. Economic Update[1]

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

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

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

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

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

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

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.4% in April, down from 2.7% in the previous month. Following this decline, HICP inflation in Malta was in line with the euro area average. HICP excluding energy and food in Malta, remained below the euro area average. Inflation based on the Retail Price Index (RPI) decreased to 1.6%, down from 1.9% in March.

3.3. Economic Outlook[2]

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

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

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

[1] Central Bank of Malta – Economic Update 5/2024

[2] Central Bank of Malta – Economic Projections 2024– 2026

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

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

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

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

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

3.4. Commercial Property in Malta

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta has considerably increased over the last couple of years. Of note, there are several traditional business areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta, being Malta's capital city, is considered as the hub for law firms and many long-established family businesses.

Other traditional commercial areas include the likes of St. Julian's, which is popular for its sea-view offices, and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top-quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieha and in parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline.

Although the supply for commercial property has increased in recent years, rental demand is still greater than supply as can be seen in the increase in average asking rental rates for office space which increased to €213/sqm in 2023, up from €183/sqm in 2022. The largest increase in rental rates came from the central region which saw growth of 31.9%. Further analysis shows that the highest proportion of office space can be found in the Northern Harbour region (52% of all listings), followed by the Central region (31%).

When it comes to commercial property sales there was only a marginal increase in the asking price when compared to 2022 with this increasing by just 2%, with Central region properties increasing by 9.7%.

The ECB policy decisions to combat inflation have seen the key policy interest rate stand at a record high with the ECB charging banks 4.5% per annum on main refinancing operations. To date, these interest rate hikes have not been reflected in the local market. Should interest rates locally rise, the path that both rent and sale prices in the commercial property market would take depends on multiple factors and so is unclear.

On one hand as the general price level of goods and services rises, property values may appreciate accordingly as investors turn to property as a hedge for inflation. The development of new commercial properties may also slow down as financing becomes costlier, potentially limiting the supply of available space and therefore increasing the price of already available property. On the other hand, persistently, sticky inflation could dampen economic activity and lead to suppressed demand levels and put downward pressure on both rental and sales prices.

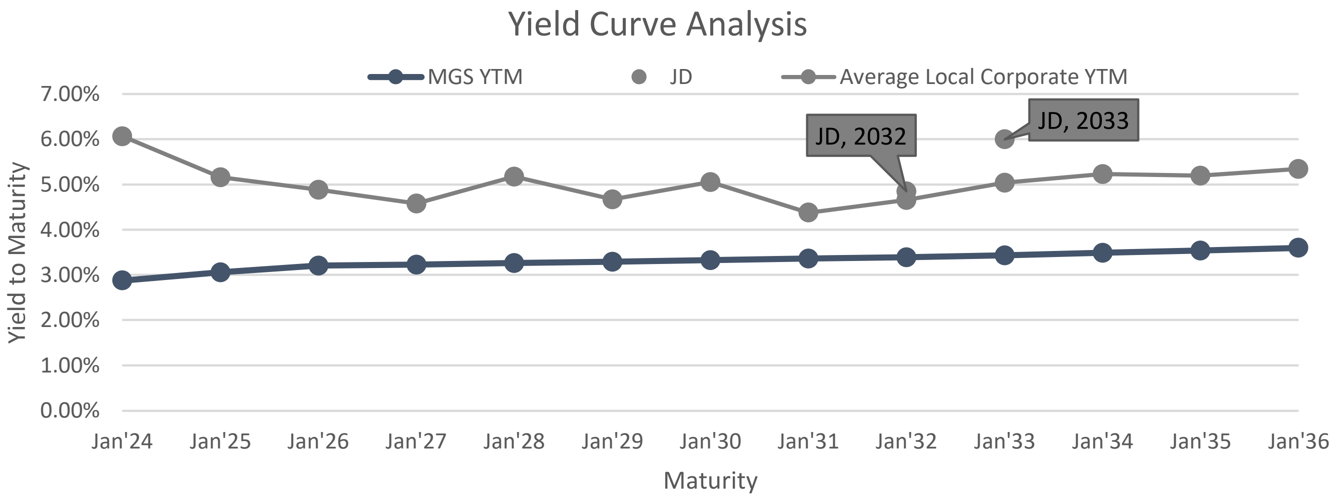
3.5. Comparative Analysis

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	4.40%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	-1.8%
3.75% Tumas Investments plc Unsecured € 2027	25,000	4.28%	7.2x	240.7	146.9	39.0%	22.5%	2.1x	1.8x	6.6%	18.1%	20.0%
4.75% Best Deal Properties Holding Plc Secured € 2025-2027	15,000	5.07%	90.9x	34.3	8.9	74.1%	69.2%	5.8x	3.2x	12.5%	7.7%	4.6%
4.75% Gap Group plc Secured € 2025 - 2027	23,000	4.74%	36.6x	98.6	36.1	63.4%	54.8%	3.4x	2.3x	31.1%	22.7%	45.0%
3.85% Hili Finance Company plc Unsecured € 2028	40,000	4.69%	4.4x	1,030.8	242.9	76.4%	68.2%	4.2x	0.7x	24.0%	5.5%	26.1%
4% Exalco Finance plc Secured € 2028	15,000	4.00%	4.4x	77.8	52.9	32.1%	21.1%	3.9x	0.7x	4.0%	40.9%	3.5%
5.75% Best Deal Properties Holding plc Secured € 2027-2029	15,000	5.39%	90.9x	34.3	8.9	74.1%	69.2%	5.8x	3.2x	12.5%	7.7%	4.6%
3.8% Hili Finance Company plc Unsecured € 2029	80,000	4.69%	4.4x	1,030.8	242.9	76.4%	68.2%	4.2x	0.7x	24.0%	5.5%	26.1%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	4.77%	1.7x	76.3	20.3	73.3%	63.1%	16.9x	2.1x	0.1%	0.2%	9.6%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.39%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	-1.8%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.43%	1.7x	76.3	20.3	73.3%	63.1%	16.9x	2.1x	0.1%	0.2%	9.6%
	Average*	4.74%										

Source: Latest available audited financial statements

Last price as at 06/06/2024

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



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield on the Issuer's bonds.

As at 6 June 2024, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 3-9 years was 148 basis points. Meanwhile, the 4.85% JD Capital plc 2032 bond is trading at a spread of 138 basis points over the equivalent MGSs. Moreover, as at 6 June 2024, the Bond traded at a discount of 9 basis points in comparison to the market of comparable corporate bonds.

Meanwhile, as at 6 June 2024, the 6% JD Capital plc 2033 bond was trading at a spread of 200 basis points over the equivalent MGSs which means that the Bond was trading at a premium of 52 basis points in comparison to the market of comparable corporate bonds.

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).
Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative 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 1	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Interest Coverage Ratio 2	The interest coverage ratio is calculated by dividing EBITDA of one period by finance costs 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	
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	
FY	Financial Year.
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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