FINANCIAL ANALYSIS SUMMARY
Tum Finance p.l.c.
31st August 2020

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

31st August 2020

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Tum Finance p.l.c. (C91228) (the "**Issuer**"), and Easysell Limited (C9778) (the "**Guarantor**") and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2017, 2018 and 2019 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question

(b) The forecast data for the financial year ending 2020 has been provided by management.

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

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

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

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Nick Calamatta
Director

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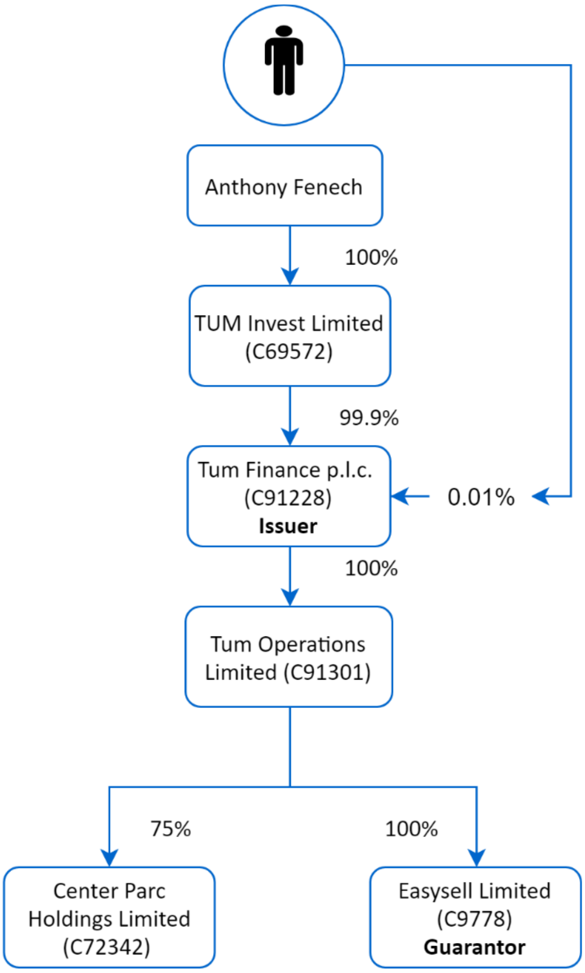
Part 1 - Information about the Group

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

The Group structure is as follows:



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

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

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

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

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

Center Parc Holdings Limited (CPL) (C72342) was incorporated on 23rd September 2015. The issuer holds seventy five per cent of the shares and voting rights in Center Parc Holdings Limited. The remaining twenty five per cent are held by another shareholder independent of the Group. Center Parc Holdings Limited was set up primarily to acquire, develop and manage property for commercial purposes and owns the Center Parc Property. Management confirmed that this property is now fully developed, commenced operations on 4th October 2019 and was fully occupied by December 2019. Management further confirmed that up until the end of August 2020, the premises remained fully tenanted.

1.2 Directors and Key Employees

Board of Directors - Issuer

As at the date of the prospectus, the Issuer is constituted by the following persons:

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

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

Board of Directors – Guarantor

As at the date of the prospectus, the Guarantor are constituted by the following persons:

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

Mr. Matthew Fenech was appointed as a director of the Guarantor as from 26th April 2019. The business address of all of the directors is the registered office of the Issuer. Mr. Matthew Fenech is also the company secretary of the Guarantor.

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

The Guarantor has its own board of directors, which is responsible for the management, and direction of the Guarantor. Two executive directors and an independent non-executive director that also sit on the Board of the Issuer, govern the Guarantor. Management confirmed that the Guarantor had two employees on its payroll during 2019 but the day to day business was still being handled by the delegated employees of the Parent company and its employees.

1.3 Major Assets owned by the Group

The Issuer does not have any substantial assets except for the investments in its subsidiaries together with the loans granted to the said subsidiaries, since it is essentially a special purpose vehicle set up to act as a holding and financing company.

The Group, through the Guarantor owns Zentrum Business Centre situated at Mdina Road, Qormi. Prior to the bond issue, this property consisted of a showroom, an underground floor and overlying offices. Management confirmed that these premises are still occupied by Malta Public Transport and by the Parent Company Tum Invest Limited.

As previously projected, this property was further developed and now include another building comprising of six basement levels, a showroom at ground level, and two levels of offices. The development concerning the said property was completed during Q3 2019. Management confirmed that Motors Inc. Limited moved into the Zentrum extension in October 2019, whereby the remainder of the office block started being rented out to third parties from 1st January 2020 onwards. Management explained that this building is currently fully occupied with tenants. The said property is currently held as a security in terms of the bond issue.

The Guarantor also owns further land adjacent to the secured asset. This land is accessible from Sqaq Ta' Barnaw Qormi known as Ta' Barnaw measuring approximately one thousand six hundred and thirty four (1,634) square metres. The Guarantor also owns from Sqaq Barna, a field measuring approximately two thousand and sixty nine square (2069) meters accessible from Sqaq Barnaw, Qormi. These properties are further explained in the Group's bond's prospectus.

Apart from the above, the Guarantor also owns property at 66 Saint Rita Street, Sliema. This property consists of a two-bedroom townhouse purchased in 1999. It has a footprint of circa one hundred square meters on two floors. Management confirmed that this property is currently rented out to third parties.

Center Parc Holdings Limited owns the Center Parc Property situated in Qormi, limits of Marsa, in the district known as 'Ta' Stabal', forming part of the land known as 'Ta' L-Erbgha Qaddisin' having an area of approximately 9560 square meters. Management explained that **The Center Parc Retail Hub**, being a major retail destination in Qormi, was opened on 4th October 2019 and was fully tenanted by the end of 2019. Management further confirmed that up until August 2020, the premises remained fully occupied with tenants.

1.4 Operational Developments

As described throughout section 1.3 of the Analysis, the Group through the Guarantor, owns Zentrum Business Centre, situated at Mdina Road in Qormi. As per use of proceeds allocation in the bond's prospectus, the Group utilised €4.5m out of the net bond proceeds to refinance existing loan facilities and settle any outstanding costs in respect of the development of the second building adjacent to the existing (one) building, which was completed during Q3 2019.

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

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

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

The Center Parc Retail Hub development was fully completed during 2019. Management confirmed that the Center Parc Retail Hub opened its doors on 4th October 2019 and was fully tenanted by the end of 2019. Management further confirmed that up until August 2020, the premises remained fully occupied with tenants.

Tenants within The Center Parc Retail Hub operate in various lines of business including clothing, electronics and catering. The different units have been rented out for fixed periods ranging between three to five years. Thereafter, the said lease agreements may be further extended by the current tenants for one year period up to a maximum number of years. Center Parc Holdings Limited charge tenants a base rent in addition to a service fee. Moreover, a yearly rental increase is included in the tenants' respective lease agreements.

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

1.5 COVID-19 Update

With the recent development of the COVID-19 outbreak since early 2020, the pandemic has caused disruption to business and economic activity and may ultimately impact the Group's future performance and asset values.

Subsequent to year end (FY19), many governments have implemented travel restrictions and quarantine measures that required entities to limit or suspend business operations. Whilst no disruptions were experienced in terms of the Group's office block, the shopping complex was closed over a stretch of two months during the current financial year, more specifically from end of March 2020 till beginning of May 2020, in line with the recently implemented health authorities' policies and restrictions.

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

Given that the negative consequences brought about by the COVID-19 pandemic on the Issuer are not yet fully known, management explained that the Group has evaluated the situation of each tenant closely and prepared a set of financial projections to assess the impact that the pandemic might have on the Group's overall financial performance. As a result, management explained that the projections utilised for the purpose of this document were based on both the Group's actual revenue figures up until June 2020 and were also based on the contractual agreements that the Group currently has in place with its clients, both in terms of Zentrum Business Centre and The Center Parc Retail Hub.

More importantly, management confirmed that up until July 2020, no tenant within the Group's properties has defaulted, and management further confirmed that there is no indication of any tenant defaulting moving forward. In light of the current circumstances, management explained that following a thorough analysis/ evaluation concerning the financial situation of each tenant and the aforementioned closure of the shopping complex, the Group decided to provide a discount to several tenants within The Center Parc Retail Hub for the months of April and May.

Management highlighted that the discounts provided by Group were specifically related to the rental payments and not related to service charges. These discounts were granted to several tenants depending upon the outcomes derived from the Group's analysis/evaluation. Management further confirmed that these discounts only lasted for a two month period (April – May) and from June 2020 onwards, the Group started receiving the full rental income as previously contracted.

Moreover, management also discussed that the Group did not provide any form of discounts to tenants within Zentrum Business Centre and also confirmed that in view of the current situation, the yearly increases included in the tenants' contracts will still be honoured and will not be overturned moving forward.

Liquidity management procedures

In this regard, the Group has compiled cash flow projections primarily based on the expected revenues and receipts from their tenants. These projections indicate that the Group is expected to have sufficient liquidity to meet its obligations as they fall due. Based on the above considerations and the current prevailing circumstances, management explained that the Group's capital and liquidity position is considered to be sufficient and adequate to absorb any foreseeable implications brought about by the COVID-19 pandemic. As such, management confirmed that in view of the current situation, the Group did not seek to obtain any form of additional bank financing.

Cost mitigation procedures

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

Concluding remarks

In furtherance, as also highlighted above, the directors have compiled cash flow projections primarily based on the expected revenues and receipts from their tenants and are confident that these are adequate to support the Group in the foreseeable future. More importantly, management has also confirmed that the Group has the sufficient resources at its disposal to honour its existing bond interest payment obligations.

Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 26th March 2019 and, accordingly, the first year of operations capture the period from incorporation to 31st December 2019. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to the Group's fellow subsidiaries. Tum Finance plc acts as the holding company of the Group, therefore its consolidated performance captures the operations of all the companies within the Group.

For the purpose of this document, the focus is on a review of the performance of the Guarantor and the Group. The Guarantor's historical financial information for the period ended 31 December 2017 to 31 December 2019, as set out in the audited financial statements of the Guarantor may be found in section 2.1 to 2.3 of this Analysis. This section also includes the projected performance of the Guarantor for the period ending 31 December 2020. Moreover, the Group's historical financial information for the pending ending 31 December 2019, together with the Group's projected performance for the period ending 31 December 2020 are set out in section 2.4 to section 2.7 of this Analysis. Forecasts for 2020 are based on projections provided by management.

2.1 Guarantor' Statement of Comprehensive Income

The Guarantor, Easysell Limited, carries on all or any of the business related to acquiring, developing and managing property primarily for commercial purposes. The audited historical performance for the period ended 31 December 2017 to 31 December 2019, in addition to the projected performance for the period ending 31 December 2020, are presented below.

Statement of Comprehensive Income[1]	Dec-17 Audited	Dec-18 Audited	Dec-19 Audited	Dec-20 Forecasted
	€000s	**€000s**	**€000s**	**€000s**
Rental income	405	420	643	1,458
Other operating Income	38	53	67	42
Total Revenue	443	473	710	1,500
Administrative expenses	(66)	(60)	(175)	(183)
EBITDA	**377**	**413**	**535**	**1,317**
Depreciation and amortisation	-	-	-	-
EBIT	**377**	**413**	**535**	**1,317**
Change in fair value of investment property	-	7,541	4,139	-
Finance costs	(72)	(144)	(79)	(168)
Profit before tax	**305**	**7,810**	**4,595**	**1,149**
Income Tax Expense	(94)	(1,297)	(791)	(393)
Net Income	**211**	**6,513**	**3,804**	**756**

Ratio Analysis	Dec-17	Dec-18	Dec-19	Dec-20
EBITDA Margin (EBITDA / Revenue)	93.1%	98.3%	83.2%	90.3%
Net Margin (Profit for the year / Revenue)	52.1%	1550.7%	591.6%	51.9%

[1] The Guarantor's statement of comprehensive income has been restated in line with the audited financial statements, therefore it is not comparable to the structure presented in last year's financial analysis summary.

The Guarantor generates revenue through rental income derived from the showroom and adjoining offices at the Guarantor's property in Qormi. Revenue generated during FY19 increased by 53.1% to €0.6m due to yearly increases included in the tenants' contracts. Such upsurge in revenue is also attributable to the fact that Motors Inc. Limited moved into the Zentrum extension in October 2019. Following the completion of the Zentrum Business Centre during FY19, and upon managements' confirmation that the property is currently fully occupied with tenants, together with the assumption that this property will fully tenanted during the period, the Guarantor's revenue is projected to increase to circa €1.5m during FY20.

Administrative expenses incurred by the Guarantor during FY19, which is mostly composed of wages and salaries, social security costs, management fees, audit fees and water and electricity related expenses, increased to circa €0.2m. This upsurge in expenses is deemed to be in line with the Guarantor incurring an increase in water and electricity expenses, together with higher levels of wages and salaries. Administrative expenses are projected to remain at this level during FY20.

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

The development implemented at the Guarantor's property during FY19, resulted into a positive movement in fair value of investment property of €4.1m. No movements in terms of the Guarantor's investment property is projected for FY20.

During FY19, the Guarantor's finance costs declined to circa €0.1m, in line with the settling-off of several bank loans and bank overdrafts as per use of proceeds allocation in the bond's prospectus. These are expected to increase to approximately €0.2m.

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

As a result of the above, the Guarantor reported a net profit figure amounting to €3.8m during FY19 and is projecting a net profit of €0.8m for FY20.

2.2 Guarantor' Statement of Financial Position

Statement of Financial Position	Dec-17 Audited	Dec-18 Audited	Dec-19 Audited	Dec-20 Forecasted
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment Property	12749	22,000	28,308	28,308
Total non-current assets	12,749	22,000	28,308	28,308
Current assets				
Trade and other receivables	756	461	254	254
Due from related parties	-	238	182	182
Cash and cash equivalents	-	25	125	225
Total current assets	756	724	561	661
Total assets	**13,505**	**22,724**	**28,869**	**28,969**
Equity and liabilities				
Capital and reserves				
Share capital	1,164	1,165	1,165	1,165
Other equity	-	4,292	6,300	6,300
Retained earnings	4,094	10,411	14,066	14,822
Total equity	**5,258**	**15,868**	**21,531**	**22,287**
Non-current Liabilities				
Loans and borrowings	6,417	3,490	-	-
Lease liabilities	-	192	192	192
Loans from related parties	-	-	3,143	3,143
Deferred tax liabilities	1,000	2,200	2,831	2,831
Total non-current liabilities	**7,417**	**5,882**	**6,166**	**6,166**
Current liabilities				
Trade and other payables	554	427	822	55
Due to related parties	-	266	260	428
Loans and borrowings	266	267	-	-
Tax payable	10	14	90	33
Total current Liabilities	**830**	**974**	**1,172**	**516**
Total liabilities	8,247	6,856	7,338	6,882
Total equity and liabilities	**13,505**	**22,724**	**28,869**	**28,969**

Total assets as of FY19 mainly comprised of investment property which accounted for 98.1% of the Guarantor's total assets. The increase in investment property as per FY19 results reflects investment costs incurred on the Guarantor's property, which was primarily driven by investment in the new extension. In the latter period, investment property increased by €6.3m.

Furthermore, current assets in FY19 comprised only 1.9% of the Guarantor's total assets. Trade and other receivables represent the principal component of current assets, and consist of trade receivables, advance payments and vat recoverable amounts. Current assets are projected to amount to circa €0.7m during FY20.

As per FY19 results, non-current liabilities represented 84.0% of the Guarantor's total liabilities. Non-current liabilities comprise of loans and borrowings, lease liabilities, loans from related parties and deferred tax liabilities. As described in the bond's use of proceeds, several bank borrowings were paid from the bond proceeds. Of note, loans from related parties during FY19 increased to €3.1m as several funds from the net bond proceeds were utilised to settle a bank loan with a local bank. Such amount is due from ESL to TOL and in turn to the Issuer and is repayable by way of dividends. Non-current liabilities are projected to remain at the same level during FY20 at €6.2m.

Current liabilities in FY19 represented 16.0% of the Guarantor's total liabilities. Current liabilities comprise of trade and other payables, amounts due to related parties, loans and borrowings together with tax payable amounts. Trade and other payables during the period increased to €0.8m during FY19 (FY18: €0.4m) due to larger amounts relating to trade creditors recorded during the period. Of note, the majority of such trade creditor amounts are anticipated to be paid off during FY20. As a result, total liabilities for FY20 are expected to amount to circa €7.3m.

2.3 Guarantor' Statement of Cash Flows

Statement of Cash Flows	Dec-17 Audited	Dec-18 Audited	Dec-19 Audited	Dec-20 Forecasted
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit before tax	304	7,810	4,595	1,149
Adjustments for:				
Interest expense	73	144	79	168
Fair value gain on investment property	-	(7,541)	(4,139)	-
Operating profit before working capital movement	377	413	535	1,317
Movement in trade and other receivables	14	85	207	-
Movement in due from related parties	-	(32)	56	-
Movement in due to related parties	-	(127)	395	168
Movement in trade and other payables	250	102	(157)	(767)
	641	441	1,036	718
Income taxes paid	(177)	(91)	(84)	(450)
Net cash flows from operating activities	464	**350**	**952**	**268**
Cash flows used in investing activities				
Additions to investment property	(1981)	(1,710)	(2,169)	-
Net cash flows generated from/(used in) investing activities	**(1981)**	**(1,710)**	**(2,169)**	**-**
Cash flows from financing activities				
Repayment of bank loans	-	-	(3,685)	-
Interest paid	(74)	(133)	(71)	(168)
Proceeds from bank loans		711	-	-
Loans from related parties	1,591	-	4,500	-
Proceeds from additional contribution	-	817	583	-
Repayment of lease liabilities	-	(10)	(10)	-
Net cash flows used in/(generated from) financing activities	**1,517**	**1,385**	**1,317**	**(168)**
Movement in cash and cash equivalents	**-**	**25**	**100**	**100**
Cash and cash equivalents at start of year	-	-	25	125
Cash and cash equivalents at end of year	**-**	**25**	**125**	**225**

Following the Guarantor's improvement in operating profit before working capital movements, the Guarantor reported a net cash flow from operating activities of circa €1.0m. This improvement is also attributable to the Guarantor receiving several outstanding balances from trade and other receivables and from related parties respectively. The aforementioned improvement in cash flow from operating activities is also in line with the Guarantor obtaining better credit terms in terms of amounts due to related parties. Net cash flow from operating activities is expected to amount to €0.3m during FY20.

The growth in capital expenditure during FY19 reflects the additional investment made in relation to the extension of the Guarantor's property. No investing activities are projected for FY20.

Following the repayment of bank loan balances and the previously explained loans from related parties during FY19, the ESL reported a net cash flow generated from financing activities of €1.3m. Apart from €0.2m in interest payable, no financing activities are anticipated for FY20.

2.4 Group's Income Statement

Income Statement	Dec-19 Audited	Dec-20 Forecast
	€000s	€000s
Revenue	963	3,277
Administrative expenses (exl. Depreciation)	(363)	(537)
EBIDTA	**600**	**2,740**
Depreciation and amortisation	(15)	(14)
EBIT	**585**	**2,726**
Fair value movement on Investment Property	9,736	-
Interest income	-	-
Interest expense	(277)	(789)
Profit before tax	**10,044**	**1,937**
Tax	(1,382)	(640)
Net Income	**8,662**	**1,297**

Ratio Analysis	A2019	F2020
Profitability		
Growth in Revenue (YoY Revenue Growth)	n/a	240.3%
EBITDA Margin (EBITDA / Revenue)	62.3%	83.6%
Operating (EBIT) Margin (EBIT / Revenue)	60.7%	83.2%
Net Margin (Profit for the year / Revenue)	899.5%	39.6%
Return on Common Equity (Net Income / Average Equity)	28.3%	4.2%
Return on Assets (Net Income / Average Assets)	14.5%	2.2%

The Group's financial forecast as presented in the previous financial analysis summary (FAS) represents a full year of operations whilst the FY19 consolidated financial statements presents the results as from when Tum Operations Ltd acquired its subsidiaries, being April 2019. It is thus key to note that the FY19 financial data presented above reflects a 9-month period and therefore not fully comparable to the 12-month period projections provided in the previous FAS.

Actual consolidated revenue for the 9 month period ending 31st December 2019 amounted to circa €1.0m and reflects revenue generated from the Group's properties, namely Zentrum Business Centre and Center Parc Retail Hub.

Management explained that during FY19 the Center Parc Retail Hub development was fully completed, whereby the shopping complex opened its doors on 4th October 2019 and achieved fully occupancy by the end of FY19. Management further confirmed that up until August 2020, the premises remained fully occupied with tenants.

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

Moreover, whilst no disruptions were experienced in terms of the Group's office block during FY20, the shopping complex was closed over a stretch of two months during the current financial year, more specifically from end of March 2020 till the beginning of May 2020. Nonetheless, upon taking the above factors into consideration, the Group is anticipating revenue to amount to circa €3.2m during FY20. This upsurge in revenue is deemed to be attributable to the continued full occupancy in terms of the Group's shopping complex and the initiation of operations in terms of Zentrum Business Centre extentsion.

Upon determining the projections for FY20, management explained that the Group has evaluated the situation of each tenant closely and prepared a set of financial projections to assess the impact that the pandemic might have on the Group's overall financial performance. As a result, management explained that the projections utilised for the purpose of this document were based on both the Group's actual revenue figures up until June 2020 and were also based on the contractual agreements that the Group currently has in place with its clients, both in terms of Zentrum Business Centre and The Center Parc Retail Hub.

More importantly, management confirmed that up until July 2020, no tenant within the Group's properties has defaulted, and management further confirmed that there is no indication of any tenant defaulting moving forward. In light of the current circumstances, management explained that following a thorough analysis/ evaluation concerning the financial situation of each tenant and the aforementioned closure of the shopping complex, the Group decided to provide a discount to several tenants within The Center Parc Retail Hub for the months of April and May.

Management confirmed that upon the outcomes derived from the Group's analysis/ evaluation the Group provided several discounts to some tenants. These discounts only lasted for a two month period (April – May) and from June 2020 onwards, the Group started receiving the full rental income as previously contracted.

Moreover, management also discussed that the Group did not provide any form of discounts to tenants within Zentrum Business Centre and also confirmed that in view of the current situation, the yearly increases included in the tenants' contracts will still be honoured and will not be overturned moving forward. Management confirmed that the Group's actual revenue up until June 2020, amounts to circa 46% of the FY20 projected revenue.

Overhead expenses include maintenance, utility, common area expenses and other administrative expenses, whereby part of these costs are recovered through the service charge recognised. These amounted to approximately €0.4m as per FY19 results and are projected to increase to €0.5m during FY20. This increase is attributable to the fact that unlike FY19, the FY20 projected performance reflects a 12-month period of operations in terms of the Group's two properties. As such, higher levels of cleaning and advertising expenses are projected to be incurred.

As previously discussed, there will be no depreciation costs incurred by the Guarantor. Therefore, the aforementioned depreciation costs incurred by the Group during FY19 were incurred by CPL on property, plant and equipment upon the initiation of operations of The Center Parc Retail Hub in Qormi. The Group's depreciation costs are projected to amount to €14k during FY20.

As previously discussed, given that TOL acquired its subsidiaries in April 2019, this resulted in a lower change in fair value of investment property of €4.9m being reported in the period covered by the consolidated financial statements in comparison to previous projections. Fair value movement/gain on property as per FY19 results amounted to €9.7m. No further property fair value movements/gains are forecasted for FY20.

Finance costs incurred during FY19 amounted to circa €0.3m and mainly include bank charges, bond related interest and lease liabilities interest expenses. While previous projections comprised interest bond expenses relating to a 12-month period, actual finance costs figure for FY19 include bond interest expenses as from when the bond was issued (June 2019). Finance costs are projected to amount to circa €0.8m during FY20.

Tax incurred by the Group during FY19 amounted to €1.4m, out of which circa €1.3m relate to deferred tax expenses concerning the aforementioned movement in investment property. The Group is anticipating to incur €0.6m in taxation costs for FY20.

2.5 Group's Variance Analysis

Statement of Comprehensive Income	Dec-19 Forecast	Dec-19 Audited	Variance
	€'000s	€'000s	€'000s
Revenue	1,736	963	(773)
Administrative expenses (exl. Dep)	(201)	(363)	(162)
EBITDA	**1,535**	**600**	**(935)**
Depreciation and amortisation	(30)	(15)	15
EBIT	**1,505**	**585**	**(920)**
Change in fair value of investment property	14,318	9,736	(4,582)
Finance Income	-	-	-
Finance Costs	(744)	(277)	467
Profit before tax	**15,079**	**10,044**	**(5,035)**
Income tax (expense)/ credit	(237)	(96)	**432**
Deferred tax on property revaluation	(1,577)	(1,286)	
Profit for the period	**13,265**	**8,662**	**(4,603)**
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	**13,265**	**8,662**	**(4,603)**

First and foremost, as clearly explained in section 2.4 of the Analysis, the Group's financial forecast as presented in the previous financial analysis summary (FAS) represents a full year of operations whilst the FY19 consolidated financial statements presents the results as from when Tum Operations Ltd acquired its subsidiaries, being April 2019. It is thus key to note that the FY19 financial data presented above reflects a 9-month period and therefore not fully comparable to the 12-month period projections provided in the previous FAS.

Actual revenue for FY19 was lower than previously anticipated. In addition to the above statement, and as per discussions with management, the decline in revenue is attributable to the fact that the investment property projects undertaken by the Group during FY19 experienced a degree of delay in completion. As a result, this resulted in a one-time loss of revenue of circa €0.8m.

Moreover, management further explained that as the investment project took longer to fully complete, the Group incurred higher level of salaries and also incurred several penalties and fines. As a result, this has resulted in the Group incurring higher administrative expenditure during FY19.

As previously projected, the Guarantor did not incur any depreciation during FY19 and as such the Group's depreciation charge for FY19 was incurred by CPL on property, plant and equipment upon the initiation of operations of The Center Parc Retail Hub in Qormi. Management explained that the variance relates to a difference in the purchase cost of several equipment bought during the period.

The lower change in fair value in investment property occurred due to the changes in the acquisition date of subsidiaries as clearly explained above. As previously discussed, given that TOL acquired its subsidiaries in April 2019, this resulted in a lower change in fair value of investment property of €4.9m being reported in the period covered by the consolidated financial statements.

Moreover, whilst previous projections comprised interest bond expenses relating to a 12-month period, actual finance costs figure for FY19 include bond interest expenses as from when the bond was issued (June 2019). This has resulted in a positive finance costs variance of circa €0.5m.

In furtherance, in line with the fact that the fair value movement in investment property was less in comparison to previous projections, this has consequently resulted in a lower deferred tax charge during the period. In view of the above considerations, the Group reported a net profit of €8.7m, which is €4.6m lower in comparison to previous projections.

2.6 Group's Balance Sheet

Balance Sheet	Dec-19 Audited	Dec-20 Forecast
Assets	**€000s**	**€000s**
Non-current assets		
Investment property	57,554	57,633
Property, plant and equipment	45	30
Investment in subsidiary	-	
Loans to related parties	-	
Total non-current assets	**57,599**	**57,663**
Current assets		
Due from related parties	510	972
Trade and other receivables	392	779
Cash and cash equivalents	1,085	181
Tax recoverable	35	35
Total current assets	**2,022**	**1,967**
Total assets	**59,621**	**59,630**
Equity and liabilities		
Capital and reserves		
Share capital	17,693	17,693
Retained earnings	7,244	8,385
Capital contribution	2,456	2,456
Other reserves	543	543
Non-controlling interest	2,655	2,810
Total equity	**30,591**	**31,887**
Non-current liabilities		
Deferred tax liability	5,122	5,122
Lease liabilities	192	192
Debt securities in issue	19,534	19,534
Total non-current liabilities	**24,848**	**24,848**
Current liabilities		
Trade and other payables	2,881	2,014
Debt securities in issue	390	390
Debt to related parties	818	211
Tax payable	93	280
Total current liabilities	**4,182**	**2,895**
Total liabilities	**29,030**	**27,743**
Total equity and liabilities	**59,621**	**59,630**

Ratio Analysis	A2019	F2020
Financial Strength		
Gearing 1 (Net Debt / Net Debt and Total Equity)	39.4%	38.7%
Gearing 2 (Total Liabilities / Total Assets)	48.7%	46.5%
Net Debt / EBITDA	33.1x	7.4x
Current Ratio (Current Assets / Current Liabilities)	0.5x	0.7x
Interest Coverage (EBITDA / Cash interest paid)	2.2x	3.5x

Non-current assets in FY19, mainly consisted of investment property, representing circa 96.6% of total assets. The latter, takes into account the implementation of additional investment with regards the ESL and CPL properties. Non-current assets are projected to remain at the same level and amount to €57.7m during FY20.

Current assets amounted to €2m during FY19 and mainly consisted of amounts due from related parties, trade and other receivables, cash and cash equivalents and tax recoverable amounts. In line with the fact that the FY19 results reflect a 9-month period, the Group reported a lower level of cash and cash equivalents for the period. Moreover, current assets for FY20 are projected to amount at the same levels.

As per previous projections, total equity during FY19 amounted to circa €32m and is projected to remain at this same level during FY20 at circa €32m. Moreover, the Group reported a higher retained earnings figure for FY19 than previous expectations. This increase is mainly attributable to the fact that until FY18, both subsidiaries were under GAPSME. Upon the change from GAPSME to IFRS, fair value of immovable property was transferred and thus resulted in the amount being transferred to retained earnings. In comparison to previous projections, the Group also reported a lower non-controlling interest figure for the period. This is deemed to be in line that the FY19 results only reflect a 9-month period and is also attributable to the delay in which the Group experienced in terms of the shopping complex. Of note, total equity is mainly composed of share capital, retained earnings, capital contribution amounts, other reserves and non-controlling interest.

Total non-current liabilities for FY19, represented 85.6% of the Group's total liabilities and amounted to €24.8m during the period. These are mainly composed of deferred tax liabilities, lease liabilities and debt securities in issue. While deferred tax liabilities refer to tax liabilities recognised as a result of the revaluation of the ESL and CPL properties, the debt securities in issue figure relates to the net bond proceeds. It is important to note that amounts due to TUM and amounts due to V&C included in previous projections were reclassified during FY19 as capital contribution during the period under total equity. Non-current liabilities are expected to remain unchanged during FY20.

Moreover, current liabilities during FY19 represented 14.4% of the Group's total assets and mainly includes trade and other payables, debt securities in issue, debt to related parties and tax payable. Debt to related parties relate to amounts owed to parent, group, and other related companies and are unsecured, interest free and repayable on demand. The variance found in terms of current liabilities, when compared to previous projections relate mainly to trade creditors for the construction of Easysell extension and Center Parc construction. The Group is projected to settle several payable amounts during FY20 and as such current liabilities are expected to amount to €2.9m during FY20.

2.7 Group's Cash Flow Statement

Cash flow statement	Dec-19 Audited	Dec-20 Forecast
	€000s	€000s
Cash flows used in operating activities		
Profit before tax	10,043	1,937
Adjustments for:		
Depreciation	15	14
Finance costs	277	789
Finance income	-	-
Dividend income	-	-
Gain on change in fair value of investment property	(9,736)	-
Operating profit before working capital movement	**599**	**2,740**
Movement in trade and other receivables	**303**	**(387)**
Movement in due from related parties	**211**	**(1,069)**
Movement in trade and other payables	**1,995**	**(867)**
	3,108	**417**
Interest expense paid	-	**(789)**
Income taxes paid	**(38)**	**(453)**
Net cash flows generated/ (used) from operating activities	**3,070**	**(825)**
Cash flows used in investing activities		
Purchase of property, plant and equipment	(59)	-
Purchase of investment property	(5,582)	(79)
Loans advanced to related parties	(300)	-
Loans to subsidiaries	-	**-**
Net cash flows used in investing activities	**(5,941)**	**(79)**
Cash flows from financing activities		
Proceeds from capital issued	49	-
Proceeds from debt securities issued	19,534	-
Repayment of bank loans	(15,620)	-
Repayment of lease liabilities	(7)	-
Net cash flows from financing activities	**3,956**	**-**
Movement in cash and cash equivalents	**1,085**	**(904)**
Cash and cash equivalents at start of year	-	1,085
Cash and cash equivalents at end of year	**1,085**	**181**

Ratio Analysis	A2019	F2020
Cash Flow		
Free Cash Flow (Net cash from operations - Capex)	€(2,571)	€(904)

Following favourable movement in working capital, the Group reported a net cash flow generated from operating activities amounting to €3.1m. Although the FY19 results reflect a 9-month period of operations, the Group managed to report a higher level of cash generated from operating activities in comparison to previous projections. As previously discussed, this is deemed to be in line with a favourable movement in working capital, more specifically in terms of trade and other payables. However, although the Group is expected to report an improved financial performance for FY20, the Group anticipates to generate a negative cash flow from operating activities of €0.8m for the period. This decline is mostly attributable to the Group anticipating to settle several payables and amounts due to related parties throughout the projected period.

Moreover, the purchase of investment property listed under investing activities during FY19 mainly relate to the implementation of additional investment with regards the ESL and CPL properties. This is deemed to be higher than previous projections and is mainly attributable to construction costs implemented at Zentrum Business Centre, which were higher than previously expected. Minimal investing activities are projected for FY20.

The proceeds from debt securities figure under FY19's financing activities related to the recipient of the net bond proceeds following the Group's bond issue. As per use of proceeds allocation in the bond's prospectus, the Group settled €15.6m in bank loans during FY19. In line with the current COVID-19 climate, no financing activities are projected for FY20.

Part 3 – Key Market and Competitor Data

3.1 General Market Conditions

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

3.2 Economic Update[2]

In July, the Malta Central Bank's Business Conditions' Index (BCI) improved slightly when compared with the previous month, suggesting that economic conditions may have reached their trough. However, it remained significantly below its long-term average. The European Commission's Economic Sentiment Indicator (ESI) rose, but remained well below the level recorded before the onset of COVID-19. The increase in sentiment largely reflects improved confidence in the services sector and in industry. Sentiment also improved in the construction sector and among consumers, but reached a new historical low among retailers.

In June, the volume of retail trade and industrial production contracted again in annual terms, though at a slower pace when compared with May. The number of registered unemployed and the unemployment rate fell when compared with a month earlier, with the latter remaining low from a historical perspective. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) edged up to 1.0% in June, from 0.9% in May, while inflation based on the Retail Price Index (RPI) stood unchanged at 0.7%. Maltese residents' deposits expanded by an annual rate of 7.6% over the year to June, while annual growth in credit to Maltese residents eased to 8.8%. In June, the deficit on the cash-based Consolidated Fund widened significantly compared with a year earlier, reflecting a significant increase in government expenditure and, to a lesser extent, a drop in revenue.

3.3 Economic Projections[3]

The Central Bank of Malta (CBM) expects Malta's Gross Domestic Product (GDP) to contract by 6.6% in 2020. Subsequently, it should grow by around 6.1% and 4.2% in the following two years. While this projection is significantly better than that for other euro area countries, Malta's level of economic activity is expected to be around 7% lower in 2022 compared to the projections that had been made prior to the outbreak of COVID-19[4]. In fact it will take until mid-2022 for Malta's GDP to return to its 2019 level. Compared with the CBM's previous projections, GDP growth has been revised downwards in 2020, due to weaker tourism exports that offset a stronger positive impulse from fiscal measures that were announced in June. In total, Government fiscal and liquidity measures are estimated to boost GDP by 3 percentage points, reducing the decline in GDP by a third.

The largest contributor to the projected decline in GDP in 2020 is net exports, reflecting an expected decrease in foreign demand, restrictions on travel-related activities, and disruptions to the global supply-chain.

[2] Central Bank of Malta – Economic Update: Issue 8/2020
[3] Central Bank of Malta – Economic Projections 2020 – 2022 (2020:3)
[4] Prior to the first case of COVID-19 in Malta, hence not including the containment measures introduced by the Maltese authorities to limit the spread of COVID-19, the CBM projected that economic activity in Malta was expected to remain robust but moderate over the projection horizon. GDP growth was projected to ease from 4.4% in 2019 to 3.8% in 2020, and further to 3.6% in 2021 and 3.5% in 2022.

However, domestic demand is also expected to contribute negatively, as the shut-down of various activities during part of the year and elevated uncertainty are expected to adversely impact private consumption and investment. Almost all sectors are expected to be negatively affected by the pandemic and the associated containment measures, but the accommodation and food services activities, transportation and storage, and wholesale and retail trade sectors, are expected to be the worst affected. Domestic demand is expected to be the main driver of the projected recovery in 2021 and 2022, although the net export contribution is also set to turn positive.

In view of the foreseen contraction in economic growth, employment is set to decline somewhat in 2020, leading to an increase in the unemployment rate. Fiscal measures are however expected to be supportive of the labour market, and hence, the expected losses in headcount employment are rather mild when compared with the foreseen decline in GDP. Moreover local labour market developments are much better than the trends observed in the euro area, with Malta registering in June the lowest unemployment rate in the monetary union for the first time. The labour market is expected to rebound in the following years, due to the projected improvement in economic activity levels.

In 2020, lower domestic and international price pressures should also lead toward an easing in annual inflation, from 1.5% to 0.9%, based on the Harmonised Index of Consumer Prices (HICP). However, inflation is also expected to be supported by cost-push factors, in the context of disruptions to the global supply chain. It is then set to edge up to 1.4% by 2022, reflecting a pick-up in economic activity, affecting prices of services and non-energy industrial goods inflation (NEIG).

Public finances are expected to deteriorate in 2020 due to the expected decline in economic activity and the introduction of COVID-19 related support measures. The government balance is projected to be in deficit of 8.6% of GDP in 2020. As most COVID-19 related measures are set to end this year, the shortfall is expected to narrow in 2021, and to stand at 3.5% of GDP by 2022. The government debt-to-GDP ratio is projected to rise from 43.7% in 2019 to 57.9% by 2022, thus remaining well below the levels projected for the euro area.

Given the persistent uncertainty surrounding the pandemic, particularly in respect of timelines for the availability of a vaccine, the CBM has also published a more severe scenario in which health protocols in Malta and overseas would have to be enhanced and extended to contain the spread of the virus. In such a scenario, the contraction in GDP could reach 9.3% this year. GDP growth should then rebound to 5.5% and 3.7%, respectively, in 2021 and 2022. In this case, the level of GDP would remain below 2019 levels by the end of 2022. Moreover, the unemployment rate would rise further, and inflation would be slightly weaker. In addition, the government deficit would reach 11.3% in 2020 before narrowing to 5.4% in the following two years, while the government debt-to-GDP ratio would rise to 66.0% by the end of 2022.

▪ Retail Sector

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

The current COVID-19 pandemic, as highlighted in section 3.3 of the Analysis, has undoubtedly had a negative impact on Malta's retail sector. In accordance to the restrictions implemented by the Government of Malta, all retail outlets were forced to close their doors for the end of Mach till the beginning of May. Although, retail outlets have re-opened their operation, the retail industry in Malta is likely to generate a lower level of turnover for the remainder of 2020 when compared to the previous corresponding period. As the current climate remains relatively fluid and uncertain, the full impact that the COVID-19 pandemic has had on the local retail industry, is still not completely known.

▪ Commercial Property Market

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

However, in accordance to the economic turmoil caused by the COVID-19 outbreak, leases in Europe, Malta included, are currently in a state of disarray. Many businesses have been forced to shut down throughout 2020, employees have been laid off or have had to suffer pay-cuts. The pandemic has overnight caused havoc in commercial as well as in residential leases. Retail outlets, whose revenues have ground to halt overnight as clearly explained within prior sections of the Analysis, are generally still bound to pay their rents, even though they may not be able to do so much longer. At the same time landlords of such commercial properties now have to deal with tenants defaulting on the rents. The situation is no different in the housing sector (including both longer and shorter term lets); landlords have suddenly found themselves with vacant properties, and others are attempting to evict defaulting tenants.

Property owners and tenants are thus faced with serious and often distressing questions affecting their lease relationships. Despite the fact the containment measures implemented by the Government of Malta to contain the virus spread were not specifically targeted towards the local construction and property sectors, these sectors are still expected to be negatively impacted due to the uncertainty brought about by this crisis. However, the full impact on that the COVID-19 pandemic has had on the local construction and property sectors is at this stage not fully known. Much will depend on both the duration of this crisis and the extent of the impact on the global economies as well as, the scale and effectiveness of mitigating measures provided by the relevant authorities.

3.4 Comparative Analysis

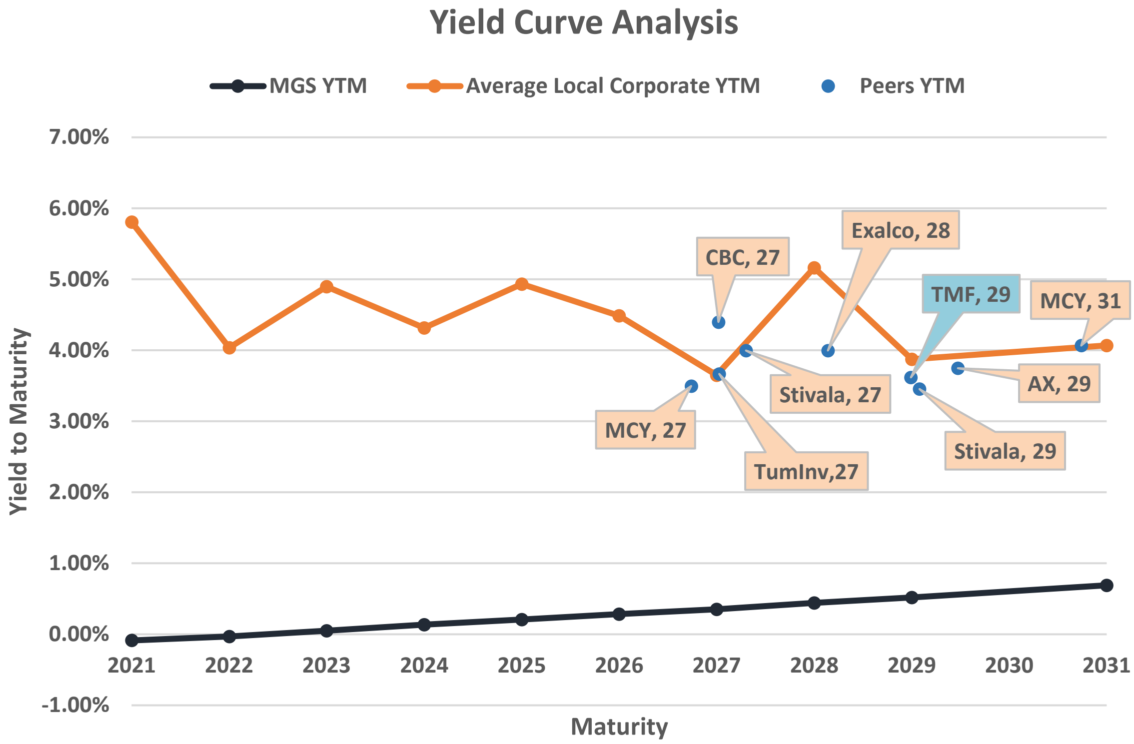
The purpose of the table below is to compare the Group's bond to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)	Last Closing Price *
5.8% International Hotel Investments plc 2021	20,000	5.77%	3.2x	1,617.9	877.6	45.8%	37.3%	7.6x	1.1x	1.0%	3.3%	5.7%	100.00
5.75% Central Business Centres plc Unsecured € 2021 S1T1	3,000	4.05%	1.9x	29.5	16.6	44.0%	41.4%	13.2x	0.5x	3.0%	45.6%	205.0%	102.50
3.65% GAP Group plc Secured € 2022	36,737	3.61%	4.4x	55.2	9.9	82.1%	79.4%	3.6x	6.4x	36.0%	9.8%	103.2%	100.06
6% Pendergardens Developments plc Secured € 2022 Series II	26,921	3.50%	3.7x	81.5	28.3	65.2%	54.3%	5.3x	1.5x	0.1x	0.0x	1.0x	105.00
4.25% GAP Group plc Secured € 2023	19,433	2.95%	4.4x	55.2	9.9	82.1%	79.4%	3.6x	6.4x	36.0%	9.8%	103.2%	104.00
5.3% United Finance Plc Unsecured € Bonds 2023	8,500	5.29%	0.8x	27.2	6.9	74.5%	62.7%	18.0x	0.7x	0.1%	17.9%	28.1%	100.00
5.8% International Hotel Investments plc 2023	10,000	5.13%	3.2x	1,617.9	877.6	45.8%	37.3%	7.6x	1.1x	1.0%	3.3%	5.7%	102.00
6% AX Investments Plc € 2024	40,000	3.79%	5.5x	342.4	226.1	34.0%	18.9%	3.2x	0.9x	2.2%	9.4%	-8.1%	107.50
6% International Hotel Investments plc € 2024	35,000	5.49%	3.2x	1,617.9	877.6	45.8%	37.3%	7.6x	1.1x	1.0%	3.3%	5.7%	101.75
5% Tumas Investments plc Unsecured € 2024	25,000	4.59%	23.0x	266.9	154.5	42.1%	16.5%	0.5x	3.2x	37.3%	36.1%	128.6%	101.51
5% Hal Mann Vella Group plc Secured € 2024	30,000	4.10%	2.4x	117.6	45.1	61.6%	53.8%	9.5x	1.2x	6.5%	12.9%	-0.7%	103.50
5.75% International Hotel Investments plc Unsecured € 2025	45,000	5.75%	3.2x	1,617.9	877.6	45.8%	37.3%	7.6x	1.1x	1.0%	3.3%	5.7%	100.00
4.5% Hili Properties plc Unsecured € 2025	37,000	4.28%	1.8x	150.5	57.6	61.7%	57.7%	12.7x	1.1x	9.9%	62.4%	20.0%	101.00
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000	4.83%	1.9x	29.5	16.6	44.0%	41.4%	13.2x	0.5x	3.0%	45.6%	205.0%	102.00
4.0% Shoreline Mall Plc Secured € 2026	14,000	4.00%	4.7x	19.3	18.1	60.1%	87.5%	3.4x	4.7x	24.5%	36.5%	100.0%	100.00
4% MIDI plc Secured € 2026	50,000	3.28%	6.1x	234.6	104.0	55.7%	33.0%	4.2x	3.0x	8.2%	29.6%	-47.2%	103.90
4% International Hotel Investments plc Secured € 2026	55,000	3.63%	3.2x	1,617.9	877.6	45.8%	37.3%	7.6x	1.1x	1.0%	3.3%	5.7%	102.00
3.9% Plaza Centres plc Unsecured € 2026	8,500	3.81%	5.2x	48.8	31.5	35.5%	26.3%	3.9x	7.7x	4.6%	38.3%	8.6%	100.50
4% International Hotel Investments plc Unsecured € 2026	60,000	4.00%	3.2x	1,617.9	877.6	45.8%	37.3%	7.6x	1.1x	1.0%	3.3%	5.7%	100.00
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	3.25%	6.9x	325.2	214.6	34.0%	18.9%	2.3x	1.0x	15.9%	54.8%	23.1%	100.00
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.50%	7.7x	38.0	0.8	1.0x	101.9%	4.8x	0.6x	1.0x	0.1x	2.6x	101.49
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	4.40%	1.9x	29.5	16.6	44.0%	41.4%	13.2x	0.5x	3.0%	45.6%	205.0%	100.00
3.75% Tumas Investments plc Unsecured € 2027	25,000	3.67%	23.0x	266.9	154.5	42.1%	16.5%	0.5x	3.2x	37.3%	36.1%	128.6%	100.50
4% Stivala Group Finance plc Secured € 2027	45,000	4.00%	4.0x	225.3	123.1	45.4%	40.6%	7.4x	0.7x	5.0%	26.0%	19.5%	100.00
4% Exalco Finance plc Secured € 2028	15,000	4.00%	3.9x	68.2	39.7	41.7%	32.0%	5.7x	1.0x	5.0%	44.7%	13.9%	100.01
3.75% TUM Finance plc Secured € 2029	20,000	3.62%	2.2x	59.6	30.6	48.7%	39.4%	33.1x	0.5x	28.3%	899.5%	n/a	101.00
3.65% Stivala Group Finance plc Secured € 2029	15,000	3.45%	4.0x	225.3	123.1	45.4%	40.6%	7.4x	0.7x	5.0%	26.0%	19.5%	101.50
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.75%	5.5x	342.4	226.1	34.0%	18.9%	3.2x	0.9x	2.2%	9.4%	-8.1%	100.00
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.07%	7.7x	38.0	0.8	97.9%	101.9%	4.8x	0.6x	101.2%	12.3%	261.0%	101.56
4.5% Shoreline Mall Plc Secured € 2032	26,000	4.50%	4.7x	19.3	18.1	60.1%	87.5%	3.4x	4.7x	24.5%	36.5%	100.0%	100.00
Average**	**24,365**	**4.2%**	**5.3x**	**439.4**	**238.2**	**53.8%**	**47.5%**	**6.6x**	**2.0x**	**16.8%**	**23.3%**	**69.1%**	

Source: *Latest Available Audited Financial Statements and MSE*

* Last price as at 28/08/2020

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



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

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

The graph plots the entire MGS yield curve, thus taking into consideration the yield of comparable issuers. The graph illustrates on a stand-alone basis, the yield of comparable issuers having a maturity between 7-11 years (Peers YTM).

As can be witnessed in the comparative analysis, the Group's leverage is below the average of its comparable issuers on the Malta Stock Exchange at 48.7% gearing (Total Liabilities/ Total Assets), compared to an average of 53.8% or at a gearing (Net Debt / Net Debt and Total Equity) of 39.4% compared to an average of 47.5% for the industry.

As at 26th August 2020, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 7-11 years was 340 basis points. The 3.75% TUM Finance plc 2029 is currently trading at a YTM of 3.62%, meaning a spread of 309 basis points over the equivalent MGS. This means that this bond is trading at a discount of 31 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 the average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company 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 Gearing Ratio Level 1 Gearing Ratio Level 2	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets. Is calculated by dividing Net Debt by Net Debt and Total Equity. Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
Occupancy Level	The occupancy level is expressed as a percentage and indicates the number of rooms occupied to the total number of available rooms in a given time period.