



Company Announcement

Date of Announcement: 2nd June 2022

Reference: MRF 71

The following is a company announcement issued by Mariner Finance p.l.c pursuant to the Listing Rules as issued by the Listing Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.

Quote

The Board of Directors of Mariner Finance p.l.c. wishes to inform the general public that the updated Financial Analysis Summary of the Company have been approved.

A copy of the signed Financial Analysis Summary is attached herewith and is also available for viewing on the Company's website www.mfplc.com.mt.

UNQUOTE



Kevin Saliba
Company Secretary

2nd June 2022

Financial Analysis Summary

2 June 2022

Issuer

Mariner Finance p.l.c.

(C31514)



MZ INVESTMENT SERVICES



MZ INVESTMENT SERVICES

The Directors
Mariner Finance p.l.c.
37, Triq Censu Tabone
St. Julian's STJ 1018

2 June 2022

Dear Board Members

Mariner Finance p.l.c. Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary ("**Analysis**") set out in 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 Mariner Finance p.l.c. (the "**Group**" or the "**Company**"). 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 to 31 December 2021 has been extracted from the audited financial statements of the Issuer for the three years in question.
- (b) The forecast data for the year ending 31 December 2022 has been provided by management.
- (c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by management.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.



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The Analysis is meant to assist investors in the Company'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 Company and should not be interpreted as a recommendation to invest in any of the Company'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 Company's securities.

Yours faithfully,

Evan Mohnani

Senior Financial Advisor

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63, St Rita Street,

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PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

The principal activity of the Mariner Finance p.l.c. (the “**Company**” or the “**Group**”) is to act as an investment company within the Group and to engage in the investment, development and operation of sea terminals, namely in Riga, Latvia. Furthermore, the Company operates and rents to third parties owned real estate in Latvia.

2. DIRECTORS AND KEY EMPLOYEES

The Company is managed by a Board consisting of seven directors entrusted with its overall direction and management.

Board of Directors

Marin Hili	Chairman
Edward Hili	Chief Executive Officer
Michela Borg	Non-Executive Director
Kevin Saliba	Non-Executive Director and Company Secretary
Lawrence Zammit	Independent Non-Executive Director
Ian Micallef	Independent Non-Executive Director
Anthony Busuttil	Independent Non-Executive Director

The Chief Executive Officer is responsible for the day-to-day management of the Group. In the execution of the strategic direction, investment and management oversight of the Group, he is assisted by members of senior management of the operating Group companies having the appropriate experience and knowledge required in particular cases arising from time to time. The aforesaid senior management as well as their principle roles are included hereunder:

Gerard Sammut	Chief Executive Officer (BCT ¹ and MFB ²)
Aldis Zieds	Deputy Chairman (BCT)
Dmitrijs Kiselevs	Chief Operating Officer (BCT)
Dzintars Vigulis	Operations (BCT)

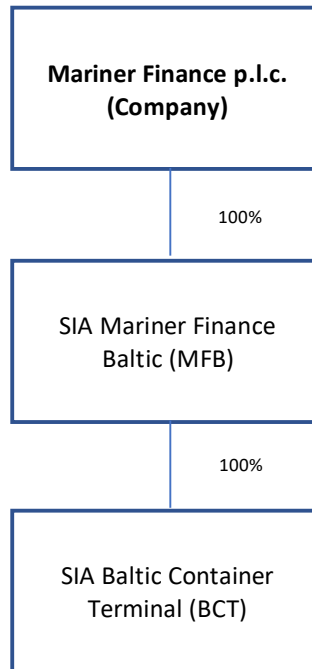
¹ SIA Baltic Container Terminal (“BCT”).

² SIA Mariner Finance Baltic (“MFB”).



3. ORGANISATIONAL STRUCTURE

As the holding company of the Group, the Company is ultimately dependent upon the operations and performance of the Group's operating company. The organisational structure of the Group is illustrated in the diagram hereunder:



SIA Mariner Finance Baltic (“MFB”) is a private limited liability company incorporated and registered in Latvia. It has an authorised and issued share capital of the euro equivalent of €25,000,000 divided into 25,000,000 ordinary shares of €1 per share, fully paid up. The company was set up on 28 February 2013 principally to act as the immediate parent company of BCT and to provide financing to its subsidiary company.

A brief overview of **SIA Baltic Container Terminal (“BCT”)** is provided in section 5 below.



4. INVESTMENT PROPERTY

The Company owns and operates a commercial and office building located in Merkela Street, Riga, Latvia, consisting of a five-storey building having *circa* 3,880m² of rentable space. The property is situated at a major intersection in the central part of Riga, within the main retail and commercial area of the city. In terms of a local grading system, the building is classified as Class B commercial/office space.

The investment property is carried at €4,361,000, a decrease of €209,000 from the prior year (FY2020: €4,570,000). The fair value has been determined based on an independent certified expert's valuation dated 25 May 2022. This decrease in fair value has been solely due to the COVID-19 pandemic which has led the independent expert to adjust the occupancy rates of the property.

The Company has a lease agreement with McDonald's Latvia for an area measuring 626m². The lease expires in 2023 and rent receivable is based on a percentage of net annual sales. The remaining area is leased to nine other tenants for use as office space or commercial activity. Each of the aforesaid lease agreements specifies a fixed rental charge per square metre and the contractual period ranges from three to ten years.



Commercial & office building – Merkela Street, Riga, Latvia

In addition to the above-mentioned building, the Company owns a parcel of land in Latvia valued at €82,000 (FY2020: €82,000). The fair value has been determined based on independent certified expert's valuation dated 30 January 2018.



5. SIA BALTIC CONTAINER TERMINAL

5.1 Introduction

BCT is a private limited liability company incorporated and registered in Latvia. The company was incorporated on 26 March 1996 and is principally engaged in the provision of port and related services at the port of Riga. BCT operates at the Riga Free Port No. 48 under a port concession license issued by the Riga Free Port Authority which expires on 22 March 2047. Apart from the license, the company had entered into a real estate purchase agreement on 30 April 2003 whereby the Riga Free Port Authority sold to BCT, which acquired, full ownership of all yards within the boundaries of the BCT terminal (excluding the quay), together with all underlying communications, warehousing facilities, parking and paved areas surrounding said warehouses, and covered rail ramps.



SIA Baltic Container Terminal

5.2 Market and Competition

BCT is located at the mouth of the river Daugava which runs through the centre of Latvia's capital Riga. Its favourable geographical location and good, direct access via road and rail to its market hinterland make it strategically located to serve as a gateway to meet container traffic demand to and from the main industrial centres of Russia and other destinations including Moscow, Kaluga, Novgorod, St Petersburg, Minsk, Kiev, Vilnius, Tallinn, Almaty and Tashkent.

Latvia is a fast-developing country located on the south-east coast of the Baltic Sea in the centre of the Baltic States (Lithuania, Latvia and Estonia). It represents the financial hub of the three nations and its favourable geopolitical environment provides excellent business opportunities for the four major markets bordering Latvia - Belarus, Estonia, Lithuania and Russia.

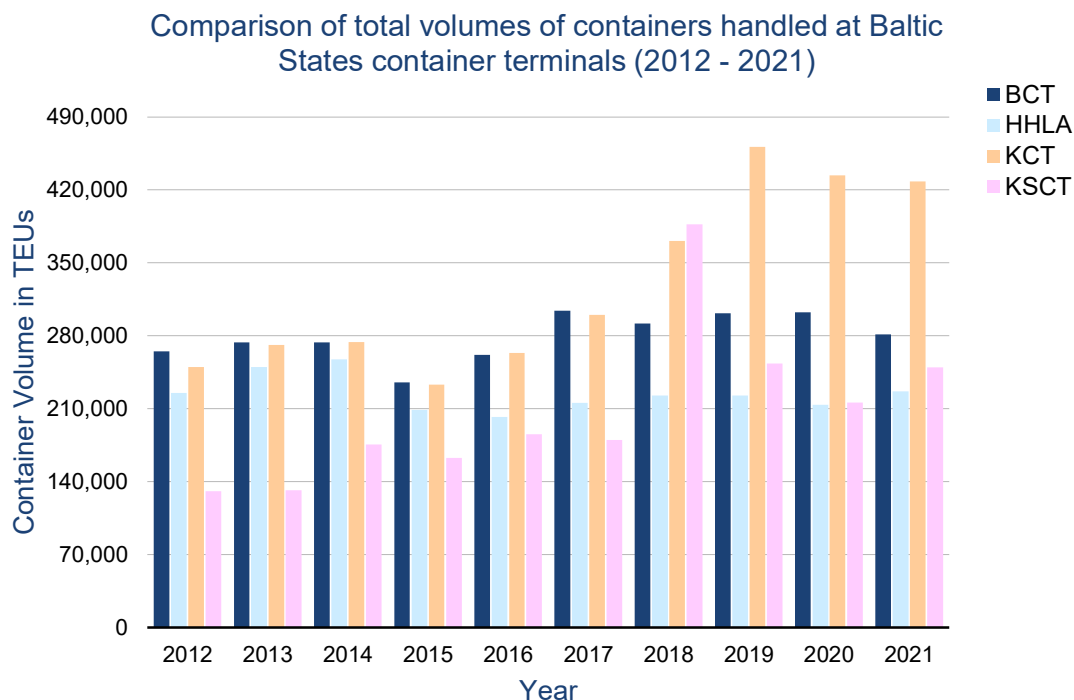
The standing of Russia in the region has been disrupted since February 2022 following its invasion of Ukraine and the subsequent sanctions implemented by the international community which effectively cut-off the country from most Western production inputs.



There are three main ports in Latvia - Venstpils, Riga and Liepaja - and these are mainly involved in transit cargo. The Freeport of Riga is by far the major container-handling port in Latvia. Moreover, BCT is the only specialised container terminal within the port. There are two other terminals - Riga Central Terminal (RCT) and Riga Universal Terminal (RUT) - which handle relatively small volumes of containerised cargo, though their main fields of activity are in the handling of general and bulk cargoes. As a specialised container terminal BCT is better equipped in terms of infrastructure, superstructure and workforce to efficiently and productively handle containers.

In addition to RCT and RUT, BCT's other competitors comprise specialised container terminals which are located in the neighbouring Baltic States and other eastern Baltic countries. These include: Klaipeda Container Terminal (KCT) and Klaipeda Smelte Container Terminal (KSCT) in Klaipeda, Lithuania; HHLA Muuga (formerly Transiidikeskuse) (HHLA) in Tallinn, Estonia; the container terminals within the Port of St. Petersburg, Russia, and; Palokangas - EU Container Terminal and Mussalo Container Terminal within HaminaKotka Port, Finland.

KCT, KSCT and HHLA, located in the neighbouring Baltic States represent the most direct form of competition to BCT due to their similar geographical locations, hinterland markets, inland connections, geopolitical environment and general terminal facilities. Below is a comparison of BCT with its direct competitors for the financial years 2012 to 2021.



5.3 Principal Activities

BCT commenced activities on 1 May 1996, subsequent to the restructuring of a state-owned company, Riga Trade Port. It operates over an area of *circa* 557,000m². The BCT terminal has an annual container handling capacity of *circa* 450,000 TEUs³, and offers the following services:

- **Quay-side operations** – including the berthing of vessels for the loading and/or unloading of containerised cargo using four ship-to-shore gantry cranes. A fifth ship-to-shore gantry crane was delivered during 2020. Quay operations are supported by a variety of yard and interface equipment which includes reach stackers, rail-mounted gantries as well as various tractors, trailers and forklifts.
- **Yard operations** – the terminal has a container storage yard comprising a capacity of *circa* 20,000 TEUs. In addition, the yard has 500 reefer points, that is, electrical outlets for the storage of temperature-controlled containers.
- **Gate and rail operations** – including the transfer of containers between the container terminal and inland road and rail networks. BCT has direct access to both road and rail networks, and operates its own rail handling facility which can service up to 64 rail platforms simultaneously.
- **Warehousing** – the terminal has *circa* 20,400m² of covered warehousing space for the storage of general cargo. The warehouse facilities have direct access to the rail and road networks for more efficient distribution of cargo. In January 2020, BCT completed development of further warehouse facilities, thereby increasing capacity by an additional 11,000m².
- **Ancillary activities** – a wide range of value-added services are provided at the container terminal due to an optimised integrated logistics chain. Through a container freight station, the terminal offers the service of, amongst others, stuffing and stripping of containers (packing/unpacking). In addition, BCT also provides engineering services for the repair of damaged containers.

Of the activities outlined above, the principal business at BCT is quay-side operations (the loading and unloading of containers), which in 2021 represented 65% (2020: 68%) of total revenue generated by the company.

As an important node within the region's logistics network, BCT's clients include shipping lines, freight forwarders, third party logistics service providers, liner agents, inland carriers (such as road haulage companies), as well as end-customers. The container terminal services some of the world's largest shipping lines which call directly at the terminal as well as other shipping lines that use common feeder services. These include Maersk Line, Compagnie Maritime d'Affretement – Campagnie Generale Maritime (CMA-CGM) and Mediterranean Shipping Company (MSC), Unifeeder and Team Lines, as well as Evergreen, Cosco Shipping Lines Co Ltd (COSCO), Nippon Yusen Kaisha (NYK) and Orient Overseas Container Line (OOCL). BCT has strong relationships with all the major shipping lines and their local representatives and strives to maintain good relations with both existing and potential clients.

³ TEU is the abbreviation for twenty-foot equivalent unit, a standard measure for a container for transporting goods, used to calculate how many containers a ship can carry, or a port can deal with.



5.4 Operational Performance

The following table sets out the highlights of BCT's operating performance for the years indicated therein.

SIA Baltic Container Terminal				
Statement of Comprehensive Income				
for the year ended 31 December				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Revenue	16,614	15,832	14,717	17,460
Other operating income	131	232	252	284
Net operating expenses	(8,187)	(7,941)	(7,672)	(8,994)
EBITDA	8,558	8,123	7,297	8,750
Depreciation and amortisation	(1,579)	(2,058)	(2,200)	(2,269)
Net interest income/(cost)	1	(125)	(24)	(56)
Profit before tax	6,980	5,940	5,073	6,425
Taxation	(70)	(244)	(272)	(256)
Profit after tax	6,910	5,696	4,801	6,169
Comprehensive income:				
Revaluation, net of deferred tax	6,017	-	-	-
Total comprehensive income	12,927	5,696	4,801	6,169

SIA Baltic Container Terminal				
Earnings before interest, taxation, depreciation & amortisation (EBITDA)				
for the year ended 31 December				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
<i>EBITDA has been calculated as follows:</i>				
Net profit before taxation	6,980	5,940	5,073	6,425
<i>Adjustments:</i>				
Interest and similar income	(287)	(275)	(324)	(282)
Interest and similar expense	286	400	348	338
Depreciation and amortisation	1,579	2,058	2,200	2,269
EBITDA	8,558	8,123	7,297	8,750



Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast
Revenue growth (Revenue FY1/revenue FY0)	1%	-5%	-7%	19%
Operating profit margin (EBITDA/revenue)	52%	51%	50%	50%
Net profit margin (Profit after tax/revenue)	42%	36%	33%	35%

Source: MZ Investment Services Limited

During **FY2019**, BCT generated €16.6 million in revenue, a marginal increase of €139,000 (+0.8%) compared to the prior year (FY2018: €16.5 million). In terms of TEUs, the company handled 302,080 TEUs in FY2019, an increase of 3.3% over FY2018 (292,206 TEUs). Net operating expenses were fairly stable on a y-o-y basis and as such, EBITDA was broadly unchanged at €8.6 million (FY2018: €8.5 million) equivalent to an operating profit margin of 52% (FY2018: 52%).

Depreciation and amortisation increased from €1.5 million in FY2018 to €1.6 million in FY2019, principally on account of the adoption of IFRS 16 “leases”. Profit after tax in FY2019 was lower by €0.3 million from FY2018 and amounted to €6.9 million. Accordingly, the net profit margin decreased by 2 percentage points from 44% in FY2018 to 42% in FY2019.

The company has revalued property, comprising warehouses complex, administrative buildings, open areas for cargo storage, access roads to railway and warehouse building completed in January 2020, to an estimated fair value of €39.6 million as of 31 December 2019. The fair value was determined based on the independent certified expert’s valuation dated 3 February 2020. In terms of this valuation report, the fair value of the said property increased (net of deferred tax) by €6.0 million and has been accounted for in comprehensive income. In FY2019, total comprehensive income amounted to €12.9 million compared to €7.2 million in FY2018.

Notwithstanding the global economic downturn caused by the pandemic, the number of TEUs handled by BCT in **FY2020** was broadly equal to the volume handled in the prior year (302,403 TEUs compared to 302,080 TEUs in FY2019). Revenue for the year amounted to €15.8 million, a decrease of €782,000 or -5% compared to FY2019. The reduction in revenue is mainly attributable to COVID-19 related discounts afforded to clients. As a result, EBITDA declined from €8.6 million in FY2019 to €8.2 million, but operating profit margin was maintained at 52%.

Depreciation and amortisation charge was higher in FY2020 by €479,000 on account of an increase in property, plant and equipment. The company completed new warehouse facilities at the beginning of FY2020 and in July 2020 got delivery of a new gantry crane. Net profit achieved in FY2020 amounted to €5.7 million compared to €6.9 million in FY2019 (-18%).



In **FY2021**, BCT handled 281,568 TEUs compared to 302,403 TEUs in the prior year (-7%). This was mainly due to a shortage of containers in the first half of 2021 and increases in freight/shipping prices, following disruptions caused by the COVID-19 pandemic. In consequence, revenue for the year decreased by 7% from €15.8 million in FY2020 to €14.7 million in FY2021.

The decline in revenue impacted EBITDA by €0.8 million (y-o-y) which amounted to €7.3 million in FY2021 (FY2020: €8.1 million). Operating profit margin for the year decreased by 1 percentage point to 50% (FY2020: 51%).

Depreciation & amortisation was higher y-o-y by 7% to €2.2 million (+€142,000) and related to the commissioning of a new quay crane and a warehouse. This additional charge was partly offset by a decrease in net interest cost of €101,000 (y-o-y) to €24,000. Total comprehensive income in FY2021 amounted to €4.8 million compared to €5.7 million in FY2020 (-16%).

Notwithstanding the current geopolitical situation and war in Ukraine, the forecast results (**FY2022**) assume an increase in exports from Latvia provided sufficient empty containers are made available, whilst imports remain strong. As such, BCT's management is budgeting an increase in throughput compared to FY2021. On the expense side, both tariffs and costs are expected to increase further from the prior year.

In FY2022, BCT is projecting to generate €17.5 million in revenue, an increase of €2.7 million from FY2021 (+19%), while EBITDA is expected to increase by 20% from €7.3 million in FY2021 to €8.8 million (+€1.5 million).

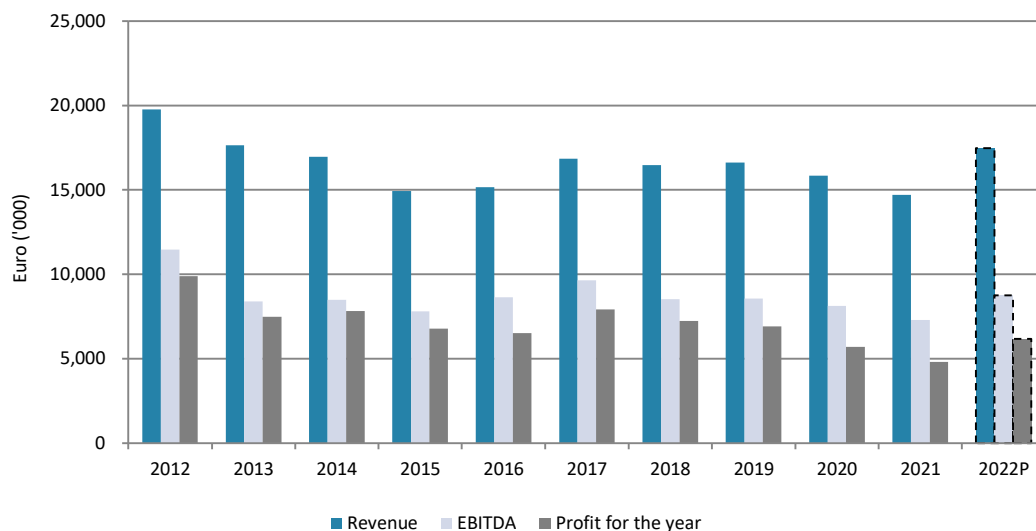
No material movements are expected in depreciation & amortisation and net interest costs.

Overall, total comprehensive income is forecasted to amount to €6.2 million in FY2022, an increase of €1.4 million (+28%) over FY2021. In consequence, net profit margin is expected to improve by 2 percentage points to 35%.



5.5 10-Year Operational Performance and Forecast

BCT Operational Performance



SIA Baltic Container Terminal for the year ended 31 December	2012 Actual €'000	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Actual €'000	2017 Actual €'000	2018 Actual €'000	2019 Actual €'000	2020 Actual €'000	2021 Actual €'000	2022 Forecast €'000
Revenue	19,761	17,647	16,950	14,924	15,156	16,838	16,475	16,614	15,832	14,717	17,460
EBITDA	11,449	8,389	8,488	7,815	8,629	9,642	8,520	8,558	8,123	7,297	8,750
Profit for the year	9,884	7,495	7,818	6,770	6,501	7,913	7,232	6,910	5,696	4,801	6,169

	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast
TEUs ('000)	265	274	274	235	262	304	292	302	302	282	N/A
Container revenue per TEU (€)	75	64	62	64	58	55	56	55	52	52	N/A
EBITDA per TEU (€)	43	31	31	33	33	32	29	28	27	26	N/A
TEUs growth (TEUs FY1/TEUs FY0)	0%	3%	0%	-14%	11%	16%	-4%	3%	0%	-7%	N/A
Revenue growth (Revenue FY1/revenue FY0)	-1%	-11%	-4%	-12%	2%	11%	-2%	1%	-5%	-7%	19%
Operating profit margin (EBITDA/revenue)	58%	48%	50%	52%	57%	57%	52%	52%	51%	50%	50%
Net profit margin (Profit after tax/revenue)	50%	42%	46%	45%	43%	47%	44%	42%	36%	33%	35%

Source: MZ Investment Services Limited

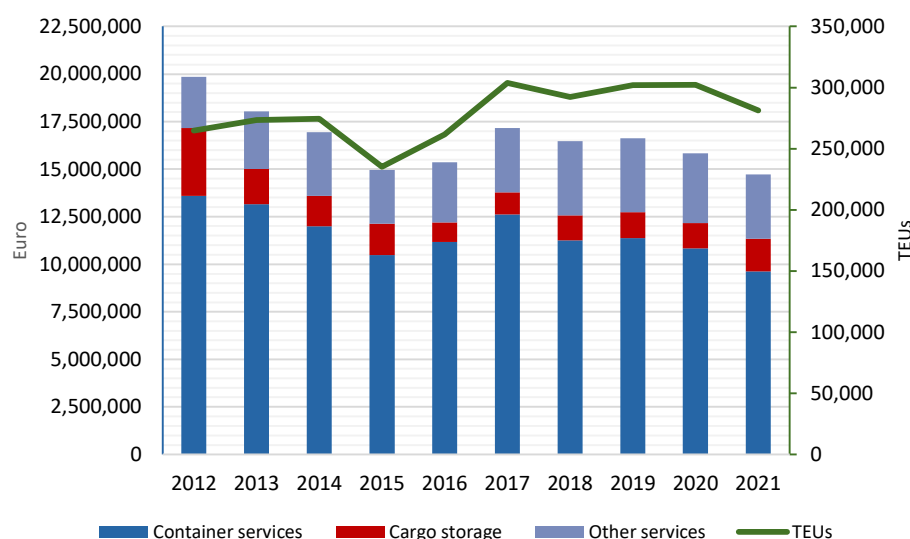


Over the past 10 years, BCT's performance has been fairly consistent on y-o-y basis, whereby average revenue and average EBITDA for the said period amounted to €16.5 million and €8.7 million respectively. Compared to the last published financial information, actual revenue (FY2021: €14.7 million) was lower than average by 11% mainly due to supply constraints of containers, while actual EBITDA (FY2021: €7.3 million) was lower than average by 16%. Volumes handled by BCT in the reviewed period increased from *circa* 265,000 TEUs in FY2012 to *circa* 282,000 TEUs in FY2021 (the peak year in terms of volume was in FY2017 with 304,000 TEUs).

Competition has increased considerably over the years, which resulted in lower revenue and EBITDA per TEU being generated by BCT. In FY2021, the terminal generated total revenue and EBITDA per TEU of €52 and €26 respectively, compared to €75 and €43 respectively in FY2012. Notwithstanding increased competition, management has undertaken various measures to ensure that the company's EBITDA and profit margins are safeguarded through ongoing capital investment at the terminal (infrastructure, equipment, software, etc.) and implementation of operational efficiencies.

In FY2022, BCT's revenue is projected to surpass average revenue by 6% (or +€969,000), while EBITDA is expected to broadly equal the average EBITDA of €8.7 million.

BCT Revenue by Segment



The above chart depicts BCT's revenue by segment. The principal activity of BCT is the handling (loading and unloading) of containers (blue bar) and during the last 10 years represented *circa* 70% of total revenue. Volume of containers (TEUs) has progressively increased from 265,000 TEUs in 2012 to 282,000 TEUs in 2021 (+6%) while total revenue has decreased from €19.9 million in 2012 to €14.7 million (-26%). On a unit basis, BCT's revenue has declined from €75/TEU in 2012 to €52/TEU in 2021. Due to the competitive and price-sensitive nature of BCT's industry, the company is inclined to handle higher container volumes but generate less revenue per TEU.



The chart shows a decline in 2015 of 14% (y-o-y) in the number of TEUs handled by BCT. This adverse movement was principally due to the geopolitical situation in Russia at the time and the depressed price of oil.

6. ECONOMIC ANALYSIS - LATVIA⁴

Latvia entered 2022 with a solid growth momentum, with consumption, investment and exports set for a strong showing. However, due to Latvia's relatively high exposure to trade with Russia, GDP⁵ growth is expected to slow to 2.0% in 2022. The impact will be felt both in terms of lost export revenue as well as in the rising prices of key raw material imports that will add to the inflation woes coming from the global commodity markets. In 2023, growth is expected to pick up to 2.9%, albeit still dampened by the impact of high inflation and the economic fallout from Russia's invasion of Ukraine.

In 2021, Latvia's economy grew by 4.5% surpassing its pre-pandemic level. However, the recovery has been uneven - while goods exports and public consumption spearheaded the recovery, household consumption remained subdued and exports of services remained significantly below their pre-crisis level. The employment recovery, while still solid, lagged somewhat behind that of GDP.

While Latvia was on course for another year of strong growth, driven by recovering household consumption and rapid growth in EU-funded investment, Russia's invasion of Ukraine has profoundly changed Latvia's growth prospects for both 2022 and 2023. The war's impact will play out through two main channels - a loss of trade and spiking prices. Latvia's exports to Russia and Belarus accounted for some 4.3% of GDP in 2021. While most of these exports are expected to dry up, the impact on GDP is set to be limited since a substantial part of them were re-exports with relatively low domestic value added. Additionally, disruptions of supply of metal and wood raw materials as well as of fertilisers, for all of which Russia is a major supplier to Latvia, is expected to add to already strong price pressures coming from energy. This is set to result in double digit price growth in industry and construction with expected knock-on effects on consumer prices in both 2022 and 2023. The high inflation and materials shortages are expected to dampen growth of investments and private consumption. Nevertheless, the latter is forecast to grow at a steady pace as it continues to recover from the impact of the COVID-19 restrictions. Consequently, real GDP is forecast to grow by 2.0% in 2022.

In 2023, growth is expected to pick up to 2.9% benefitting from solid growth in real disposable incomes, driven by solid wage and employment growth as well as increased inflows of EU funds. Exports are set to bounce back from the loss of the Russian market. However, with high price growth in many parts of the economy expected to persist and with the war impacting negatively on investment decisions and inbound tourism, growth is expected to remain subdued.

⁴ Economic Forecast – Spring 2022 (European Commission Institutional Paper 173 May '22).

⁵ Gross Domestic Product (GDP) is an estimate of the value of goods and services produced in the economy over a period of time.



The recovery of the services sectors is expected to drive employment growth in 2022. However, once employment reaches its pre-pandemic level, further growth is expected to be limited by a structural decline in labour supply. People fleeing from Ukraine are expected to temporarily add to the labour supply and employment growth. However, since they are expected to stay for only a few months on average, their long-term impact on the labour market is set to be limited. The employment growth is, thus, set to ease in 2023. Nevertheless, the unemployment rate is set to continue declining due to the shrinking labour force. The tight labour market is set to drive rapid wage growth in both 2022 and 2023.

Consumer price inflation is set to reach 9.4% in 2022, driven by rapid growth in energy and food prices. While global energy commodity price growth is expected to relent in spring 2023, the knock-on effects of rapid price growth in industry and construction are expected to drive consumer price inflation over the forecast horizon. While Latvia's intention to cease importing Russian gas as from 2023 is expected to keep energy prices at a high level for longer, they are expected to decrease in the second half of 2023. Nevertheless, combined with price growth in other components, inflation is set to average 3.5% in 2023.



PART 2 – GROUP PERFORMANCE REVIEW

7. CONSOLIDATED FINANCIAL INFORMATION

The following financial information is extracted from the consolidated financial statements of Mariner Finance p.l.c. (the “Group”) for the years ended 31 December 2019 to 31 December 2021. The financial information for the year ending 31 December 2022 has been provided by management of the Company.

The projected financial statements relate to events in the future and are based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between projected and actual results may be material.

Mariner Finance p.l.c.				
Statement of Total Comprehensive Income				
for the year ended 31 December				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Revenue	16,614	15,832	14,717	17,460
Rental income and other net operating income	588	604	561	600
Net operating expenses	(8,618)	(8,525)	(8,030)	(9,335)
EBITDA	8,584	7,911	7,248	8,725
Depreciation & amortisation	(1,579)	(2,058)	(2,252)	(2,273)
Loss on revaluation of investment property	-	(463)	(209)	-
Investment income	348	275	309	-
Net finance costs	(2,133)	(2,180)	(2,197)	(1,911)
Profit before tax	5,220	3,485	2,899	4,541
Taxation	(316)	(288)	(267)	(271)
Profit after tax	4,904	3,197	2,632	4,270
Other comprehensive income:				
Revaluation, net of deferred tax	6,017	-	-	-
Total comprehensive income	10,921	3,197	2,632	4,270

Mariner Finance p.l.c.				
Earnings before interest, taxation, depreciation & amortisation (EBITDA)				
for the year ended 31 December				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
<i>EBITDA has been calculated as follows:</i>				
Operating profit	7,005	5,853	4,996	6,452
<i>Adjustments:</i>				
Depreciation and amortisation	1,579	2,058	2,252	2,273
EBITDA	8,584	7,911	7,248	8,725



Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast
Operating profit margin (EBITDA/revenue)	50%	48%	47%	48%
Interest cover (times) (EBITDA/net finance cost)	4.02	3.63	3.30	4.57
Net profit margin (Profit after tax/revenue)	29%	19%	17%	24%
Earnings per share (€) (Profit after tax/number of shares)	98.08	63.94	52.64	85.40
Return on equity (Profit after tax/shareholders' equity)	10%	6%	5%	7%
Return on capital employed (EBITDA/total assets less current liabilities)	10%	9%	8%	9%
Return on assets (Profit after tax/total assets)	5%	3%	3%	4%

Source: MZ Investment Services Limited

In **FY2019**, revenue was broadly unchanged on a y-o-y basis as BCT generated €16.6 million in FY2019 compared to €16.5 million in FY2018, whilst rental and other income amounted to €0.6 million in FY2019 (FY2018: €0.6 million). Net operating expenses was also stable at €8.6 million and as such operating profit margin was unchanged at 50%.

Profit after tax in FY2019 amounted to €4.9 million, €0.6 million (-10.5%) lower when compared to FY2018 (€5.5 million), mainly due to €98,000 increase in depreciation & amortisation, €240,000 increase in net finance costs and €295,000 increase in taxation. The increase in depreciation & amortisation is on account of the adoption of IFRS 16 "leases". As a consequence, net profit margin declined from 32% in FY2018 to 29%.

The Group has revalued property, comprising warehouses complex, administrative buildings, open areas for cargo storage, access roads to railway and warehouse building completed in January 2020, to an estimated fair value of €39.6 million as of 31 December 2019. The fair value was determined based on the independent certified expert's valuation dated 3 February 2020. In terms of this valuation report, the fair value of the said property increased (net of deferred tax) by €6.0 million and has been accounted for in comprehensive income. In FY2019, total comprehensive income amounted to €10.9 million compared to €5.5 million in FY2018.

During **FY2020**, the global economy experienced the impact of the COVID-19 pandemic. Such on-going pandemic is unprecedented but its effect on the Group's business operations has been minimal. In fact, both container volumes handled and occupancy levels within the Group's principal activities were similar to those of the previous year despite the pandemic. The only financial impact resulting from the pandemic was in the form of COVID-19 related discounts given to the Group's clients.



During the review year, revenue decreased by €782,000 or -5%, from €16.6 million in FY2019 to €15.8 million and rental income generated from the property in Latvia amounted to €604,000 compared to €588,000 in the prior year. Net operating expenses also decreased but not to the same extent as revenue (by -1%) which thus resulted in a 8% decline in EBITDA to €7.9 million (FY2019: €8.6 million).

Depreciation and amortisation charge was higher in FY2020 on a comparable basis by €479,000 on account of new property, plant & equipment. Furthermore, the carrying value of the property in Latvia was reduced by €463,000. As such, profit after tax in FY2020 amounted to €3.2 million, a decrease of €1.7 million (-35%) compared to €4.9 million generated in the previous year.

The Group's revenue in **FY2021** amounted to €14.7 million, a decrease of 7% or €1.1 million from the prior year. As explained in section 5.4 of this report, the decline was mainly attributable to a shortage of containers in the first half of 2021 and increases in freight/shipping prices. Rental income was lower on a y-o-y basis by €43,000 to €561,000.

EBITDA generated in FY2021 amounted to €7.2 million compared to €7.9 million in FY2020 (-8%), while operating profit margin was lower by 1 percentage point to 47%. Notwithstanding the decline in EBITDA, interest cover remained strong at 3.30 times (FY2020: 3.63 times).

The group aims to deliver a return on capital employed above the level of its cost of funding. The return on capital employed as at year end stood at 8% (FY2020: 9%).

Due to the impact of the pandemic, the carrying value of investment property was impaired by €209,000 (FY2020: loss on revaluation of €463,000). Depreciation & amortisation was higher by €194,000 primarily on account of the commissioning of a new quay crane and a warehouse at BCT. No material changes were noted in investment income and taxation. Overall, total comprehensive income was lower by €565,000 from €3.2 million in FY2020 to €2.6 million in FY2021 (-18%). The Group achieved a net profit margin of 17% in FY2021 compared to 19% in the previous year.

In **FY2022**, the Group is projected to achieve a 19% increase in revenue to €17.5 million (FY2021: €14.7 million) mainly in view of the increase in volume handled at the terminal since the start of the war in Ukraine and the imposition of international sanctions on Russia, which trend is expected to continue at least for the rest of the current financial year.

Operating profit margin is expected to improve by 1 percentage point to 48% and accordingly, the Group is projected to report an EBITDA of €8.7 million in FY2022 compared to €7.2 million in FY2021 (+20% or €1.5 million). Interest cover is expected to improve from 3.30 times in FY2021 to 4.57 times due to a projected increase in EBITDA as well as a decrease in net finance costs of €286,000 to €1.9 million.

In consequence of the above-mentioned increase in operational activities, profit after tax is projected to amount to €4.3 million, an increase of 62% or €1.6 million over the prior year (FY2021: €2.6 million).



Mariner Finance p.l.c.				
Statement of Financial Position				
as at 31 December				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Intangible assets	13,800	13,746	13,703	13,632
Property, plant and equipment	48,737	44,996	43,570	43,864
Investment property	5,115	4,652	4,443	4,443
Right-of-use assets	2,538	8,265	7,938	7,631
Loans and receivables	20,583	23,796	27,970	30,986
	<u>90,773</u>	<u>95,455</u>	<u>97,624</u>	<u>100,556</u>
Current assets				
Loans receivable	-	750	414	429
Inventories	465	438	455	472
Trade and other receivables	3,457	2,980	3,216	3,057
Cash and cash equivalents	615	727	640	1,466
	<u>4,537</u>	<u>4,895</u>	<u>4,725</u>	<u>5,424</u>
Total assets	<u>95,310</u>	<u>100,350</u>	<u>102,349</u>	<u>105,980</u>
EQUITY				
Equity and reserves				
Called up share capital	500	500	500	500
Other equity and reserves	17,470	17,470	17,470	17,470
Retained earnings	29,130	32,327	34,960	39,230
	<u>47,100</u>	<u>50,297</u>	<u>52,930</u>	<u>57,200</u>
LIABILITIES				
Non-current liabilities				
Bank loans	2,041	349	42	-
Bonds	34,648	34,717	34,789	34,865
Lease liability	2,535	6,304	5,604	4,922
Other non-current liabilities	274	341	302	237
	<u>39,498</u>	<u>41,711</u>	<u>40,737</u>	<u>40,024</u>
Current liabilities				
Bank loans	6,323	5,227	5,721	5,997
Lease Liability	49	697	700	682
Other current liabilities	2,340	2,418	2,261	2,077
	<u>8,712</u>	<u>8,342</u>	<u>8,682</u>	<u>8,756</u>
	<u>48,210</u>	<u>50,053</u>	<u>49,419</u>	<u>48,780</u>
Total equity and liabilities	<u>95,310</u>	<u>100,350</u>	<u>102,349</u>	<u>105,980</u>



Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast
Gearing ratio <i>(Net debt/net debt and shareholders' equity)</i>	49%	48%	47%	44%
Gearing ratio 2 (times) <i>(Net debt/shareholders' equity)</i>	0.96	0.93	0.87	0.79
Net debt to EBITDA (years) <i>(Net debt/EBITDA)</i>	5.24	5.89	6.38	5.16
Net assets per share (€) <i>(Net asset value/number of shares)</i>	942.00	1,005.94	1,058.60	1,144.00
Liquidity ratio (times) <i>(Current assets/current liabilities)</i>	0.52	0.59	0.54	0.62

Source: MZ Investment Services Limited

Total assets as at 31 December **2021** amounted to €102.3 million, an increase of €2.0 million from a year earlier. The primary movements included an increase in loans & receivables of €4.2 million and a decrease of €1.4 million in property, plant & equipment.

Total liabilities decreased y-o-y by €0.6 million, mainly on account of an increase in bank borrowings of €0.2 million and a reduction in lease obligations amounting to €0.7 million (reflecting annual lease payments).

Equity increased by the net profit of the year of €2.6 million, from €50.3 million in FY2020 to €52.9 million in FY2021. The gearing ratio improved by 1 percentage point to 47% (FY2020: 48%).

During the year under review, the liquidity ratio weakened from 0.59 times in FY2020 to 0.54 times in FY2021.

For the year ending 31 December **2022**, the Group does not anticipate any major changes to its financial position. Total assets are projected to amount to €106.0 million (FY2021: €102.3 million) mainly on account of an increase in loans and receivables of €3.0 million. In current assets, cash balances are expected to increase by €0.8 million to €1.5 million.

Total liabilities are expected to decrease by €0.6 million to €48.8 million, principally comprising bank loans and bonds amounting to €40.9 million and lease liability of €5.6 million. The gearing ratio of the Group is projected to decrease y-o-y by 3 percentage points to 44%.



Mariner Finance p.l.c.
Statement of Cash Flows
for the year ended 31 December

	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Net cash from operating activities	5,600	6,160	4,432	6,577
Net cash from investing activities	(13,192)	(7,677)	(4,009)	(5,220)
Net cash from financing activities	7,044	1,629	(510)	(531)
Net movement in cash and cash equivalents	(548)	112	(87)	826
Cash and cash equivalents at beginning of year	1,163	615	727	640
Cash and cash equivalents at end of year	615	727	640	1,466

Net cash inflow from operating activities in **FY2020** was higher on a comparable basis by €560,000 to €6.2 million (FY2019: €5.6 million), mainly on account of favourable movements in working capital.

Net cash outflow from investing activities amounted to €3.2 million in FY2020 compared to €13.2 million in FY2019. During the year, the Group's investment in property, plant and equipment amounted to €4.0 million (FY2019: €7.1 million), while net amounts advanced to parent company and related parties amounted to €3.8 million compared to €6.1 million in FY2019. On the other hand, the Group received proceeds from the sale and leaseback of a gantry crane amounting to €4.5 million.

Net cash used in financing activities amounted to €2.9 million compared to cash inflows of €7.0 million in the prior year. The Group utilised the above-mentioned proceeds from the sale and leaseback transaction to repay a bank loan used to finance the said crane. As such, net repayment of bank loans in FY2020 amounted to €2.8 million (FY2019: net drawdowns of €7.1 million).

Cash and cash equivalents as at 31 December 2020 amounted to €727,000 compared to €615,000 in FY2019.

In **FY2021**, net movement in cash and cash equivalents amounted to -€87,000 compared to a positive balance of €112,000 in FY2020.

Net cash from operating activities was lower by €1.8 million from the prior year which is reflective of the y-o-y decrease in volumes handled at BCT (FY2021: €4.4 million; FY2020: €6.2 million).

Net cash used in investing activities amounted to €4.0 million (FY2020: net outflows of €7.7 million) and mainly comprised net amounts advanced to parent company and related party of €3.6 million and capital expenditure amounting to €0.4 million.

Net cash used in financing activities amounted to €0.5 million compared to cash inflows of €1.6 million in FY2020. Such amount included lease liability payments and net drawdown of bank loans amounting to €0.7 million (outflow) and €0.2 million (inflow) respectively.



In view of the expected increase in EBITDA in **FY2022**, net cash inflows from operating activities is expected to increase by €2.1 million from €4.4 million in FY2020 to €6.6 million.

Net cash used in investing activities is projected to amount to €5.2 million, of which €2.2 million is earmarked for the purchase of property, plant and equipment and €3.0 million for the purposes of advancements to related parties.

Net cash used in financing activities is expected to reflect lease liability payments of €0.7 million and net drawdown of bank loans of €0.2 million, resulting in a net outflow of €0.5 million.

8. VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the forecasted financial information for the year ended 31 December 2021 included in the prior year's Financial Analysis Summary dated 26 May 2021 and the audited consolidated financial statements for the year ended 31 December 2021.

Mariner Finance p.l.c.			
Statement of Total Comprehensive Income			
for the year ended 31 December 2021			
	Actual	Forecast	Variance
	€'000	€'000	€'000
Revenue	14,717	15,770	(1,053)
Rental income and other net operating income	561	453	108
Net operating expenses	(8,030)	(8,554)	524
EBITDA	7,248	7,669	(421)
Depreciation & amortisation	(2,252)	(2,288)	36
Loss on revaluation of investment property	(209)	-	(209)
Net finance costs	(1,888)	(1,912)	24
Profit before tax	2,899	3,469	(570)
Taxation	(267)	(262)	(5)
Profit after tax	2,632	3,207	(575)
Total comprehensive income	2,632	3,207	(575)

As presented in the above table, EBITDA generated by the Group in FY2021 was lower than projected by €421,000 million (-5%). This adverse result was mainly due to a shortage of containers in the first half of 2021 and increases in freight and shipping prices.

The Group registered a loss on revaluation of investment property of €209,000 which was not anticipated when the forecast statements were compiled.

In consequence, actual total comprehensive income was lower than forecasted by €575,000.



Mariner Finance p.l.c.			
Statement of Financial Position			
as at 31 December 2021			
	Actual	Forecast	Variance
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets	13,703	13,704	(1)
Property, plant and equipment	43,570	43,357	213
Investment property	4,443	4,652	(209)
Right-of-use assets	7,938	7,958	(20)
Loans and receivables	27,970	28,004	(34)
	<u>97,624</u>	<u>97,675</u>	<u>(51)</u>
Current assets			
Loans receivable	414	431	(17)
Inventories	455	472	(17)
Trade and other receivables	3,216	3,772	(556)
Cash and cash equivalents	640	483	157
	<u>4,725</u>	<u>5,158</u>	<u>(433)</u>
Total assets	<u>102,349</u>	<u>102,833</u>	<u>(484)</u>
EQUITY			
Equity and reserves			
Called up share capital	500	500	-
Other equity and reserves	17,470	17,470	-
Retained earnings	34,960	35,534	(574)
	<u>52,930</u>	<u>53,504</u>	<u>(574)</u>
LIABILITIES			
Non-current liabilities			
Bank loans	42	43	(1)
Bonds	34,789	34,789	-
Lease liability	5,604	5,658	(54)
Other non-current liabilities	302	489	(187)
	<u>40,737</u>	<u>40,979</u>	<u>(242)</u>
Current liabilities			
Bank loans	5,721	5,545	176
Lease Liability	700	697	3
Other current liabilities	2,261	2,108	153
	<u>8,682</u>	<u>8,350</u>	<u>332</u>
	<u>49,419</u>	<u>49,329</u>	<u>90</u>
Total equity and liabilities	<u>102,349</u>	<u>102,833</u>	<u>(484)</u>



The material variances between the actual and forecast statement of financial position are as follows:

- The carrying values of property, plant & equipment were higher than expected by €213,000.
- The loss on revaluation of investment property amounting to €209,000 was not anticipated when the forecast statements were compiled.
- The adverse variance of €574,000 in retained earnings is further described above.
- Actual trade & other receivables were lower than projected by €556,000.
- Bank borrowings and other current liabilities (mainly comprising trade & other payables) were higher than projected by €329,000 (in aggregate).

Mariner Finance p.l.c.			
Statement of Cash Flows			
for the year ended 31 December 2021			
	Actual	Forecast	Variance
	€'000	€'000	€'000
Net cash from operating activities	4,432	4,431	1
Net cash from investing activities	(4,009)	(4,189)	180
Net cash from financing activities	<u>(510)</u>	<u>(486)</u>	<u>(24)</u>
Net movement in cash and cash equivalents	(87)	(244)	157
Cash and cash equivalents at beginning of year	<u>727</u>	<u>727</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>640</u>	<u>483</u>	<u>157</u>

Actual net movement in cash and cash equivalents was higher than projected by €157,000. No material movements were observed that require further disclosure.



PART 3 – COMPARABLES

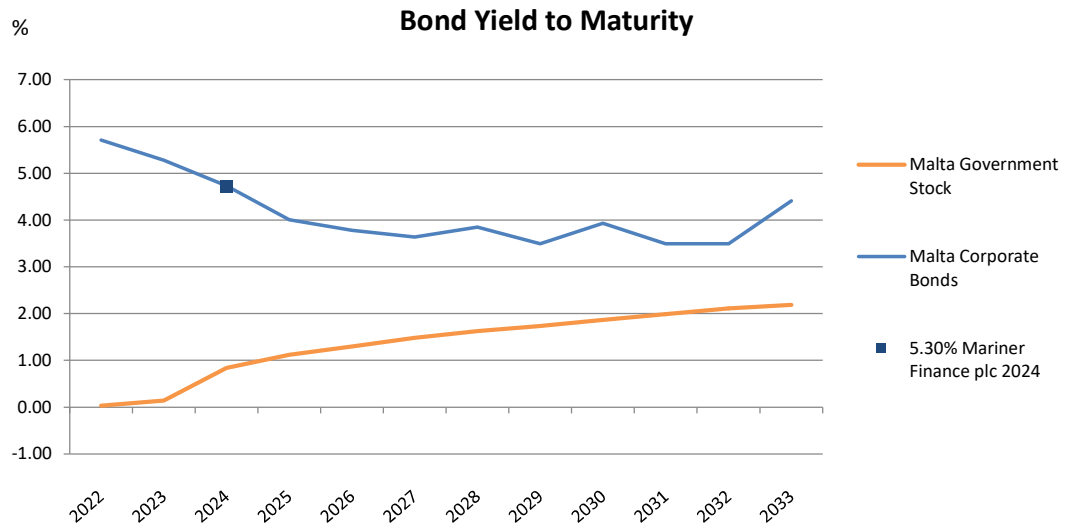
The table below compares the Group and its bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Group and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6.00% Pendergardens Developments plc Secured € 2022 Series	19,756,700	5.71	1.79	60,578	29,491	36.39
4.25% GAP Group plc Secured € 2023	8,349,900	5.28	14.81	112,173	21,575	60.31
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	5.28	0.67	37,298	6,677	75.91
5.80% International Hotel Investments plc 2023	10,000,000	4.68	1.06	1,695,229	838,216	40.59
5.5% Mediterranean Investments Holding plc € 2023	20,000,000	5.48	2.01	310,941	188,651	27.06
6.00% AX Investments Plc € 2024	40,000,000	4.18	1.69	374,099	237,143	25.10
6.00% International Hotel Investments plc € 2024	35,000,000	4.84	1.06	1,695,229	838,216	40.59
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	4.73	3.30	102,348	52,929	46.65
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.68	2.60	123,752	48,512	53.05
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.23	4.58	149,687	52,831	49.89
4.25% Best Deal Properties Holding plc Secured € 2024	9,183,200	4.20	-	24,561	6,893	62.61
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.54	14.81	112,173	21,575	60.31
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	5.15	1.06	1,695,229	838,216	40.59
5.10% GPM Holdings plc Unsecured € 2025	13,000,000	5.09	52.47	162,889	74,159	14.82
4.50% Hili Properties plc Unsecured € 2025	37,000,000	4.01	1.41	208,696	110,881	32.31
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	3.78	4.51	58,951	12,557	68.49
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.25	0.51	1,717,057	828,470	42.64
4.00% International Hotel Investments plc Secured € 2026	55,000,000	3.86	1.06	1,695,229	838,216	40.59
5.00% Dizz Finance plc Unsecured € 2026	8,000,000	5.12	0.45	72,112	4,763	91.27
3.75% Premier Capital plc Unsecured € 2026	65,000,000	3.38	11.70	317,675	60,118	74.24
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	3.99	1.06	1,695,229	838,216	40.59
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	3.01	1.69	374,099	237,143	25.10
3.90% GAP Group plc Secured € 2024-2026	21,000,000	3.54	14.81	112,173	21,575	60.31
4.35% SD Finance plc Unsecured € 2027	65,000,000	4.23	0.88	328,464	131,504	30.32
4.00% Eden Finance plc Unsecured € 2027	40,000,000	3.64	3.63	193,529	109,284	28.55
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	3.79	3.25	362,955	235,392	26.66
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	3.85	3.44	624,222	106,811	78.42
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	3.49	3.25	362,955	235,392	26.66
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	3.89	3.44	624,222	106,811	78.42
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.52	1.69	374,099	237,143	25.10
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	3.72	1.06	1,695,229	838,216	40.59
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	3.50	-	238,228	78,698	63.41

31-May-22

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, MZ Investment Services Ltd





Source: Malta Stock Exchange, Central Bank of Malta, MZ Investment Services Ltd

31 May 2022

To date, there are no corporate bonds which have a redemption date beyond 2033. The Malta Government Stock yield curve has been included as it is the benchmark risk-free rate for Malta.

The Group's bonds are trading at a yield of 4.73%, which is at same level compared to other corporate bonds maturing in the same year. The premium over FY2024 Malta Government Stock is 389 basis points.



PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year.
Operating expenses	Operating expenses include the cost of terminal operations and management expenses in maintaining the investment property.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Company.
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 Company.



Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.
Current assets	Current assets are all assets of the Company, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the Company within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Non-current liabilities	The Company's long-term financial obligations that are not due within the present accounting year. The Company's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Net assets per share	Total assets less total liabilities divided by the number of equity shares in issue.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current 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 a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's operating profit of one period by the company's interest expense of the same period.
Net debt to EBITDA	The net debt to EBITDA ratio is a measurement of leverage, calculated as a company's interest bearing liabilities minus cash or cash equivalents, divided by its EBITDA. This ratio shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity. Alternatively, the gearing ratio can be calculated by dividing a company's net debt by shareholders' equity.

