Financial Analysis Summary

31 May 2022

Issuer

Mediterranean Investments Holding p.l.c.

Guarantor

CPHCL Company Limited

(formerly Corinthia Palace Hotel Company Limited)

MZ INVESTMENT SERVICES

MZ INVESTMENT SERVICES

The Directors
Mediterranean Investments Holding p.l.c.
22, Europa Centre
Floriana FRN 1400
Malta

31 May 2022

Dear Sirs

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 (the "**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 Mediterranean Investments Holding p.l.c. (the "**Issuer**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data has been extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021.

(b) The forecast data for the years ending 31 December 2022 and 31 December 2023 has been provided by management.

(c) Our commentary on the results of the Issuer and on its financial position is based on the explanations provided to us by management.

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

(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.

The Analysis is meant to assist investors in the Issuer’s securities and potential investors by summarising the more important financial data of the MIH 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 independent professional financial advice before investing in the Issuer’s securities.

Yours faithfully,

Evan Mohnani
Senior Financial Advisor

MZ Investment Services Ltd
63, St Rita Street,
Rabat RBT 1523,
Malta
Tel: 2145 3739

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DEFINITIONS

AHCT	Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya;
AUCC	Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya;
Corinthia Group or **Guarantor**	CPHCL (as defined below) and the companies in which CPHCL has a controlling interest;
CPHCL	CPHCL Company Limited (formerly Corinthia Palace Hotel Company Limited), a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. CPHCL is the parent company of the Corinthia Group;
Group	the Issuer (parent company), PCL, PWL and MTJSC;
IHI	International Hotel Investments plc, a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Issuer or **MIH** or **Company**	Mediterranean Investments Holding plc, a public company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
MTJSC	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 L(2010), having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
NREC	National Real Estate Company KSCP, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait;
PCL	Palm City Ltd, a company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
PWL	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;

PART 1 – INFORMATION ABOUT THE ISSUER AND GUARANTOR

1. ISSUER'S KEY ACTIVITIES

Mediterranean Investments Holding p.l.c. is principally engaged in the acquisition, development and operation of real estate projects outside Malta, particularly in North Africa, including without limitation, residential gated villages, build-operate-transfer projects, office and commercial buildings, retail outlets, shopping malls, housing, conference centres and other governmental projects.

MIH presently operates the Palm City Residences in Janzour, Libya through a build-operate-transfer agreement entered into with CPHCL. It also owns 25% of the share capital of MTJSC, a company incorporated to construct the Medina Tower, and is responsible to develop the Palm Waterfront pursuant to a build-operate-transfer agreement concluded with CPHCL.

2. DIRECTORS AND MANAGEMENT OF THE ISSUER

The Issuer is managed by a Board comprising seven directors who are entrusted with its overall direction and management. The Board members of the Issuer as at the date of this report are included hereunder:

Board of Directors

Alfred Pisani	Executive Director and Chairman
Ahmed Wahedi	Non-Executive Director and Deputy Chairman
Joseph Fenech	Executive Director
Joseph Pisani	Non-Executive Director
Faisal J.S. Alessa	Non-Executive Director
Mario P. Galea	Independent, Non-Executive Director
Ahmed Yousri Helmy	Independent, Non-Executive Director

The Issuer does not have any employees of its own and is reliant on the resources which are made available to it by CPHCL pursuant to a management and support services agreement ("**MSS Agreement**"). Through the MSS Agreement, Reuben Xuereb provides his services as the Chief Executive Officer, Rachel Stilon as the Chief Financial Officer and Stephen Bajada as the Company Secretary.

Furthermore, the Issuer benefits from the experience and expertise of CPHCL in the operation of its business and the implementation of a highly efficient and cost-effective construction programme which is expected to be reflected in a substantial increase in the market value of the Group's real estate properties. The MSS Agreement also ensures that at the top executive and central administrative level, the Issuer has continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group, specifically but not limitedly and exclusively, support on financial matters, debt raising be it in the form of bank loans or corporate bonds raised on the Malta Stock Exchange, insurance matters, internal control function, in-house legal services and corporate governance.

The average number of employees engaged by the Group within the various subsidiaries during FY2021 was 92 (FY2020: 82 employees), of which, 15 were administrative employees and the remaining were employed in operations.

3. GUARANTOR'S KEY ACTIVITIES

CPHCL Company Limited is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as project management, industrial and event catering, and other industrial operations in various countries.

4. DIRECTORS OF THE GUARANTOR

The Guarantor is managed by a Board consisting of six directors entrusted with its overall direction and management, including the establishment of strategies for future development. In the execution of the strategic direction, investment and management oversight of the Corinthia Group, the Board is assisted by the Chief Executive Officers, until April 2021 and by the Chief Executive Officer subsequent to that date, and Senior Management of the operating business entities within the Corinthia Group.

The Board members of the Guarantor as at the date of this report are included hereunder:

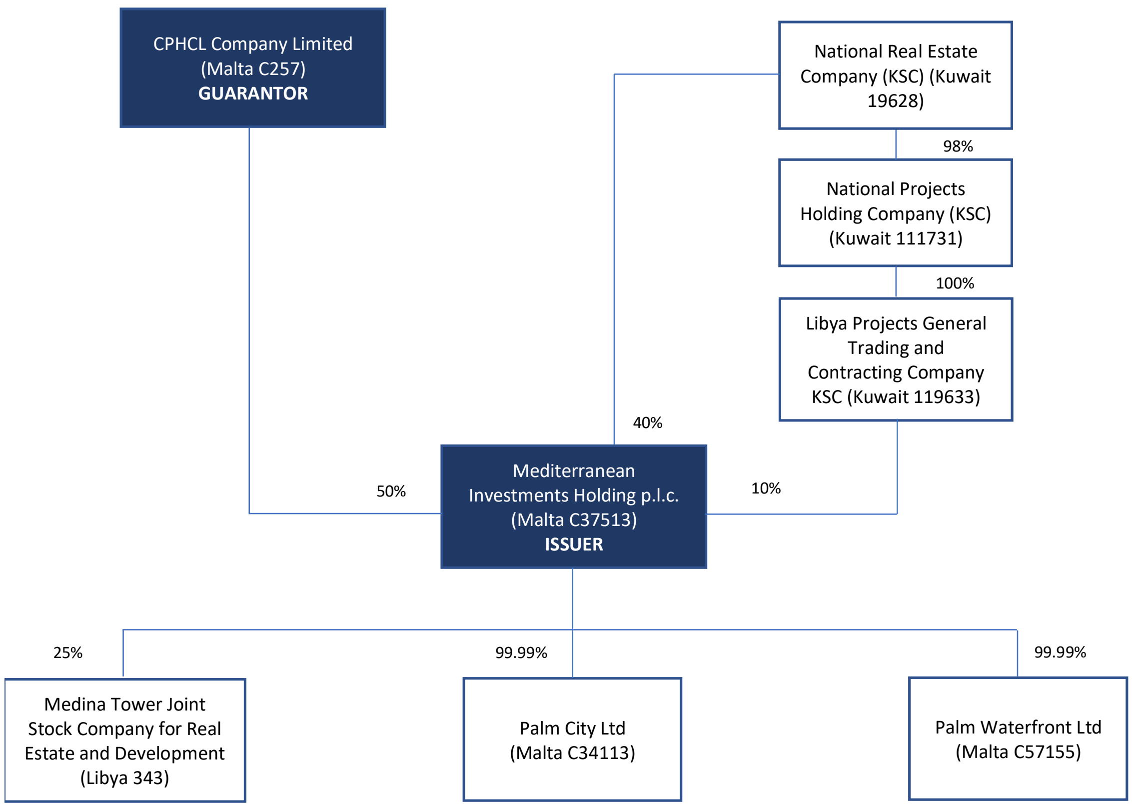
Board of Directors

Alfred Pisani	Chairman and Executive Director
Joseph Pisani	Executive Director
Victor Pisani	Executive Director
Karima Munir Elbeshir	Non-Executive Director
Khalid S T Benrjoba	Non-Executive Director
Khaled Amr Algonsel	Non-Executive Director

The weekly average number of employees engaged with the companies forming part of the Corinthia Group during FY2021 amounted to 2,336 persons (FY2020: 2,225).

5. ORGANISATIONAL STRUCTURE

The organisational structure of the Group is set out hereunder:



CPHCL and NREC each own, directly or indirectly, 50% of the share capital of the Issuer. In terms of the Memorandum and Articles of Association of MIH, the two shareholders are entitled to appoint three Directors each, and jointly have the right to appoint the seventh Director who shall be an independent non-executive director.

A description and analysis of the operational activities of the Guarantor is included in the financial analysis report relating to the Corinthia Group. The said report has been published and is available on the Guarantor's website – www.cphcl.com

6. MAJOR ASSETS

Mediterranean Investments Holding p.l.c. **Major Assets** **as at 31 December**	**2019** **€'000**	**2020** **€'000**	**2021** **€'000**
Palm City Residences *(build-operate-transfer agreement expiring 2071)*	272,542	272,568	272,568
Palm Waterfront *(build-operate-transfer agreement expiring 2093)*	8,784	8,898	8,944
Medina Tower* *(25% shareholding in MTJSC)*	12,790	12,186	8,023
	294,116	**293,652**	**289,535**

Source: Consolidated audited financial statements of Mediterranean Investments Holding p.l.c.

The equity contribution that MIH has in Medina Tower is denominated in Libyan Dinars (LYD). At the start of 2021, MIH's investment in Medina Tower was adversely impacted by the devaluation of the Libyan Dinar. As such, the conversion of MIH's equity stake to Euro resulted in a difference on exchange losses of €6.9 million. This loss was partly offset by the recognition of an uplift in fair value of said investment (arising from a revaluation of the land) of €2.7 million.

6.1 PALM CITY RESIDENCES

Palm City Limited is a wholly owned subsidiary of the Issuer and operates the Palm City Residences, a 413-unit village that includes residences ranging from one-bedroom apartments to four-bedroom semi-detached villas. The site, which is located in Janzour Libya, has a footprint measuring 171,000m^2 (out of which the built-up area is 141,000m^2) and a shorefront of *circa* 1.3 km. The village-type complex offers a host of amenities and leisure facilities that include a piazza, supermarket, a variety of retail shops, a laundry, a health clinic and a number of catering outlets and cafes. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, squash court, tennis courts, an indoor pool, water sports facilities and an outdoor swimming pool.

CPHCL holds legal title to the land on which the Palm City Residences is constructed by virtue of a 99-year lease agreement dated 5 July 2006. Pursuant to a Build-Operate-Transfer Agreement entered into by and between CPHCL and PCL, PCL was engaged by CPHCL to undertake the construction and operations of the complex. Under the Build-Operate-Transfer Agreement, PCL will operate the residences at its own risk and for its own benefit until 2071. Upon expiry of this agreement, PCL will be required to transfer the operations back to CPHCL for the remaining useful life of the lease until 2105.

PCL and CPHCL have applied to the competent authority in Libya, the Libyan Investment Board, for approval of the assignment of the 99-year lease, which expires on 4 July 2105, from CPHCL to PCL. Both parties have agreed that once approval is granted, the Build-Operate-Transfer Agreement will be terminated.

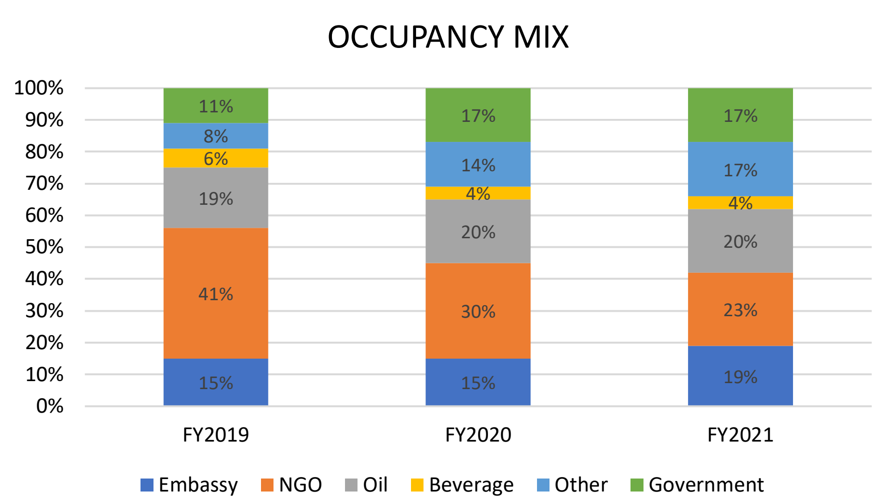
The following table provides an analysis of revenues generated by the Palm City Residences for the years indicated therein:

Palm City Residences as at 31 December	**2019 €'000**	**2020 €'000**	**2021 €'000**
Revenue			
Income from residential leases	24,173	22,988	21,416
Income from commercial leases	1,210	871	969
Income from food & beverage operations	814	914	469
Other income	1,064	822	1,124
	27,261	**25,595**	**23,978**
Average occupancy	55.2%	51.7%	51.7%
RevPAU (revenue in EUR per unit per month)	4,877	4,638	4,321

Source: Management information

Throughout the years under review, Palm City Residences was the only operational asset of the Group. Until the conflict that erupted in April 2019, Palm City Residences was registering month-on-month increases in occupancy, reaching a milestone figure of 60.2% in May 2019. RevPAU generated by Palm City Residences in FY2019 amounted to €4,877 and registered average occupancy for the year of 55.2%.

Travel restrictions imposed in consequence of the global pandemic in 2020 adversely impacted short-term leases during the same year which resulted in a decrease of 5% in RevPAU, from €4,877 in FY2019 to €4,638 in FY2020, and a decrease of 350 basis points in average yearly occupancy to 51.7% (FY2019: 55.2%). In FY2021, Palm City Residences maintained occupancy level at 51.7% (FY2020: 51.7%) but RevPAU decreased by 7% (y-o-y) to €4,321 principally on account of the devaluation of the Libyan Dinar which had a negative impact on revenues from leases to Libyan government bodies contracted in the said currency. Overall, revenue in FY2021 decreased by €1.6 million (-6%) from the prior year to €24.0 million.



The occupancy mix has historically been predominantly composed of leases concluded with Embassies, NGOs and Oil & Gas companies, which took up 75% of the leased units in FY2019 but steadily declined to 62% in FY2021. In FY2020, there was a notable shift in units occupied by other entities and businesses which increased to 14% (FY2019: 8%) and further increased to 17% in FY2021. Similarly, the portion of units leased to government bodies increased to 17% compared to 11% in FY2019 and remained at same level in the subsequent financial year. On the other hand, lease of units to NGOs decreased from 41% in FY2019 to 30% and 23% in FY2020 and FY2021 respectively. These shifts resulted in a more diversified occupancy mix in FY2021.

Palm City Residences **Lease Contract Term**	**FY2019**	**FY2020**	**FY2021**
Short term (< 1 year)	20%	23%	23%
Medium term (1 year)	42%	44%	47%
Long term (2 to 5 years)	38%	33%	30%

Source: Management information

Short and medium term leases have been steadily increasing throughout the period under review, with 70% of tenants having a binding lease agreement of one year or less in FY2021, compared to 62% and 67% in FY2019 and FY2020 respectively. On the other hand, 30% of tenants opted to go for long term lease agreements, which is a decrease of 8 percentage points compared to FY2019 (38%). This suggests a shift from long term to short and medium term agreements due to the uncertainties in relation to the instability in Libya and the impact of COVID-19.

The competitive edge that Palm City Residences has over other similar residential compounds has always been its location, high operating standards and security features, given its proximity to Tripoli but secluded in terms of security features. Despite some indirect competition from smaller scale entrepreneurs, including security companies who might choose to offer inhouse accommodation to their clients as part of a security service package, it is well-clear that to date, no other compound offers the same level of lifestyle, top-quality service, security and the extent of facilities, both leisure and commercial, to its residents, as those enjoyed at Palm City Residences.

Management believes that the Group enjoys a dominant market position and although Palm City Residences suffered from a significant decline in occupancy levels in previous years in consequence of events prevailing on the ground, it remained operational at all times, maintained in pristine condition and is closely monitored by management.

6.2 PALM WATERFRONT

Palm Waterfront Ltd is a wholly owned subsidiary of MIH and is responsible for the future development and operation of the Palm Waterfront pursuant to a Build-Operate-Transfer Agreement entered into with CPHCL in December 2013. The Palm Waterfront site is located in Shuhada Sidi Abuljalil, Janzour, Libya adjacent to the Palm City Residences.

The site has a footprint of *circa* 64,000m^2 and the planned development shall include a 150 room 4-star hotel, 332 residential units for lease or sale, 3,400m^2 of office space, 4,000m^2 of commercial and entertainment facilities and a 117-berth yacht marina with facilities. The execution of this project is currently on hold.

6.3 MEDINA TOWER

In 2010, MTJSC was set up for the purpose of owning and developing the Medina Tower. The shareholders of MTJSC are MIH, IHI, AUCC and AHCT, having a shareholding of 25% each (the latter two companies were formerly known as Economic Development and Real Estate Investment Company [EDREICO]). The parcel of land over which this project will be developed measures *circa* 13,000m^2 and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the sixth level and peaks at the fortieth level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of *circa* 199,000m^2.

The project designs of the Medina Tower are complete and all development approvals have been obtained from the relevant authorities. As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements of the said project. The remaining 60% of funding will be derived from a Libyan financial institution in terms of a sanction letter that has been approved and signed, but now needs to be reactivated.

The execution of this project is currently on hold.

7. COUNTRY OVERVIEW

Following a significant economic contraction in 2020 of about 31%, Libya's hydrocarbon sector, and in turn its economy overall, witnessed a strong rebound in 2021. The lifting of the oil blockade in late 2020 and the resilience of global oil prices led to an increase in hydrocarbon export receipts and thereby an improvement in the country's trade and current account balances. While Libya's protracted liquidity crisis persists, particularly in eastern and southern parts of the country, there has been some improvement in 2021. In January 2021, the foreign exchange tax was abolished, resulting in a significant narrowing of the gap between the official and parallel market exchange rates. While the devaluation has improved macro-economic stability, the adverse impact on purchasing power has been felt throughout the population, particularly affecting the poor.[1]

Libya is currently facing a new phase of political polarisation, which risks dividing its institutions once again and reversing the gains achieved over the past two years. Elections scheduled for December 2021 were postponed with the country's National Elections Commission citing inadequacies in electoral legislation and challenges related to candidates' eligibility.

In February 2022, the country's eastern-based House of Representatives voted to designate a new Prime Minister and government, over the objections of the internally recognised Prime Minister, Abdul Hamid Dbeiba, who refused to step down. Nevertheless, the House of Representatives went forward with the formation of a new government, designating Fathi Bashagha, a former Minister of Interior, as the new Prime Minister. On 24 February 2022, the High State Council – based in the internationally recognised administration's centre of government in Tripoli and born out of the UN-supported Libyan Political Agreement of 2015 – rejected the parliamentary declaration, setting up a serious impasse that is now once again ramping up tensions in the conflict-wrought nation.[2]

[1] https://www.worldbank.org/en/country/libya/overview#1
[2] https://news.un.org/en/story/2022/03/1114082

The underlying political and economic division of the country has complex roots and competing international influences can make a difference in outcomes. With major uncertainties associated with these dynamics, projecting future economic trends is a daunting task.

In addition to the conflict-driven challenges and neglect, Libyans are also increasingly affected by the COVID-19 pandemic. With relaxation of containment measures, the spread of the virus has accelerated. This problem is probably under-monitored and compounded by an incapacitated health sector.

PART 2 – GROUP PERFORMANCE REVIEW

The financial information provided hereunder is extracted from the audited consolidated financial statements of MIH for the years ended 31 December 2019, 31 December 2020 and 31 December 2021. The forecast financial information for the years ending 31 December 2022 and 31 December 2023 has been provided by management of the company.

Projections

The projected financial information relates to events in the future and is based on assumptions which the Group believes to be reasonable. However, the actual outcome may be adversely affected by unforeseen situations particularly during this uncertain period of the pandemic where new variants are regularly emerging, and the variation between forecast and actual results may be material.

Furthermore, the political situation in Libya, which has remained unstable during the current financial year, is a cause of uncertainty.

Notwithstanding the above, Management has seen a rise in demand for units at Palm City Residences, with a steady inflow of enquiries and regular interaction with major oil and gas companies as well as various embassies and NGOs. Management is anticipating that conditions in Libya will continue to improve and should recover to pre-war levels by FY2025.

Mediterranean Investments Holding p.l.c. **Income Statement** **(€'000)**	**FY2019** **Actual**	**FY2020** **Actual**	**FY2021** **Actual**	**FY2022** **Forecast**	**FY2023** **Projection**
Revenue	27,261	25,595	23,978	27,496	36,193
Net operating expenses	(5,257)	(4,912)	(4,286)	(5,453)	(7,500)
Gross profit	**22,004**	**20,683**	**19,692**	**22,043**	**28,693**
Administrative & marketing expenses	(2,502)	(2,747)	(2,834)	(2,684)	(2,763)
EBITDA	**19,502**	**17,936**	**16,858**	**19,359**	**25,930**
Other income	472	579	2,083	-	-
Depreciation	(177)	(181)	(83)	(428)	(488)
Results from operating activities	**19,797**	**18,334**	**18,858**	**18,931**	**25,442**
Share of results of equity accounted investments	(149)	3	2,712	-	-
Net finance costs	(4,833)	(4,523)	(8,371)	(3,805)	(3,291)
Profit before tax	**14,815**	**13,814**	**13,199**	**15,126**	**22,151**
Taxation	(283)	11,191	(2,525)	(3,178)	(4,988)
Profit for the year	**14,532**	**25,005**	**10,674**	**11,948**	**17,163**

Key Accounting Ratios	**FY2019 Actual**	**FY2020 Actual**	**FY2021 Actual**	**FY2022 Forecast**	**FY2023 Projection**
Gross profit margin *(Gross profit/revenue)*	81%	81%	82%	80%	79%
Operating profit margin *(Operating profit/revenue)*	73%	72%	79%	69%	70%
Interest cover (times) *(EBITDA/finance cost)*	4.04	3.97	2.01	5.09	7.88
Net profit margin *(Profit after tax/revenue)*	53%	98%	45%	43%	47%
Earnings per share (€) *(Profit after tax/number of shares)*	0.30	0.52	0.22	0.25	0.36
Return on equity *(Profit after tax/shareholders' equity)*	9%	14%	6%	6%	8%
Return on capital employed *(EBITDA/total assets less current liabilities)*	7%	6%	7%	7%	8%
Return on assets *(Profit after tax/total assets)*	5%	8%	3%	4%	5%

Source: MZ Investment Services Ltd

Notwithstanding the political instability in Libya and the impact of the COVID-19 pandemic, MIH registered positive income and occupancy levels over the three-year period (FY2019 – FY2021) when compared to FY2018 (revenue amounted to €18.9 million while occupancy level was at 39%). In FY2020, revenue decreased by 6% (y-o-y) to €25.6 million due to the impact of the COVID-19 pandemic, while in FY2021 a further decrease of 6% was registered mainly on account of the devaluation of the Libyan Dinar at the start of the same year. Occupancy level was unchanged in FY2021 compared to the prior year (51.7%) but was 350 basis points lower than that achieved in FY2019 (55.2%).

A similar decline of 6% was recorded at EBITDA level in FY2021 and amounted to €16.9 million compared to €17.9 million in FY2020 (-€1.0 million). In FY2021, results from operating activities were higher y-o-y by €0.5 million on account of an increase in other income of €1.5 million which related to a reversal of over-estimated accrued interest on bank loan balances. As such, operating profit margin improved from 72% in FY2020 to 79% in FY2021, in consequence of the above-mentioned reversal of accrued interest, which is a one-time event.

During the last financial year, share of results of equity accounted investments amounted to €2.7 million (FY2020: €3,000) principally reflecting an uplift in the fair value of the land earmarked for the development of the Medina Towers.

Net finance costs increased substantially in FY2021 from €4.5 million in the prior year to €8.4 million. The said increase is due to a one-time loss on exchange of €3.6 million arising in converting monetary assets and liabilities denominated in Libyan Dinars to Euro. As such, interest cover decreased y-o-y from 3.97 times in FY2020 to 2.01 times in FY2021, in consequence of this one-time loss on exchange which arose because of a significant devaluation of the Libyan Dinar at the beginning of the year.

In FY2021, profit before tax decreased by €0.6 million (-4%) to €13.2 million. Overall, profit for the year amounted to €10.7 million compared to €25.0 million in FY2020 (which includes a reversal of an over-provision in previous years for income tax on account of a reduction in the overall tax from 35% to 19%).

In the forward years, Management has projected that occupancy levels should increase to 58.0% in FY2022 from 51.7% in FY2021 and improve further to 73.4% in FY2023. As a result, revenue generated in FY2022 and FY2023 is expected to increase by €3.5 million (+15%) and €8.7 million (+32%) respectively. Gross profit margin is projected to decrease by 2 percentage points to *circa* 80% (FY2021: 82%).

Due to the positive impact of non-recurring income of €2.1 million in FY2021, operating profit is projected to remain unchanged in FY2022 at €18.9 million but should increase substantially by 34% in the subsequent year to €25.4 million.

Net finance costs are projected to continue to decrease as borrowings steadily decline in the years to come. As such, net finance costs are expected to amount to €3.8 million and €3.3 million in FY2022 and FY2023 respectively, compared to €4.8 million in FY2021 (excluding the one-time loss on exchange referred to above). Due to decreasing borrowing costs, interest cover should strengthen significantly from 2.01 times in FY2021 to 5.09 times in FY2022 and 7.88 times in FY2023.

Overall, MIH expects to increase profits in FY2022 by 12% to €11.9 million and thereafter by 44% to €17.2 million. The projections assume that net profit margin will be maintained above 40%, specifically 43% in FY2022 and 47% in FY2023 (FY2021: 45%).

Mediterranean Investments Holding p.l.c. Statement of Financial Position (€'000)	31 Dec'19 Actual	31 Dec'20 Actual	31 Dec'21 Actual	31 Dec'22 Forecast	31 Dec'23 Projection
ASSETS					
Non-current assets					
Intangible assets	2	2	2	2	2
Investment property	272,542	272,568	272,568	273,771	273,892
Property, plant and equipment	9,511	9,528	9,540	9,969	9,831
Investments accounted for using the equity method	12,790	12,186	8,023	8,023	8,023
Lease prepayment	-	-	-	-	-
	294,845	294,284	290,133	291,765	291,748
Current assets					
Inventories	1,005	1,112	1,196	1,196	1,231
Trade and other receivables	5,874	4,780	7,710	8,280	9,521
Taxation	309	774	1,020	556	-
Cash and cash equivalents	13,158	25,700	10,886	6,724	15,575
	20,346	32,366	20,812	16,756	26,327
Total assets	**315,191**	**326,650**	**310,945**	**308,521**	**318,075**
EQUITY					
Share capital	48,002	48,002	48,002	48,002	48,002
Retained earnings	119,479	133,664	140,649	152,482	169,645
	167,481	**181,666**	**188,651**	**200,484**	**217,647**
LIABILITIES					
Non-current liabilities					
Borrowings and bonds	56,663	75,383	30,741	40,439	50,344
Shareholders' loan	5,203	5,203	5,203	5,203	5,203
Other non-current liabilities	2,715	3,374	4,822	8,000	10,460
Deferred tax liability	36,177	24,823	21,636	21,636	21,636
	100,758	108,783	62,402	75,278	87,643
Current liabilities					
Bank balance overdrawn	80	68	4	-	-
Borrowings and bonds	32,839	11,950	44,930	20,000	-
Trade and other payables	13,399	14,026	11,958	12,759	12,785
Dividend payable	-	10,000	3,000	-	-
Other current liabilities	634	157	-	-	-
	46,952	36,201	59,892	32,759	12,785
	147,710	**144,984**	**122,294**	**108,037**	**100,428**
Total equity and liabilities	**315,191**	**326,650**	**310,945**	**308,521**	**318,075**

Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast	FY2023 Projection
Gearing ratio *(Net debt/Net debt and shareholders' equity)*	33%	27%	27%	23%	16%
Gearing ratio 2 (times) *(Net debt/shareholders' equity)*	0.49	0.37	0.37	0.29	0.18
Net debt to EBITDA (years) *(Net debt/EBITDA)*	4.19	3.73	4.15	3.04	1.54
Net assets per share (€) *(Net asset value/number of shares)*	3.49	3.78	3.93	4.18	4.53
Liquidity ratio (times) *(Current assets/current liabilities)*	0.43	0.89	0.35	0.51	2.06

Source: MZ Investment Services Ltd

Intangible assets comprise a trademark of Palm City Ltd that was registered in December 2009.

Non-current assets amounted to €290.1 million in FY2021 and principally comprise the Palm City Residences, the Palm Waterfront site and the 25% shareholding in Medina Tower J.S.C. These assets are described in section 6 of this report. No material changes are expected in this regard in the projected financial years.

During the three years under review, retained earnings increased by €21.1 million (net of dividends declared in FY2020 of €10 million) from €119.5 million in FY2019 to €140.6 million in FY2021, reflecting the yearly profitability of the Group. In view of the projected profitability of the Group, retained earnings are expected to increase by 8% and 11% in each of the forward years and reach €169.6 million in FY2023 (+€29.0 million over FY2021).

Net debt in FY2021 amounted to €70.0 million, an increase of €3.1 million from the prior year (FY2020: €66.9 million). During the year, MIH repaid a €12 million 6% unsecured bond due in 2021 and settled €7 million of the above-mentioned dividend payable. The gearing ratio of the Group was unchanged at 27%.

In FY2022, MIH is anticipating that it will refinance €30 million out of €40 million outstanding bonds due in the current year from a new issue of bonds, that will result in a €10 million reduction in net debt. A further €10 million of borrowings are projected to be repaid in FY2023. Accordingly, the gearing ratio is projected to decrease from 27% in FY2021 to 16% in FY2023.

The liquidity ratio weakened to 0.35 times in FY2021 from 0.89 times in the prior year, mainly due to the reclassification of €40 million 5% bonds from non-current liabilities to current liabilities as they become due within the next 12 months. Such ratio is expected to improve to 0.51 times in FY2022 and 2.06 times in FY2023.

Mediterranean Investments Holding p.l.c. **Cash Flow Statement** **(€'000)**	**FY2019** **Actual**	**FY2020** **Actual**	**FY2021** **Actual**	**FY2022** **Forecast**	**FY2023** **Projection**
Net cash from operating activities	18,776	19,524	13,649	19,391	22,938
Net cash from investing activities	(752)	(200)	(85)	(806)	(254)
Net cash from financing activities	(15,450)	(6,845)	(23,923)	(22,743)	(13,833)
Net movement in cash and cash equivalents	**2,574**	**12,479**	**(10,359)**	**(4,158)**	**8,851**
Cash and cash equivalents at beginning of year	9,854	13,078	25,632	10,882	6,724
Effect of foreign exchange rate changes	650	75	(4,391)	-	-
Cash and cash equivalents at end of year	**13,078**	**25,632**	**10,882**	**6,724**	**15,575**

Net cash from operating activities are principally generated from the operations at Palm City Residences which are analysed in section 6 of this report. In FY2021, the €5.9 million y-o-y decrease in cash generated from operations principally related to adverse net changes in working capital. In FY2022 and FY2023, MIH expects to generate net cash of €42.3 million (in aggregate) from operations.

Investing activities during the reviewed period relate to capital expenditure undertaken at Palm City Residences. In FY2021, capex was minimal at *circa* €85,500. Expenses of a capital expenditure are projected to amount to €0.80 million in FY2022 and €0.25 million in FY2023.

During FY2019 and FY2020, the Group repaid €11.8 million of bank loans, shareholders' loan and bonds in consequence of healthy cash inflows. Furthermore, interest paid in the same period amounted to €10.3 million. The remaining €0.2 million related to payments for lease obligations. In FY2021, the Group fully repaid the €11.95 million 6% bonds 2021 which became due. MIH also paid interest amounting to €5.0 million and paid €7.0 million as dividends to shareholders out of the total approved dividends of €10 million.

In FY2022, MIH is projecting to fully repay a LAFICO loan amounting to €5 million, repay €10 million of outstanding bonds, settle the remaining balance of dividends amounting to €3.0 million and pay interest amounting to €3.9 million. In FY2023, MIH expects to repay €10 million of outstanding bonds and pay interest amounting to €3.2 million.

VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the forecast financial information for the year ended 31 December 2021 included in the prior year's Financial Analysis Summary dated 25 June 2021 and the audited consolidated financial statements for the year ended 31 December 2021.

Mediterranean Investments Holding p.l.c. **Income Statement** **(€'000)**	**FY2021** **Actual**	**FY2021** **Forecast**	**Variance**
Revenue	23,978	23,937	41
Net operating expenses	(4,286)	(4,731)	445
Gross profit	**19,692**	**19,206**	**486**
Administrative & marketing expenses	(2,834)	(2,561)	(273)
EBITDA	**16,858**	**16,645**	**213**
Other income	2,083	309	1,774
Depreciation	(83)	(83)	-
Results from operating activities	**18,858**	**16,871**	**1,987**
Share of results of equity accounted investments	2,712	-	2,712
Net finance costs	(8,371)	(7,402)	(969)
Profit before tax	**13,199**	**9,469**	**3,730**
Taxation	(2,525)	(2,888)	363
Profit for the year	**10,674**	**6,581**	**4,093**

As presented in the above table, actual profit for the year was higher than forecast by €4.1 million, principally on account of the following:

- Other income was higher than expected by €1.8 million due to a reversal of accrued interest on a bank loan which was confirmed not to be due on final settlement.

- Share of results of equity accounted investments related to MIH's 25% equity participation in MTJSC. During the year, MIH recognised a gain of €2.7 million arising from a revaluation of the land held for development by MTJSC. This uplift could not be determined at the forecast stage as such movements are determined at year end.

Mediterranean Investments Holding p.l.c. Statement of Financial Position (€'000)	**31 Dec'21 Actual**	**31 Dec'21 Forecast**	**Variance**	
ASSETS				
Non-current assets				
Intangible assets	2	2	-	
Investment property	272,568	273,654	(1,086)	(1)
Property, plant and equipment	9,540	9,655	(115)	
Investments accounted for using the equity method	8,023	12,186	(4,163)	(2)
	290,133	295,497	(5,364)	
Current assets				
Inventories	1,196	1,035	161	
Trade and other receivables	7,710	4,995	2,715	(3)
Taxation	1,020	774	246	
Cash and cash equivalents	10,882	9,248	1,634	
	20,808	16,052	4,756	
Total assets	**310,941**	**311,549**	**(608)**	
EQUITY				
Share capital	48,002	48,002	-	
Retained earnings	140,649	140,245	404	
	188,651	**188,247**	**404**	
LIABILITIES				
Non-current liabilities				
Borrowings and bonds	30,741	30,671	70	
Shareholders' loan	5,203	5,203	-	
Other non-current liabilities	4,822	5,090	(268)	
Deferred tax liability	21,636	24,823	(3,187)	(2)
	62,402	65,787	(3,385)	
Current liabilities				
Borrowings and bonds	44,930	45,000	(70)	
Trade and other payables	14,958	12,515	2,443	(3)
	59,888	57,515	2,373	
	122,290	**123,302**	**(1,012)**	
Total equity and liabilities	**310,941**	**311,549**	**(608)**	

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

(1) The lower value of investment property relates to planned capital expenditure which has been postponed and therefore not undertaken during the year.

(2) MIH recognised a property revaluation of €2.7 million which gain was offset by the difference on exchange losses (Libyan Dinar to Euro) amounting to €6.9 million. Such movements had an effect on deferred taxation.

(3) Trade & other receivables and trade & other payables were higher than projected by €2.7 million and €2.4 million respectively.

Mediterranean Investments Holding p.l.c. Cash Flow Statement (€'000)	FY2021 Actual	FY2021 Forecast	Variance
Net cash from operating activities	9,195	11,817	(2,622)
Net cash from investing activities	(40)	(1,296)	1,256
Net cash from financing activities	(23,905)	(26,905)	3,000
Net movement in cash and cash equivalents	**(14,750)**	**(16,384)**	**1,634**
Cash and cash equivalents at beginning of year	25,632	25,632	-
Cash and cash equivalents at end of year	**10,882**	**9,248**	**1,634**

Actual net movement in cash and cash equivalents was higher than projected by €1.6 million, analysed as follows:

- Net cash generated from operating activities was lower than expected by €2.6 million.
- Projected capital expenditure amounting to €1.3 million was not undertaken during the year.
- In financing activities, the approved dividend to shareholders amounting to €10 million was expected to be settled in full. In fact, €7 million was paid to shareholders during FY2021 and the remaining balance of €3 million is expected to be settled in FY2022, cash flow permitting.

FORECAST INTERIM FINANCIAL INFORMATION

Set out below are the forecast interim financial results of the Issuer for the six-month period 1 January to 30 June 2022 and the comparative unaudited interim financial results of the Issuer for the period 1 January to 30 June 2021.

Mediterranean Investments Holding p.l.c. Income Statement (€'000)	1 Jan to 30 Jun'21 Actual	1 Jan to 30 Jun'22 Forecast
Revenue	11,816	12,616
Net operating expenses	(3,656)	(3,991)
Results from operating activities	**8,160**	**8,625**
Net finance costs	(5,212)	(2,184)
Profit before tax	**2,948**	**6,441**
Taxation	(1,114)	(1,316)
Profit for the period	**1,834**	**5,125**

During the interim period ending 30 June 2022, revenue is expected to increase by 6.8% (+€0.8 million) over the same period in 2021 to €12.6 million (2020: €11.8 million), primarily on account of an increase in occupancy levels at the Palm City Residences. This revenue increase is expected to be reflected at operating profit level which is projected to amount to €8.6 million compared to €8.2 million in 2021 (+5.7% or €0.4 million).

Net finance costs are projected to decrease from €5.2 million in 2021 to €2.2 million. In the prior period, net finance costs included a *circa* €2.5 million provision for exchange losses recognised on assets and liabilities expressed in Libyan Dinar on the devaluation of the said currency in early January 2021. Excluding this exceptional item, net finance costs are expected to decrease by *circa* €0.5 million pursuant to the reduction in outstanding borrowings.

Overall, MIH is expected to report a net profit for the period of €5.1 million, an increase of €3.3 million over the comparable period in 2021.

Mediterranean Investments Holding p.l.c. **Cash Flow Statement** **(€'000)**	**1 Jan to 30 Jun'21 Actual**	**1 Jan to 30 Jun'22 Forecast**
Net cash from operating activities	(210)	9,149
Net cash from investing activities	(3)	(606)
Net cash from financing activities	(16,787)	(5,200)
Net movement in cash and cash equivalents	**(17,000)**	**3,343**
Cash and cash equivalents at beginning of year	25,632	10,882
Cash and cash equivalents at end of year	**8,632**	**14,225**

During the six-month period ending 30 June 2022, MIH is projected to generate net cash inflows from operating activities (being principally the operations at Palm City Residences) amounting to €9.1 million compared to net cash outflows of €210,000 in the same period a year earlier. Management has assumed that cash flows from operating activities during the forecast period will not be impacted by any movements in working capital.

Investing activities during the reviewed period will relate to capital expenditure at Palm City Residences, which is expected to amount to €0.6 million (2021: cash outflows of €3,000).

In the reviewed period, MIH is projecting to fully repay a LAFICO loan of €5.0 million. Furthermore, interest paid on this loan is expected to amount to €0.2 million. During the first half of 2021, net cash used in financing activities amounted to €16.8 million and included the repayment of €11.95 million 6% bonds 2021, dividend payments of €4.0 million and interest payments of €0.84 million.

Mediterranean Investments Holding p.l.c. **Statement of Financial Position** **(€'000)**	**31 Dec'21** **Audited**	**30 Jun'22** **Forecast**
ASSETS		
Non-current assets		
Intangible assets	2	2
Investment property	272,568	273,671
Property, plant and equipment	9,540	9,959
Investments accounted for using the equity method	8,023	8,023
	290,133	291,655
Current assets		
Inventories	1,196	1,196
Trade and other receivables	7,710	7,705
Taxation	1,020	556
Cash and cash equivalents	10,882	14,225
	20,808	23,682
Total assets	**310,941**	**315,337**
EQUITY		
Share capital	48,002	48,002
Retained earnings	140,649	145,774
	188,651	**193,776**
LIABILITIES		
Non-current liabilities		
Borrowings and bonds	30,741	30,821
Shareholders' loan	5,203	5,203
Other non-current liabilities	4,822	6,139
Deferred tax liability	21,636	21,636
	62,402	63,799
Current liabilities		
Borrowings and bonds	44,930	40,000
Trade and other payables	14,958	17,762
	59,888	57,762
	122,290	**121,561**
Total equity and liabilities	**310,941**	**315,337**

Total assets as at 30 June 2022 are projected to amount to €315.3 million, an increase of €4.4 million when compared to 31 December 2021. The said increase is reflective of cash inflows from operations less capital expenditure projected for the current six-month period as described above.

No material changes are expected in liabilities as at 30 June 2022.

By not later than 6 July 2022, MIH expects to conclude the listing of a new €30 million bond and repay in full the €40 million bonds due on same date. As such, the cash balances of the Group are expected to decrease from €14.2 million to *circa* €3.7 million, after taking into consideration the repayment of €10 million out of the maturing €40 million bonds. In liabilities, non-current liabilities will increase by €30 million to €93.8 million, while current liabilities will decrease by €40 million to €17.8 million.

Debt Securities issued by MIH

In June 2021, MIH (a company principally involved in the operation of the Palm City Residences in Libya) repaid in full the €11.9 million 6% MIH Unsecured Bonds 2021 (MT0000371261). Below is a list of outstanding debt securities as at the date of this report.

Security ISIN	Amount Listed	Security Name	Currency
MT0000371287	40,000,000	5.0% MIH 2022	EUR
MT0000371295	20,000,000	5.5% MIH 2023	EUR
n/a	11,000,000	6% Unsecured Notes 2023-2025 (unlisted)	EUR
	71,000,000		

Source: Malta Stock Exchange

Debt Securities issued by Related Parties

Security ISIN	Amount Listed	Security Name	Currency
MT0000101262	40,000,000	4.25% Corinthia Finance plc 2026	EUR
MT0000111287	10,000,000	5.80% International Hotel Investments plc 2023	EUR
MT0000481227	35,000,000	6.00% International Hotel Investments plc 2024	EUR
MT0000111295	45,000,000	5.75% International Hotel Investments plc 2025	EUR
MT0000111303	55,000,000	4.00% International Hotel Investments plc 2026 (Secured)	EUR
MT0000111311	60,000,000	4.00% International Hotel Investments plc 2026	EUR
MT0000111337	80,000,000	3.65% International Hotel Investments plc 2031	EUR
	325,000,000		

Source: Malta Stock Exchange

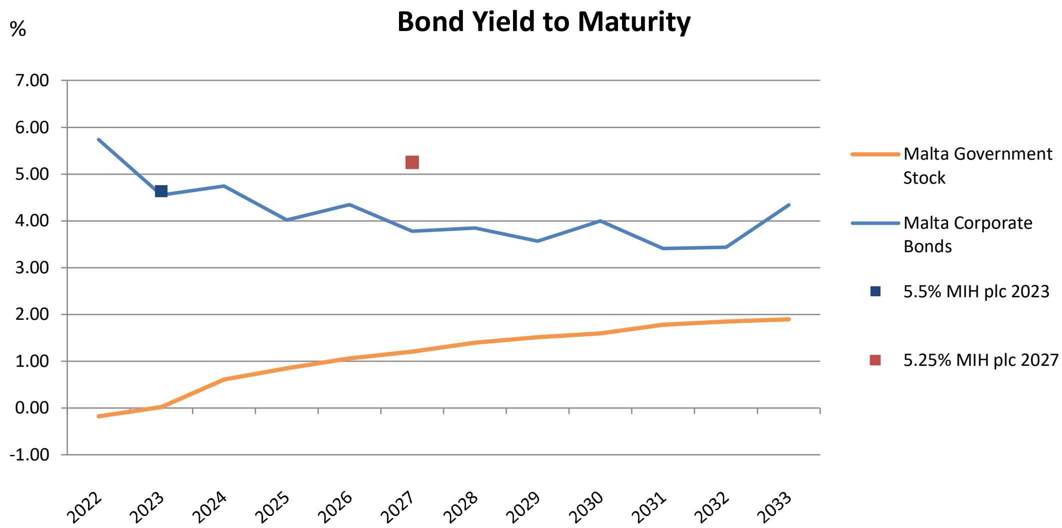
PART 3 - COMPARABLES

The table below compares the Group and the bonds issued by Mediterranean Investments Holding p.l.c. 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	21,093,400	5.74	1.79	60,578	29,491	36.39
4.25% GAP Group plc Secured € 2023	8,367,900	5.29	14.81	112,173	21,575	60.31
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.55	0.67	37,298	6,677	75.91
5.80% International Hotel Investments plc 2023	10,000,000	4.54	1.06	1,695,229	838,216	40.59
5.50% Mediterranean Investments Holding plc € 2023	**20,000,000**	**4.64**	**2.01**	**310,941**	**188,651**	**27.06**
6.00% AX Investments Plc € 2024	40,000,000	3.57	1.69	374,099	237,143	25.10
6.00% International Hotel Investments plc € 2024	35,000,000	5.47	1.06	1,695,229	838,216	40.59
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	4.75	3.30	102,348	52,929	46.65
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.72	2.60	123,752	48,512	53.05
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.36	4.58	149,687	52,831	49.89
4.25% Best Deal Properties Holding plc Secured € 2024	12,136,700	2.45	-	24,561	6,893	62.61
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.55	14.81	112,173	21,575	60.31
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	4.66	1.06	1,695,229	838,216	40.59
5.10% 6PM Holdings plc Unsecured € 2025	13,000,000	4.59	52.47	162,889	74,159	14.82
4.50% Hili Properties plc Unsecured € 2025	37,000,000	4.02	1.41	208,696	110,881	32.31
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	4.35	4.51	58,951	12,557	68.49
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.11	- 0.51	1,717,057	828,470	42.64
4.00% International Hotel Investments plc Secured € 2026	55,000,000	3.36	1.06	1,695,229	838,216	40.59
5.00% Dizz Finance plc Unsecured € 2026	8,000,000	4.99	0.45	72,112	4,763	91.27
3.75% Premier Capital plc Unsecured € 2026	65,000,000	3.51	11.70	317,675	60,118	74.24
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	4.02	1.06	1,695,229	838,216	40.59
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	3.25	1.69	374,099	237,143	25.10
3.90% GAP Group plc Secured € 2024-2026	21,000,000	3.90	14.81	112,173	21,575	60.31
4.35% SD Finance plc Unsecured € 2027	65,000,000	4.35	0.88	328,464	131,504	30.32
4.00% Eden Finance plc Unsecured € 2027	40,000,000	3.78	3.63	193,529	109,284	28.55
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	3.49	3.25	362,955	235,392	26.66
5.25% Mediterranean Investments Holding plc € 2027	**30,000,000**	**5.25**	**2.01**	**310,941**	**188,651**	**27.06**
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	3.57	3.25	362,955	235,392	26.66
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	3.88	3.44	624,222	106,811	78.42
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.79	1.69	374,099	237,143	25.10
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	3.68	1.06	1,695,229	838,216	40.59
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	3.44	-	238,228	78,698	63.41

29-Apr-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 29 April 2022

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

The 2023 bonds are presently trading at a yield of 4.64%, which is *circa* 9 basis points higher than other corporate bonds maturing in the same year. The premium over FY2023 Malta Government Stock is 462 basis points.

The proposed 2027 bonds have a yield of 5.25%, which is *circa* 147 basis points higher than other corporate bonds maturing in the same year. The premium over FY2027 Malta Government Stock is 404 basis points.

PART 4 - EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, including residential & commercial leases, food & beverage, and other services.
Net operating expenses	Operating expenses include all direct and other operating costs, selling & marketing and general & administration expenses.
Gross profit	Gross profit is the difference between revenue and direct costs. It refers to the profit made by the Group before deducting operating costs, depreciation & amortisation, finance costs, impairment provisions, share of profits from associate companies and other operating costs.
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.
Share of results from equity accounted investments	IHI owns minority stakes in a number of companies (less than 50% plus one share of a company's share capital). The results of such companies are not consolidated with the subsidiaries of the Group, but the Group's share of profit is shown in the profit and loss account under the heading 'share of profit from equity accounted investments'.
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.
Key Performance Indicators	
Occupancy level	Occupancy level is the percentage of available units that were sold during a given period of time. It is calculated by dividing the number of units sold by total number of units available.
RevPAU	Revenue per average unit rate is calculated by dividing unit revenue by units leased. Palm City Residences uses this measure to calculate revenue generated per unit on a monthly basis.
Profitability Ratios	
Gross profit margin	Gross profit margin is the difference between revenue and direct costs expressed as a percentage of total revenue.

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 (leases, food & beverage, other services, etc) of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.
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 property, plant & equipment, investment properties (Palm City Residences), and investments accounted for using the equity method (investment in Medina Tower).

Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, inventory (food, beverages, consumables, etc), cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt, including current portion of bank loans.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include long-term borrowings, bonds and taxation.
Total equity	Total equity includes share capital, reserves & other equity components, retained earnings and minority interest.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures a company's 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.
Debt service cover ratio	The debt service cover ratio measures a company's ability to service its current debts by comparing its net operating income with its total debt service obligations.
Net assets per share	Is calculated by dividing the total net asset value of the company by the number of shares outstanding.
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.