FINANCIAL ANALYSIS SUMMARY 2023

Shoreline Mall p.l.c.

22 December 2023

Prepared by Calamatta Cuschieri Investment Services Limited

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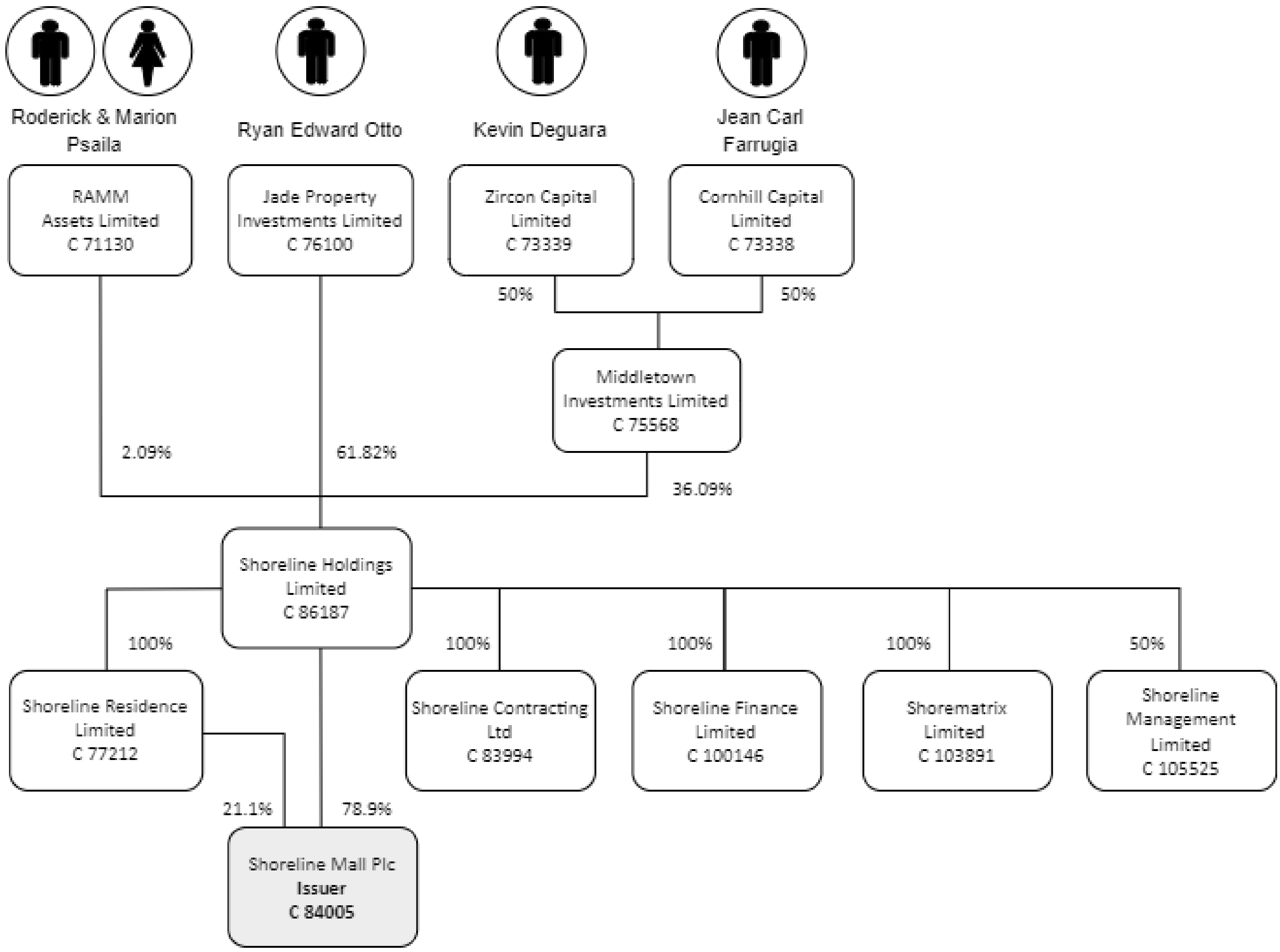
Part 1 Information about the Group

1.1 Issuer's Key Activities and Structure

As at the date of this Analysis, Group structure is as follows:



The principal activity of Shoreline Mall p.l.c. (the "**Issuer**" or "**SMP**") is the development and subsequent operation of a shopping mall, a number of luxury residential units for resale, and the operation of a car park complex in Smart City, Kalkara (the "**Shoreline Mall Project**", and the "**Project**").

The Issuer was incorporated on 15 December 2017, with company registration number C 84005. It was converted into a public liability company on 18 October 2019. The Issuer has an authorised share capital of €21,000,000 divided into 20,999,999 Ordinary A Shares and 1 Ordinary B Share, all having a nominal value of €1 each. The issued share capital of the Issuer is €21,000,000 divided into 16,575,997 Ordinary A Shares of €1 each 100% paid up in name of Shoreline Holdings Limited, 4,424,002 Ordinary A Shares of €1 each 33.9% paid up in name of Shoreline Residence Limited, and 1 Ordinary B Share of €1 fully paid up in name of Shoreline Residence Limited.

Shoreline Holdings Limited ("**SHL**"), company registration number C 86187, was set up on 8 May 2018 and acts as the holding company. SHL has an authorised share capital of €15,000,000 divided into 15,000,000 ordinary shares all having a nominal value of €1 each. The issued share capital is of €11,497,700, made up of 11,497,700 ordinary shares, which are divided into 5,108,183 Ordinary A Shares 100% paid up, 2,000,000 Ordinary A Shares 25% paid up, 239,926 Ordinary B Shares 100% paid up, 2,149,591 Ordinary C Shares 100% paid up, and 2,000,000 Ordinary C Shares 25% paid up. The shareholders of SHL are Jade Property Investments Limited (61.82%), Middletown Investments Limited (36.09%), and RAMM Assets Ltd (2.09%).

Shoreline Residence Limited ("**SRL**"), company registration number C 77212, and Shoreline Contracting Ltd ("**SCL**"), company number C 83994, were incorporated on 12 September 2016 and 15 December 2017, respectively. SRL owns the airspace above podium level which will encompass the residential apartment's development. SCL engages third-party contractors and recharges these services to both SRL and SMP in order to execute the development programme.

Shoreline Finance Limited, company registration number C 100146, was set up on 9 September 2021 and acts as a finance company for SRL. It is a subsidiary which is wholly owned by SHL with an authorised share capital of €1,200 divided into 1,200 ordinary shares all having a nominal value of €1 each. The company's principal object is to arrange and provide finance for the construction of residential apartments being undertaken by SRL, which fall outside the scope of the Shoreline Mall Project.

Shorematrix Limited, company registration number C 103891, was incorporated on 22 December 2022. It is a subsidiary which is wholly owned by SHL with an authorised share capital of €1,200 divided into 1,200 ordinary shares all having a nominal value of €1 each. Shorematrix Limited acts act as a tenant within the Shoreline Mall where its principal activity will be to operate a family entertainment facility.

Shoreline Management Limited, company registration number C 105525, was incorporated on 16 June 2023. It is partially owned by SHL (50%) and has an authorised share capital of €1,200 divided into 1,200 ordinary shares all having a nominal value of €1 each. Shoreline Management Limited was set up to act as a property management company for the Issuer.

1.2 Directors and Key Employees

Board of Directors

Name	Office Designation
Mr Benjamin Muscat	Independent Non-executive Director, Chairman
Mr Robert Ancilleri	Independent Non-executive Director
Mr Charles Scerri	Independent Non-executive Director
Mr Ryan Edward Otto	Executive Director
Dr Jean Carl Farrugia	Non-executive Director
Dr Kevin Deguara	Non-executive Director
Mr Roderick Psalia	Non-executive Director

The business address of all the directors is the registered office of the Issuer, which is located at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara, SCM 1001, Malta.

Dr Johan Farrugia occupied the role of company secretary up till 18 December 2023. Dr Luana Borg was appointed in his stead and is, as at the date of this Analysis, the company secretary for the Issuer.

The board is composed of seven directors who are entrusted with the overall direction and management of the Issuer. The executive director is entrusted with the decision making and the day-to-day management of the Issuer, whereas the non-executive directors, three 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. Other than the independent non-executive directors, company secretary and site assistant, all other employees are employed by SCL.

1.3 Major Assets owned by the Group

SRL acquired the area on which the Project is being developed (the "**Shoreline Mall Site**") from SmartCity (Malta) Limited (C 41194), in virtue of a deed in the records of Notary Joseph Smith La Rosa of the 17 April 2019 by the title of sub-emphyteusis. On 24 October 2019, the Issuer acquired the Shoreline Mall Site from SRL for a consideration of €13m.

This site is located in Smart City, Kalkara, and is bounded on the South by third-party property, West by the Northern Urban Ring Road, North East by the promenade area, and South East in part by the Laguna area and in part by the divided portion of land which forms part of the Emphyteutical Land (as defined in the prospectus issued by the Issuer dated 18 June 2020).

Management stated that no additional significant assets, apart from the expected development of the Shoreline Mall Project, have been added since the last Financial Analysis Summary dated 28 October 2022.

1.4 Operational Developments

As discussed in section 1.1 above, the principal activity of the Issuer is that of the development of a commercial and residential complex situated at the Shoreline Mall Site at Smart City, Kalkara, Malta. The aim is to generate rental income from the commercial operations within the Shoreline Mall units and mall car park, and to sell the immovable property within the Shoreline Mall Site which mainly consists of residential houses and a residential car park.

The Shoreline Mall Project is in the final stages of finishing works related to the retail portion of the project. This proposed development comprises a commercial component consisting of a shopping mall with a total gross area of 25,000 sqm spread over two floors. Instead of having 14,000 sqm of rentable space as noted in the last Financial Analysis Summary dated 28 October 2022, rentable space will be that of 15,600 sqm. The mall structure was completed in October 2022 and, since December 2022, approximately 90% of tenant stores did their fit-outs over the year. Commercial operations are still expected to commence during 2024, once all of the said tenants have completed their fit-outs.

The residential portion of the project, which includes a number of foreshore luxury residential units that will be held for sales purposes, is completely constructed, and finishing works are projected to be finalised by the end of June 2025. The project has faced delays due to external events such as the war in Ukraine causing a shortage of materials and delays in obtaining a supply of permanent power to the site which has had an effect on the commencement of operations for the Issuer which can be seen more clearly in Part 2 of this Analysis.

In terms of the development of the car park within the Shoreline Mall Project, the Issuer plans to develop 1,036 car parking spaces. The Issuer will retain and operate 720 spaces that will complement the shopping mall, being made available for customers to use at a reduced price or for free. The remaining 316 spaces, which will complement the residential component, have been committed by the Issuer to SRL for resale upon completion. While this is the agreed-upon split as of the publication date of this Analysis, it is subject to change due to a proposal being considered to extend the rentable area in the basement.

Apart from the car park layout, additional design changes have been implemented to achieve a more efficient allocation of space for the floor layout of common areas and facility rooms. These changes include the creation of kiosk spaces in previously open areas, resulting in additional lettable areas. While these design improvements come with additional costs, they also result in savings by using space optimally, with the cost difference being immaterial according to management.

Development costs for the mall and mall car park are estimated at €55.8m, including allocation costs and overheads throughout the project's development. Upon completion, the combined fair value of the mall and mall car park is expected to be between €63.0m and €65.0m. The fair value of the residential units and residential car parks is estimated to be €24.0m.

The mall components, being the in-scope components for the bond issue in line with the prospectus of the Issuer dated 18 June 2020, which will be referred to throughout this Analysis include (i) the mall (the commercial component), (ii) the residential units, (iii) the mall car park, and (iv) the residential car park.

1.5 COVID-19 and the Conflict in Ukraine

The Issuer has been impacted by a series of events such as COVID-19, global shipping shortages, power supply complications and economic complications because of the conflict in Ukraine. However, the impact of these events on cash flows and potential cost overruns are expected to be minimal due to the Shoreline Mall Project almost nearing completion. Additionally, there were internal mitigating factors that minimised the effects such as having the main construction contract based on a fixed price, design, and build, while also being milestone-based. The sub-contractor is further bound by strict performance obligations backed by a performance bond in favour of the contractor, SCL.

1.6 Listed Debt Securities of the Issuer

Shoreline Mall p.l.c. has the following outstanding debt securities:

	ISIN	€'m
4% SHM PLC Secured Bonds 2026 (Series A)	MT0002351204	14
4.5% SHM PLC Secured Bonds 2032 (Series B)	MT0002351212	26

Part 2 Historical Performance and Forecasts

The Issuer was incorporated on 15th December 2017 and has yet to commence operations. Hence, it has no trading record or history of operations.

It should be noted that the financial projections provided pertain specifically to the Issuer, SMP, as it will oversee the entire operation of the Shoreline Project. The company has changed its financial year end to 30 June 2023, covering 14 months (62 weeks) to align with the operational timeline of the Shoreline Project. Despite these adjustments and delays, minimal differences have been introduced to previous historical data to ensure consistency and facilitate meaningful comparisons.

This document focuses on evaluating the performance of the Issuer. Historical financial information for the Issuer from FY21 to FY23 is detailed between sections 2.1 to 2.3 of this analysis. A variance analysis for FY23 and the projections of FY23 used in the last financial analysis summary dated 28 October 2022 can be found under section 2.4. Forecasts pertaining to the Issuer from the period ending 30 June 2024 to 30 June 2026 are based on management projections and are set out between section 2.5 and section 2.7.

2.1 Issuer's Statement of Comprehensive Income

Statement of Comprehensive Income	FY2021	FY2022	FY2023
	€'000s	**€'000s**	**€'000s**
Revenue	-	-	-
Other income	-	-	6
Administrative expenses	(280)	(392)	(407)
Loss before tax	**(280)**	**(392)**	**(401)**
Income tax	-	-	-
Loss after tax	**(280)**	**(392)**	**(401)**

Historically, the Issuer has not generated any revenue due to the project still being in development. Consequently, the cost of sales and income tax were not charged.

However, in FY23 the Issuer did generate €6k in other income, representing an opening fee used for marketing expenses and incurred €407k of administrative expenses that are associated with the development of the mall components and were not capitalised.

The absence of generated revenue, coupled with the incurrence of administrative expenses, resulted in the Issuer reporting a net loss of €401k in FY23.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position	FY2021	FY2022	FY2023
	€'000s	€'000s	€'000s
Assets			
Non-current assets			
Investment property under construction	15,818	34,359	58,590
Total non-current assets	**15,818**	**34,359**	**58,590**
Current assets			
Inventory under construction	7,216	9,122	11,320
Trade and other receivables	182	121	1,380
Amounts due from group companies	15,562	12,968	15
Cash and cash equivalents	20,080	1,772	2,499
Total current assets	**43,040**	**23,983**	**15,214**
Total assets	**58,858**	**58,342**	**73,803**
Equity			
Share capital	18,076	18,076	18,076
Accumulated losses	(311)	(704)	(1,105)
Total equity	**17,765**	**17,372**	**16,971**
Liabilities			
Non-current liabilities			
Debt securities in issue	39,362	39,430	39,512
Lease liabilities	148	148	148
Trade and other payables	-	-	321
Total non-current liabilities	**39,510**	**39,578**	**39,981**
Current liabilities			
Trade and other payables	1,454	1,392	10,755
Amounts due to group companies	129	-	6,096
Total current liabilities	**1,583**	**1,392**	**16,851**
Total liabilities	**41,093**	**40,970**	**56,832**
Total equity and liabilities	**58,858**	**58,342**	**73,803**

In FY23, the composition of total assets shifted, with non-current assets accounting for 79.4%, up from 58.9% in FY22, while current assets constituted 21.6%, down from 41.1% in FY22.

The increase in non-current assets is primarily attributed to the value of the development of the project throughout the year. The developments made during FY23 amounting to €22.0m, led to a substantial increase in the overall value of the investment property to €58.6m (FY22: €34.4m).

Current assets experienced a decline in FY23, primarily driven by a €12.9m decrease in amounts due from group companies. The reduction in these amounts, formerly included as advances to SCL for the Shoreline Mall project's construction, signifies that funds owed to the Issuer are being repaid. As per management's disclosure, these funds were utilised for the ongoing development of the investment property and inventory under construction in FY23.

Inventory under construction, reflecting the cost of developing residential units and parking spaces held for sale, increased to €11.3m in FY23 from €9.1m in FY22 and €7.2m in FY21. This increase is a result of the ongoing development works being made on the project. These inventories are anticipated to be sold over a period exceeding twelve months, aligning with the company's operational cycle. Additionally, trade and other receivables increased to €1.4m in FY23, indicating a notable rise from €0.1m in FY22.

The issuer reported a slight decrease in equity reflecting the loss reported for the year.

Non-current liabilities remained relatively stable at €39.9m, with a slight increase in debt securities in issue which is made up of the issuance of €14.0m 4% Secured Bonds 2026 (Series A Bonds) and €26.0m 4.5% Secured Bonds 2032 (Series B Bonds). This increase is a result of the accounting treatment of the bond issue costs which can be written off over the bond term. In contrast, current liabilities experienced a substantial increase of €15.4m. This came from trade and other payables which rose by €9.3m in FY23, primarily due to an €8.4m deposit received from SRL. This deposit represents an initial contribution to be settled through the eventual transfer of car parking spaces, currently categorized as inventory under construction.

Additionally, during the year SCL continued entering into agreements directly with contractors for the development and construction of the Shoreline Mall project, requiring deposits and payments. As a result, the amount due to group companies increased to €6.1m.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows	FY2021	FY2022	FY2023
	€'000s	**€'000s**	**€'000s**
Cash flows from operating activities			
Loss before taxation	(280)	(392)	(401)
Adjustments for:			
Movement in inventory	(1)	(19)	(309)
Movement in trade and other receivables	(94)	(2,063)	(1,258)
Movement in trade and other payables	25	11	741
Interest paid on lease liabilities	(6)	(6)	(6)
Net cash flows used in operating activities	**(356)**	**(2,469)**	**(1,233)**
Cash flows from investing activities			
Movement in investment property under construction	(2,702)	(139)	(1,017)
Advances to a related party for construction costs	(14,420)	(14,374)	-
Net cash flows used in investing activities	**(17,122)**	**(14,513)**	**(1,017)**
Cash flows from financing activities			
Net proceeds from debt securities issued	38,220	-	-
Payment of bond transaction costs	(577)	-	-
Financing to related parties	(1,297)	-	-
Interest on debt securities	-	(1,825)	(1,730)
Financing from parent and related parties	80	499	4,709
Net cash flows generated from / (used in) financing activities	**36,426**	**(1,326)**	**2,979**
Movement in cash and cash equivalents	**18,948**	**(18,308)**	**728**
Cash and cash equivalents at start of year	1,132	20,080	1,772
Cash and cash equivalents at end of year	**20,080**	**1,772**	**2,500**

In FY23, after considering the loss before taxation and working capital movements, the net cash flow used in operating activities amounted to €1.2m, lower than the previous year which amounted to €2.5m. This was partially a result of a lower negative movement in the trade and other receivables, which included related party balances for construction costs in connection with inventory, decreasing from €2.1m in FY22 to €1.3m in FY23. Furthermore, the company also benefitted from a positive movement in trade and other payables which increased from €11k in FY22 to €741k in FY23.

Investing activities saw cash outflows of €1.0m in FY23, reflecting only additions to investment property under construction unlike in FY21 and FY22 which also included substantial amounts to a related party for construction costs.

The net cash flows generated from financing activities increased to €3.0m in FY23, mainly due to the significant increase in financing from related parties amounting to €4.7m, compared to the €0.4m in FY22.

These factors resulted in a positive movement of €0.7m in cash and cash equivalents during FY23, leading to a positive cash and cash equivalents balance of €2.5m.

2.4 Variance Analysis

Income Statement - Consolidated	FY2023A	FY2023F	Variance
	€'000s	€'000s	€'000s
Revenue - retail space	-	-	-
Revenue - carpark	-	3,792	(3,792)
Revenue - luxury residences	-	2,450	(2,450)
Total revenue	**-**	**6,242**	**(6,242)**
Cost of sales	-	(4,167)	4,167
Gross profit	**-**	**2,075**	**(2,075)**
Other Income	6	-	6
Administrative expenses	(407)	(439)	32
EBITDA	**(401)**	**1,636**	**(2,037)**
Depreciation	-	-	-
EBIT	**(401)**	**1,636**	**(2,037)**
Amortisation of bond issue costs	(82)	(68)	(14)
Finance costs	(2,018)	(1,730)	(288)
Capitalised interest and bond issue cost	2,100	1,798	302
Profit / (loss) before tax	**(401)**	**1,636**	**(2,037)**
Income tax expense	-	(318)	318
Profit / (loss) for the year	**(401)**	**1,318**	**(1,719)**
Net revaluation of investment property	-	10,006	(10,006)
Comprehensive income / (loss)	**(401)**	**11,324**	**(11,725)**

As outlined in section 1.4, the Issuer has faced delays which has postponed the commencement of its operations to FY24. Due to this lack of operations in FY23, the Issuers actual results differ significantly from those initially forecasted. In fact, the Issuer only incurred costs in the form of €0.4m in administrative expenses and €2.0m in finance costs. The finance costs relate mainly to interest payments to bond holders which were also capitalised. Once the asset is operational, capitalization will cease, and finance cost will be charged to the income statement.

It is Important to note that while these values were not disclosed in the audited financial statements, they have been incorporated into this analysis for the sake of comparison. This means that overall the Issuer generated a loss of €0.4m in comprehensive income which is significantly less than the initially forecasted €11.3m due to the delays. The anticipated €10.0m revaluation of the investment property obviously also did not occur in FY23 and is scheduled to take place once the investment property is completed and operational.

2.5 Issuer's Projected Statement of Comprehensive Income

Income Statement - Consolidated	FY2024F	FY2025P	FY2026P
	€'000s	€'000s	€'000s
Revenue - retail space	2,110	5,919	6,576
Revenue - carpark	9,400	-	-
Revenue - luxury residences	2,592	6,604	5,507
Total revenue	**14,102**	**12,523**	**12,083**
Cost of sales	(7,728)	(4,148)	(3,459)
Gross profit	**6,374**	**8,375**	**8,624**
Other income	10	-	-
Administrative expenses	(495)	(547)	(565)
EBITDA	**5,889**	**7,828**	**8,059**
Depreciation	(1,066)	(2,559)	(2,559)
EBIT	**4,823**	**5,269**	**5,500**
Amortisation of bond issue costs	(71)	(73)	(76)
Finance costs	(1,730)	(1,730)	(1,730)
Capitalised interest and bond issue cost	1,051	-	-
Profit before tax	**4,073**	**3,466**	**3,694**
Income tax expense	(654)	(1,748)	(1,704)
Profit for the year	**3,419**	**1,718**	**1,990**
Net revaluation of investment property	1,066	2,559	2,559
Comprehensive Income	**4,485**	**4,277**	**4,549**

Ratio Analysis	FY2024F	FY2025P	FY2026P
Profitability			
Growth in Revenue (YoY Revenue Growth)	n/a	(11.2)%	(3.5)%
Gross Profit Margin (Gross Profit / Revenue)	45.2%	66.9%	71.4%
EBITDA Margin (EBITDA / Revenue)	41.8%	62.5%	66.7%
Operating (EBIT) Margin (EBIT / Revenue)	34.2%	42.1%	45.5%
Net Margin (Profit for the year / Revenue)	24.2%	13.7%	16.5%
Return on Common Equity (Net Income / Total Equity)	15.9%	6.7%	6.6%
Return on Assets (Net Income / Total Assets)	4.5%	2.3%	2.5%

In FY24, the Issuer is not expecting any further delays and so significant operations are forecasted. The Issuer anticipates revenue generation of €14.1m which comprises €2.1m from the fully operational retail space, €9.4m from selling the car park , and €2.6m from selling some of the luxury residencies. The revenue is expected to decrease by 11.2% in FY25 and then by 3.5% in FY26, due to the absence of revenue from car park sales.

The corresponding cost of sales is projected to decrease annually until FY26. Administrative expenses are expected to amount to €0.5m in FY24, with slight increases in FY25 and FY26. This leads to an EBITDA Margin of 41.8%, expected to rise to 62.5% in FY25 and 66.7% in FY26, indicating a positive trend in profitability.

The depreciation charges are related to the mall and mall car park, and are expected to increase from €1.1m in FY24 to €2.6m in both FY25 and FY26.

Projected finance costs are expected to decrease to €1.7m in FY24, remaining constant thereafter. As stated under section 2.4 of this analysis the finance costs and amortisation of bond issue costs will be charged once the project is finished and the assets are in operation.

Tax projections include 35% of rental income or 15% of rental income, whichever is lower. Tax on residential unit sales is projected at 8% of the total sales value.

The Issuer is expecting to generate a profit of €3.4m in FY24, decreasing to €1.7m in FY25 and then increasing to €2.0m in FY26. A €1.0m revaluation is forecasted in FY24, resulting in a comprehensive income of €4.5m. Thereafter, a revaluation uplift adjustment is expected of €2.6m in both FY25 and FY26 which increases the comprehensive income to €4.3m and €4.6m, respectively.

2.6 Issuer's Projected Statement of Financial Position

Statement of Financial Position	FY2024F	FY2025P	FY2026P
	€'000s	€'000s	€'000s
Assets			
Non-current assets			
Investment property	63,839	63,839	63,839
Current assets			
Inventory	7,001	3,183	-
Trade and other receivables	367	373	387
Amounts due from group companies	57	58	59
Cash and cash equivalents	4,753	8,398	14,550
Total current assets	**12,178**	**12,012**	**14,996**
Total assets	**76,017**	**75,851**	**78,835**
Equity and liabilities			
Share capital	18,076	18,076	18,076
Retained earnings	3,381	7,659	12,209
Total equity	**21,457**	**25,735**	**30,285**
Liabilities			
Non-current liabilities			
Debt securities in issue	39,583	39,656	39,731
Lease liability	147	-	-
Trade and other payables	686	686	686
Total non-current liabilities	**40,416**	**40,342**	**40,417**
Total current liabilities			
Trade and other payables	1,669	1,654	1,650
Amounts due to group companies	12,474	7,972	6,483
Lease liability	1	148	-
Total current liabilities	**14,144**	**9,774**	**8,133**
Total liabilities	**54,560**	**50,116**	**48,550**
Total equity and liabilities	**76,017**	**75,851**	**78,835**

Ratio Analysis	FY2024F	FY2025P	FY2026P
Financial Strength			
Gearing 1 (Net Debt / Net Debt and Total Equity)	62.0%	55.0%	45.4%
Gearing 2 (Total Liabilities / Total Assets)	71.8%	66.1%	61.6%
Gearing 3 (Net Debt / Total Equity)	163.0%	122.0%	83.1%
Net Debt / EBITDA	5.9x	4.0x	3.1x
Current Ratio (Current Assets / Current Liabilities)	0.9x	1.2x	1.8x
Interest Coverage level 1 (EBITDA / Cash interest paid)	3.4x	4.5x	4.7x
Interest Coverage level 2 (EBITDA / Finance costs)	3.4x	4.5x	4.7x

Total assets are projected to increase from €58.6m in FY23 to €76.0m in FY24 and consist mainly of investment property and inventory. Investment property is expected to be €63.8m throughout the forecasted periods and is projected to include the land cost attributable to the mall and mall car park, capital expenditure on these properties, and capitalized interest.

Management expects to sell all inventory, which includes residential units and residential car spaces, by FY26. Therefore inventory is projected to gradually decrease from €7.0m in FY24 to nil in FY26.

Cash and cash equivalents are projected to increase to €4.8m in FY24, further increasing to €8.4m in FY25 and

€14.6m in FY26. This growth is projected to be attributed to the cash generated from inventory sales, revenues from mall commercial operations, and reduced financing to group entities as the Shoreline Project progresses.

Since the Issuer is expected to be operational in FY24, retained earnings are also expected to increase in line with the profits projected. This is mainly why total equity is projected to increase to €21.5m in FY24 and further increase to €25.7m in FY25 and €30.3m in FY26.

Non-current liabilities and more specifically the bond issue, are anticipated to constitute the majority of the Issuer's total liabilities in the forecasted period increasing slightly from €39.6m in FY24 to €39.7m in both FY25 and FY26.

A significant decrease in the amounts due to group companies is expected to decrease the total value of the current liabilities. They are anticipated to be settled within 12 months from the financial statement date and may be offset with other amounts due from the same party. Trade and other payables, including accrued interest payables for project development, are expected to be settled annually and have minor fluctuations throughout the forecasted period.

Gearing levels are expected to decrease from 62.0% in FY24 to 55.0% in FY25 and further to 45.4% in FY26 indicating improved management of debt. Furthermore, the projected decrease in current liabilities from €14.1m in FY24 to €9.8m in FY25 and €8.1m in FY26 is expected to increase the Issuer's current ratio. This indicates an improvement in the Issuer's short-term liquidity position, with current assets covering 1.2 times the current liabilities in FY25 and 1.8 times the current liabilities in FY26.

The Issuer’s interest cover is also expected to improve over the forecasted years. In FY24 this is expected to be 3.4x, indicating that the company can cover its interest expenses about three times over. This ratio is projected to increase to 4.5x in FY25 and further to 4.7x in FY26, reflecting a strengthening capacity to cover interest payments and enhancing financial stability.

2.7 Issuer's Projected Statement of Cash Flows

Cash Flows Statement	FY2024F	FY2025P	FY2026P
	€'000s	€'000s	€'000s
Cash flows from operating activities			
Profit before taxation	4,073	3,466	3,694
Amortisation and depreciation	1,137	2,632	2,635
Operating profit before working capital changes	**5,210**	**6,098**	**6,329**
Working capital movements:			
Movement in inventory	4,319	3,818	3,183
Movement in trade and other payables	(321)	(15)	(4)
Movement in trade and other receivables and related party balances for construction costs in connection with inventory	971	(7)	(15)
Cash flow generated from operating activities	**10,179**	**9,894**	**9,493**
Interest paid	673	1,727	1,730
Taxation paid	(654)	(1,748)	(1,704)
Net cash flows generated from operating activities	**10,198**	**9,873**	**9,519**
Cash used from investing activities			
Addition to investment property under construction	(4,198)	-	-
Net cash flows used in investing activities	**(4,198)**	**-**	**-**
Cash flows from financing activities			
Lease liability paid	-	-	(148)
Interest on debt securtities	(1,730)	(1,730)	(1,730)
Financing from related parties	(2,016)	(4,498)	(1,489)
Net cash flows used in financing activities	**(3,746)**	**(6,228)**	**(3,367)**
Movement in cash and cash equivalents	**2,254**	**3,645**	**6,152**
Cash and cash equivalents at start of year	2,500	4,753	8,398
Cash and cash equivalents at end of year	**4,753**	**8,398**	**14,550**

Ratio Analysis	FY2024F	FY2025P	FY2026P
Cash Flow	€'000s	€'000s	€'000s
Free Cash Flow (Net cash from operations + Interest - Capex)	7,729	11,603	11,249

In FY24 the Issuer expects to generate €10.2m in net cash flows from operating activities, gradually decreasing to €9.9m in FY25 and €9.5m in FY26.

Investing activities in FY24 include only a €4.2m addition to investment property under construction. The Issuer does not expect to participate in any investing activities during FY25 and FY26.

In FY24, financing activities are anticipated to result in a net cash outflow of €3.8m in FY24, increasing to €6.2m in FY25 due to higher financing from related parties, and then decreasing to €3.4m in FY26.

The Issuer projects a positive cash movement throughout the forecasted period, leading to an increasing cash position at the end of each period, growing from €4.8m in FY24 to €8.4m in FY25 and €14.6m in FY26 mainly due to the positive cash from operating activities.

Free cash flow is expected to be healthy at €7.7m in FY24 increasing to €11.6m in FY25 followed by a slight decrease to €11.3m, indicating that the issuer will generate more cash than it uses in operating and capital expenditures throughout the forecasted period.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices, and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.1.1 Malta Economic Update[1]

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

The European Commission confidence surveys show that sentiment in Malta decreased sharply in October from its all-time peak reached in September. However, it remained above its long-term average, estimated since November 2002. In month-on-month terms, sentiment deteriorated across all sectors, bar the services sector. The strongest decrease was recorded in industry.

Additional data show that in month-on-month terms, price expectations increased across all sectors, except in the construction sector. They remained above their long-run average in all sectors.

In October, the European Commission's Economic Uncertainty Indicator (EUI) for Malta edged down when compared with September, indicating marginally lower uncertainty. Uncertainty decreased mostly in the retail sector.

In September, industrial production rose marginally while retail trade fell slightly, compared with a year earlier. The unemployment rate increased slightly to 2.8% in September when compared to the previous month, but stood below the rate recorded a year earlier.

Commercial building permits in September were higher than a month earlier and were also higher when compared with a year earlier. On the other hand, residential building permits fell compared with both month-ago and year-ago levels. In October, the number of residential promise-of-sale agreements rose on a year-on-year basis, while the number of final deeds of sales fell.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 4.2% in October, down from 4.9% in the previous month. Inflation based on the Retail Price Index (RPI) eased to 3.7%, from 4.1% in September.

The level of Maltese residents' deposits decreased from their year ago level. This decline reflects lower balances belonging to financial intermediaries and, to a lesser extent, those belonging to firms, while household deposits increased. Meanwhile, annual growth in credit to Maltese residents edged up slightly compared with a month earlier.

In September, the Consolidated Fund recorded a surplus, compared with a substantial deficit a year earlier, reflecting a surge in government revenue and a decline in government expenditure

3.1.2 Economic Projections[2]

The Central Bank of Malta expects Malta's gross domestic product (GDP) growth is projected to slow down from around 7.0% in 2022, to 4.0% in 2023, and to ease slightly further to 3.8%, and 3.7%, in 2024 and 2025, respectively. When compared to the previous projections, the Bank's latest forecast for headline GDP is revised upwards throughout the projection horizon. Indeed, GDP growth was revised up by 0.3 percentage points in 2023, and by 0.2 percentage points in 2024 and 2025.

In 2023, net exports are expected to be the main contributor to GDP growth. This reflects the expected sharp slowdown in imports (goods imports specifically are set to contract after being boosted by strong investment in the aviation sector in 2022), as well as robust growth in exports. Meanwhile, domestic demand is expected to lower growth, as the base effect from the extraordinary investment in 2022 should offset positive contributions from government and private consumption. From 2024, domestic demand is expected to be the main driver of growth, as private consumption growth is expected to remain relatively robust despite relatively high inflation. Net exports are also projected to contribute positively in 2024 and 2025, due to robust services exports.

Employment growth is set to moderate to 3.6% in 2023 from 6.0% in 2022, which partly reflects the envisaged normalisation in economic activity towards potential growth. In the following two years, employment is set to expand by 2.7% and 2.4%, respectively.

[1] Central Bank of Malta – Economic Update 11/2023

[2] Central bank of Malta Forecast 2023 - 2025

In view of relatively high inflation, as well as tight labour market conditions, nominal wage growth is projected to be relatively strong from a historical perspective. Compensation per employee is thus set to grow by 5.5% in 2023, 4.9% in 2024 and 3.9% in 2025, outpacing consumer price inflation during the later period of the projection horizon.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate to 5.3% in 2023, as international supply bottlenecks are expected to ease further. However, lingering indirect effects from recent increases in input costs are set to keep inflation high from a historical perspective. The fall in inflation in 2023 reflects a broad-based decrease across all sub-components of HICP, except for energy inflation, as energy prices are expected to remain unchanged in view of government support measures. Services is envisaged to be the main contributor to HICP inflation, but food and non-energy industrial goods (NEIG) are also projected to contribute to annual HICP inflation in 2023.

The general government deficit is set to decline to 4.9% of GDP in 2023, from 5.8% in 2022. It is then set to continue declining over the rest of the forecast horizon, reaching 3.4% of GDP by 2025. This improvement is driven by a declining share of expenditure in GDP, mainly due to the profile of inflation-mitigation measures. The general government debt ratio is set to increase throughout the forecast horizon, and to reach 55.3% by 2025. This is driven by the expected level of primary deficits, which partly offset the debt-decreasing impact of the interest-growth differential.

On balance, risks to economic activity are tilted to the downside for 2023 and 2024 and are more balanced thereafter. The main downside risks relate to the possibility of stronger than envisaged weakness in the international economic environment, which could lead to lower exports. Foreign demand may also be weaker than expected if monetary policy in advanced economies tightens more forcibly than assumed in this projection round. GDP data for the first quarter of the year also implies some downside risks to domestic demand. On the other hand, private consumption could surprise on the upside if wage growth is higher than expected, particularly in the outer years of the projection horizon.

Risks to inflation are to the upside for the entire projection horizon. Indeed, inflation could be more persistent than assumed in the baseline projections and could continue to be affected by indirect effects from past increases in commodity prices. Moreover, second round effects from higher wages and profit margins could also prolong high inflation. Conversely, further monetary tightening and lower foreign demand could ease inflationary pressures in the medium-term.

On the fiscal side, risks are on the downside (deficit-increasing) particularly in 2023. These mainly reflect the likelihood of additional support measures towards Air Malta. Deficit-decreasing risks in the outer years of the forecast horizon mainly relate to fiscal consolidation pressures as the general escape clause in the Stability and Growth Pact is deactivated at the end of 2023.

3.1.3 The Retail Sector[3]

Following fast growth in the five years leading to 2019, the selling price for the average housing unit grew at a relatively slow pace, in part, reflecting the impact that COVID-19 has had on the residential property market. In the second half of 2022, the Selling House Price Index continued to increase and was 1.7% higher than it was in the first half of the year. Subsequently, during January to March 2023, the index declined by 2.9%, but remains 9.8% higher than the average price that prevailed in 2019 – when both the Maltese property market and the economy were growing at a very fast pace.

Activity in the residential property market remains high. At 14,331, the number of final deeds of sale in 2022 were at a similar level to those registered in 2021. In contrast, the number of promise of sale (POS) agreements were 22.1% lower than in 2021. In part, this decline is due to the high number of POS agreements registered in 2021, reflecting transactions spilling over from 2020 due to delays caused by COVID-19 and purchases that were brought forward from 2022 due to the anticipated expiry of the stamp duty exemption on property. During January to March 2023, the number final deeds was 9.4% lower than in the comparable period in the previous year while the number of registered POS agreements increased by 14%.

The number of housing units approved for development by the Planning Authority (PA) in 2022 was lower than the historically high number of units approved in 2018 and 2019, but remained relatively high at 9,523. This is expected to increase the housing stock significantly over the next 2 to 3 years as units typically come onto the market with a time lag. Based on forecasts for the Maltese economy, it is estimated that the additional supply of housing units will exceed additional demand for housing over the period between 2024 and 2025, thereby putting some downward pressure on prices.

This heightened activity and generally high prices continue to raise concerns about housing affordability. In 2022, the house price-to-income ratio was lower than it was in 2020 when COVID-19 had a significant impact on household's incomes. Nonetheless, it remains at a very high level such

[3] Grand Thornton | The Malta Property Landscape - April 2023

that the maximum affordable house price for a one-adult household amounts to only 61.7% of the average price of a finished property (circa €260,000). In contrast, a two-adult household with median income can comfortably afford an average-sized housing unit. However, there are many households whose incomes are below this average. For example, a two-adult household with two income earners on the minimum wage have a maximum affordable house price of around €145,000 - equivalent to only 55.8% of the average property price. For these households, the maximum affordable house price falls significantly below the average market price for a housing unit.

These issues raise concern about social sustainability aspects related to the property market and make it more challenging for all market players to shift focus on the increasingly important aspect of environmental sustainability. In part, this is due to the delay with which homebuyers get to enjoy the benefits of investing in sustainable buildings. However, striking a better balance between affordability and environmental sustainability can lead to more affordable and equitable housing options (e.g., cheaper home loan borrowing rates, lower electricity bills). A simple case study shows that buying an environmentally sustainable apartment (which is energy efficient, reduces the cost of energy and for which a favourable green loan scheme is applicable) can yield potential financial benefits of up to circa €43,700 over a 30 year period, 44% of which are realised within the first 5 years.

3.1.3.1 The commercial property market

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.

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

In line with latest statistical data issued by Eurostat4, the index reflecting office building permits within the European Union, indicated business levels similar to 2021 throughout 2022, which were still well above the depressed levels experienced in 2020. In Q1 2022 the index increased slightly to 135.7 from 134.9 in the previous quarter. The index then increased further to 138.8 in Q2 before dropping to 126.4 and 124.9 levels in Q3 and Q4 respectively.

3.1.3.2 Luxury property sector [5]

Sotheby's International Realty recently published its Luxury Outlook report for the high-end property market in 2023, highlighting current and emerging trends that are poised to influence prime housing markets worldwide.

The global economic impact of the Covid-19 pandemic led to a near standstill, causing a significant drop in the collective GDP by as much as 3.4%, according to Statista. Subsequently, historically low-interest rates emerged as countries implemented recovery plans to stimulate their economies. Over the past two years, a surge in residential real estate activity ensued, with buyers worldwide seeking properties in holiday destinations featuring easy access to beaches, mountains, and scenic spots to navigate the pandemic.

Despite interest rates reaching record highs due to efforts to combat inflation, the luxury property market continues to attract attention. Anticipated global wealth creation in the coming years is expected to result in an influx of luxury buyers, potentially driving up price points across luxury property markets globally.

Malta, renowned for its 300 days of sun, stunning landscapes, rich culture, and favorable tax laws, has experienced a booming luxury property market. In 2022, Malta Sotheby's International Realty noted a significant increase in overall sales by 49%, with more than half of their clientele comprising qualified foreign investors. The average sales price exceeded €2 million. Michael J Zammit, Director

[4] https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do

[5] Sotheby's International Realty Luxury Outlook Report 2023

& Joint Owner of Malta Sotheby's International Realty, attributes this growth to increased demand for luxury properties in Malta.

Buyer behavior has evolved, with a more demanding and decisive decision-making process observed globally. There is a noticeable shortage of inventory in the luxury housing market, as reported by over 60% of Sotheby's International Realty Sales Agents and the National Association of Realtors in the U.S., citing 64% of houses selling within 30 days as of October 2022.

Zammit notes that the market strength is evident, with exclusive listings selling within days. In response to this robust market, Malta Sotheby's International Realty plans to open a dedicated office in the Tigne Point Pijazza this summer. The company recommends seizing the current strength of the real estate market by listing luxury properties with experienced leaders like Malta Sotheby's International Realty.

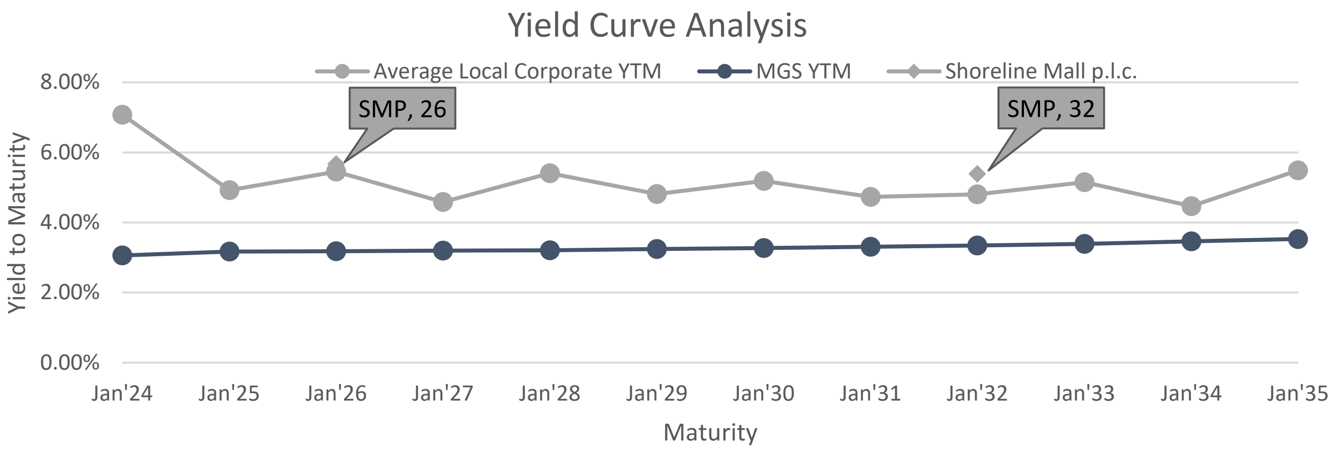
3.2 Comparative Analysis

The purpose of the table below compares the debt issuance of the Group to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with different maturities. More importantly, we have included different issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5% Tumas Investments plc Unsecured € 2024	25,000	5.81%	6.2x	230.7	140.7	39.0%	19.7%	2.0x	4.4x	4.8%	15.4%	28.4%
4.25% Best Deal Properties Holding plc Secured € 2024 (xd)	6,283	3.21%	12.3x	34.5	9.2	73.4%	69.7%	6.2x	9.8x	31.6%	18.1%	(29.9)%
4.5% Hili Properties plc Unsecured € 2025	37,000	5.37%	2.0x	256.4	124.9	51.3%	46.3%	12.5x	0.7x	5.1%	48.8%	48.6%
5.25% Central Business Centres plc Unsecured € 2025 S2T1	2,980	4.73%	1.3x	58.2	23.8	59.1%	55.3%	18.6x	0.7x	0.8%	10.0%	19.9%
4% MIDI plc Secured € 2026	50,000	4.50%	(0.4)x	231.9	101.3	56.3%	41.9%	(67.7)x	3.0x	(2.2)%	(66.6)%	(63.7)%
4% Shoreline Mall plc Secured € 2026	14,000	5.67%	(0.2)x	58.3	17.4	70.2%	68.5%	(96.4)x	17.2x	(2.3)%	N / A	0.0%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	5.61%	2.6x	179.4	37.2	79.3%	71.8%	15.1x	3.0x	24.1%	22.9%	666.2%
3.75% Tumas Investments plc Unsecured € 2027	25,000	4.21%	6.2x	230.7	140.7	39.0%	19.7%	2.0x	4.4x	4.8%	15.4%	28.4%
4.75% Best Deal Properties Holding Plc Secured € 2025-2027	15,000	4.52%	12.3x	34.5	9.2	73.4%	69.7%	6.2x	9.8x	31.6%	18.1%	(29.9)%
4.75% Gap Group plc Secured € 2025 - 2027	23,000	4.75%	14.6x	110.0	26.3	76.1%	61.4%	3.4x	2.4x	21.2%	17.2%	(41.1)%
3.85% Hili Finance Company plc Unsecured € 2028	40,000	4.96%	4.5x	890.5	210.3	76.4%	69.9%	4.9x	0.9x	30.9%	7.2%	32.7%
3.75% TUM Finance plc Secured € 2029	20,000	4.58%	4.1x	71.5	40.8	43.0%	34.4%	7.4x	0.5x	3.6%	37.5%	6.0%
3.8% Hili Finance Company plc Unsecured € 2029	80,000	5.14%	4.5x	890.5	210.3	76.4%	69.9%	4.9x	0.9x	30.9%	7.2%	32.7%
4.3% Mercury Project Finance plc Secured € 2032	50,000	4.59%	2.6x	179.4	37.2	79.3%	71.8%	15.1x	3.0x	24.1%	22.9%	666.2%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.77%	1.3x	58.2	23.8	59.1%	55.3%	18.6x	0.7x	0.8%	10.0%	19.9%
4.5% Shoreline Mall plc Secured € 2032	26,000	5.38%	(0.2)x	58.3	17.4	70.2%	68.5%	(96.4)x	17.2x	(2.3)%	N / A	0.0%
	Average***	4.77%										

Source: Latest available audited financial statements

* Last closing price as at 21/12/2023
**The financial analysis of Shoreline Mall Plc reflects the projected financial position of the Issuer for the year ended 30 June 2023.
***Average figures do not capture the financial analysis of the Issuer



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

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

As at 21 December 2023, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 2 years (2024 – 2026) was 160 basis points. The 4% SHM PLC Secured Bonds 2026 is currently trading at a YTM of 567 basis points, meaning a spread of 249 basis points over the equivalent MGS. This means that this bond is trading at a premium of 89 basis points in comparison to the market.

As at 21 December 2023, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 9 years (2024-2033) was 162 basis points. The 4.5% SHM PLC Secured Bonds 2032 is currently trading at a YTM of 538 basis points, meaning a spread of 204 basis points over the equivalent MGS. This means that this bond is trading at a premium of 43 basis points in comparison to the market.

Part 4 Glossary and Definitions

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

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

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

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

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

Calamatta Cuschieri

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