Financial Analysis Summary

28 June 2024

Issuer

Juel Group p.l.c.

(C 101395)

Prepared by:

MZ INVESTMENTS

MZ INVESTMENTS

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The Board of Directors
Juel Group p.l.c.
Avian Hill
Triq L-Ispanjulett c/w Triq il-Gallina
Kappara, San Ġwann SĠN 4042
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28 June 2024

Dear Directors,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of this Analysis is that of summarising key financial information appertaining to Juel Group p.l.c. (the "**Issuer**", "**Group**", or "**Juel**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical information for the financial years ended 31 December 2022 and 31 December 2023 has been extracted from the audited consolidated annual financial statements for the year ended 31 December 2023.

(b) The forecast and projected information for the financial years ending 31 December 2024 and 31 December 2025 has been provided by the Issuer.

(c) Our commentary on the financial performance, cash flows, and financial position of the Group is based on explanations provided by Juel.

(d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions of this report.

(e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

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This Analysis is meant to assist existing and potential investors in the Issuer's securities by summarising the more important financial information of the Group. This Analysis does not contain all data that is relevant to investors. This 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 or not invest in any of the Issuer's securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis. As with all investments, existing and potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Head Corporate Broking

M.Z. Investment Services Limited is a private limited liability company licensed to conduct investment services business by the Malta Financial Services Authority under the Investment Services Act. Member of the Malta Stock Exchange. Enrolled Tied Insurance Intermediary under the Insurance Intermediaries Act, 2006 for MAPFRE MSV Life p.l.c.

Company Registration Number: C 23936 | VAT Number: MT 1529 8424

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PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

Juel Group p.l.c. was incorporated on 24 January 2022 and is the holding and finance company of the Group. Following a corporate restructuring which took place on 22 December 2022, the Issuer acquired the entire issued share capital of Juel Hospitality Limited (“**Juel Hospitality**”), Juel Holdings Limited (“**Juel Holdings**”), Muscat Holdings Limited (“**Muscat Holdings**”), and Muscat Holdings (II) Limited (“**Muscat Holdings (II)**”) through a share-for-share exchange process which enabled the Group to consolidate its operations.

Juel Hospitality, Juel Holdings, Muscat Holdings, and Muscat Holdings (II) are the Guarantors of the €32 million 5.50% secured bonds 2035 (the “**2023 Bonds**”) which were listed on the Regulated Main Market (Official List) of the Malta Stock Exchange on 4 July 2023. Subsequently, in Q2 2024, the Issuer also successfully raised €5 million through a Note Issuance Programme (“**2024 Notes**”).

The business activities of the Group are real estate development for resale, property rental operations, and the ownership and operation of a 187-room four-star Hyatt Centric Malta hotel (“**Hyatt Centric Malta**”), situated in Triq Santu Wistin, Swieqi, which is expected to be inaugurated in Q4 2024. The Issuer does not itself carry out any trading activities and is thus entirely dependent on the operations and performance of its subsidiary and associate companies.

2. DIRECTORS AND SENIOR MANAGEMENT

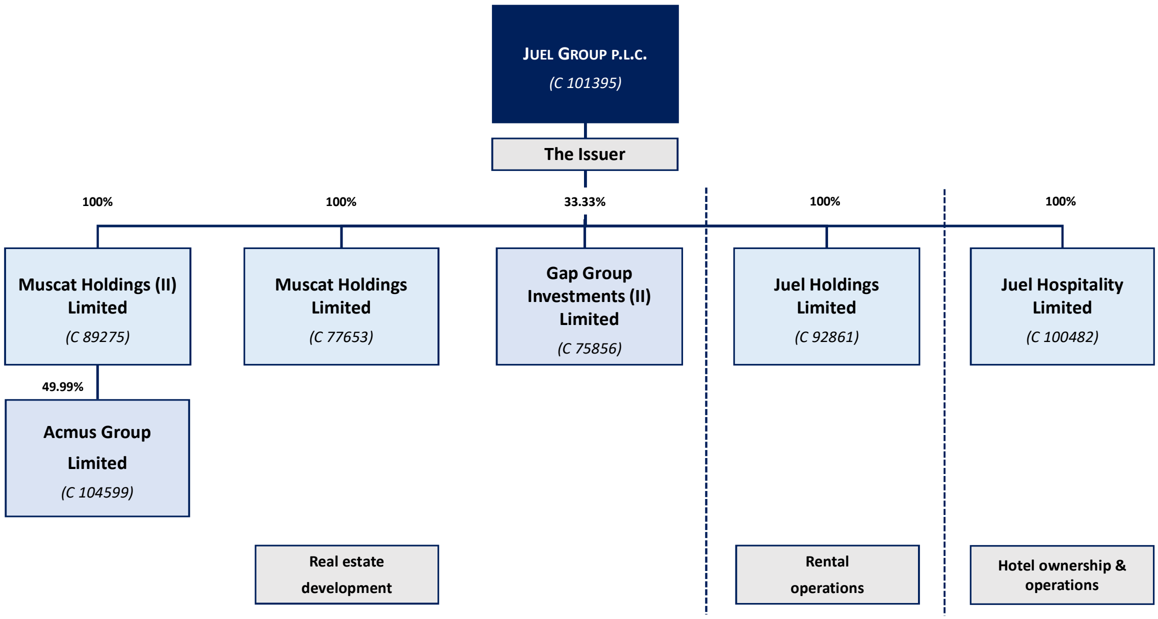
The Board of Directors of the Issuer is composed of the following four individuals who are entrusted with the overall development, direction, oversight, and strategic management of the Group:

Adrian Muscat	Executive Chairman
Justin Cutajar	Executive Director
Dennis Gravina	Independent Non-Executive Director
Robert C. Aquilina	Independent Non-Executive Director
Mario Camilleri	Independent Non-Executive Director

Adrian Muscat is the executive and sole director of Juel Holdings, Muscat Holdings, Muscat Holdings (II), and Juel Hospitality. The executive director is responsible for the strategic management of each Guarantor, including the responsibility for appointing all executive officers and other key personnel. Adrian Muscat is also the sole beneficial owner of the Issuer and is considerably involved in the day-to-day running of the Group. Nonetheless, Adrian Muscat is supported by several consultants and key personnel, and benefits from the know-how gained by the other members and officers of the Group.

3. ORGANISATIONAL STRUCTURE

The chart below illustrates the organisational structure of the Group:



INVESTMENT IN ASSOCIATES

Acmus Group Limited ("**Acmus**") was incorporated on 16 February 2023 and is a joint venture between Juel and The Ona p.l.c.[1] through their respective subsidiaries Muscat Holdings (II) and The Ona Property Development Ltd. The principal objective of Acmus is that of real estate development for resale. During 2023, Acmus acquired two sites (one situated in Mġarr and another in St Julian's) for future development and also entered into Promise of Sale ("**POS**") agreements to acquire other properties. The final deeds related to some of these POS agreements are expected to be concluded in 2024.

On 14 April 2023, Juel acquired the one-third ownership of Gap Group Investments (II) Limited which is the parent company of Gap Group p.l.c. ("**Gap Group**"). The latter is a real estate development company and over the years it issued various bonds listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Currently, Gap Group has two bonds in issue, details of which are summarised in the following table:

Security ISIN	Security	Symbol Code	Amount Issued	Amount Outstanding	Market Price*
MT0001231233	3.90% Gap Group p.l.c. secured and guaranteed 2024-2026	GP26A	€ 21,000,000	€ 16,701,600	100.00%
MT0001231241	4.75% Gap Group p.l.c. secured and guaranteed 2025-2027	GP27A	€ 23,000,000	€ 23,000,000	100.00%
			€ 44,000,000	**€ 39,701,600**	

** As at 15 May 2024.*

[1] In 2022, The Ona p.l.c. had issued €16 million 4.50% secured bonds 2028-2034 which are also listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Furthermore, during 2023, The Ona p.l.c. raised €5 million through the issuance of 6.50% unsecured notes maturing in 2028.

A more detailed description of the operational activities of Gap Group, together with an analysis of its most recent financial performance and the forecasts for the year ending 31 December 2024, are included in an updated Financial Analysis Summary available at https://www.gap.com.mt/investor-information/.

4. SEGMENT INFORMATION

4.1 REAL ESTATE DEVELOPMENT

Besides its investment in Gap Group through Gap Group Investments (II) Limited, Juel is also involved in real estate development for resale through Muscat Holdings and Muscat Holdings (II). **Muscat Holdings** was established on 14 October 2016 and its first project consisted of the construction of a residential complex located in St Julian's comprising three buildings having an aggregate of 31 units and 23 underlying garages. Construction works commenced in 2017 and the development was completed and sold by the initial part of 2020.

Thereafter between Q3 2018 and Q1 2020, Muscat Holdings developed three residential buildings in Birkirkara. One of these buildings, comprising of 13 units and 9 garages, was sold between 2020 and 2021. Another building comprising 9 units was reserved for an independent third party as settlement of an existing liability. The third building – Wigna Rail Court A ("**Wigna Rail**") – consisting of 14 units and 9 garages is leased by Muscat Holdings to Juel Holdings which, in turn, sub-leases the properties for the short term.

Between Q3 2019 and Q3 2020, Muscat Holdings developed another residential complex located in Kappara ("**Avian Hill**") comprising 10 units, a street level retail outlet, and 3 underlying garages. The retail outlet was later converted to an office which is used by the Group whilst the remaining properties are leased for the short term to independent third parties through Juel Holdings.

Muscat Holdings (II) was established on 7 November 2018 and in 2019 it acquired a plot of land located in Mġarr, and two plots in Naxxar. The land in Mġarr was developed into a residential building comprising 14 units and 15 garages whilst the plots in Naxxar were developed into a residential building comprising 10 units and 12 garages. All properties were sold between 2021 and 2022.

In February 2022, Muscat Holdings (II) acquired a plot of land in Triq il-Baħħara, Marsascala, for the purpose of developing 28 residential units, 1 commercial outlet, and 35 lock-up garages ("**Portoscala**"). Construction works commenced in Q3 2022 and the project was finished in March 2024 at a cost of circa €5.40 million (inclusive of land acquisition cost). The project was funded through bank borrowings and accumulated reserves. As at the end of 2023, 2 residential units and 1 garage were subject to POS agreement. It is expected that the total proceeds from the sale of Portoscala will amount to €7.80 million.

In November 2022, Muscat Holdings (II) acquired three adjacent properties in Triq il-Ħut, Marsascala, for the purpose of redeveloping the site into 25 residential units, 1 commercial outlet, and 18 lock-up garages ("**Solea**"). Construction works commenced in February 2023 and the project is expected to be completed and finished in Q3 2024 at a cost of circa €4.40 million (inclusive of land acquisition cost). The project was funded through bank borrowings and accumulated reserves. It is expected that the total proceeds from the sale of Solea will amount to €6.40 million.

4.2 RENTAL OPERATIONS

Juel Holdings was incorporated on 8 August 2019 and principally acts as a property rental company. Apart from the sub-lease of Wigna Rail and Avian Hill, Juel Holdings owns a residential complex in Luqa – Fairwinds Block L ("**Fairwinds**") – comprising 10 units and 10 underlying garages which are leased for the long term to an independent third party. Conversely, Wigna Rail and Avian Hill are operated under the 'StayMela' brand and are primarily sub-leased for the short term to tourists seeking a more affordable alternative to hotels. Wigna Rail and Avian Hill achieved an average occupancy of 79% in 2023 compared to 83% in 2022. As such, Juel Holdings attributes the success of its operations under the 'StayMela' brand to its pricing strategy, high quality services, as well as the comfort and convenience of its residential units.

4.3 HOTEL OPERATIONS

In September 2022, the Group acquired two adjacent villas lying over an area measuring almost 1,000 sqm in Swieqi for a total consideration of circa €18.50 million. Demolition and excavation works were completed in Q1 2023, and construction of the Hyatt Centric Malta began in Q2 2023.[2] The total cost of the project is expected to be in the region of €46 million and is being financed through listed bonds, unlisted notes, bank borrowings, as well as a loan of €2 million granted by Hyatt International (Europe Africa Middle East) LLC ("**Hyatt International**")[3] to Juel Hospitality.

Once inaugurated in Q4 2024, the Hyatt Centric Malta will be operated by Juel Hospitality pursuant to a franchise agreement with Hyatt International. In view of the anticipated opening of the hotel in the coming months, Juel Hospitality is in the process of engaging the required staff and key persons who will form part of a team structure that will allow for the integration of personnel in a manner that maximises efficiency. The management of Hyatt Centric Malta will be led by a core team headed by a general manager approved by Hyatt International.

The franchise agreement with Hyatt International is for a period of 25 years from the opening of the Hyatt Centric Malta and may be further extended for up to two successive periods of five years each. Furthermore, the franchise agreement is on a non-exclusive basis and will allow Juel Hospitality to use the Hyatt Centric brand, proprietary marks, and systems for the operation of the hotel. The Hyatt Centric brand forms part of Hyatt's 'Boundless Collection'[4] which is ultimately owned by Hyatt Hotels Corporation.[5] Whilst Hyatt Centric Malta will not be the first Hyatt branded hotel in Malta, on the other hand it will be the first to operate under the Hyatt Centric brand.

[2] 27 out of the 187 hotel rooms will be interconnected. The hotel will also feature a number of restaurants, a spa, and pool facilities (indoor and outdoor), as well as all the required amenities in line with the standards that are synonymous with the Hyatt Centric brand.
[3] Hyatt International is a limited liability company organised and existing under the laws of Switzerland.
[4] Hyatt's two other brand categories are 'Timeless Collection' and 'Inclusive Collection'.
[5] Hyatt Hotels Corporation is listed on the New York Stock Exchange. Further information is available at: https://investors.hyatt.com.

5. ECONOMIC AND SECTOR ANALYSIS

5.1 ECONOMIC UPDATE[6]

Following the strong rebound in economic activity in 2021 and 2022 that resulted in Malta's gross domestic product ("GDP") to expand by 12.6% (euro area [EA]: 5.9%) and 8.2% (EA: 3.4%) respectively in real terms, the European Commission ("EC"), in its most recent update issued in February 2024, upgraded the estimated growth of the Maltese economy in 2023 to 6.1% (EA: 0.5%) from the previous forecast of 4.0% (EA: 0.6%). Furthermore, the EC raised the projected growth for 2024 and 2025 to 4.6% (EA: 0.8%) and 4.3% (EA: 1.5%) respectively from the prior estimates of an increase in GDP of 4.0% in 2024 (EA: 1.2%) and 4.2% in 2025 (EA: 1.6%).

In this regard, the EC noted that its more favourable view of the Maltese economy is due to the robust underlying dynamics of private consumption and net exports, and the continued robust performance of the tourism sector. Furthermore, following a weaker construction activity in 2023, investment growth is expected to pick-up in 2024 and 2025.

Despite the more positive assessment of the rate of growth of the Maltese economy, the EC lowered the inflation estimate for 2023 to 5.6% (EA: 5.4%) from the previous forecast of 5.7% (EA: 5.6%). In 2022, Malta's inflation rate stood at 6.1% (EA: 8.4%) compared to 0.8% in 2020 (EA: 0.3%) and 0.70% in 2021 (EA: 2.6%). Similarly, the EC is now expecting inflation in Malta to converge earlier to the European Central Bank target of 2.0% as it reduced the forecast and projected inflation for 2024 and 2025 to 2.9% (EA: 2.7%) and 2.7% (EA: 2.2%) respectively from the previous estimates of 3.3% in 2024 (EA: 3.2%) and 3.1% in 2025 (EA: 2.2%).

Meanwhile, in its more detailed update issued in November 2023, the EC had explained that Malta's labour market remained robust as employment increased by 6.2% in 2022 and continued to grow very strongly in 2023. The positive trend in the demand for labour across all sectors of the economy, particularly in the tourism sector and administrative services, led the unemployment rate to fall to 2.9% in 2022 (EA: 6.8%) from 4.4% in 2020 (EA: 8.0%) and 3.4% in 2021 (EA: 7.7%). Moreover, the EC expects Malta's unemployment rate to trend marginally lower and stabilise at 2.7% which is much lower that the corresponding rate of 6.4% in 2025 for the euro area.

Regarding Malta's fiscal position, after climbing to 9.6% of GDP in 2020 (EA: 7.1%), Malta's government deficit eased to 7.5% (EA: 5.2%) and 5.7% (EA: 3.6%) in 2021 and 2022 respectively. In 2023, the government's deficit is estimated to have fallen further to 5.1% of GDP (EA: 3.2%) amid a reduction of the cost of the measures aimed at mitigating the impact of high energy prices (accounting for 1.6% of GDP compared to 2.3% in 2022) and a slower growth in the compensation of employees and social benefits than the rate of growth in nominal GDP.

[6] **Sources:** European Commission, *European Economic Forecast Autumn 2023*, 15 November 2023.
European Commission, *European Economic Forecast Winter 2024 (Interim)*, 15 February 2024.

Despite the higher debt servicing costs, in 2024 the government's deficit is expected to drop to 4.6% (EA: 2.8%) amid the phasing out of the costs supporting the operations of Air Malta. Furthermore, social benefits and intermediate consumption expenditures are anticipated to grow at a slower pace than nominal GDP. On the other hand, the net budgetary cost of energy-related measures is projected to increase to 2.0% of GDP. In 2025, the reduction of the government deficit to 4.1% of GDP (EA: 2.7%) is projected to be driven by the decline in the cost of energy related measures as percentage of GDP (1.0%), intermediate consumption expenditure, as well as slower growth in the costs associated with social benefits. Overall, however, the government debt-to-GDP ratio is anticipated to reach 57.2% in 2025 (EA: 89.5%) which would be 5 percentage points higher than the level of 52.2% in 2020 (EA: 99.1%).

Key Economic Indicators [1 2]	**2020** **Actual**	**2021** **Actual**	**2022** **Actual**	**2023** **Forecast**	**2024** **Forecast**	**2025** **Projection**
Malta						
Real GDP growth *(%, year-on-year)* [2]	(8.10)	12.60	8.20	6.10	4.60	4.30
Real GDP growth per capita *(%, year-on-year)* [1]	(10.10)	11.70	4.50	1.30	1.80	1.90
Inflation *(%, year-on-year)* [2 3]	0.80	0.70	6.10	5.70	3.30	3.10
Unemployment (%) [1]	4.40	3.40	2.90	2.70	2.70	2.70
Primary balance *(% of GDP)* [1]	(8.30)	(6.40)	(4.80)	(4.00)	(3.30)	(2.70)
General balance *(% of GDP)* [1]	(9.60)	(7.50)	(5.70)	(5.10)	(4.60)	(4.10)
Gross public debt *(% of GDP)* [1]	52.20	54.00	52.30	53.30	55.80	57.20
Current account balance *(% of GDP)* [1]	2.50	5.70	0.60	4.20	5.70	5.90
Euro area (20)						
Real GDP growth *(%, year-on-year)* [2]	(6.10)	5.90	3.40	0.50	0.80	1.50
Real GDP growth per capita *(%, year-on-year)* [1]	(6.20)	5.90	3.00	0.10	0.90	1.30
Inflation *(%, year-on-year)* [2 3]	0.30	2.60	8.40	5.60	3.20	2.20
Unemployment (%) [1]	8.00	7.70	6.80	6.60	6.60	6.40
Primary balance *(% of GDP)* [1]	(5.50)	(3.80)	(1.90)	(1.50)	(1.00)	(0.70)
General balance *(% of GDP)* [1]	(7.10)	(5.20)	(3.60)	(3.20)	(2.80)	(2.70)
Gross public debt *(% of GDP)* [1]	99.10	96.50	92.50	90.40	89.70	89.50
Current account balance *(% of GDP)* [1]	2.30	3.60	1.00	2.50	2.60	2.70
EU						
Real GDP growth *(%, year-on-year)* [2]	(5.60)	6.00	3.40	0.50	0.90	1.70
Real GDP growth per capita *(%, year-on-year)* [1]	(5.70)	6.10	3.30	-	1.10	1.60
Inflation *(%, year-on-year)* [2 3]	0.70	2.90	9.20	6.50	3.50	2.40
Unemployment (%) [1]	7.20	7.10	6.20	6.00	6.00	5.90
Primary balance *(% of GDP)* [1]	(5.30)	(3.40)	(1.70)	(1.50)	(1.00)	(0.70)
General balance *(% of GDP)* [1]	(6.70)	(4.70)	(3.30)	(3.20)	(2.80)	(2.70)
Gross public debt *(% of GDP)* [1]	91.70	88.90	84.80	83.10	82.70	82.50
Current account balance *(% of GDP)* [1]	2.40	3.30	0.90	2.50	2.50	2.50

[1] **Source:** *European Commission, 'European Economic Forecast Autumn 2023, 15 November 2023.*

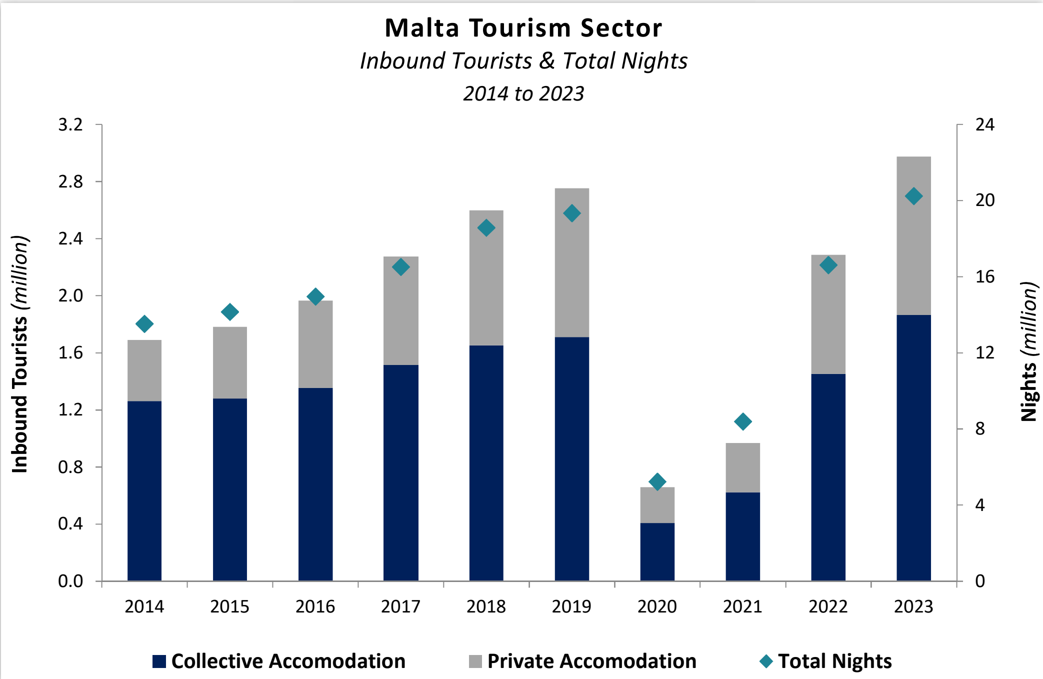
[2] **Source:** *European Commission, 'European Economic Forecast Winter 2024 (Interim)', 15 February 2024.*

[3] *Harmonised Indices of Consumer Prices ("HICP")*

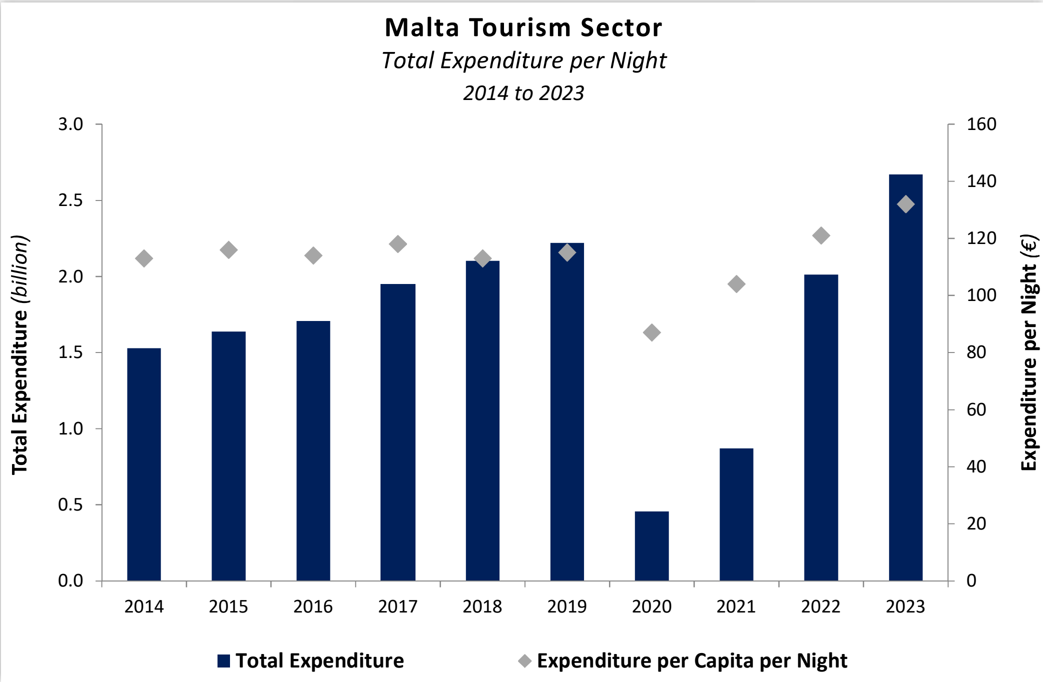
5.2 HOSPITALITY[7]

Total inbound tourists to Malta amounted to just over 3 million in 2023 (2022: 2.33 million)[8], thus exceeding the previous high of 2.77 million recorded in 2019 by 8.33%. Overall, inbound tourists spent a total of 20.24 million nights (2019: 19.34 million), or 6.80 nights per inbound tourist (2019: 7.02 nights per inbound tourist), the majority of which (17.12 million) were spent in rented accommodation which comprises collective accommodation (10.57 million nights)[9] and other rented accommodation (6.55 million nights).[10] On the other hand, inbound tourists only spent 3.12 million nights at non-rented accommodation.[11] Accordingly, inbound tourists spent a total of 10.57 million nights at collective accommodation (or 52.20% of the total nights spent) whilst the remaining portion (9.68 million nights – or 47.80%) were spent at private accommodation.

The total expenditure by inbound tourists in 2023 amounted to €2.67 billion which was 20.30% higher than the previous all-time high of €2.22 billion recorded in 2019. This also translated into an spend of €132 per inbound tourist per night which was 14.78% higher than the expenditure of €115 per inbound tourist per night registered in 2019. When adjusted for inflation, the expenditure per inbound tourist per night in 2023 stood at €125 compared to €113 in 2019.



[7] **Source:** National Statistics Office, available at: https://nso.gov.mt/tourism/.
[8] Including overnight cruise passenger which in 2023 amounted to 27,153 visitors (2022: 43,723 visitors).
[9] Collective accommodation comprises hotels, guesthouses, hostels, tourist villages, holiday complexes, bed & breakfast, and campsites.
[10] Other rented accommodation comprises holiday furnished premises (farmhouses, flats, and villas), host families, marinas, convents, rented yachts, and student dormitories.
[11] Non-rented accommodation typically comprises private residences (owned dwellings, caravans, and, or yachts), stays with friends or relatives, and other private accommodation such as timeshare.



Almost 68% (or 2.02 million) of inbound tourists in 2023 came from EU countries, of which 80.58% represented markets within the euro area, the largest of which were Italy (0.55 million inbound tourists who spent circa €107 per capita per night), followed by France (0.29 million inbound tourists / €127 per capita per night), and Germany (0.22 million inbound tourists / €133 per capita per night). Outside of the euro area, the largest markets were the United Kingdom (0.54 million inbound tourists / €148 per capita per night), followed by Poland (0.17 million inbound tourists / €120 per capita per night), and Sweden (0.11 million inbound tourists / €120 per capita per night).

The bulk of inbound tourists visiting Malta in 2023 were for leisure purposes (2.71 million) who opted not to take a packaged holiday (2.23 million). Similarly, the large majority (2.31 million – or 77.47%) where first-time tourists whilst the number and percentage of repeat tourists trended lower when compared to 2019. In fact, 0.67 million were repeat tourists in 2023, representing 22.53% of the inbound tourists, compared to a total of 0.70 million in 2019 who represented 25.32% of the inbound tourists who visited Malta that year.

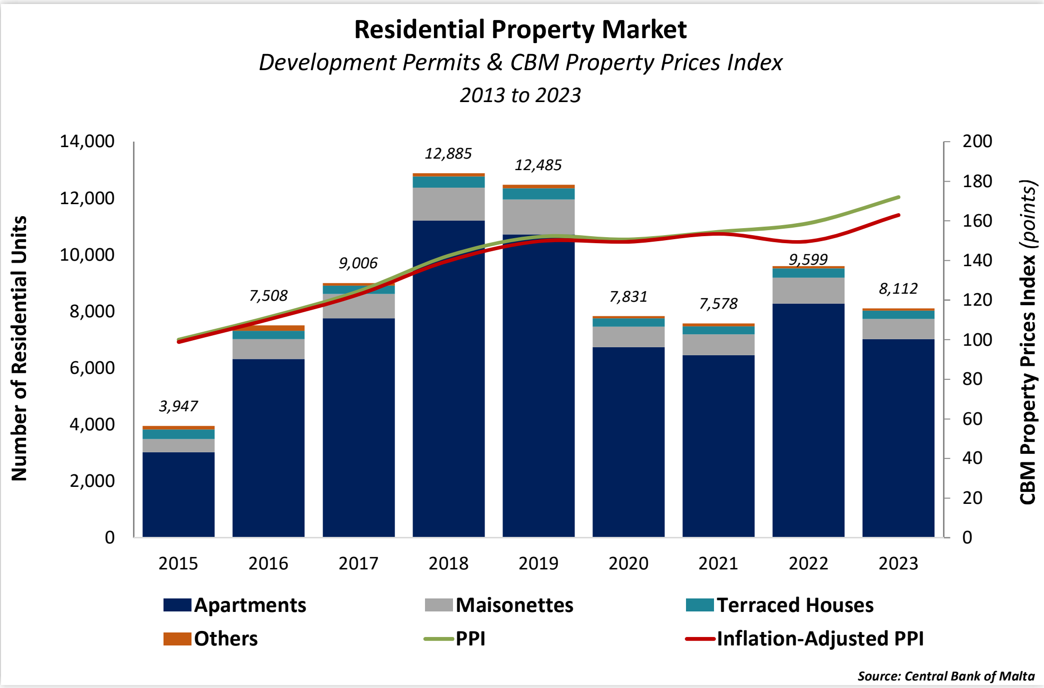
In terms of the demographic profile of inbound tourists in 2023, 0.66 million (or 22.14%) were below 25 years, 1.16 million (or 38.97%) were aged between 25 years and 44 years, 0.89 million (or 29.79%) were aged between 45 years and 64 years, whilst the remaining portion amounting to 0.27 million (or 9.10%) were over 64 years. All age brackets contracted slightly as a proportion of inbound tourists in 2023 when compared to 2019, except for the youngest tourists aged below 25 years as this section gained 2.36 percentage points relative to 2019.

5.3 PROPERTY MARKET[12]

DEVELOPMENT PERMITS FOR DWELLINGS

Data provided by the Central Bank of Malta ("**CBM**") and the National Statistics Office ("**NSO**") shows that in 2023, the total number of permits for the construction of new dwellings increased by 24.78% to 1,586 permits (2022: 1,271 permits). However, the total number of approved new residential units declined by 15.49% year-on-year to 8,112 units, mostly comprising apartments which totalled 7,026 units (2022: 8,280 apartments) representing 86.61% of the total number of approved new units in 2023. The sharpest year-on-year percentage decline in the number of approved residential units was for the construction of new maisonettes (-21.76% to 712 units), followed by apartments (-15.14%), and terraced houses (-12.31% to 292 units). On the other hand, other type of dwellings including villas, bungalows, and farmhouses increased by 7.89% to 82 units.

The highest ever number of approved new residential units in a single year took place in 2018 as 2,363 permits were issued for the construction of a total of 12,885 residential units. Between 2019 and 2021, the total number of approved new residential units trended lower each year, reaching a five-year low of 7,578 units in 2021 before rebounding strongly by 26.67% to 9,599 new units in 2022.

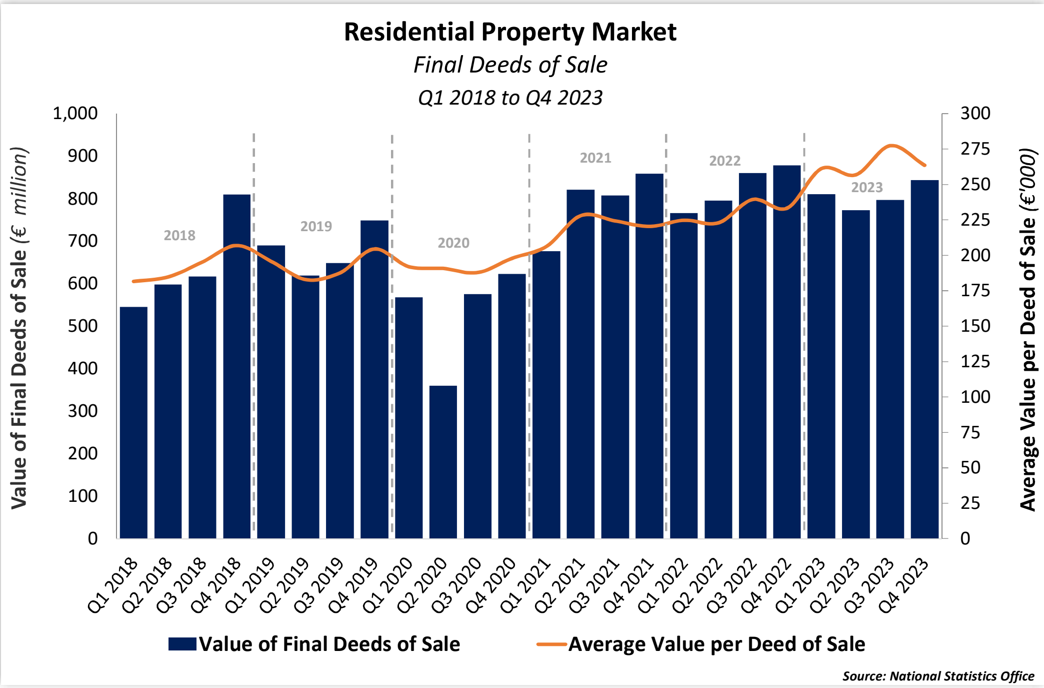


[12] **Sources:** Central Bank of Bank and National Statistics Office online portals at *https://www.centralbankmalta.org/real-economy-indicators* and *https://nso.gov.mt/property* respectively.

PROPERTY PRICES & TRANSACTIONS

In nominal terms, the **CBM Property Prices Index** – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – reached an all-time high of 172.01 points in 2023, representing a significant increase of 8.28% over the prior year (158.86 points). The sharpest year-on-year percentage increase took place in the prices of 'other property' comprising town houses, houses of character and villas, which saw their advertised prices increase by an aggregate 10.57% in 2023. The advertised prices of apartments and maisonettes also increased markedly in 2023 by 9.80% and 9.20% respectively, whilst the advertised prices of terraced houses contracted by a minimal 0.17%. In real terms, the CBM Property Prices Index increased by 8.86% in 2023 (the strongest uplift since 2018), thus erasing to prior year's decline of 2.45% to reach an inflation-adjusted record reading of 162.95 points.

The **NSO Property Price Index** – which is based on actual transactions involving apartments, maisonettes, and terraced houses – reached an all-time high of 151.08 points as at the end of Q2 2023 – representing a year-on-year increase of 4.46% in nominal terms. During 2023, a total of 12,178 final deeds of sale were registered compared to 14,368 deeds in 2021 and 14,331 deeds in 2022. However, the total value of final deeds of sale dropped by only 2.35% in 2023 to €3.22 billion (or €3.05 billion in real terms) compared to the record of just under €3.30 billion (or €3.11 billion in real terms) registered in 2022. Furthermore, the average value per deed of sale reached an all-time high of €0.26 million (or €0.25 million in real terms) compared to €0.22 million in 2021 and €0.23 million in 2022.



PART 2 – PERFORMANCE REVIEW

6. FINANCIAL ANALYSIS

The historical information is extracted from the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2023.

The forecast and projected information has been provided by the Group and is based on future events and assumptions which Juel believes to be reasonable. Accordingly, the actual outcome may be adversely affected by unforeseen circumstances and the variation between forecasts and projections with actual results may be material.

Juel Group p.l.c. Income Statement for the financial year 31 December	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000	2025 Projection €'000
Hotel operations	-	-	*1,667*	*9,700*
Real estate development	-	*20*	*3,701*	*9,590*
Rental activities	*5*	*730*	*721*	*728*
Revenue	**5**	**750**	**6,089**	**20,018**
Net operating expenses	(7)	(624)	(4,986)	(12,798)
EBITDA	**(2)**	**126**	**1,103**	**7,220**
Depreciation	(1)	(37)	(502)	(985)
Adjusted operating profit / (loss)	**(3)**	**89**	**601**	**6,235**
Change in fair value of investment property	-	1,100	-	-
Operating profit / (loss)	**(3)**	**1,189**	**601**	**6,235**
Share of result of associates	-	3,230	1,842	2,405
Net finance income / (costs)	2	61	(980)	(2,307)
Profit / (loss) before tax	**(1)**	**4,480**	**1,463**	**6,333**
Taxation	2	(137)	(339)	(840)
Profit for the year	**1**	**4,343**	**1,125**	**5,493**
Other comprehensive income				
Hotel revaluation, net of tax	-	-	2,215	560
Total comprehensive income for the year	**1**	**4,343**	**3,340**	**6,053**

Juel Group p.l.c. Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Forecast	FY2025 Projection
EBITDA margin (%) *(EBITDA / revenue)*	(40.00)	16.80	18.11	36.07
Operating profit margin (%) *(Operating profit / revenue)*	(60.00)	158.53	9.87	31.15
Net profit margin (%) *(Profit after tax / revenue)*	20.00	579.07	18.47	27.44
Return on equity (%) *(Profit after tax / average equity)*	0.01	23.98	4.17	17.36
Return on assets (%) *(Profit after tax / average assets)*	0.00	7.68	1.45	6.67
Return on invested capital (%) *(Operating profit / average equity plus net debt)*	(0.01)	2.61	0.93	8.93
Interest cover (times) *(EBITDA / net finance costs)*	n/a	n/a	1.13	3.13

INCOME STATEMENT

The Issuer did not undertake any business activity during **FY2022**. However, total revenues amounted to €0.75 million in **FY2023** largely reflecting the rental income received from Wigna Rail, Avian Hill, and Fairwinds. After deducting net operating costs of €0.62 million, EBITDA stood at €0.13 million and translated into a margin of 16.80%. The financial performance of the Group was boosted by a gain of €1.10 million in the fair value of investment property (i.e., the 34 residential units which the Group manages for short or long let purposes) as well as the share of result from associates (namely, Gap Group and Acmus) amounting to €3.23 million.

Overall, the Issuer reported a profit for the year of €4.34 million which translated into a return on equity of 23.98% and a return on assets of 7.68%.

FY2024 is expected to include the first in income (amounting to €1.67 million) from the Hyatt Centric Malta which is expected to be inaugurated in Q4 2024. While income from rental operation is expected to remain relatively unchanged year-on-year, revenues from the sale of property is anticipated to rise to €3.70 million reflecting the proceeds emanating from Portoscala. As a result, total revenues for the year are envisaged to amount to €6.09 million which is considerably lower than the projected figure of €12.02 million as provided at the time of the issuance of the 2023 Bonds. The main reason for this relative underperformance is due to delays in the completion of the Group's real estate development projects. Accordingly, whilst Juel's financial performance in FY2024 is expected to be inferior when compared to prior projections, on the other hand since the income from the sale of property is now envisaged to be realised in FY2025, the aggregate financial performance of the Group over the two-year period is anticipated to be unaffected.

In view of the year-on-year growth in business, net operating expenses are estimated to increase to €4.99 million in FY2024, thus resulting in an EBITDA of €1.10 million which would translate into a margin of 18.11%. This level of EBITDA would also be 1.13 times the forecasted net finance costs of €0.98 million. Meanwhile, after taking into account depreciation charges of €0.50 million, the target operating profit of €0.60 million would translate into a margin of 9.87% and a return on invested capital of 0.93%.

The Group's share of result of associates is projected at €1.84 million, thus boosting the profit for the year to €1.13 million after accounting for tax charges of €0.34 million. Total comprehensive income is expected to include other comprehensive income of €2.22 million emanating from a positive adjustment to the fair value of Hyatt Centric Malta.

The updated projections for **FY2025** include some of the income from the sale of property which, at the time of the issuance of the 2023 Bonds, was envisaged to be accounted for in FY2024. As a result, the Group revised higher its financial targets for FY2025, partly also reflecting a better-than-previously-expected contribution from Hyatt Centric Malta is now expected to generate revenues of €9.70 million compared to the prior target of €7.14 million. Moreover, Juel's revenues will be boosted from the sale of property forming part of Portoscala (€3.70 million) and Solea (€5.89 million), whilst income from rental activities is projected to remain virtually unchanged at €0.73 million year-on-year.

Net operating expenses are anticipated to amount to €12.80 million, thus leading to an EBITDA of €7.22 million which would translate into a margin of 36.07%. This level of EBITDA would also be 3.13 times the estimated net finance costs of €2.31 million. Meanwhile, after taking into account depreciation charges of almost €1 million, the target operating profit of €6.24 million would translate into a margin of 31.15% and a return on invested capital of 8.93%.

The Group's share of result of associates is projected at €2.41 million, thus lifting the profit for the year to €5.49 million after accounting for tax charges of €0.84 million. In view of the estimated uplift in profitability, the return on equity and the return on assets are envisaged to improve markedly year-on-year to 17.36% and 6.67% respectively, whilst the net profit margin is likewise anticipated to trend higher to 27.44% from the targeted level of 18.47% in FY2024.

Total comprehensive income for FY2025 is also expected to include other comprehensive income of €0.56 million emanating from a further positive adjustment to the fair value of Hyatt Centric Malta.

Juel Group p.l.c. Statement of Cash Flows for the year ending 31 December	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000	2025 Projection €'000
Net cash from / (used in) operating activities	(99)	(1,978)	8,325	12,489
Net cash from / (used in) investing activities	1,260	(15,578)	(20,480)	(2,001)
Free cash flow	**1,161**	**(17,556)**	**(12,155)**	**10,488**
Net cash from / (used in) financing activities	3	25,680	3,975	(3,244)
Net movement in cash and cash equivalents	**1,164**	**8,124**	**(8,180)**	**7,244**
Cash and cash equivalents at beginning of year	-	1,164	9,288	1,108
Cash and cash equivalents at end of year	**1,164**	**9,288**	**1,108**	**8,352**

STATEMENT OF CASH FLOWS

The Group increased its cash and cash equivalents by €8.12 million in **FY2023**, and thus closed the year with a balance of €9.29 million compared to €1.16 million as at 31 December 2022.

Net cash used in operating activities amounted to €1.98 million and was mainly adversely affected by negative movements in working capital. Similarly, Juel used €15.58 million for its investing activities primarily reflecting the acquisition of subsidiary for €9.57 million as well as the purchase of fixed assets amounting to €6.07 million.

Supporting the Group's cash flows was an inflow of €25.68 million mostly deriving from net additional borrowings of €18.16 million as well as proceeds from share premium and the issue of share capital amounting to €1.89 million and €8.11 million respectively. During the year, Juel also used €2.49 million for transactions with related parties.

The Group's cash flows in **FY2024** are expected to continue to be adversely affected by the investment in Hyatt Centric Malta and by the activity in real estate development. In fact, net cash used in investing activities is expected to amount to €20.48 million, which is anticipated to outweigh the aggregate level of net cash flows from operating (€8.33 million) and financing (€3.98 million) activities. The latter includes the proceeds from the issuance of the 2024 Notes which took place in Q2 2024.

In contrast, Juel is projecting a substantial improvement in its cash balances in **FY2025** to end the year at a level of €8.35 million compared to the forecasted figure of €1.11 million as at 31 December 2024.

Net cash from operating activities are anticipated to increase considerably to €12.49 million reflecting the twelve-month contribution from Hyatt Centric Malta as well as the proceeds from the sale of property appertaining to both Portoscala and Solea. On the other hand, net cash used in investing activities is projected at €2 million whilst a further €3.24 million is estimated to be used in financing activities, namely towards the reduction of bank borrowings.

Juel Group p.l.c. Statement of Financial Position as at 31 December	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000	2025 Projection €'000
ASSETS				
Non-current assets				
Property, plant and equipment	21,129	27,158	46,239	46,230
Investment property	10,700	11,800	11,800	11,800
Investment in associates	-	12,802	13,699	14,724
	31,829	**51,760**	**71,738**	**72,754**
Current assets				
Inventory	6,188	8,858	8,383	1,500
Trade and other receivables	919	3,099	436	489
Cash and cash equivalents	1,164	9,288	1,108	8,352
	8,271	**21,245**	**9,927**	**10,341**
Total assets	**40,100**	**73,005**	**81,665**	**83,095**
EQUITY				
Capital and reserves				
Called up share capital	10,951	19,066	19,066	19,066
Share premium	-	1,892	1,892	1,892
Other equity	(18)	(18)	(18)	(18)
Revaluation reserve	-	-	2,215	2,775
Retained earnings	1	4,344	5,469	10,962
	10,934	**25,284**	**28,624**	**34,677**
LIABILITIES				
Non-current liabilities				
Bonds	-	32,000	36,464	36,526
Bank borrowings	6,064	6,888	2,000	1,850
Deferred taxation	856	944	2,049	2,350
	6,920	**39,832**	**40,513**	**40,726**
Current liabilities				
Bank borrowings	8,000	2,828	6,066	2,900
Other financial liabilities	9,488	-	-	-
Capital creditors	-	-	3,482	1,703
Trade and other payables	4,758	5,061	1,818	1,917
Other current liabilities	-	-	1,162	1,172
	22,246	**7,889**	**12,528**	**7,692**
Total liabilities	**29,166**	**47,721**	**53,041**	**48,418**
Total equity and liabilities	**40,100**	**73,005**	**81,665**	**83,095**
Total debt	*23,552*	*41,716*	*44,530*	*41,276*
Net debt	*22,388*	*32,428*	*43,422*	*32,924*
Invested capital (total equity plus net debt)	*33,322*	*57,712*	*72,046*	*67,601*

Juel Group p.l.c. Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Forecast	FY2025 Projection
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	n/a	257.37	39.37	4.56
Net debt-to-equity (times) *(Net debt / total equity)*	2.05	1.28	1.52	0.95
Net gearing (%) *(Net debt / net debt plus total equity)*	67.19	56.19	60.27	48.70
Debt-to-assets (times) *(Total debt / total assets)*	0.59	0.57	0.55	0.50
Leverage (times) *(Total assets / total equity)*	3.67	2.89	2.85	2.40
Current ratio (times) *(Current assets / current liabilities)*	0.37	2.69	0.79	1.34

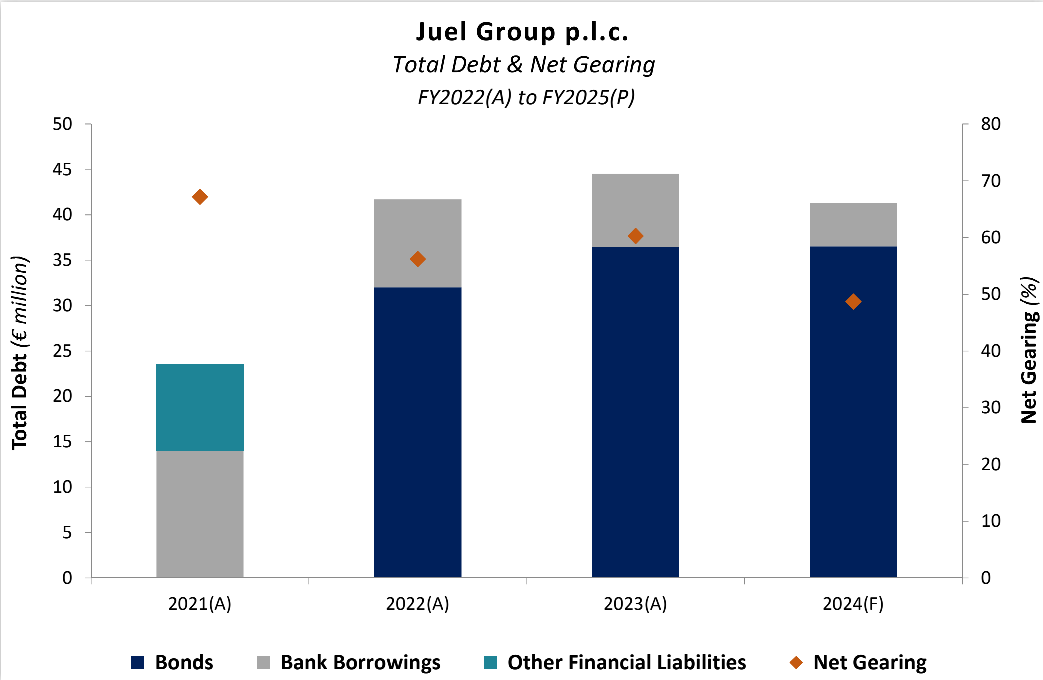
STATEMENT OF FINANCIAL POSITION

During **FY2023**, the Group increased its asset base by €32.91 million to €73.01 million (31 December 2022: €40.10 million). The sharpest year-on-year movement was the addition of Juel's investments in Gap Group and Acmus, followed by the increases in cash and property, plant, and equipment ("**PPE**"). Likewise, the Issuer ended the year with higher levels of inventory (namely, real estate earmarked for resale) and trade and other receivables, whilst the value of investment property (comprising the Group's rental portfolio) rose by €1.10 million to €11.80 million.

Juel's equity base expanded by €14.35 million to €25.28 million (31 December 2022: €10.93 million) on the back of the increases in share capital, share premium, and retained earnings. Total liabilities also increased notably to €47.72 million (31 December 2022: €29.17 million), reflecting the higher level of debt which reached €41.72 million compared to €23.55 million as at the end of FY2022. However, the Issuer's debt ratios registered improvement year-on-year as the net gearing ratio eased to 56.19% (31 December 2022: 67.19%) whilst the net debt-to-equity ratio slipped to 1.28 times (31 December 2022: 2.05 times). Similarly, the debt-to-assets ratio and the leverage ratio dropped to 0.57 times and 2.89 times respectively, from 0.59 times and 3.67 times as at the end of FY2022.

The Group's asset base is projected to expand by 13.82% over **FY2024** and **FY2025** to a level of €83.10 million by the end of FY2025, largely driven by the increase in the value of PPE to over €46 million compared to €27.16 million as at 31 December 2023. Partly offsetting this uplift are the anticipated reductions in the value of inventory (reflecting the sale of property forming part of Portoscala and Solea) and trade and other receivables. Meanwhile, despite the estimated reduction in current assets to €10.34 million by the end of FY2025 compared to €21.25 million as at 31 December 2023, the projected current ratio of 1.34 times as at the end of FY2025 would still reflect the Group's strong liquidity position when taking into consideration the short-term obligations of the Issuer.

Juel's equity position is expected to strengthen materially over the projected period to €34.68 million by the end of FY2025 mostly reflecting the increase in retained earnings. On the other hand, total liabilities are estimated to drop to €48.42 million by 31 December 2025 after reaching €53.04 million by the end of FY2024, largely reflecting the movement in total debt which is projected to be at €41.28 million as at 31 December 2025. Overall, the Group is envisaging a notable improvement in its debt metrics over the projected period, with the net debt-to-equity ratio and the net gearing ratio easing to 0.95 times and 48.70% respectively by the end of FY2025. Likewise, the debt-to-assets ratio and the leverage ratio are anticipated to drop to 0.50 times and 2.40 times respectively, whilst the net debt-to-EBITDA multiple is targeted at a level of 4.56 times for FY2025.



7. VARIANCE ANALYSIS

The following is an analysis of the major variances between the projected financial information for the year ended 31 December 2023 included in the Analysis dated 6 June 2023 and the audited consolidated annual financial statements for the year ended 31 December 2023.

Juel Group p.l.c. **Income Statement** **for the financial year 31 December**	**2023** **Actual** **€'000**	**2023** **Projection** **€'000**	
Real estate development	*20*	*2,975*	***(1)***
Rental activities	*730*	*315*	***(2)***
Revenue	**750**	**3,290**	
Net operating expenses	(624)	(2,217)	***(3)***
EBITDA	**126**	**1,073**	***(4)***
Depreciation	(37)	(27)	
Adjusted operating profit	**89**	**1,046**	
Change in fair value of investment property	1,100	-	***(5)***
Operating profit	**1,189**	**1,046**	
Share of result of associates	3,230	3,276	
Net finance income / (costs)	61	103	
Profit before tax	**4,480**	**4,425**	
Taxation	(137)	(338)	
Profit for the year	**4,343**	**4,087**	***(6)***
Total comprehensive income for the year	**4,343**	**4,087**	

Juel missed its EBITDA target of €1.07 million by €0.95 million ***(5)*** as the Group recorded a minimal level of property sales compared to the estimated figure of €2.98 million ***(1)*** amid a near twelve-month delay in the completion and finishing of Portoscala. The final deeds of sale appertaining to this project are now expected to start being concluded as from the start of the second half of 2024.

The underperformance of the real estate development division was offset by the higher level of income generated from rental activities ***(2)***, the lower level of net operating expenses ***(3)***, and the gain in the fair value of investment property ***(4)***. As a result, the Group recorded a higher level of profit for the year of €4.34 million compared to the projected figure of €4.09 million ***(6)***.

Juel Group p.l.c. **Statement of Cash Flows** **for the year ending 31 December**	**2023** **Actual** **€'000**	**2023** **Projection** **€'000**	
Net cash used in operating activities	(1,978)	(519)	***(1)***
Net cash used in investing activities	(15,578)	(7,168)	***(2)***
Free cash flow	**(17,556)**	**(7,687)**	
Net cash from financing activities	25,680	15,549	***(3)***
Net movement in cash and cash equivalents	**8,124**	**7,862**	
Cash and cash equivalents at beginning of year	1,164	1,164	
Cash and cash equivalents at end of year	**9,288**	**9,026**	***(4)***

Juel ended the 2023 financial year with a cash balance of €9.29 million which was slightly higher than the projected figure of €9.03 million ***(4)***. Although the Group consumed higher levels of net cash for its operating ***(1)*** and investing ***(2)*** activities, on the other hand it managed to generate a higher level of net cash from financing activities which exceeded the projected figure of €15.55 million by €10.13 million ***(3)***.

Meanwhile, the material variances between the actual and projected Statement of Financial Position as at 31 December 2023 were as follows:

(i) The lower level of PPE ***(1)*** was marginally outweighed by the higher amounts in all other assets.

(ii) The higher level of debt ***(4)*** outweighed the lower-than-projected amounts of trade and other payables ***(2)*** and other current liabilities ***(3)***.

Juel Group p.l.c. Statement of Financial Position as at 31 December	2023 Actual €'000	2023 Projection €'000	
ASSETS			
Non-current assets			
Property, plant and equipment	27,158	32,657	*(1)*
Investment property	11,800	10,700	
Investment in associate	12,802	11,857	
	51,760	**55,214**	
Current assets			
Inventory	8,858	8,130	
Trade and other receivables	3,099	140	
Cash and cash equivalents	9,288	9,026	
	21,245	**17,296**	
Total assets	**73,005**	**72,510**	
EQUITY			
Capital and reserves			
Called up share capital	19,066	20,959	
Share premium	1,892	-	
Other equity	(18)	(18)	
Retained earnings	4,344	4,089	
	25,284	**25,030**	
LIABILITIES			
Non-current liabilities			
Bonds	32,000	31,402	
Bank borrowings	6,888	-	
Deferred taxation	944	856	
	39,832	**32,258**	
Current liabilities			
Bank borrowings	2,828	8,425	
Trade and other payables	5,061	6,367	*(2)*
Other current liabilities	-	430	*(3)*
	7,889	**15,222**	
Total liabilities	**47,721**	**47,480**	
Total equity and liabilities	**73,005**	**72,510**	
Total debt	*41,716*	*39,827*	*(4)*
Net debt	*32,428*	*30,801*	
Invested capital (total equity plus net debt)	*57,712*	*55,831*	

PART 3 – COMPARATIVE ANALYSIS

The Table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business/es and those of other debt issuers, the comparative analysis illustrated in the Table below serves as an indication of the relative financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity / Worst	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
5.00% Hal Mann Vella Group p.l.c. Secured 2024	30,000	3.81	2.21	9.47	51.49	0.43
4.25% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2024	1,267	4.17	57.57	9.38	69.21	0.64
5.75% International Hotel Investments p.l.c. Unsecured 2025	45,000	5.75	1.61	10.49	43.07	0.41
5.10% 6PM Holdings p.l.c. Unsecured 2025**	13,000	6.86	16.04	0.65	17.79	0.20
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	4.11	1.80	8.70	46.06	0.45
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.63	5.64	6.37	77.20	0.60
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	4.25	1.45	11.49	43.52	0.41
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.99	1.61	10.49	43.07	0.41
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	4.99	2.27	8.24	80.39	0.57
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	4.38	10.89	2.16	65.14	0.57
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	5.34	1.61	10.49	43.07	0.41
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.33	1.24	21.28	39.42	0.36
3.90% Gap Group p.l.c. Secured & Guaranteed 2024-2026	16,702	3.89	n/a	3.15	52.66	0.56
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	3.62	4.60	4.44	69.59	0.61
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.26	4.68	1.74	22.08	0.26
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.04	5.43	4.21	26.73	0.24
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.24	5.42	2.67	20.40	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	3.99	5.67	4.17	22.93	0.21
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	15,000	5.06	57.57	9.38	69.21	0.64
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.74	n/a	3.15	52.66	0.56
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.27	4.60	4.44	69.59	0.61
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.19	5.42	2.67	20.40	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	4.62	7.37	9.26	54.58	0.48
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	3.78	5.67	4.17	22.93	0.21
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.87	4.60	4.44	69.59	0.61
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	1.24	21.28	39.42	0.36
5.25% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2024	15,000	4.98	57.57	9.38	69.21	0.64
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.24	1.73	7.63	94.01	0.75
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.69	1.61	10.49	43.07	0.41
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	5.10	2.04	12.44	49.30	0.45
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.85	4.89	6.08	50.77	0.50
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.19	1.24	21.28	39.42	0.36
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.34	1.61	10.49	43.07	0.41
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.63	3.09	16.34	74.89	0.65
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.20	3.35	11.26	55.24	0.51

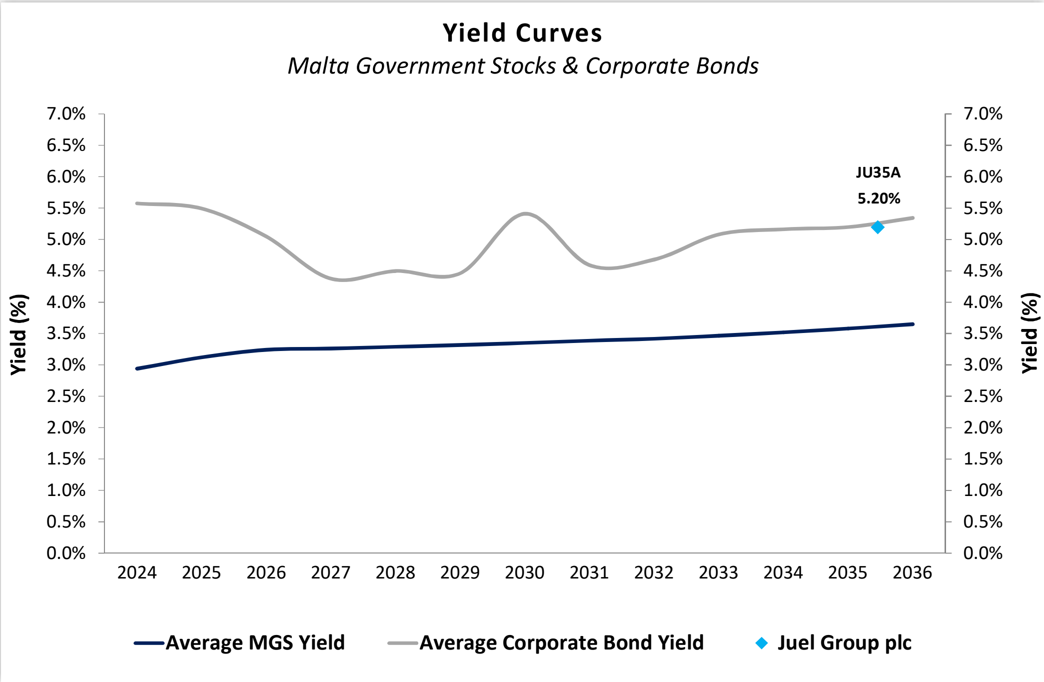
As at 15 May 2024

***** The financial ratios pertain to Idox p.l.c..***

Sources: Malta Stock Exchange

M.Z. Investment Services Limited

Most recent audited annual financial statements except for Juel Group p.l.c. (FY2024 forecast, as included in the Financial Analysis Summary dated 6 June 2023).



The closing market price as at 15 May 2024 for the **5.50% Juel Group p.l.c. secured and guaranteed bonds 2035** (JU35A) was 102.50%. This translated into a yield-to-maturity of 5.20% which was 162 basis points above the corresponding average Malta Government Stock yield of equivalent maturity.

PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.

Profitability Ratios	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

Statement of Cash Flows	
Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of capital expenditure.

Statement of Financial Position

Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

Financial Strength / Credit Ratios

Interest cover	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital.
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.