



FACT SHEET

€50 million 5.75% Phoenicia Finance Company plc Unsecured Bonds 2028-2033

Guaranteed by Phoenicia Malta Limited (Malta) and Phoenicia Hotel Company Limited (UK)

KEY DETAILS

Issuer:	Phoenicia Finance Company plc	Listing:	Official List, Malta Stock Exchange
Amount Offered:	€50 million	Coupon:	5.75%
Maturity Date:	7 November 2033	Early Redemption*:	Any date falling between 30 December 2028 and 30 December 2033
Status:	Unsecured	Complex:	Yes, Callable
Offer Price:	100% (par value of €100)	Interest Payment Date:	Annually on 30 December (with the first interest payment date being 30 December 2024)
Placement Date:	16 February 2024	Minimum Subscription Amount	€2,000 (nominal) and in multiples of €100 thereafter. No minimum subscription is applicable for existing bondholders subscribing through a bond transfer.
Offer Period Existing Bondholders:	12 to 23 February 2024		

*Subject to the Issuer giving not less than 60 days' notice.

ABOUT THE PHOENICIA GROUP

The Phoenicia Group ("Phoenicia" or "the Group") is composed of Phoenicia Malta Limited (the owner by title of sub-emphyteusis of the Phoenicia Hotel and of the Issuer) and Phoenicia Hotel Company Limited (the operating company of the hotel). Both companies are the Guarantors to the bond issue and are ultimately owned by Mr Mark David Shaw, who acquired control of the hotel in 2013, through intermediate companies registered in Luxemburg.

Phoenicia Malta Limited also acts as a finance vehicle for its ultimate parent company Phoenicia Holding Lux S.à.r.l. In 2022, it provided a €20 million 20-year unsecured loan at an interest of 2.4% plus 3-month Euribor per annum.

The Phoenicia Hotel is a landmark 5-star 132-room hotel situated in Floriana, just outside the fortification walls of Valletta. The hotel building together with its surrounding landscaped gardens cover an extensive footprint of around 38,000 square metres offering a wide range of facilities including conference rooms, a spa, an outdoor heated pool, a ballroom, and various food and beverage outlets. The property underwent an extensive refurbishment project of €29.4 million which was completed in 2017, followed by further investments in the spa and its 12 luxury suites.

In the coming years, the Group is expected to develop the St John's Gardens, albeit the project is still subject to planning approval. The plan consists of the rehabilitation and development of ancillary areas within the existing footprint to provide an extension to current facilities. The project will primarily consist of the construction of 52 additional rooms, of which at least 10 will be luxury suites. Furthermore, the plan also includes the restoration of an existing coach horse building to accommodate various other hospitality facilities, a new external swimming pool, and landscaping of St John's ditch. The St John's Gardens Project is expected to cost around €38 million.

USE OF PROCEEDS

The net proceeds from the bond issue, estimated at €49 million after issuance costs, will be used by the Group for the following purposes:

- €25 million for the redemption and cancellation of the existing 4.15% Phoenicia Finance plc 2023-28 unsecured bonds by way of a bond transfer.
- €24 million for the repayment (in whole or in part) of an outstanding loan with APS Bank plc.

RISK FACTORS

The Issuer and Guarantors are subject to a number of risks pertaining to the nature of their businesses. Prospective investors are urged to read the 'Risk Factors' found in the Prospectus dated 8 February 2024. Prospective investors must also note that since the financial forecasts and the assumptions on which they are based relate to the future, they may be affected by unforeseen events. As such, the variation between forecasts, projections and actual results may be material.

**PLAN OF DISTRIBUTION**

The bonds will be allocated according to the following order of preference:

1. An amount of €20 million is reserved for subscription by a number of Authorised Financial Intermediaries pursuant to Placement Agreements with the Issuer.
2. An amount of €30 million (and any amount not subscribed via Placement Agreements) is reserved for existing bondholders of the 4.15% Phoenicia Finance Company plc 2023-28 for a bond transfer and subscriptions to excess amounts.
3. Any additional unsubscribed balance will be offered to Authorised Financial Intermediaries through an Intermediaries' Offer.

RANKING OF THE BONDS

The bonds will constitute the general, direct, unsecured, and unconditional obligations of the Issuer and are guaranteed in respect of both the interest due and the principal amount by the Guarantors (Phoenicia Malta Limited and Phoenicia Hotel Company Limited) jointly and severally. The Bonds will at all times rank pari passu without any priority or preference among themselves and with other unsecured debt of the Guarantors. Furthermore, subject to a negative pledge clause found in the Prospectus dated 8 February 2024, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantors for so long as such security interests remain in effect.

APPLICATION PROCEDURE

Holders of the exchangeable bonds (4.15% Phoenicia Finance Company plc 2023-28) are kindly asked to complete the Application Form 'A' sent to them directly by Phoenicia Finance Company plc. The forms should be returned by Friday 23 February at 12:00 hours (noon) together with our 'Assessment & Confirmation Form'. Prospective investors who are not holders of the existing bonds are kindly asked to contact us for further details.

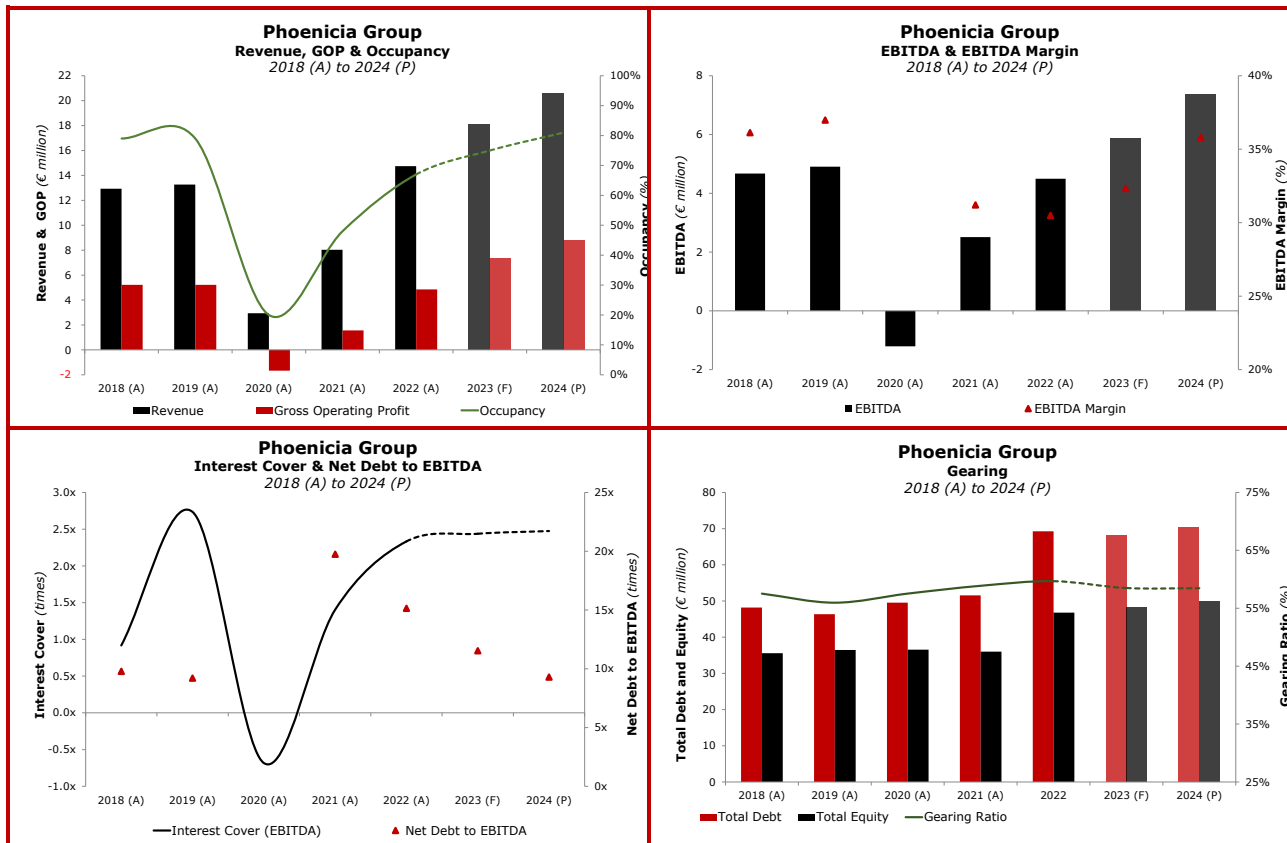
Application forms must be accompanied by the appropriate payment where applicable, either by cheque in EUR payable to 'Rizzo, Farrugia & Co (Stockbrokers) Ltd – Clients a/c' or credited into either one of our EUR denominated Clients' Accounts as detailed below:

	HSBC Bank Malta plc	Bank of Valletta plc
EUR A/C No	006 050041 004	400 135 62906
IBAN	MT46 MMEB 4406 0000 0000 0605 0041 004	MT18 VALL 2201 3000 0000 400 135 62906
SWIFT CODE	MMEB MTMT	VALL MTMT

KEY FINANCIAL HIGHLIGHTS & METRICS

PHOENICIA COMBINED FINANCIAL STATEMENTS FINANCIAL YEAR ENDING 31 DECEMBER:	2018 (A)	2019 (A)	2022 (A)	2023 (F)	2024 (P)
Revenue [€000]	12,933	13,265	14,747	18,114	20,624
Gross Profit [€000]	7,327	6,068	6,360	9,058	10,733
EBITDA [€000]	4,672	4,906	4,497	5,855	7,382
Operating Profit [€000]	2,356	2,639	2,091	3,544	5,114
Net Finance Costs [€000]	(5,090)	(1,794)	(1,927)	(2,402)	(2,983)
Profit/(Loss) before Tax [€000]	(2,734)	845	164	1,142	2,131
Net Profit/(Loss) [€000]	(2,089)	890	269	1,491	1,724
Net Cash from Operating Activities [€000]	4,766	4,036	5,218	5,426	7,207
Net Cash (used) in Investing Activities [€000]	(4,917)	(1,585)	(21,755)	(1,321)	(4,109)
Net Cash from/(used) in Financing Activities [€000]	2,651	(3,552)	15,658	(4,738)	(1,867)
Total Debt [€000]	48,193	46,356	69,259	68,050	70,393
Cash & Cash Equivalents [€000]	2,500	1,198	1,160	527	1,758
Net Debt [€000]	45,693	45,158	68,099	67,523	68,635
Total Assets [€000]	93,553	91,559	128,182	127,887	132,214
Total Liabilities [€000]	57,974	55,090	81,399	79,613	82,218
Total Equity [€000]	35,579	36,469	46,783	48,274	49,997
Working Capital Ratio [times] (Current Assets / Current Liabilities)	0.48	0.36	0.34	0.38	0.65
EBITDA Margin [%] (EBITDA / Revenue)	36.1	37.0	30.5	32.3	35.8
Operating Profit Margin [%] (Operating Profit / Revenue)	18.2	19.9	14.2	19.6	24.8
Net Profit Margin [%] (Net Profit / Revenue)	(16.2)	6.71	1.82	8.23	8.36
Return on Equity [%] (Net Profit / Average Equity)	(5.85)	2.47	0.65	3.14	3.51
Return on Assets [%] (Net Profit / Average Assets)	(2.28)	0.96	0.24	1.16	1.33
Interest Cover [times] (EBITDA / Net Finance Costs)	0.92	2.73	2.33	2.44	2.47
Net Debt to EBITDA [times] (Net Debt / EBITDA)	9.78	9.20	15.1	11.5	9.30
Net Debt to Equity [times] (Net Debt / Total Equity)	1.28	1.24	1.46	1.40	1.37
Gearing Ratio [%] (Total Debt / [Total Debt + Equity])	57.5	56.0	59.7	58.5	58.5
Net Debt to Invested Capital [%] (Net Debt / Net Debt + Equity)	56.2	55.3	59.3	58.3	57.9
Debt to Asset Ratio [times] (Total Debt / Total Assets)	0.52	0.51	0.54	0.53	0.53
Leverage Ratio [times] (Total Assets / Total Equity)	2.63	2.51	2.74	2.65	2.64

Sources: Phoenicia Combined Financial Statements and Phoenicia Finance Company plc Prospectus dated 8 February 2024. Data for FY2020 and FY2021 is not included in table as it is not representative.



Disclaimer

This Fact Sheet was prepared by Jonathan Falzon, Research Analyst at Rizzo, Farrugia & Co. (Stockbrokers) Ltd ("Rizzo Farrugia") and reviewed by Edward Rizzo, a Director at Rizzo Farrugia which is a member of the Malta Stock Exchange and licensed to conduct Investment Services business by the Malta Financial Services Authority.

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