MCM
XXIII

1923
INVESTMENTS

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by 1923 Investments p.l.c. (the "Company") pursuant to the Capital Markets Rules as issued by the Malta Financial Services Authority.

QUOTE **Publication of Financial Analysis Summary**

It is being announced that the updated report containing the Financial Analysis Summary of the Company dated 27th June 2022, has been approved for publication and is attached herewith. It is also available for viewing on the Company's website: www.1923investments.com In this report there is an explanation of the variances between the published financial information of the Company and published forecasts or estimates or financial projections which require disclosure in terms of Capital Market Rule 5.16.24.

UNQUOTE

By order of the Board

Mr. Rudolph Mifsud Saydon
Company Secretary

27 June 2022

The Directors
1923 Investments p.l.c.
Nineteen Twenty Three,
Valletta Road,
Marsa, MRS3000
Malta

Re: Financial Analysis Summary – 2022

27 June 2022

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to 1923 Investments p.l.c. (the "**Issuer**") 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 2019, 2020 and 2021 has been extracted from the audited financial statements of the Issuer for the three years in question.

(b) The forecast data for the financial year ending 2022 has been provided by management.

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

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

(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,

Nick Calamatta
Director

Calamatta Cuschieri Investment Services Ltd | Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR9034, Malta | P.O. Box 141, Il-Marsa, MRS 1001, Malta
Phone: (+356) 25 688 688 | Fax: (+356) 25 688 256 | Web: www.cc.com.mt | Email: info@cc.com.mt

FINANCIAL ANALYSIS SUMMARY 2022

MCM XXIII 1923 INVESTMENTS

1923 Investments p.l.c.

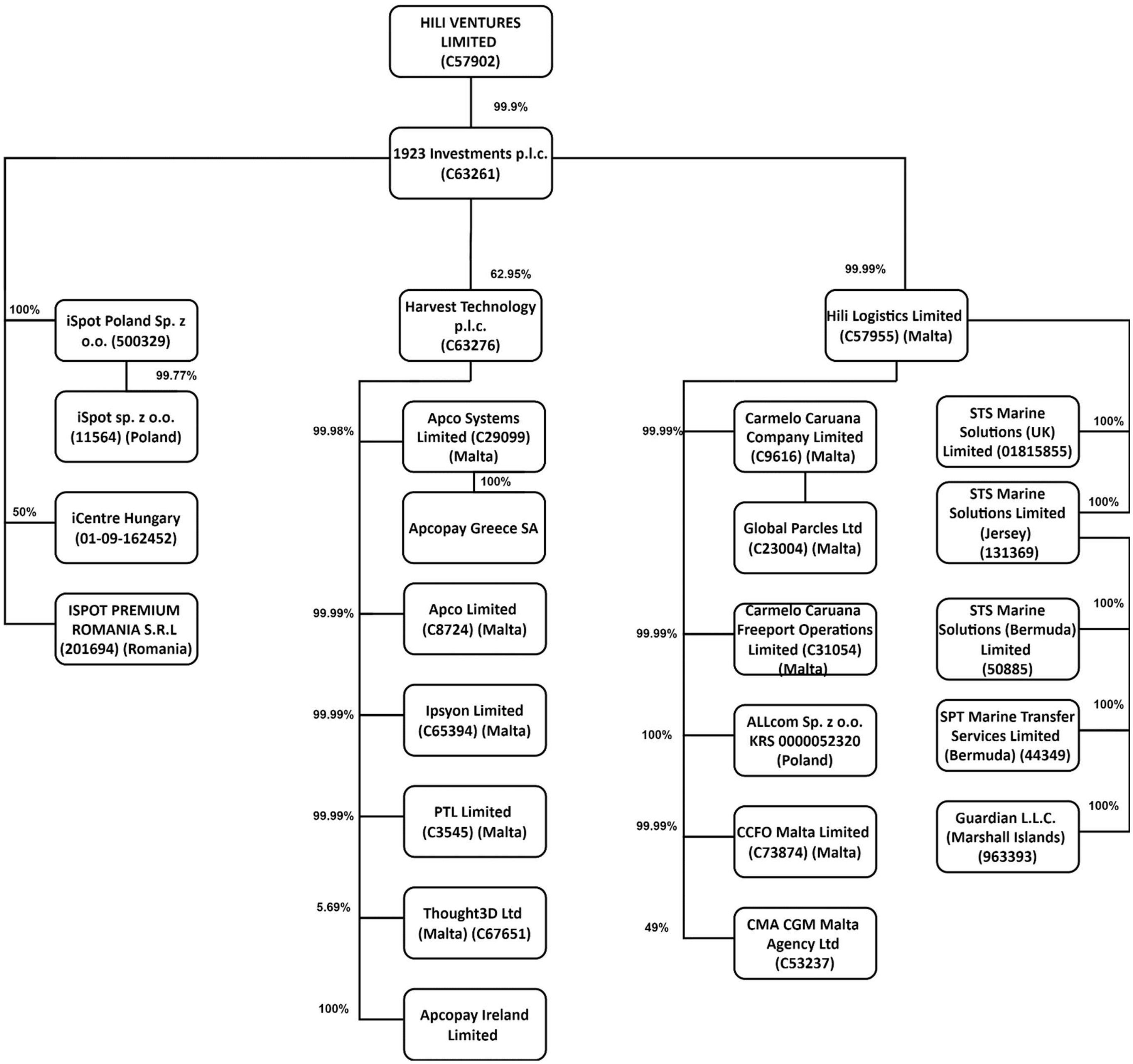
27 June 2022

Prepared by Calamatta Cuschieri Investment Services Ltd

Part 1 Information about the Group

1.1 Issuer and Group's Subsidiaries Key Activities and Structure

The organisation structure is as follows:



1923 Investments p.l.c. (the "**Issuer**", the "**Company**" or "**1923 Investments**") was incorporated on 23 December 2013 as a holding company and forms part of Hili Ventures. The Issuer has an authorised share capital of €70,000,000 divided into 70,000,000 ordinary shares of €1 each. The issued share capital is of €52,135,000 divided into 52,135,000 ordinary shares 100% paid up. The Issuer is wholly owned by Hili Ventures Limited, except for 1 ordinary share which is held by APM Holdings Limited. The operating and financial performance of 1923 Investments is directly related to the financial and operating performance of its subsidiary companies.

1923 Investments operates a retail division through iSpot Poland ("**iSpot**"), its subsidiary company SAD, and its joint venture in iCentre Hungary. The retail division is currently engaged in the sale and distribution of Apple products and third party electronic products in Poland and Hungary as Apple Premium Resellers ("**APR**"). Moreover, the business operations of iSpot Premium Romania s.r.l. were sold in April 2019 and as a result, this company is currently non-trading.

Harvest Technology p.l.c. ("**Harvest**") and its subsidiary companies are mainly involved in diverse technology businesses and are engaged in the sale, maintenance and servicing of information technology solutions, the provision of physical professional security systems, as well as the delivery of electronic payment solutions. During 2020, through Harvest, the Issuer acquired a minority stake of 5.69% in Thought3D Ltd. Moreover, Hili Salomone Company Limited was liquidated during 2021.

Hili Logistics Limited ("**Hili Logistics**") and its subsidiary companies operate in the transport and logistics sector in Malta, United Kingdom and Poland. Through Hili Logistics, 1923 Investments is mainly involved in air, road, sea logistics services, customs brokerage, warehousing, ship agency, ship-to-ship operations, and project cargo. Management noted that Global Parcels Limited, Carmelo Caruana Freeport Operations Limited and CCFO Malta Limited are currently in the process of being merged into Carmelo Caruana Company Limited.

In April 2020, 1923 Investments acquired the ship-to-ship transfer services business from Teekay Tankers Limited for $26m. For the purpose of the Analysis, this acquired business is referred to as "**STS Marine Solutions**". Following the said transaction, the board of directors of 1923 Investments p.l.c. resolved to transfer STS Marine Solutions to Hili Logistics Limited, as noted in the above presented organisation structure. As part of a corporate simplification process, during 2022, the board of Hili Logistics resolved to strike off Carmelo Caruana Marine Solutions (UK) Limited and resulting in Hili Logistics Limited having a direct ownership of STS Marine Solutions (UK) Limited.

On 23 June 2022, 1923 Investments announced that it signed a Master Franchise Agreement with iRiparo srl, a leading European chain engaged in the repair and sale of used electronics, to represent the brand in 31 countries, starting in Germany. Further detail on this transaction may be found in section 1.4.4 of this Analysis.

1.2 Major Assets owned by 1923 Investments p.l.c.

1923 Investments' major assets are comprised of the following:

- **Goodwill**

Goodwill relates to the number of acquisitions made by 1923 Investments p.l.c. over the past years, whereby the consideration paid on the acquisitions was higher than the fair market value of the purchased asset. As at December 2021, goodwill increased by *circa* €1.2m or 1.9% to €62.9m (2020: €61.7m) due to foreign exchange movements. This represents 60.4% of total non-current assets and is apportioned across the subsidiary companies as follows:

Goodwill (€'000s)	2021
iSpot Poland	21,529
APCO Systems Limited	3,861
APCO Limited	2,168
PTL Limited	1,464
Hili Logistics	33,866
Total	**62,888**

- **Intangible assets**

The consolidated intangible assets primarily include patents and trademarks, and internally developed software and acquired licences. The consolidated intangible assets as at December 2021 amounted to approximately €12.1m and are mainly composed of:

i. The Apple Premium Reseller operations concerning the iSpot brand including related contracts. Given that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to iSpot, the useful life of this asset is considered to be indefinite. As at December 2021, this amounted to €10.2m. Internally generated intangible assets at iSpot amounted to €0.7m.

ii. APCO Systems' payment gateway. In view of possible technological obsolescence, the useful life of this asset is considered to be finite and its cost is being depreciated over the useful life of the asset. Harvest's total intangible assets as at December 2021 amounted to €1.2m.

- **Plant and equipment**

The consolidated plant and equipment is classified into improvements to premises, equipment, motor vehicles and furniture, fixtures and fittings used in its operations. As at December 2021, the consolidated plant and equipment amounted to €11.4m and represented *circa* 10.9% of 1923 Investments' total non-current assets.

- **Right of use assets**

In terms of leased assets, the consolidated right of use assets refer to contractual lease agreements, concerning buildings and motor vehicles under IFRS16, which was adopted in 2019. As per latest results, the consolidated right of use assets amounted to approximately €11.5m, which equates to approximately 11.1% of 1923 Investments' total non-current assets.

A detailed breakdown of the consolidated right of use assets and lease liabilities may be found in the tables demonstrated below.

Right of use assets (€'000s)	2021
Buildings	10,995
Motor Vehicles	504
Total	**11,499**

Lease liabilities (€'000s)	Within 1 year	Within 2-5 years	After 5 years	Total
Lease payments	3,679	9,569	346	13,594
Finance charges	(644)	(1,012)	(22)	(1,678)
Net present value	**3,035**	**8,557**	**324**	**11,916**

1.3 Directors and Key Employees

Board of Directors - Issuer

As at this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Charles Borg	Chairman and independent non-executive director
Mr Carmelo *sive* Melo Hili	Non-Executive Director
Mr Dorian Desira	Non-Executive Director
Dr Ann Fenech	Independent Non-Executive Director
Mr Karl Fritz	Independent Non-Executive Director/ Chair Audit Committee

The senior management team of 1923 Investments p.l.c. consists of:

Name	Office Designation
Mr Keith Busuttil	Chief Executive Officer
Mr Rudolph Mifsud Saydon	Chief Financial Officer
Mr Neacail Micallef	Director of Finance
Mr Lorn Chetcuti	Director of Information Technology
Ms Deniz Fidanboy	Director of Mergers and Acquisitions
Mr Aristarco Cefai	Director of Human Resources
Ms Michèle Dandria	Director of Marketing

The business address of all of the directors is the registered office of the Issuer. Mr Rudolph Mifsud Saydon is the company secretary of the Issuer.

The board meets regularly, with a minimum of four times annually, and is currently composed of the aforementioned five members, three of whom are independent of the Issuer.

The board of directors of the Issuer is composed of Mr Charles Borg acting as independent non-executive chairman, two non-executive directors, Mr Carmelo *sive* Melo Hili and Mr Dorian Desira and two independent non-executive directors, Dr Ann Fenech and Mr Karl Fritz. The board is responsible for the overall long-term direction of the Company, in particular in being actively involved in overseeing the systems of control and financial reporting and that the Company communicates effectively with the market.

The board meetings are attended by the Chief Executive Officer of 1923 Investments p.l.c. who provides the board with an update on ongoing developments and operations within the Company and its subsidiaries. The Chief Executive Officer is joined by the Chief Financial Officer who provides the board with detailed updates regarding the financial position of the respective companies.

As at the date of this Analysis, the Issuer has a total of 10 employees and, in aggregate, the Company and its subsidiaries currently have 605 employees, with an average ratio of 76:24 between operational employees and administrational employees.

1.4 Operational Developments

1.4.1 iSpot

1.4.1.1 Business overview

iSpot is the largest Apple Premium Reseller (APR) in Poland and offers the full range of Apple products in the country. as well as an extensive range of third-party products and software services.

In 2021 iSpot opened 2 more outlets in Poland to further expand its national footprint. By the end of 2021, iSpot operated 27 stores under the iSpot brand, together with a well-developed online proposition, which enabled iSpot to achieve robust financial results throughout the pandemic. At present, iSpot has a total of 28 outlets and 3 service points in Poland. iSpot plan to open 2 more outlets by the end of 2022.

iSpot stocks the complete product range of Apple products for Mac, iPad, Apple Watch and iPhone, and a variety of software and accessories from Apple and other major technology brands. iSpot adheres to Apple's strict Premium Reseller requirements and has been recognised by Apple for providing top-level customer care in relation to solutions, service, and customer support. Through its technical staff, iSpot offers support and repair services to customers regardless of where the Apple product was originally purchased.

iSpot is also involved in turnkey solutions for business customers, offering a broad list of services including design and construction of networks, data security, and the supply of hardware and software. Moreover, as a certified Apple Authorised Training Centre, iSpot has, since incorporation, participated in numerous projects relating to the implementation of Apple technology in higher education.

This further strengthens iSpot's mission to become a unique place for educational customers, where one can find innovative products, educated sales expertise and personalised customer care.

1923 Investments also operates 4 stores in Hungary under the iCentre brand through a joint venture with a partner.

1.4.1.2 Operational Performance

iSpot Group Consolidated Statement of Comprehensive Income for the year ended 31 December	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
Revenue	102,641	106,578	125,396	154,756
Net operating expenses	(97,352)	(99,992)	(115,481)	(144,569)
EBITDA	**5,289**	**6,586**	**9,915**	**10,187**
Depreciation and amortisation	(4,469)	(3,967)	(3,951)	(3,830)
EBIT	**820**	**2,619**	**5,964**	**6,357**
Net finance costs	(318)	(800)	(1,371)	(1,596)
Profit before tax	**502**	**1,819**	**4,593**	**4,761**
Income tax	(298)	(559)	(1,020)	(1,044)
Profit after tax	**204**	**1,260**	**3,573**	**3,717**

EBITDA Derivation	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
EBITDA has been calculated as follows:				
Operating profit	820	2,619	5,964	6,357
Adjustments:				
Depreciation and amortisation	4,469	3,967	3,951	3,830
EBITDA	**5,289**	**6,586**	**9,915**	**10,187**

Ratio Analysis	**2019A**	**2020A**	**2021A**	**2022P**
Profitability				
Growth in Revenue (YoY Revenue Growth)	14.0%	3.8%	17.7%	23.4%
EBITDA Margin (EBITDA / Revenue)	5.2%	6.2%	7.9%	6.6%
Operating (EBIT) Margin (EBIT / Revenue)	0.8%	2.5%	4.8%	4.1%
Net Margin (Profit for the year / Revenue)	0.2%	1.2%	2.8%	2.4%

Notwithstanding the persisting challenges presented by the COVID-19 pandemic, particularly during the early months of 2021, iSpot registered another strong year during 2021, both financially and through improved customer engagement.

Despite the fact that the pandemic resulted in approximately more than five weeks of increased restrictions throughout the first quarter of 2021, which inevitably impacted in-store movement, iSpot exceeded previous expectations and reported a 17.7% increase in net revenue over 2020.

The underlying factors contributing towards this increase in revenue include effective marketing campaigns, investment in stores and less COVID-19 restrictions, especially during the second half of the year. Management noted that throughout 2021, iSpot managed to secure additional supply of its products on an ongoing basis, with this being another crucial factor contributing towards the aforementioned upsurge in revenue. In view of these positive traits, footfall traffic within the stores during 2021 increased by 18.7% over 2020.

As the COVID-19 pandemic accelerated a structural shift in demand towards digital commerce, as noted in the previous Analysis, iSpot shifted their offering online to mitigate the impact of non-physical store movement. In this respect, management noted that during the year under review, iSpot registered a significant increase in e-commerce business, with management attributing this surge in online sales to the effective marketing communication and dedicated offering. To this extent, traffic to the iSpot website increased by 12% when compared to 2020, while net sales value growth in e-commerce increased by 15.8% on a comparable basis.

The conversion rate, which measures the percentage of actual purchases compared to customers entering the store, amounted to 13% in 2021, against the 12.3% reported in 2020. As the demand for Apple products continued to strengthen throughout 2021, iSpot also experienced an increase in the average basket spend by 2.1% to €274 (2019: €269).

In view of the above-mentioned increase in revenue, iSpot reported a similar increase in the level of operating expenditure during 2021, with this amounting to €119.4m and increasing by 19.4% over 2020. Furthermore, iSpot registered an improvement in its EBITDA, increasing to €9.9m during 2021 and reflecting an overall increase of 50.5% when compared to 2020.

During 2021, iSpot's net finance costs increased to €1.4m (2020: €0.8m), primarily reflecting the additional usage of bank facilities by the company to finance its growth. This was also attributable to a one-off cost for a government guarantee in Poland provided during the COVID-19 pandemic.

Following the strong financial performance registered during 2021, iSpot reported a net profit of €3.6m (2020: €1.3m). It is pertinent to note that the financial performance recorded by iSpot in the year under review exceeded expectations set out in the previous Analysis, with management further attributing this improvement to an appropriate mix of Apple products and better performance of higher-margin third-party products and repair services sold throughout the year.

Moving into 2022, iSpot's management is projecting to generate revenue of €154.8m, implying an improvement of 23.4% versus 2021. Management explained that throughout the first half of 2022, iSpot continued to experience robust demand for its products, both through online sales as well as increased in-store movement. iSpot's management expects that the positive trend and appetite for technology-related products and services, which was inevitably initiated by the pandemic, will remain in place throughout the remaining months of 2022. The projected increase in revenue for 2022 also takes into consideration the opening of 2 additional outlets occurring during the current financial year.

1.4.2 Hili Logistics Limited

1.4.2.1 Business overview

Hili Logistics is a rapidly growing group of companies engaged in air, road, sea logistics services, customs brokerage, warehousing, ship agency, ship-to-ship operations and project cargo.

A high-level overview of the main subsidiary companies operating within Hili Logistics is provided below:

- **Carmelo Caruana Company Ltd ("CCCL"):** During 2020, the freight forwarding business operations within CCCL was transferred to CMA. As a result, CCCL is now principally focused on agency and ship-to-ship operation services.

- **Carmelo Caruana Freeport Operations Limited ("CCFO"):** This company focused on the transhipment and cross-stuffing of merchandise, providing a full range of sea, land and air services. CCFO was also engaged in the storekeeping and warehousing of sea and air cargo at the Malta Freeport. While this company is currently non-trading, it is in the process of being merged into CCCL.

- **Global Parcels Limited ("GPL")**: GPL was principally involved in the provision of international document and parcel delivery services, including air freight to European, American and the Asian-Pacific regions. This business was discontinued in 2020 and the entity is in the process of being merged into CCCL.

- **CCFO Malta Limited (formerly Peterson Malta Limited) ("CCFO Malta"):** The company used to serve oil and gas clients in the Mediterranean and in North Africa, with specialist supply base services up to September 2019. CCFO Malta offers warehousing and logistics management, procurement and recruitment from CCFO Malta's permanent base in Malta. As in the case of CCFO and GPL, this company is being merged into CCCL.

- **Allcom Sp. z o.o. ("Allcom"):** Allcom was established in 1995. It provides freight forwarding and warehousing services in order to support its customers across diverse sectors in Poland. Its offices are located at ports of Gdynia and Gdansk on the south coast of the Baltic Sea, Warsaw and Bydgoszc. Allcom's team has a wealth of expertise and connections to a robust global network of customs agencies. Allcom's core business is door-to-door and port-to-door freight forwarding of containerised cargo, including food products, chemicals and construction materials. The company also provides customs clearance, project cargo and warehousing solutions.

- **CMA CGM Malta Agency Ltd ("CMA"):** Hili Logistics has a 49% interest in CMA, with the remaining 51% being held by CMA CGM Agencies Worldwide. CMA is a local liner agent for CMA CGM, the world's third largest shipping line. As noted in the previous Analysis, the freight forwarding business operations were transferred from CCCL to this company.

1923 Investments' strategy moving forward regarding Hili Logistics is to further grow its current revenue streams and it endeavours to add new geographic territories, enhance the current base of customers, and add new services.

Through Allcom, Hili Logistics is looking to expand its global reach by using current knowledge and range of services to grow a proven and successful business. Allcom management is committed to attract new clients by utilising existing logistical contacts and supply chains. In order to increase efficiency of the logistic process, the main targeted industries remain food, chemical products, machinery and equipment and industrial products.

Moreover, Allcom is also targeting to build relationships with relatively small partners and supports them when they grow. In line with the values of 1923 Investments which are aimed to further respect the environment, management reported that the main targets of focus are companies which trade in photovoltaic panels, electric bikes, UTO (personal mobility devices – kick scooters, electric skateboards, Segways, scooters), batteries and drones. Other sectors which are included in their growth strategy include toys and equipment for children, gaming accessories, home robots, 3D printers, board games, heat pumps, air-conditioning, and specialised construction products. Allcom envisages to continue servicing its current clients better. In view of this, the company intends to increase its market share by utilising the experience gained and the knowledge of specific needs of the clients.

1.4.2.2 STS Marine Solutions

As noted above, the Company acquired the global ship-to-ship (STS) support services operations from Teekay Tankers, excluding the North American operations. STS Marine Solutions is a world leading STS service provider with more than 30 years' experience in crude oil, refined petroleum, LPG and LNG transfers. On the local front, CCCL, which forms part of Hili Logistics, has also been engaged in similar operations for the last 20 years and, following the above restructuring, CCCL now operates as a partner of STS Marine Solutions through its base in Malta.

As a result, the teams in the UK and Malta are working together to develop a strong service offering to global oil majors seeking STS and agency services in Malta. This brings along other opportunities to cross sell other services, mainly for vessel owners such as supplies and provisions, crew changes, repairs and surveys. The sharing of market intelligence as well as resources naturally brings along opportunities for cost savings and leads to offer more competitive pricing in the market.

Apart from the core STS activities, STS Marine Solutions oversees operations across 20 bases whereby the company is also engaged in the provision of oil and gas support services and LNG operations, with this further expanding into LNG management, emergency support services and consultancy. The demand for the STS services is predominately driven by the volume of oil traded between oil majors and independent traders, and also by production where local port infrastructure is unable to accommodate large tankers.

Moving forward, the main strategy of STS Marine Solutions is to increase its long-term sustainable revenue stream by focusing on new contracts such as terminal management and contracted STS projects. This will ultimately enable the company to expand its service offering geographically while simultaneously enabling the business to grow from its current position to one that will be able to make an ever-increasing contribution to 1923 Investments in general. Moreover, management has identified the LNG sector as a high growth area and thereby plans to commit resources and personnel to further specialise in this industry. During 2021, the management team has continued to manage an LNG terminal in Jordan.

As part of its ongoing growth strategy, the company remains actively seeking to secure new terminal management contracts in the LNG space in the US, Asia, North Africa and Europe.

STS Marine Solutions will also consider bolt-on acquisitions and joint ventures to further drive its growth.

1.4.2.3 Operational Performance

Hili Logistics Group Consolidated Statement of Comprehensive Income for the year ended 31 December	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
Revenue	16,208	14,134	31,011	37,271
Operations in Malta	*4,750*	*3,146*	*1,827*	2,335
Operations in Poland	*11,458*	*10,988*	*13,175*	14,526
Operations in UK	-	-	*16,009*	20,410
Net operating expenses	(15,472)	(13,538)	(26,983)	(32,881)
EBITDA	**736**	**596**	**4,028**	**4,390**
Depreciation and amortisation	(278)	(181)	(1,243)	(1,772)
EBIT	**458**	**415**	**2,785**	**2,618**
Share of results in associates and other net income	307	422	684	553
Impairment of goodwill	(3,500)	-	-	-
Net finance costs	(196)	(159)	(966)	81
Profit before tax	**(2,931)**	**678**	**2,503**	**3,252**
Income tax	(180)	(46)	(762)	(790)
Profit after tax	**(3,111)**	**632**	**1,741**	**2,462**

EBITDA Derivation	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
EBITDA has been calculated as follows:				
Operating profit	458	415	2,785	2,618
Adjustments:				
Depreciation and amortisation	278	181	1,243	1,772
EBITDA	**736**	**596**	**4,028**	**4,390**

Ratio Analysis	**2019A**	**2020A**	**2021A**	**2022P**
Profitability				
Growth in Revenue (YoY Revenue Growth)	-1.2%	-12.8%	119.4%	20.2%
EBITDA Margin (EBITDA / Revenue)	4.5%	4.2%	13.0%	11.8%
Operating (EBIT) Margin (EBIT / Revenue)	2.8%	2.9%	9.0%	7.0%
Net Margin (Profit for the year / Revenue)	-19.2%	4.5%	5.6%	6.6%

Given that the restructuring within the Hili Logistics occurred in Q4 2020, the 2021 historical operational financial performance of STS Marine Solutions is reported within the Hili Logistics pillar. It is to note that the 2022 consolidated financial projections of both STS Marine Solutions and Hili Logistics are also included under the Hili Logistics pillar, and are explained in detail below.

In the logistics industry, the market remains challenging and highly competitive.

Nonetheless, the Hili Logistics pillar reported an improved financial performance during 2021, with total revenues increasing by *circa* €16.9m (or 119.4%) to €31m.

While noting that this uplift in revenue is partly attributable to the inclusion of a twelve-month performance of STS Operations within Hili Logistics, management reported that 2021 was a positive year in terms of the operations across the agency and local STS business. Agency business volumes increased in 2021 over prior year while the STS team at Carmelo Caruana completed more STS operations in 2021 when compared to 2020.

Notwithstanding the aforementioned improvement in revenue, actual revenue for 2021 was lower than previously anticipated, by *circa* €3m. Management noted that the discontinued freight forwarding business decreased the revenue while increased the profitability of this sector. Management also noted that the implications brought about by the pandemic continued to have a direct impact on the logistics industry in general. Inevitably, the sustained restrictions imposed by countries on movement and flow of goods, particularly during the first few weeks of the year, resulted into consequent supply chain disruptions during 2021, hence impacting volumes of cargo.

During the year under review, CMA CGM experienced an improved financial performance in 2021 and registered an increase in revenue of 17% to €7.7m (2020: €6.6m). This improvement is mainly attributable to higher freight rates and higher sea transport traffic recorded during the year.

Allcom also registered a better performance during 2021, primarily due to higher freight rates and a further improvement in volumes. In this respect, the management team in Poland continued to focus its sales effort on increasing services to clients in the food, pharmaceuticals and steel sectors. Management also took advantage of the complete service which Allcom can offer in particular, through the storage of goods at company's managed warehouse in Bolszewo, which typically attracts higher margins.

The improved financial performance registered at Allcom during 2021 is also aligned to a cost efficiency exercise implemented in the prior year which ultimately has assisted the company to record improved profitability during the year (profit before tax: 2021 €0.3m vs 2020 €0.2m).

In addition to the above, management noted that the restructuring implemented at CCCL in 2020 has allowed the business to focus on agency, STS and warehousing in Malta, with management reporting that this positive trend continued in 2021. In this regard, the warehouse business operated at over 90% utilisation but more efficiently than 2020 with revenues increasing by 62% over the previous year.

Despite operating in difficult economic circumstances, the acquisition of STS Marine Solutions in April 2020 enabled the logistics pillar to reap the synergies between Carmelo Caruana and STS Marine Solutions during 2021. Notwithstanding such challenging operating climate, which at one point resulted into suspension of operations due to sustained pandemic restrictions, the company registered a satisfactory financial performance, mainly through increased STS operations recorded during the year.

Overall, Hili Logistics reported total net operating expenses of €28.2m, implying an overall drop of 6.3% when compared to previous expectations. This pillar reported an improved EBITDA of €2.8m during 2021, translating into an EBITDA margin of 9.2% (2020: 4.2%). The decline in both operating expenses and EBITDA in comparison to previous expectations relate to the overall drop in revenue.

In view of the aforementioned synergies formed between CCCL and STS Marine Solutions in the provision of its marine service offering, and also in view of the current difficult operating economic circumstances, management noted that the outlook for 2022 vis-à-vis STS Marine Solutions remains positive.

As a starting point, the demand for the STS services is predominately driven by the volume of oil traded between oil majors and independent traders, and also by production where local port infrastructure is unable to accommodate large tankers. As a result of the pandemic, the industry has suffered lower demand for oil STS services during the year, since most countries in the world have imposed restrictions including lockdowns, restricted air travel and closed non-essential outlets.

Although certain countries have lifted some of the COVID-19 restrictions, the uncertainty surrounding the geopolitical situation in Russia and Ukraine is delaying the economic activity recovery. As a result, full recovery to pre-pandemic levels may take a longer period than originally envisaged.

Moving forward, the management team remains focused on submitting competitive tender bids, concluding long term contracts, and securing new STS operations in the oil and LNG space in the US, Asia, North Africa and Europe.

Meanwhile, in terms of forward-looking expectations, the management team at Carmelo Caruana remains committed to sustainably grow the business further in line with 1923 Investments' strategy.

On the other hand, whilst stating that the results of the first quarter of 2022 are encouraging, Allcom, management's intention is to obtain new clients in diversified sectors other than the traditional food, pharmaceutical and steel sectors.

Upon taking the above factors into consideration, Hili Logistics, which now includes the STS Marine Solutions operation, is anticipated to generate *circa* €37.3m in revenues during 2022.

Meanwhile, net finance costs are expected to be positive in 2022 due to a gain in foreign exchange movements, which arises primarily due to a stronger dollar against the euro. Upon consolidation at 1923 Investment level, this will be transferred to the exchange reserve thus having an overall minimal effect on the year's profitability.

Overall, profit after tax for 2022 is expected to amount to approximately €2.5m (2021 €1.7m).

1.4.3 Harvest Technology plc

1.4.3.1 Business overview

The activities of Harvest Technology p.l.c. (Harvest) primarily consist of delivering business solutions and e-commerce systems to diverse clients. Harvest's main operating companies include; PTL Limited ("**PTL**"), Apco Systems Limited ("**APCO Systems**"), and Apco Limited ("**APCO**").

PTL

PTL is a multi-brand IT solutions provider to both the local, private and public sectors. PTL provides comprehensive and integrated solutions for its customers' technology needs through the company's broad hardware, software and value-added service offerings. The wide range of offerings allows PTL's customers to streamline their procurement processes by collaborating with PTL in the provision of a large part of their technology requirements.

The company's hardware offerings include products from leading brands across multiple categories such as networking, data storage solutions, desktops, and banking automation products. Software offerings include custom-made software solutions, integration, and services that help customers enhance their software investments. PTL offers a full suite of value-added services, which are typically delivered as part of a technology solution to help customers meet their specific needs.

Other services offered include configuration and management services, virtualisation, collaboration, information security, application integration and migration, mobility, and cloud computing. With comprehensive technical scope and capabilities, PTL offers a single point of reference for its clients' diverse IT requirements by assessing, designing, deploying and managing IT solutions to help customers enable, manage and secure their IT environments.

PTL's business is well diversified across customers, products, service offerings and vendors from whom it purchases products and software for resale. The company has aligned its sales and marketing functions around customer channels in order to retain and increase sales to existing customers as well as to acquire new ones. A team of technology specialists, who design solutions and provide recommendations in the selection and procurement processes, supports the direct selling personnel. Products are purchased for resale from original equipment manufacturers ("OEMs") and distributors.

Management maintains that effective purchasing from a diverse vendor base is a key element of the company's business strategy. PTL is authorised by OEMs to sell their products, and it operates as a reseller for major software publishers that allows the end-user customer to acquire packaged software or licensed products and services.

PTL is the preferred local partner of IBM, with whom it has formed a strong alliance over the past years through continuous training of its software and hardware engineers on IBM technologies and products so as to offer a unique specialised product to its customers. Through IBM, PTL offers its expert consultancy services to large clients outside Malta. In 2019, PTL, in collaboration with IBM, secured a major five-year contract in Mauritius to install and maintain a border security system for a client. PTL represents other major partners such as NCR, CISCO and Lenovo.

PTL has three main revenue segments:

- Products – the sale of hardware and licences;
- Maintenance and support – ongoing agreements with customers for servicing and maintenance of products sold. Agreements are typically renewed annually, and their value is determined on a pre-set minimum number of hours at pre-agreed rates; and
- Services – the revenue stream encompassing all other services provided outside of the standard service and maintenance agreements. This includes software engineering and development of system integrators, amongst others.

APCO Systems

APCO Systems is a payment solutions provider operating a payment platform under the brand name 'Apcopay'. Apcopay offers e-commerce processing services for retailers and internet-based merchants. The term 'merchant' generally refers to any entity that accepts credit or debit cards as payment for goods and services.

The primary business model of APCO Systems is to enable merchants to accept a variety of card and alternative payment options on their respecting e-commerce portals and applications.

Card-based payment forms comprise of credit, debit, vouchers, and prepaid cards. Credit and debit card transaction processing includes the processing of major international card brands such as MasterCard and Visa, as well as other debit networks. Electronic payment processing involves a consumer or cardholder acquiring goods or services from a merchant and using a credit or debit card or other electronic method as payment. Apcopay is the medium that enables customer transactions to reach the acquiring bank acting on behalf of the merchant.

APCO Systems' offerings include front-end authorisation processing, settlement and funding processing, full customer support, consolidated billing and statements, and online monitoring and reporting. APCO is PCI-DSS certified (Payment Card Industry Data Security Standards). APCO Systems' value proposition is to provide high quality, responsive, secure and full end-to-end service to all its customers.

APCO Limited

APCO Limited is a supplier of a broad range of automation and security solutions catering to various sectors, include the banking, retail and fuel sectors. Through major partner relationships such as Wincor Nixdorf, Gemalto and Gilbarco, APCO's portfolio includes ATMs, point-of-sale terminals, plastic cards, deposit machines, currency exchanges, fuel payment systems, and other cash-handling equipment.

On the security front, APCO delivers end-to-end specialised products and services targeted to B2B clients. Such products include intruder prevention and detection solutions, and the core systems that help customers manage the infrastructure they deploy.

APCO sells its products and services through multiple sales channels both locally and internationally, and it targets customers in many vertical markets.

1.4.3.2 Operational Performance

Harvest Technology p.l.c. Consolidated Statement of Comprehensive Income for the year ended 31 December	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
Revenue	16,049	19,217	15,748	23,039
Net operating expenses	(12,134)	(13,800)	(11,000)	(19,160)
EBITDA	**3,915**	**5,417**	**4,748**	**3,879**
Depreciation and amortisation	(690)	(773)	(741)	(833)
EBIT	**3,225**	**4,644**	**4,007**	**3,046**
Other net income/(loss)	(58)	-	58	-
Net finance costs	(131)	(144)	(62)	(33)
Profit before tax	**3,036**	**4,500**	**4,003**	**3,013**
Income tax	(947)	(1,459)	(1,309)	(1,055)
Profit for the year	**2,089**	**3,041**	**2,694**	**1,958**

EBITDA Derivation	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
EBITDA has been calculated as follows:				
Operating profit	3,225	4,644	4,007	3,046
Adjustments:				
Depreciation and amortisation	690	773	741	833
EBITDA	**3,915**	**5,417**	**4,748**	**3,879**

Ratio Analysis	2019A	2020F	2021A	2022P
Profitability				
Growth in Revenue (YoY Revenue Growth)	3.1%	19.7%	-18.1%	6.7%
EBITDA Margin (EBITDA / Revenue)	24.4%	28.2%	30.1%	22.6%
Operating (EBIT) Margin (EBIT / Revenue)	20.1%	24.2%	25.4%	18.2%
Net Margin (Profit for the year / Revenue)	13.0%	15.8%	17.1%	12.0%

The above presented 2022 projections are based on information available to the public issued via a company announcement on 3 June 2022 titled 'Business Update' and Harvest Annual General Meeting 2022 Presentation.

Despite the continued adversities that 2021 challenged the company with, Harvest delivered a robust financial performance during 2021, with results above the targets set out in the Initial Public Offer dated November 2019.

Revenue amounted to €15.7m, while that for 2020, which included a significant one-off sale of hardware relating to the Mauritius project, amounted to €19.2m. The delivery of the aforementioned security project was completed and commissioned into production in April 2021, hence the lower value in sales compared to 2020.

Actual revenue for 2021 was lower than anticipated in the previous Analysis, by *circa* €3.8m, with management attributing this drop to the overall challenges brought about by the pandemic which impacted the company's ability to grow its international business and footprint as it had previously intended.

Although total 2021 revenues were below those expected, Harvest managed to reduce its operating expenditure (as a percentage of revenue), ultimately boosting the company's overall profitability for the year. In this respect, Harvest's EBITDA stood at *circa* €4.7m during 2021, with this being in line with the expectations set out in the previous Analysis.

After accounting for net finance costs and income tax expense of *circa* €62,000 and €1.3m respectively, Harvest reported a profit for the year of €2.7m, reflecting an overall improvement of 4.8% over previous projections.

From a business overview perspective, Harvest continued progressing during 2021 in terms of its overall growth strategy.

Despite the sustained travel restrictions, PTL successfully completed the delivery of the Mauritius border security project remotely during 2021. To this extent, towards the end of 2021, PTL was awarded another project in Mauritius, within the country's Ministry of Finance, Economic Planning and Development, providing a healthy pipeline for 2022.

At APCO Limited, the company's security and automation businesses successfully delivered several key projects during 2021, notably implementing a core access control project for a large client. Despite the reduction vis-à-vis the pandemic related supplement, the company managed to increase its service offerings in new areas of technology, paving the way for additional business avenues during 2022.

Other positive developments which occurred during 2021 include the overall increase in total transaction value processed through the company's payment gateway service offering.

Harvest also made progress in its Greece initiative during 2021, striking several strategic relationships which augur well for the future.

As part of its strategy to invest in high potential start-ups, during July 2021, Harvest invested *circa* €100k in Thought3D Limited and increased its stake to 5.69%.

According to the Harvest announcement to the market on 3rd June 2022 and Harvest Annual General Meeting 2022 Presentation, the company is expected to achieve higher revenues in 2022 against prior year, however, profit before tax is expected to decrease. This is particularly due to the increased scrutiny from a regulatory perspective and additional licensing requirements mandated on the operators in online gaming which is impacting the partnering bank commissions receivable in the payment processing segment.

On the retail and IT services side, Harvest is expecting to generate an increase in revenue predominantly due to new contract wins, whilst profitability is expected to be in line with the previous year. It is to note that the performance of the business is being impacted by some contracts that are experiencing delays due to global supply chain issues and delays in awards of certain tenders.

Based on the aforementioned assumptions, Harvest expects revenue to increase to €23m in 2022, however, profit before tax is expected to reach €3m versus €4m in 2021.

On a positive note, during 2021, Harvest repaid its external debts in full and is therefore debt free. This, along with the healthy cash balance at year-end of approximately €3m, positioned Harvest in a strong position to raise funds for any upcoming investments which the company may consider. As in the case of 2021, the company is now envisaging a low level of finance costs for 2022.

1.4.4 New Investment Opportunity

1923 Investments is actively exploring new investment opportunities to grow and diversify its existing investment portfolio.

1.4.4.1 Overview

On 23 June 2022, 1923 Investments announced that they signed a Master Franchise Agreement with iRiparo srl, a leading European chain engaged in the repair and sale of used electronics, to represent the brand in 31 countries in Europe, starting in Germany.

The first store is expected to be opened in August 2022, with a further 9 targeted to be opened by the end of 2022. Due to the start-up nature of this venture in a new country, the business is expected to generate a loss of approximately €1.1m during FY22 on revenue of €1.8 m.

New Investment Opportunity Consolidated Statement of Comprehensive Income for the year ended 31 December	**2022P**
	€'000s
Revenue	1,844
Net operating expenses	(2,941)
EBITDA	**(1,097)**
Depreciation and amortisation	(33)
EBIT	**(1,130)**
Other net income/(loss)	-
Net finance costs	(18)
Profit before tax	**(1,148)**
Income tax	287
Profit after tax from continuing operations	**(861)**

EBITDA Derivation	**2022P**
	€'000s
EBITDA has been calculated as follows:	
Operating profit	(1,130)
Adjustments:	
Depreciation and amortisation	33
EBITDA	**(1,097)**

1.5 COVID-19 impact on 1923 Investments' operational and financial performance

International trade plunged in 2020 but recovered sharply in 2021. After the short, sharp shock of the Omicron variant, the pandemic phase of COVID-19 looks to be ending for most locations, unless a significant and severe new variant emerges.

Notably, in view of 1923 Investments' strong diversification element within its business lines, 1923 Investments reported strong performance in 2021 with results exceeding previous projections set out in the 2021 Financial Analysis Summary.

The directors have continued to actively monitor all pandemic-related developments taking place both locally and internationally in order to take any appropriate action to safeguard the interest of the Company and its subsidiaries.

Although managing to improve on actual results of the previous year, such events might still have an impact on the performance and financial position of 1923 Investments in the future due to any unforeseen effects that such pandemic might have on the economies and industries to which the Company and its subsidiaries are exposed.

Nonetheless, management reiterated that, whilst the pandemic situation remains relatively fluid and future events may have an adverse effect on 1923 Investments' future profitability, liquidity and financial position, the outlook remains cautiously optimistic.

1.5.1 Liquidity Measures

It is normal practice within 1923 Investments that management prepares periodical budgets and projections throughout the year to monitor the performance.

The strategy set out by the company during the pandemic, whereby it has increased the frequency of such projections to assess the ever evolving trends on an ongoing basis, proved rational and has indeed enabled 1923 Investments to report improved results in a pandemic induced environment.

1.5.2 Costs Containment Measures

Several subsidiaries of 1923 Investments' availed of and Government aid and assistance measures in Malta and Poland. During the period, management actively reviewed the cost base to ensure it was being managed optimally.

1.6 Subsequent events after the reporting period: Conflict in Ukraine

The directors are actively following the conflict and the resulting humanitarian crisis in Ukraine. While 1923 Investments has no direct interest vested in the country, the company is monitoring the effects of the situation on its operations, especially those in Poland.

Inflationary pressures, supply chain disruption and heightened wage costs are presently being experienced by certain operations within the company. However, at this stage, it is still challenging to quantify and differentiate what extent of such pressures emanate from the unrest in Ukraine and the concurrent pandemic related events.

Since the start of the conflict in Ukraine, management has suspended certain business transactions to abide by US and European sanctions. Though this will have a temporary financial impact, management is taking appropriate measures to mitigate any loss in business.

1.7 Assumptions undertaken in projections utilised for the purpose of this document

Business activity is projected to further improve when compared to 2021. Specifically, these projections take into account a continued gradual recovery from the pandemic, whilst simultaneously also considering the potential impact the Ukraine conflict might have on the company, namely in terms of sustained inflationary pressures. Additionally, these projections are also based on the 2021 actual financial performance and on the actual performance of the first few months of 2022, which management reported to be positive.

Simultaneously, such projections also cater for the new business ideas and ventures in which the company has entered into during 2022, or is expected to do so by the end of the year.

1.8 Related Party Securities

1923 Investments p.l.c. is a member of the Hili Ventures Group. Within the same group, Premier Capital p.l.c., Hili Properties p.l.c., Hili Finance Company p.l.c. and Harvest Technology p.l.c. have the following listed securities. The below table also includes 1923 Investments p.l.c.'s current outstanding securities.

Security	ISIN	Amount
5.1% 1923 Investments p.l.c. Unsecured € 2024	MT0000841206	€36,000,000
Harvest Technology p.l.c. Ord €0.50	MT0002370105	22,780,636 Shares
4.5% Hili Properties plc 2025	MT0000941204	€37,000,000
3.75% Premier Capital plc Unsecured € 2026	MT0000511213	€65,000,000
4% Hili Finance Company plc 2027	MT0001891226	€50,000,000
3.85% Hili Finance Company plc 2028	MT0001891200	€40,000,000
3.8% Hili Finance Company plc 2029	MT0001891218	€80,000,000
3.8% Hili Finance Company plc 2029	MT0001891226	€50,000,000
Hili Properties p.l.c. Ord €0.20	MT0000940107	400,892,700 Shares

Part 2 Historical Performance and Forecasts

The financial information below is extracted from the audited consolidated financial statements of 1923 Investments p.l.c. for the financial years ended 31 December 2019, 2020 and 2021. The projected financial information for the year ending 31 December 2022 has been provided by management.

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

2.1 Issuer's Statement of Comprehensive Income

1923 Investments p.l.c. Statement of Comprehensive Income For the year ended 31 December	2019A	2020A	2021A	2022P
	€'000s	€'000s	€'000s	€'000s
Revenue	134,898	149,734	172,155	216,911
Net operating expenses	(126,198)	(137,201)	(155,734)	(201,114)
EBITDA	**8,700**	**12,533**	**16,421**	**15,797**
Depreciation and amortisation	(5,485)	(4,922)	(5,938)	(6,481)
EBIT	**3,215**	**7,611**	**10,483**	**9,316**
Share of results, dividends of associates & jointly controlled entities	353	480	824	653
Other income/ (expenses)	75	157	-	(44)
Net gain on disposal of subsidiaries (or part of)	5,823	-	-	-
Impairment of goodwill	(3,789)	-	-	-
Gain on termination of leases	-	-	521	-
Net finance costs	(2,635)	(3,946)	(3,512)	(3,646)
Profit before tax	**3,042**	**4,302**	**8,316**	**6,279**
Taxation	(1,436)	(883)	(2,478)	(1,916)
Profit for the year	**1,606**	**3,419**	**5,838**	**4,363**
Other comprehensive income				
Exchange differences - foreign operations	**295**	**(4,978)**	**1,641**	-
Total Comprehensive income	**1,901**	**(1,559)**	**7,479**	**4,363**

EBITDA Derivation	2019A	2020A	2021A	2022P
	€'000s	€'000s	€'000s	€'000s
EBITDA has been calculated as follows:				
Operating profit (EBIT)	3,215	7,611	10,483	9,316
Adjustments:				
Depreciation and amortisation	5,485	4,922	5,938	6,481
EBITDA	**8,700**	**12,533**	**16,421**	**15,797**

Ratio Analysis	2019A	2020A	2021A	2022P
Profitability				
Growth in Revenue (YoY Revenue Growth)	10.6%	11.0%	15.0%	26.0%
EBITDA Margin (EBITDA / Revenue)	6.4%	8.4%	9.5%	7.3%
Operating (EBIT) Margin (EBIT / Revenue)	2.4%	5.1%	6.1%	4.3%
Net Margin (Profit for the year / Revenue)	1.2%	2.3%	3.4%	2.0%
Return on Common Equity (Net Income / Average Equity)	3.9%	7.5%	11.9%	7.9%
Return on Assets (Net Income / Average Assets)	1.2%	2.5%	4.1%	2.9%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	9.3%	12.2%	15.5%	14.2%

The above presented 2022 projections include financial projects of Harvest Technology plc which is based on information available to the public issued via a company announcement on 3 June 2022 titled 'Business Update' and Harvest Annual General Meeting 2022 Presentation.

Consolidated revenue improved by 15% from 2020 to 2021. This growth was predominantly driven by robust financial performances registered by iSpot and Hili Logistics during the year, with revenues generated by these two subsidiaries increasing by 17.7% and 119.4% respectively.

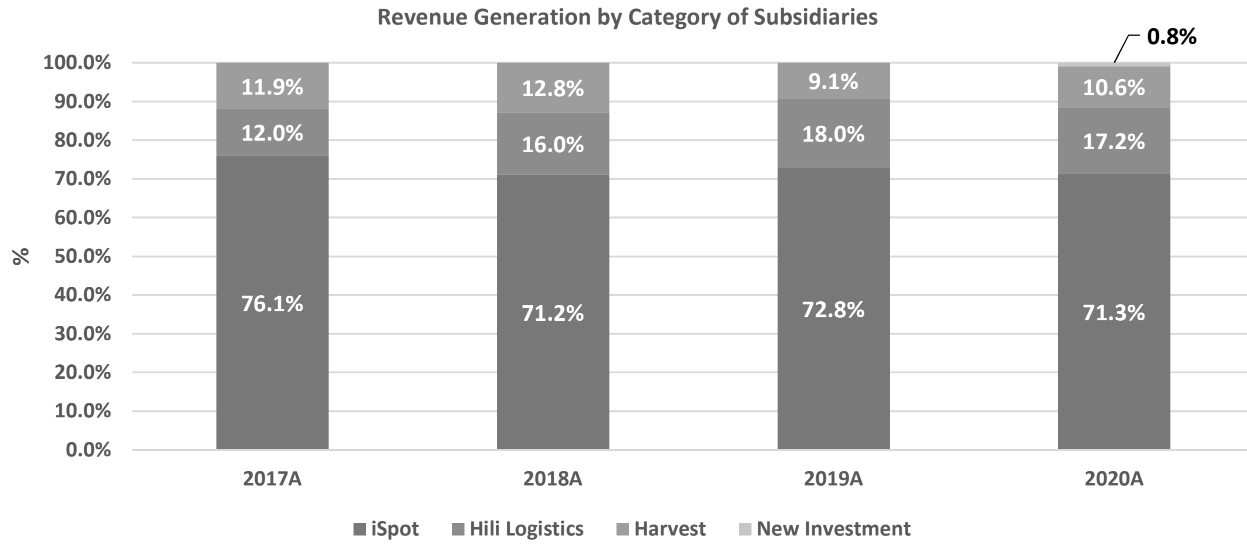
In terms of forward-looking expectations, 1923 Investments management is expecting to generate revenue of circa €216.9m during 2022, implying an overall expected improvement of 26.0% when compared to 2021. This increase relates to better organic performance of the existing businesses and the contribution of new investment in the second part of 2022.

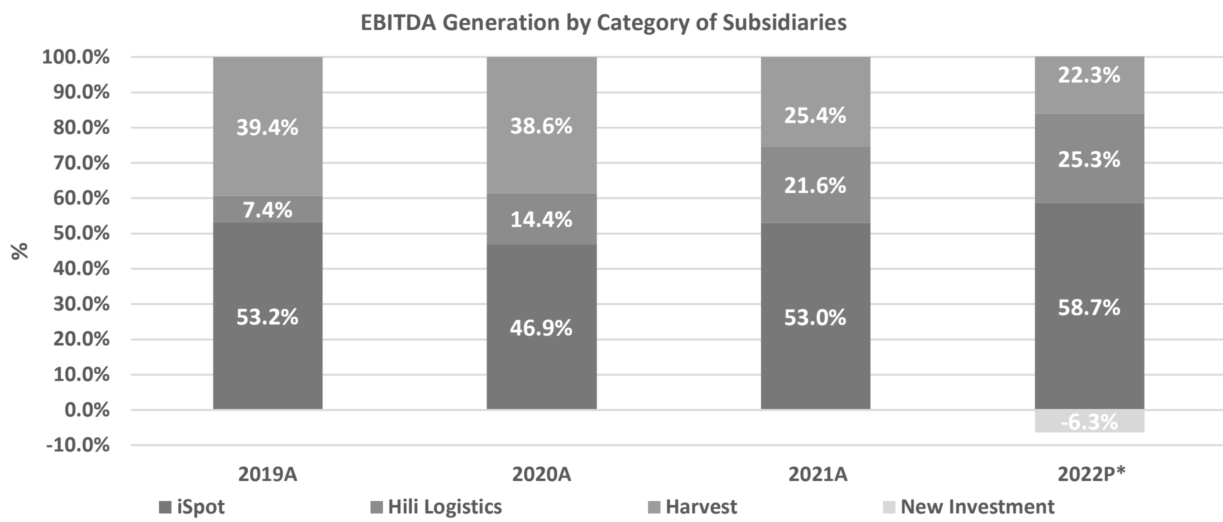
1923 Investments incurred €155.7m in consolidated operating expenditure during 2021, reflecting an overall increase of 13.5% over the prior year.

EBITDA for the year also improved significantly reaching €16.4m in 2021 (2020: €12.5m), primarily due to aforementioned increase in revenue discussed above, which notably surpassed previous expectations and better cost control which resulted in EBITDA margin expansion.

Pursuant to an anticipated improvement across all subsidiaries and an expected gradual recovery from the pandemic, whilst also taking into account the new business venture discussed above, EBITDA is expected to increase to €15.8m in 2022. A detailed segmental analysis concerning 1923 Investments revenue and EBITDA generation over the review period is set out below:

Divisional analysis for the year ended 31 December	2019A	2020A	2021A	2022P
Revenue:	**€'000s**	**€'000s**	**€'000s**	**€'000s**
iSpot	102,641	106,578	125,396	154,756
Hili Logistics	16,208	23,939	31,011	37,271
Harvest	16,049	19,217	15,748	23,090
New Investment	-	-	-	1,844
Total	**134,898**	**149,734**	**172,155**	**216,961**
EBITDA:	**€'000s**	**€'000s**	**€'000s**	**€'000s**
iSpot	5,289	6,586	9,915	10,187
Hili Logistics	736	2,027	4,028	4,390
Harvest	3,915	5,417	4,748	3,879
New Investment	-	-	-	(1,097)
Consolidation Adjustment	(1,240)	(1,497)	(2,270)	(1,562)
Total	**8,700**	**12,533**	**16,421**	**15,797**
EBITDA Margin (%)				
iSpot	5.2%	6.2%	7.9%	6.6%
Hili Logistics	4.5%	4.2%	13.0%	11.8%
Harvest	24.4%	28.2%	30.1%	16.8%
New Investment	-	-	-	-
Aggregate	**6.4%**	**8.4%**	**9.5%**	**7.5%**





**equates to 100% despite the contributions of -6.3% originating from the new investment*

The depreciation and amortisation charge during 2021 amounted to €5.9m compared to €4.9m during 2020, primarily due to a full year of depreciation at STS Marine Solutions as well as capital expenditure on new equipment at STS. This is expected to increase to €6.4m in 2022, mainly on account of continued routine capital expenditure and the additional depreciation charge expected to be incurred concerning the company's new investments.

Upon taking the above developments into consideration, during 2021, 1923 Investments registered an improved consolidated operating profit of €10.5m (2020: €7.6m), resulting into a consequent increase in the EBIT margin from 5.1% in 2020 to 6.1% in 2021. As per above presented projections, EBIT is envisaged to further increase to €9.3m, during 2022.

Finance costs mainly consist of interest incurred on 1923 Investments bond currently in issue, in addition to finance costs on bank borrowings and finance lease liabilities (IFRS 16).

Net finance costs decreased to €3.5m in 2021 (2020: €3.9m) the difference mainly attributed to higher finance charges when STS Marine Solutions was acquired from Teekay in 2020. These are expected to amount to €3.6m in 2022, mainly as a result of additional debt undertaken by the company to finance the new investment.

During the year under review, consolidated profit before tax almost doubled to €8.3m (2020: €4.3m). This increase was mainly driven by solid financial performances at both iSpot and Hili Logistics as noted above. Meanwhile, profit before tax is expected to drop to €6.3m during 2022 as a result of negative contribution from investment in start-up business in investment explained above.

In 2021, 1923 Investments benefited from a positive movement in the exchange reserve amounting to €1.6m as a result of a significantly weaker Polish Zloty (PLN) against the Euro which closed at PLN 4.569 at 31 December 2021 (2020: PLN 4.5597). The US Dollar also benefited against the Euro and reached USD 1.133 at 31 December 2021 (2020: USD 1.2271).

Overall, management expects total comprehensive income to amount to €4.4m during 2022 (2021: €7.5m). Given the difficulty to predict foreign exchange trends going forward, it is to note that no exchange differences in terms of foreign operations are projected during 2022.

2.1.1 Variance Analysis

1923 Investments p.l.c. Statement of Comprehensive Income For the year ended 31 December 2021	**Dec-21 Forecast**	**Dec-21 Audited**	**Variance**
	€'000s	**€'000s**	**€'000s**
Revenue	164,593	172,155	7,562
Net operating expenses	(150,389)	(155,734)	(5,345)
EBITDA	**14,204**	**16,421**	**2,217**
Depreciation and amortisation	(5,836)	(5,938)	(102)
EBIT	**8,368**	**10,483**	**2,115**
Share of results, dividends of associates & jointly controlled entities	519	824	305
Other income/ (expenses)	9	-	(9)
Net gain on disposal of subsidiaries (or part of)	1,815	-	(1,815)
Gain on termination of leases	-	521	521
Impairment of goodwill	-	-	-
Net finance costs	(3,642)	(3,512)	130
Profit before tax	**7,069**	**8,316**	**1,247**
Taxation	(2,243)	(2,478)	(235)
Profit/ (loss) after tax from continuing operations	**4,826**	**5,838**	**1,012**
Loss for the year from discontinued operations	-	-	-
Profit/ (loss) for the year	**4,826**	**5,838**	**1,012**
Other comprehensive income			-
Exchange differences - foreign operations	**255**	**1,641**	**1,386**
Total comprehensive income	**5,081**	**7,479**	**2,398**

Actual revenue for FY21 was higher than previously anticipated, by €7.6m. Management attributes this improvement to higher demand and more stable supply of Apple products at iSpot. In view of this, actual operating expenditure was €5.3m higher than previously anticipated, with 1923 investments recording a positive variance in EBITDA of €2.2m.

Share of results, dividends of associates and jointly controlled entities was higher when compared to previous expectations by *circa* €0.3m. Management noted that this increase in profitability follows the same trend experienced at iSpot, with iCentre Hungary performing better than expected. CMA CGM Malta Agency also contributed towards this improvement in profitability, mainly as a result of the increase in freight rates recorded during the year.

In addition, the sale of part of one of the entity's share was not performed during 2021, hence the negative variance in net gain on disposal of subsidiaries.

Meanwhile, the gain on termination of leases was not projected in the previous Analysis, and this mainly relates to the re-negotiation of the lease agreements at iSpot in view of the pandemic induced restrictions and lockdowns in Poland.

Overall, total comprehensive income amounted to €7.5m compared to a forecasted total comprehensive income of €5.1m. Apart from the robust financial performance recorded during 2021, the positive variance also relates to favourable exchange differences on foreign operations.

2.2 Issuer's Statement of Financial Position

1923 Investments p.l.c. Statement of Financial Position	2019A	2020A	2021A	2022P
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Goodwill and other intangibles	63,155	73,380	74,952	75,343
Property, plant and equipment	5,611	10,057	11,370	14,727
Investments in associates and joint ventures	1,229	1,512	2,919	1,589
Right-of-use assets	10,294	8,555	11,499	9,136
Other investments	-	-	-	1,156
Loans and receivables	2,384	1,847	1,745	1,796
Deferred tax asset	1,463	1,608	1,560	2,365
Total non-current assets	**84,136**	**96,959**	**104,045**	**106,111**
Current assets				
Inventory	11,476	9,692	11,094	14,647
Trade and other receivables	11,805	12,616	17,098	14,016
Other current assets	10,924	4,845	7,784	5,404
Cash and cash equivalents	18,934	11,380	9,666	9,633
Total current assets	**53,139**	**38,533**	**45,642**	**43,700**
Total assets	**137,275**	**135,492**	**149,687**	**149,811**
Equity				
Share capital	49,575	49,575	52,135	52,135
Reserves	(8,348)	(8,474)	(4,268)	(402)
Non-controlling interest	3,836	4,473	4,964	5,386
Total equity	**45,063**	**45,574**	**52,831**	**57,119**
Liabilities				
Non-current liabilities				
Debt securities	35,596	35,677	35,758	35,839
Borrowings and other financial liabilities	3,178	13,215	6,960	10,369
Lease liabilities	7,541	6,537	8,882	6,123
Other non-current liabilities	1,952	1,436	1,502	1,799
Total non-current liabilities	**48,267**	**56,865**	**53,102**	**54,130**
Current liabilities				
Bank overdrafts	4,555	4,719	-	1,477
Borrowings and other financial liabilities	9,415	827	5,050	4,326
Lease liabilities	2,958	2,302	3,035	3,258
Other current liabilities	27,017	25,205	35,669	29,501
Total current liabilities	**43,945**	**33,053**	**43,754**	**38,562**
Total liabilities	**92,212**	**89,918**	**96,856**	**92,692**
Total equity and liabilities	**137,275**	**135,492**	**149,687**	**149,811**

Ratio Analysis[1]	2019A	2020A	2021A	2022P
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	49.6%	53.2%	48.6%	47.5%
Gearing 2 (Total Liabilities / Total Assets)	67.2%	66.4%	64.7%	61.9%
Gearing 3 (Net Debt/ Total Equity)	98.3%	113.9%	94.7%	90.6%
Net Debt / EBITDA	5.1x	4.1x	3.0x	3.3x
Current Ratio (Current Assets / Current Liabilities)	1.2x	1.2x	1.0x	1.1x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.9x	0.9x	0.8x	0.8x
Interest Coverage 1 (EBITDA / Cash interest paid)	3.6x	4.6x	5.3x	3.7x
Interest Coverage 1 (EBITDA / Finance Costs)	3.3x	3.2x	4.7x	4.3x

Total assets as at December 2021 amounted to €149.7m (2020: €135.5m) and principally comprise goodwill and intangible assets at €75m, current assets excluding cash balances of €36m and cash and cash equivalents of €9.7m. The increase in right-of-use assets occurring during 2021 is mainly attributable to the re-negotiation of the lease agreements at iSpot as discussed above. In 2022, right-of-use assets are expected to decrease by the annual depreciation in line with IFRS 16.

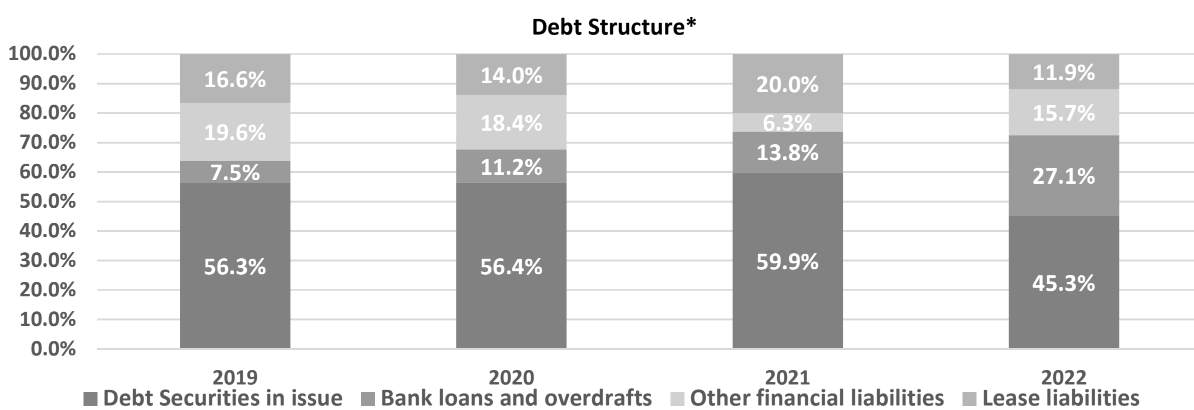
Total assets are projected to amount to €149.8m during 2022, a marginal increase over prior year. In this regard, specific positive movements may be noted in the company's goodwill and other intangibles as well as property, plant and equipment.

Meanwhile, current assets are expected to amount to €43.7m mainly a result of higher lower trade receivables and other current assets.

Total equity amounted to €52.8m at end of 2021, with this projected to reach *circa* €57.1m at end of 2022. This increase is mainly attributable to the company's anticipated positive financial performance, with this ultimately expected to boost the company's reserves to negative €0.4m (2021: negative €4.3m).

Total financial debt, which is primarily composed of debt securities, borrowings, other financial liabilities and lease liabilities, amounted to €59.7m during 2021 (2020: €63.3m). The decline in other financial liabilities during 2021 is mainly attributable to the payment of intercompany loans initially received to finance STS Marine Solutions in 2020. Moreover, total liabilities during the year under review amounted to €96.9m.

1923 Investments' total financial debt is expected to increase to €61.4m during 2022, mainly on account of additional bank financing undertaken to finance future growth. Total liabilities during 2022 are projected to amount to €92.7m.



Further visibility is given in the debt structure chart presented above, showing debt securities in issue, bank borrowings and other financial liabilities separately from financial leases.

[1] Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology (refer to section 4 of this Analysis)

2.2.1 Variance Analysis

1923 Investments p.l.c. Statement of Financial Position For the year ended 31 December	Dec-21 Forecast	Dec-21 Audited	Variance
	€'000s	€'000s	€'000s
Assets			
Non-current assets			
Goodwill and other intangibles	73,548	74,952	1,404
Property, plant and equipment	10,897	11,370	473
Investments in associates and joint ventures	1,967	2,919	952
Right-of-use assets	8,317	11,499	3,182
Loans and receivables	1,542	1,745	203
Deferred tax asset	2,099	1,560	(539)
Total non-current assets	**98,370**	**104,045**	**5,675**
Current assets			
Inventory	12,326	11,094	(1,232)
Trade and other receivables	15,146	17,098	1,952
Other current assets	3,010	7,784	4,774
Cash and cash equivalents	33,115	9,666	(23,449)
Total current assets	**63,597**	**45,642**	(17,955)
Total assets	**161,967**	**149,687**	**(12,280)**
Equity			
Share capital	69,575	52,135	(17,440)
Reserves	(5,073)	(4,268)	805
Non-controlling interest	5,652	4,964	(688)
Total equity	**70,154**	**52,831**	**(17,323)**
Liabilities			
Non-current liabilities			
Debt securities	35,759	35,758	(1)
Borrowings and other financial liabilities	12,956	6,960	(5,996)
Lease liabilities	4,873	8,882	4,009
Other non-current liabilities	1,521	1,502	(19)
Total non-current liabilities	**55,109**	**53,102**	**(2,007)**
Current liabilities			
Bank overdrafts	5,549	-	(5,549)
Borrowings and other financial liabilities	311	5,050	4,739
Lease liabilities	3,247	3,035	(212)
Other current liabilities	27,597	35,669	8,072
Total current liabilities	**36,704**	**43,754**	**7,050**
Total liabilities	**91,813**	**96,856**	**5,043**
Total equity and liabilities	**161,967**	**149,687**	**(12,280)**

The main variances arising within 1923 Investments non-current assets during 2021 relate to an increase in investments in associates from joint ventures, with management attributing this to an increase in the value of investment conducted and the positive performances recorded at iCentre Hungary and at CMA CGM Malta Agency.

As noted above, the right-of-use assets variance relates to the re-negotiation of the lease agreements at iSpot. Meanwhile, management noted that the deferred tax asset variance is linked to movements in deferred tax assets, with this being in line to the increase in profitability recorded by 1923 Investments during the year.

On the current assets side, the cash and cash equivalents variance relates to a projected new issue of shares of €20m, which did not occur during the year. This variance also relates to proceeds from the projected sale of investment in subsidiary amounting to €3.1 million which did not materialise by the end of 2021.

From an equity perspective, the negative variance in share capital is attributable to a projected increase in share capital relating to the aforementioned projected new issue of shares sale which did not occur in 2021. In addition, the positive reserve variance relates to increased profitability registered during the year.

In conclusion, the drop in borrowings and other financial liabilities under both non-current and current liabilities during 2021 is a result of loan repayment to a third party during the year.

2.3 Issuer's Consolidated Statement of Cash Flow

1923 Investments p.l.c. Statement of Cash Flows For the year ended 31 December	**2019A**	**2020A**	**2021A**	**2022P**
	€'000s	**€'000s**	**€'000s**	**€'000s**
Cash flows from operating activities	12,124	12,283	21,911	11,137
Interest paid	(2,418)	(2,716)	(3,111)	(4,294)
Income tax paid	(883)	(1,920)	(3,482)	(3,769)
Tax refund	322	450	509	1,037
Net cash flows generated from operating activities	**9,145**	**8,097**	**15,827**	**4,111**
Net cash flows generated from/(used in) investing activities	8,535	(18,997)	(7,892)	(2,514)
Net cash flows generated from / (used in) financing activities	(3,570)	3,182	(4,930)	(1,630)
Movement in cash and cash equivalents	14,110	(7,718)	3,005	(33)
Cash and cash equivalents at start of year	269	14,379	6,661	9,666
Cash and cash equivalents at end of year	**14,379**	**6,661**	**9,666**	**9,633**

Ratio Analysis	**2019A**	**2020F**	**2021A**	**2022P**
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	€10,171	€9,162	€14,562	€1,466

Net cash generated from operating activities in 2021 amounted to €15.8m, compared to a net cash inflow of €8.1m in 2020. Notably, the uplift in cash flow from operating activities is attributable to the positive trading performance recorded by all subsidiaries during the year. In 2022, net cash from operating activities is expected to result in a net cash inflow of *circa* €4.1m, principally due a lower level of cash flow from operating activities during the year.

Net cash outflows from investing activities amounted to €7.9m during 2021 (2020: €19.0m) and mainly comprise of capital expenditure and movement in loans and receivables to a related party. In view of the company's continued expansion strategy plans, net cash used in investing activities is projected to amount to *circa* €2.5m during 2022.

In 2021, net cash outflows from financing activities amounted to €4.9m, which includes loans advanced by related parties, payments to third parties and additional proceeds from bank loans.

In line with the additional funding from shareholder as well as bank financing expected to be taken during the year, net cash outflows from financing activities in 2022 are expected to amount to €1.6m.

2.4 Variance Analysis

1923 Investments p.l.c. Statement of Cash Flows For the year ended 31 December	Dec-21 Forecast	Dec-21 Audited	Variance
	€'000s	€'000s	€'000s
Cash flows from operating activities	9,086	21,911	12,825
Interest paid	(2,607)	(3,111)	(504)
Income tax paid	(1,514)	(3,482)	(1,968)
Tax refund	920	509	(411)
Net cash flows generated from operating activities	5,885	15,827	9,942
Net cash flows generated from/(used in) investing activities	(3,967)	(7,892)	(3,925)
Net cash flows generated from / (used in) financing activities	18,987	(4,930)	(23,917)
Movement in cash and cash equivalents	20,905	3,005	(17,900)
Cash and cash equivalents at start of year	6,661	6,661	-
Cash and cash equivalents at end of year	27,566	9,666	(17,900)

Management reported that the variances concerning operating activities mainly relate to the better than expected financial performance recorded by 1923 Investments during the year. In this respect, given that this resulted in higher profitability during 2021, the company recorded a negative income tax variance amounting to *circa* €2m.

Meanwhile, management also noted that higher interest was paid during 2021, with this being in line with the increased level of borrowings undertaken to finance working capital requirements.

While the negative investing activities variance of €3.9m predominantly relates to a loan advancement to a related company which was not previously expected, the financing activities variance relates to a projected new share issue of €20m which did not materialise during 2021.

In view of this, net movement in cash and cash equivalents amounted to €3m compared to a projected overall balance of €20.9m.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

European Economic Update[2]

Despite entering the year on a weak note, the outlook for the EU economy before the outbreak of the Ukraine conflict was for a prolonged and robust expansionary phase. The pandemic situation in Europe was improving, while most of the headwinds posed by logistic and supply bottlenecks and pressures on the price of energy and other commodities were expected to fade in the course of this year. Economic activity was expected to continue to be supported by an improving labour market, large accumulated savings, favourable financing conditions and the deployment of the Recovery and Resilience Facility (RRF).

However, the conflict has changed this picture, inevitably by accelerating renewed disruptions in global supply, fuelling further commodity price pressures and heightening uncertainty. The EU is first in line among advanced economies to take a hit, due to its geographical proximity to Russia and Ukraine, heavy reliance on imported fossil fuels, especially from Russia, and high integration in global value chains. In furtherance, large inflows of people fleeing the war posed a further organisational and coordination challenge for the EU.

Real GDP growth in both the EU is now expected at 2.7% in 2022 and 2.3% in 2023, down from 4.0% and 2.8%, respectively (as noted in previous projections prior the war). Output growth across 2022 has also been reduced from 2.1% to just 0.8%. These revised growth projections imply slower convergence to the output level that the economy would have attained in the absence of the pandemic shock, based on an extrapolation of the growth outlook from the last forecast preceding the pandemic.

In turn, the projection for inflation has been revised up significantly. In the EU, Harmonised Index of Consumer Prices (HICP) inflation is now expected to average an all-time high of 6.8% in 2022, before declining to 3.2% in 2023.

Malta Economic Update[3]

In April, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased when compared with March. This decrease in uncertainty was largely driven by developments in industry and to a smaller degree, in the construction and retail sectors.

In March, industrial production contracted again in annual terms, though at a slower rate when compared with February. The volume of retail trade rose at a faster pace. The unemployment rate was marginally lower than that recorded in February and well below last year's rate.

Commercial and residential permits increased in March relative to their year-ago levels. However, in April, the number of final deeds of sale and promise-of-sale agreements fell on a year-on-year basis.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 5.4% in April, up from 4.5% in the previous month. Inflation based on the Retail Price Index (RPI) rose to 5.7% in April, from 4.4% a month earlier.

Maltese residents' deposits expanded at an annual rate of 10.1% in March following an increase of 8.4% in the previous month, while annual growth in credit to Maltese residents stood at 7.7%, below the rate of 8.2% recorded a month earlier.

The Consolidated Fund deficit in March 2022 widened compared with a year earlier as expenditure increased at a faster pace than revenue.

Apple products

The market in Poland for Apple products and services is competitive. As with other developed markets, the market is characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of mobile communication and media devices, personal computers, and other digital electronic devices. iSpot competes with other resellers of Apple products and services, and therefore competing factors include mainly price of products, location of stores, quality of service provided and share of the business-to-business market. iSpot's other competitors, which sell Apple products as well as other mobile devices and personal computers based on other operating systems, typically undertake aggressive price cuts and lower their product margins to gain or maintain market share. The challenge of the Apple Premium Reseller stores is to differentiate the total service experience beyond the product. Apple is, however, designing new ways to expand the business generated from

[2] European Economic Forecast – Spring 2022

[3] Central Bank of Malta – Economic Update 5/2022

its retail platforms beyond the current B2C activity, which is expected to create growth opportunities for the company's already strong portfolio in the market.

iSpot is an official partner of Apple and benefits from the continuous introduction of new and improved products and services ahead of competitors so as to maintain high demand for Apple offerings. Principal competitive factors important to the iSpot brand include price, product features, relative price/performance, product quality and reliability, design innovation, a strong third-party software and peripherals ecosystem, marketing and reselling capability, service and support, and corporate reputation.

The logistics service industry

The logistics service industry which is viewed as an auxiliary for trade and commerce, enables industries to deliver goods and services to the ultimate consumers by facilitating mobility throughout the supply chain. Although the COVID-19 pandemic is edging closer to being a thing of the past, its remnants in the form of shortages of freight drivers and containers, an increase in the demand for certain goods and higher online sales have led to severe disruption in the supply chain.

The IMF's Supply Chain Disruption Index shows that supply chain disruptions increased sharply in early 2020 due to the COVID-19 pandemic and was then followed by a period of stability. The index also shows that disruptions have now started increasing gradually especially in the Eurozone. The World Container Index paints a similar story and shows that the average freight sport rate per 40-foot container is around 79% higher than it was a year ago.

The availability of containers is increasing but still relatively low when compared to pre COVID-19 levels and many key ports remain congested which is driving up freight rates. Local road transporters who have to cross international borders are also facing long waits and queues at port terminals whilst aviation has seen a reduction in flight frequencies. The above mentioned factors have affected both importers and exporters. Many importers are stocking up on inventory to avoid the next price hike whilst exporters are adjusting output prices due to the increased costs of production.

STS Market

The pandemic has sent shockwaves through supply chains, shipping networks and ports, leading to plummeting cargo volumes and foiling growth prospects. At the peak of the crisis, when the contraction of cargo volumes brought an additional challenge to structural market imbalance, the STS market industry adopted more discipline, cutting capacity and reducing costs to maintain profitability instead of market share.

Although certain countries have lifted some of the COVID-19 restrictions, the uncertainty surrounding the geopolitical situation in Russia and Ukraine is delaying the economic activity recovery. Indeed, the situation is now more complicated given the sharp increase in the price of oil caused principally by the aforementioned conflict. From a macroeconomic perspective, the current demand-supply imbalances, mainly brought about by a high demand for oil and a drop in supply, has notably pushed upwards freight charter rates.

Indeed, given the current market dynamics, a full recovery to pre-pandemic levels may take a longer period than originally envisaged as a result of these circumstances.

IT hardware, software and services industry

The COVID-19 pandemic has push the world into uncharted waters with many anomalies still to be resolved. It has forced governments across the globe to introduce aggressive and severe emergency measures and restrictions to contain the virus spread.

Undoubtedly, such measures emerged as significant threats to industries, while others were confronted with a niche opportunity to expand further. More specifically, while selective sectors were facing an unprecedented scenario with a notable liquidity squeeze, technology-oriented business, have found methods to steady and even thrive in a COVID-19 world.

Although the pandemic is becoming a thing of the past it has permanently changed the way societies interact, and as such, it is reshaping how business is done. Indeed, the remote working proposition has now become the norm for many companies, rather than a necessity. To this extent, this pandemic has deepened the reliance on the services offered by predominantly tech oriented companies.

From an optimistic viewpoint, the pandemic has triggered habitual changes which have been on the back burner for a while, and which were more aligned to our mental wellbeing. The idea of introducing remote working as the norm is one of the factors that should be seen as positive.

Once again, technology was crucial in making it happen. More habitual changes will continue to rely on the support of technology, and to this end from now on, we should continue to see growth in tech oriented companies.

3.2 Comparative Analysis

The purpose of the table below compares the proposed 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.

MCM XXIII 1923 INVESTMENTS

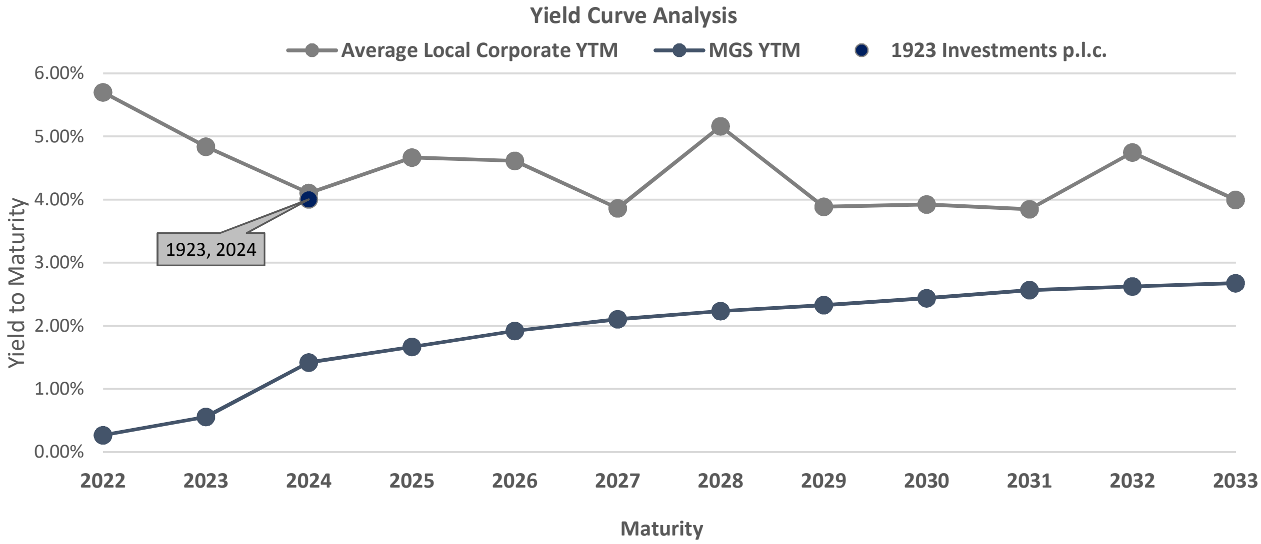
1923 Investments p.l.c.
FINANCIAL ANALYSIS SUMMARY 2022

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)	(%)	(%)	(%)
6% Pendergardens Developments plc Secured € 2022 Series II	19,673	5.70%	(2.3)x	59.5	30.7	48.4%	35.5%	4.6x	0.7x	3.91%	10.19%	-9.54%
4.25% GAP Group plc Secured € 2023	8,350	4.24%	7.8x	112.2	21.6	80.8%	66.3%	3.5x	6.2x	48.3%	17.7%	110.7%
5.8% International Hotel Investments plc 2023	10,000	4.66%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
6% AX Investments Plc € 2024	40,000	4.45%	3.0x	369.8	237.1	37.0%	25.1%	6.8x	0.9x	0.8%	5.4%	23.3%
6% International Hotel Investments plc € 2024	35,000	4.87%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
5.3% Mariner Finance plc Unsecured € 2024	35,000	4.26%	3.3x	102.3	52.9	48.3%	46.6%	6.4x	0.5x	-0.5%	-1.8%	-7.0%
5% Hal Mann Vella Group plc Secured € 2024	30,000	3.66%	3.1x	123.8	48.5	60.8%	53.1%	9.0x	1.4x	2.5%	4.7%	7.7%
5.1% 1923 Investments p.l.c. Unsecured € 2024	36,000	4.01%	5.3x	149.7	52.8	64.7%	47.1%	2.9x	1.0x	11.9%	3.4%	15.0%
4.25% Best Deal Properties Holding plc Secured € 2024	9,183	4.03%	25.4x	24.6	6.9	71.9%	68.4%	3.9x	6.6x	50.2%	13.8%	83.2%
5.75% International Hotel Investments plc Unsecured € 2025	45,000	4.71%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
4.5% Hili Properties plc Unsecured € 2025	37,000	4.00%	1.5x	208.7	110.9	46.9%	32.3%	10.6x	4.7x	3.7%	38.5%	6.5%
4.35% Hudson Malta plc Unsecured € 2026	12,000	4.06%	10.9x	59.0	12.6	78.7%	68.5%	4.2x	1.5x	11.5%	3.4%	0.0%
4% MIDI plc Secured € 2026	50,000	3.94%	0.9x	225.7	102.4	54.6%	38.6%	30.5x	2.8x	0.5%	5.9%	234.4%
4% International Hotel Investments plc Secured € 2026	55,000	3.98%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
3.75% Premier Capital plc Unsecured € 2026	65,000	3.32%	18.4x	317.7	68.7	78.4%	71.6%	2.5x	1.1x	56.4%	8.5%	27.1%
4% International Hotel Investments plc Unsecured € 2026	60,000	4.12%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	3.27%	3.0x	369.8	237.1	37.0%	25.1%	6.8x	0.9x	0.8%	5.4%	23.3%
4.35% SD Finance plc Unsecured € 2027	65,000	4.23%	0.3x	328.5	131.5	60.0%	30.3%	43.7x	1.2x	-1.6%	-12.2%	-70.9%
4% Eden Finance plc Unsecured € 2027	40,000	3.88%	3.7x	193.5	109.3	43.5%	28.6%	5.9x	1.1x	0.9%	4.3%	86.6%
4% Stivala Group Finance plc Secured € 2027	45,000	3.58%	0.5x	363.0	235.4	35.1%	26.7%	33.8x	0.9x	5.3%	82.2%	28.2%
4% Hili Finance Company plc Unsecured € 2027	50,000	3.79%	4.6x	727.7	154.6	78.7%	48.1%	1.7x	1.1x	25.9%	5.7%	22.0%
3.85% Hili Finance Company plc Unsecured € 2028	40,000	3.85%	4.6x	727.7	154.6	78.7%	48.1%	1.7x	1.1x	25.9%	5.7%	22.0%
3.65% Stivala Group Finance plc Secured € 2029	15,000	3.49%	0.5x	363.0	235.4	35.1%	26.7%	33.8x	0.9x	5.3%	82.2%	28.2%
3.8% Hili Finance Company plc Unsecured € 2029	80,000	3.83%	4.6x	727.7	154.6	78.7%	48.1%	1.7x	1.1x	25.9%	5.7%	22.0%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.75%	3.0x	369.8	237.1	37.0%	25.1%	6.8x	0.9x	0.8%	5.4%	23.3%
****Average**		**3.97%**										

Source: Latest available audited financial statements

*** Last closing price as at 14/06/2022**

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



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Yaxis) 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 also illustrates on a stand-alone basis, the yield of 1923 Investments p.l.c. bond.

As at 16 June 2021, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 1 to 5 years (2023-2027) was 229 basis points. The current 1923 Investments bond is trading at a YTM of 4.01%, translating into a spread of 259 basis points over the corresponding MGS. This means that this bond is trading at a premium of 29 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.
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 Investment Services Ltd

Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR9034, Malta
www.cc.com.mt.