CPHCL
FINANCE p.l.c

Company Announcement

The following is a company announcement issued by CPHCL Finance p.l.c. - C25104, pursuant to the Capital Markets Rules as issued by the Malta Financial Services Authority.

Financial Analysis Summary

CPHCL Finance p.l.c. announces that the Financial Analysis Summary of CPHCL Company Ltd as guarantor of CPHCL Finance p.l.c. is attached to this Company Announcement and is also available on the Company's website: https://cphcl.com/analysis-summaries/

Rachel Stilon
Company Secretary

Encl.

2 June 2023

FINANCIAL ANALYSIS SUMMARY

2 JUNE 2023

ISSUER

CPHCL FINANCE P.L.C.

(C 25104)

GUARANTOR

CPHCL COMPANY LIMITED

(C 257)

Prepared by:

MZ INVESTMENTS

MZ INVESTMENT SERVICES

The Directors
CPHCL Finance p.l.c.
22, Europa Centre
Floriana FRN 1400
Malta

2 June 2023

Dear Board Members,

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 CPHCL Finance p.l.c. (the "**Issuer**") and CPHCL Company Limited (the "**Guarantor**" or "**Corinthia Group**" or "**Group**"). 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: (i) the Issuer for the financial years ended 28 February 2021, 28 February 2022 and 28 February 2023; and (ii) the Guarantor for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(b) The forecast data for the year ending 28 February 2024 (in relation to the Issuer) and 31 December 2023 (in relation to the Guarantor) has been provided by management.

(c) Our commentary on the results of the Guarantor 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 5.

(e) Relevant financial data in respect of the companies included in Part 4 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 Corinthia 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 or Corinthia Group and should not be interpreted as a recommendation to invest in any of the Issuer's or Corinthia Group'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 or Corinthia Group's securities.

Yours faithfully,

Evan Mohnani
Head Corporate Finance Services

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PART 1 – INFORMATION ABOUT THE ISSUER AND GUARANTOR

1. ISSUER'S KEY ACTIVITIES

The principal activity of CPHCL Finance p.l.c. (the "**Issuer**") is to finance the ownership, development, operation and financing of hotels, resorts and leisure facilities, forming part of the Corinthia Group, of which it is a member.

The Issuer is not engaged in any trading activities but is involved in raising funds, mainly through the issue of bonds, and advancing same to its parent company CPHCL Company Limited as and when the demands of its business or the demands of a particular project so require. Accordingly, the Issuer is economically dependent on the operations, performance and prospects of the Corinthia Group.

2. DIRECTORS OF THE ISSUER

The Issuer is managed by a Board comprising five 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

Frank Xerri de Caro	Chairman and Non-Executive Director
Alfred Camilleri	Non-Executive Director
Rachel Stilon	Executive Director
Mario P. Galea	Non-Executive Director
Joseph J. Vella	Non-Executive Director

3. GUARANTOR'S KEY ACTIVITIES

CPHCL Company Limited ("**CPHCL**" or the "**Guarantor**") 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, 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 Officer 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:

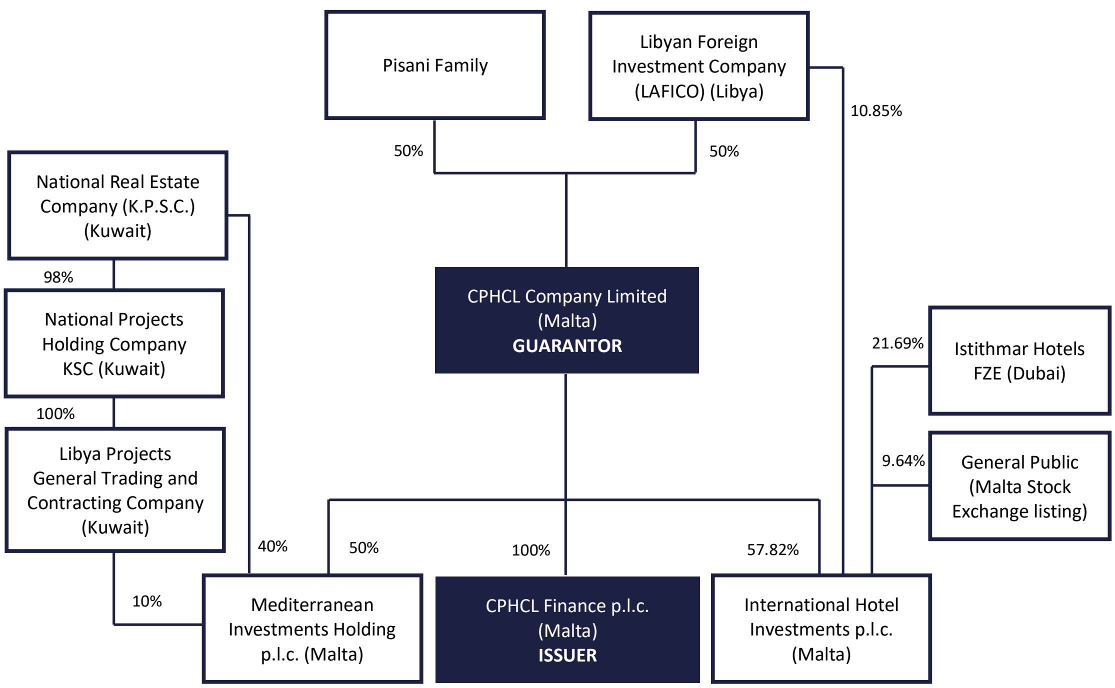
Board of Directors

Alfred Pisani	Chairman and Executive Director
Khaled AMR Algonsel	Non-Executive Director
Joseph Pisani	Executive Director
Victor Pisani	Executive Director
Abdulrahman A.M. Dibiba	Non-Executive Director
Emhemmed A.B. Ghula	Non-Executive Director

The weekly average number of employees engaged with the companies forming part of the Corinthia Group during FY2022 amounted to 2,774 persons (FY2021: 2,293 persons).

5. CORINTHIA GROUP ORGANISATIONAL STRUCTURE & PRINCIPAL ASSETS

The diagram below illustrates the principal subsidiaries and associates within the organisational structure of the Corinthia Group.



The following table provides a list of the principal assets and operations owned by the respective Corinthia Group companies:

Corinthia Group
Principal Assets & Operations

Name	Location	Description	% ownership	No. of hotel rooms
CPHCL Company Limited				
Aquincum Hotel Budapest	Hungary	Property owner	100	310
Malta Fairs and Conventions Centre Limited	Malta	Events & exhibitions centre	100	n/a
Recruitment & Quality Talent Limited	Malta	Recruitment	100	n/a
Swan Laundry and Drycleaning Co. Limited	Malta	Laundry & dry cleaning	100	n/a
Ramada Plaza Tunis Hotel	Tunisia	Property owner	100	309
CPHCL Investments (UK) Limited	United Kingdom	Property company	100	n/a
Danish Bakery Limited	Malta	Industrial bakery	65	n/a
International Hotel Investments p.l.c.				
Corinthia Hotel Prague	Czech Republic	Property owner	100	551
Corinthia Hotel Budapest	Hungary	Property owner	100	439
Corinthia Hotel Tripoli	Libya	Property owner	100	300
Commercial property Tripoli	Libya	Property owner	100	n/a
Corinthia Hotel St George's Bay	Malta	Property owner	100	250
Marina Hotel St George's Bay	Malta	Property owner	100	200
Corinthia Palace Hotel & Spa	Malta	Property owner	100	146
Radisson Blu Resort St Julians	Malta	Property owner	100	252
Radisson Blu Resort & Spa Golden Sands	Malta	Property owner	100	338
Corinthia Hotels Limited	Malta	Hotel management	100	n/a
QPM Limited	Malta	Project management	100	n/a
CDI Limited	Malta	Project development	100	n/a
Corinthia Catering Ltd and Catermax Ltd	Malta	Event & retail catering	100	n/a
Corinthia Oasis	Malta	Vacant site (to be developed)	100	n/a
Costa Coffee	Malta	Retail catering	100	n/a
Corinthia Hotel Lisbon	Portugal	Property owner	100	518
Pinhiero Chagas	Portugal	Residential apartment block	100	n/a
Corinthia Hotel St Petersburg	Russia	Property owner	100	385
Commercial property St Petersburg	Russia	Property owner	100	n/a
Craven House *(commercial property)*	United Kingdom	Property owner	100	n/a
Benghazi Development	Libya	Mixed-use property (to be developed)	55	n/a
Corinthia Grand Astoria Hotel Brussels*	Belgium	Property owner (under development)	50	126
Corinthia Hotel & Residences London*	United Kingdom	Property owner	50	283
Medina Tower	Libya	Mixed-use property (to be developed)	25	n/a
Corinthia Hotel & Residences Moscow	Russia	Property owner (development on hold)	10	n/a
Mediterranean Investments Holding p.l.c.				
Palm City Residences	Libya	Gated residence complex	100	n/a
Palm Waterfront	Libya	Vacant site (to be developed)	100	n/a
Medina Tower	Libya	Mixed-use property (to be developed)	25	n/a
				4,407

** under control and management of IHI*

A description and analysis of the operational activities of each of International Hotel Investments p.l.c. and Mediterranean Investments Holding p.l.c. is included in their respective financial analysis reports. The said reports have been published and are available on their respective websites: www.ihiplc.com and www.mihplc.com

PART 2 – MARKET TREND INFORMATION

6. ECONOMIC ANALYSIS

EUROPE (EXCLUDING RUSSIA)

European travel recovery persisted in the third quarter of 2022, held up by a strong pent-up demand that could have extended the summer season due to excess savings during the pandemic. Moreover, an unusually warm winter allowed households to reduce gas consumption, which favoured maintaining stocks in most European countries and drove down gas prices to pre-Ukraine war levels.

Risks, however, remain skewed to the downside due to the ongoing war in Ukraine, the geopolitics-induced energy crisis, high and persistent inflation showing little signs of abating and a looming economic recession. Despite less favourable conditions, European tourism managed to weather the storm, with the latest data (Q4 2022) indicating a recovery of 75% of 2019 travel volumes in 2022. Looking forward, international travel to Europe is still forecast to achieve pre-pandemic levels in 2025, while domestic travel should do so in 2024.

Data for 2022 shows that almost one in two reporting European destinations have recovered more than 80% of their pre-pandemic foreign arrivals. Southern Mediterranean destinations posted the fastest recovery as the year ended. High prices spurred the attractiveness of more affordable destinations, with holidaymakers flocking to Turkey (-2%) to benefit from a weaker lira. Serbia (-6%) and Portugal (-7%) also approached 2019 levels, the former supported by more relaxed entry rules attracting mostly Indian and Russian arrivals. Croatia (-11%), Monaco and Montenegro (each -12%) also saw a strong comeback. The heaviest drag to recovery in Eastern Europe continues to be the war in Ukraine and thus the lack of Russian visitors to destinations heavily reliant on this market. Sharpest declines were observed in Finland (-38%), Lithuania, Latvia and Romania (each -42%).

Travel demand from Asia/Pacific to Europe is poised to rebound in 2023 as the region broadly reopened over the second half of 2022. The reopening of China could boost economic growth globally and support travel recovery in terms of volumes and expenditure. However, fears that the reopening could result in a rise in inflation and COVID-19 cases emerged, with some EU destinations implementing testing and other requirements on travellers from China.

The US continues to lead the recovery of long-haul travel to Europe owing to short-lived and fewer travel restrictions and the strength of the dollar. Based on 2022 data, almost one in four of reporting destinations saw US arrivals exceed 2019 levels. Arrivals from this market to Europe reached 25% below 2019 levels in 2022 and are expected to recover 82% of 2019 volumes in 2023. Growth, however, might slow as the economic outlook points to a mild recession due to challenges associated with inflation, labour markets and consumer and business confidence, among others.

RUSSIA[1]

Russia's international isolation is expected to depress activity in 2023 as sanctions continue to bite. However, the ongoing fiscal stimulus, which is expected to further deplete available fiscal buffers, should cushion the

[1] Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

adverse economic impact. A modest recovery is forecast in 2024, but the slide of the economy towards more autocracy and war-driven production is set to weigh negatively on Russia's potential growth.

Russian real GDP contracted by 2.1% in 2022, reflecting the adverse economic impact of its war of aggression against Ukraine and the international sanctions. The GDP fall was driven by a slump in exports, despite Russia's ability to redirect its oil exports to new willing buyers, albeit at a discount, and by a decrease in private consumption, amid declining real incomes and outward migration. Companies' inventories were substantially depleted due to import restrictions. The main impetus came from public consumption and investment boosted by demand from the military production and logistics sectors as companies strived to establish new trading routes and supply chains.

Nominal wages are expected to outpace inflation in 2023 due to labour market pressures stemming from partial mobilisation and outward migration. However, private consumption is set to remain depressed, reflecting ongoing war-related uncertainty. Public funds are expected to continue supporting new domestic production capacities to back import substitution policies, additional infrastructure to facilitate a trade shift towards the east, and military production. Nevertheless, investment activity is not expected to retain the pace of the previous year as projects commenced before the war are coming to the completion phase and new private investment is limited by declining profits, departure of Western companies and persisting uncertainty. The ongoing fiscal stimulus is forecast to fully offset these negative developments, with domestic demand having a neutral contribution to growth.

The EU's diversification of gas supplies away from Russia coupled with its embargo on seaborne oil and refined oil products, are expected to hinder export recovery as Russia is unlikely to fully replace lost markets. Imports are projected to recover only gradually amid ongoing sanctions and a weakening rouble reflecting deterioration of the current account surplus on the back of easing energy prices. Net exports are hence set to pose a negative drag on growth. Overall, real GDP is forecast to contract by 0.9% in 2023.

As the economy gradually adjusts to the sanctions, a modest recovery of 1.3% is projected in 2024. However, international isolation and the pivot towards a war economy are expected to channel resources to less productive sectors, weighing negatively on future potential output.

Amid ongoing high war-related uncertainty, the balance of risks to the growth outlook is deemed to be tilted to the downside. Significant negative risks stem from a possible new wave of mobilisation, which could further exacerbate pressures on the labour market, and stronger enforcement of sanctions against Russia's aggression of war against Ukraine, which could hinder production in some sectors more than currently foreseen.

After a spike in April 2022, inflation continued easing and averaged 13.7% in 2022. This allowed the Central Bank of Russia to reduce its benchmark rate from 20% to 7.5% in September 2022. With the post-invasion price shock moving into the baseline, inflation is forecast to decline to 6.4% in 2023 and to drop further to 4.6% in 2024. Elevated inflation expectations and inflationary risks stemming from high fiscal spending, deteriorating terms of trade amid a depreciating rouble, and wage pressures reflecting a tight labour market are expected to limit the room for loosening monetary policy despite the fragile economic outlook.

LIBYA

The delay of national elections originally scheduled for December 2021, with no agreement on the new dates nor on the legal and constitutional basis for these proposed elections, has brought a return to political division in Libya. The confirmation of a new government cabinet by the eastern-based House of Representatives in

February 2022 has returned Libya to a state of institutional division with two parallel government administrations in the East and West. Competition between rival governments led to the blockade and shutdowns of oil facilities and armed clashes in the capital.

Political and security tensions could hinder the economic rebound registered in 2021. Oil production in the second quarter of 2022 averaged 0.88 million barrels per day, 33% less than during the first quarter. Soaring international oil prices improved the fiscal surplus during the first eight months of 2022 to 13% of 2021 GDP, excluding spending of the National Oil Corporation, compared to 7% during the same period in 2021. The trade balance surplus grew by 72% in nominal USD terms during the first five months of 2022 compared to the same period in 2021. Foregone oil revenues due to the blockade of oil facilities amounted to around USD4 billion. At the beginning of the third quarter of 2022, oil production resumed at 1 million barrels per day.

Political uncertainty in Libya will likely slow down economic recovery. If the country could sustain current levels of oil production and exports, it will benefit from increasing global oil prices, translating into higher fiscal revenues and more significant inflows of hard currency. This will positively impact its growth and its fiscal and external balances. Transparent and accountable management of Libya’s oil revenues and public spending will be critical to ensure that the country’s wealth benefits the population. However, positive economic performances depend on the improvement of political and security conditions. Other shocks to the global economy, or shocks to global commodity prices, would adversely affect Libya’s economic activity and household welfare.[2]

TUNISIA

Tunisia's economic performance decelerated after the 2011 revolution, resulting in a lost decade of growth, exacerbated by the COVID-19 pandemic, which hit in 2020. GDP growth declined to 1.7% on average between 2011 and 2019. A significant decline in productivity growth was observed as a result of excessive regulation of economic activity, reduced trade orientation, low investment and limited innovation.

With worsening growth and job outcomes, Tunisia increasingly relied on the welfare state to meet citizens' aspirations for better livelihoods. This expanding role of the state has resulted in the rapid growth of public debt, increasing from 40.7% of GDP in 2010 to 84.5% in 2021. The COVID-19 pandemic and more recently the war in Ukraine have exacerbated socio-economic vulnerabilities. Rising commodity prices have pushed the trade deficit to widen by 61% in the first eight months of 2022, reaching 11.6% of GDP. Lower oil and gas production and increased demand for energy and agricultural products have aggravated the vulnerability of the trade balance to the vagaries of international markets.

Inflationary pressures increased significantly, mainly from global markets and higher administered prices. In August 2022, the inflation rate increased for the twelfth consecutive month to 8.6% (from 6.7% in January 2022 and 6.16% in August 2021). This is the highest rate since September 1991. Rising inflation pushed the Central Bank to raise its policy rate by 0.75 basis points in May 2022, the first increase since October 2020, while the adverse terms of trade had only a mild impact on economic activity through the first semester of 2022. The recovery in travel and business and the strong performance of mining and manufacturing boosted economic growth. The growth rate reached 2.8% in the year's first half, which could improve the unemployment rate. The latter returned close to pre-pandemic levels (15.3% in the second quarter of 2022 versus 15.1% in the second

[2] https://www.worldbank.org/en/country/libya/overview#1

quarter of 2019).[3] Securing an IMF deal for a USD1.9 billion rescue package will be key to underpinning investor confidence and supporting the recovery.[4]

PART 3 – GROUP PERFORMANCE REVIEW

7. FINANCIAL INFORMATION RELATING TO CPHCL FINANCE PLC

The following financial information is extracted from the audited financial statements of the Issuer for the years ended 28 February 2021, 28 February 2022 and 28 February 2023. The forecast financial information for the year ending 28 February 2024 has been provided by management of the Company. **The projected financial statements are based on future events and assumptions which the Issuer believes to be reasonable.**

CPHCL Finance p.l.c. **Income Statement** **for the financial year 28 February**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Forecast** **€'000**
Finance income	1,750	1,750	1,760	1,760
Finance costs	(1,700)	(1,700)	(1,700)	(1,700)
Administrative expenses	(40)	(40)	(37)	(37)
Profit before tax	**10**	**10**	**23**	**23**
Taxation	(3)	(4)	(21)	(21)
Profit for the year	**7**	**6**	**2**	**2**
Total comprehensive income for the year	**7**	**6**	**2**	**2**

CPHCL Finance p.l.c. **Cash Flow Statement**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Forecast** **€'000**
Net cash from operating activities	(107)	(40)	(49)	(58)
Net cash from investing activities	1,767	1,750	1,750	1,760
Net cash from financing activities	(1,700)	(1,700)	(1,700)	(1,700)
Net movement in cash and cash equivalents	**(40)**	**10**	**1**	**2**
Cash and cash equivalents at beginning of year	113	73	83	84
Cash and cash equivalents at end of year	**73**	**83**	**84**	**86**

[3] https://www.worldbank.org/en/country/tunisia/overview
[4] https://www.focus-economics.com/countries/tunisia

CPHCL Finance p.l.c. Statement of Financial Position as at 28 February	2021 Actual €'000	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000
ASSETS				
Non-current assets				
Loans owed by parent company	39,910	39,910	39,910	39,910
	39,910	39,910	39,910	39,910
Current assets				
Receivables	1,924	1,912	1,927	1,927
Other assets	20	20	20	20
Cash and cash equivalents	73	83	84	86
	2,017	2,015	2,031	2,033
Total assets	**41,927**	**41,925**	**41,941**	**41,943**
EQUITY				
Capital and reserves				
Called up share capital	250	250	250	250
Retained earnings	10	16	18	20
	260	**266**	**268**	**270**
LIABILITIES				
Non-current liabilities				
Bonds in issue	40,000	40,000	40,000	40,000
Current liabilities				
Payables	1,667	1,659	1,673	1,673
	41,667	**41,659**	**41,673**	**41,673**
Total equity and liabilities	**41,927**	**41,925**	**41,941**	**41,943**

The Issuer is a fully owned subsidiary of CPHCL, the parent company of the Corinthia Group, and is principally engaged to act as a finance company.

There were no material movements in the statement of financial position as at 28 February 2023 compared to the prior year. As such, loans owed by parent company were unchanged at €39.9 million, whilst outstanding bonds amounted to €40 million.

During the year under review, the Issuer registered total comprehensive income of €2,373 compared to €6,479 in FY2022.

No material transactions and, or movements are being projected for FY2024.

8. FINANCIAL INFORMATION RELATING TO CPHCL COMPANY LIMITED

The financial information provided hereunder is extracted from the audited consolidated financial statements of CPHCL for each of the years ended 31 December 2020 to 31 December 2022. The forecast financial information for the year ending 31 December 2023 has been provided by management of the company.

The Group's operations in Libya and Russia

Note 5 to the 2022 financial statements explains the significant uncertainties and judgments surrounding the valuation of the Group's assets in Libya that have a bearing on the projected cash flows from the relative operations, and which are in turn influenced by the timing of a recovery in the country. Different plausible scenarios may impact the financial performance of the Libya operations and the valuation of related assets in a significant matter. This matter is considered to be of fundamental importance to stakeholders because of the potential impact that this uncertainty may have on the valuation of the Group's assets in Libya and the recoverability of certain debtors, which as at 31 December 2022 were carried at €276.8 million and €2.1 million respectively (2021: €277.8 million and €3.3 million respectively).

The same note to the 2022 financial statements also describes the prevailing circumstances in Russia and the higher element of uncertainty in carrying out a valuation assessment of the Group's assets in Russia. In February 2022, a military conflict erupted between Russia and Ukraine with consequential international sanctions being imposed on Russia. The situation regarding these sanctions and any counter sanctions that Russia itself has imposed on the international community is continuously developing. The consequences these sanctions could have on the Group are difficult to determine. The Group has engaged international legal advisers to assist in managing the situation that the sanctions may have brought about.

The Group owns a hotel in St Petersburg with an adjoining Commercial Centre which have been in operation for a number of years. Both the hotel and the Commercial Centre are presently operational and have maintained the same level of activity as in FY2021. Depending on the duration of this conflict, this may have an adverse effect on operations. Apart from business disruptions which may influence the valuation of the hotel and commercial centre, this situation increased the volatility of the Rouble exchange rate and may impact the amount reported in the Group's financial statements. As at 31 December 2022, the Group's assets in Russia were carried at €124.34 million (2021: €127.6 million).

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 and the variation between forecast and actual results may be material.

CPHCL Company Limited Consolidated Income Statement for the financial year 31 December	2020 Actual €'000	2021 Actual €'000	2022 Actual €'000	2023 Forecast €'000
Revenue	106,397	145,679	270,345	321,493
Costs of providing services	(63,345)	(74,705)	(141,987)	(171,610)
Gross profit	**43,052**	**70,974**	**128,358**	**149,883**
Marketing costs and administrative expenses	(41,232)	(39,936)	(56,107)	(68,644)
Other operating costs	(11,198)	(7,160)	(20,250)	(23,761)
EBITDA	**(9,378)**	**23,878**	**52,001**	**57,478**
Depreciation and amortisation	(39,434)	(33,452)	(31,634)	(31,147)
Other net income / (expenses)	(2,751)	(5,353)	(100)	-
Gain / (loss) on exchange	1,086	(2,055)	425	-
Adjustments in value of hotel & other properties, intangibles	(6,196)	1,321	(7,827)	-
Results from operating activities	**(56,673)**	**(15,661)**	**12,865**	**26,331**
Finance costs	(27,841)	(28,793)	(31,885)	(42,854)
Finance income	207	795	563	337
Movement in value of financial assets	1,082	1,351	(3,640)	-
Gain on sale of investment in subsidiaries	-	5,817	-	-
Share of results of associate companies	9,114	7,479	5,317	7,319
Other	(13,182)	(1,238)	15,398	(1,710)
Profit / (loss) before tax	**(87,293)**	**(30,250)**	**(1,382)**	**(10,577)**
Taxation	11,559	8,452	(2,051)	186
Net profit / (loss)	**(75,734)**	**(21,798)**	**(3,433)**	**(10,391)**
Other comprehensive income / (expense)				
Gross surplus / (impairment) on revaluation of hotels & other assets	(10,246)	78,385	2,959	-
Share of other comprehensive income of equity accounted investments	239	144	230	-
Other effects and tax	(45,732)	14,575	(23,897)	(11,219)
	(55,739)	**93,104**	**(20,708)**	**(11,219)**
Total comprehensive income / (expense) net of tax	**(131,473)**	**71,306**	**(24,141)**	**(21,610)**

Key Financial Ratios	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast
EBITDA margin *(%)* *(EBITDA / revenue)*	(8.81)	16.39	19.24	17.88
Operating profit margin *(%)* *(Operating profit / revenue)*	(53.27)	(10.75)	4.76	8.19
Net profit margin *(%)* *(Profit after tax / revenue)*	(71.18)	(14.96)	(1.27)	(3.23)
Return on equity *(%)* *(Profit after tax / average equity)*	(8.47)	(2.52)	(0.39)	(1.20)
Return on assets *(%)* *(Profit after tax / average assets)*	(4.24)	(1.22)	(0.19)	(0.57)
Return on invested capital *(%)* *(Operating profit / average equity and net debt)*	(3.81)	(1.06)	0.85	1.69
Interest cover *(times)* *(EBITDA / net finance costs)*	(0.34)	0.85	1.66	1.35

Source: MZ Investment Services Ltd

The financial performance for **2020** was materially impacted by COVID-19 and the restrictions and limitations it imposed on the Group's businesses. Total Group revenue for the year under review amounted to €106.4 million, a reduction of €206.5 million from the revenue generated the year before on account of lockdowns and other restrictions imposed in all countries where the Group operates.

Notwithstanding the significant reduction in revenue generation, the Group loss at EBITDA level for 2020 was limited to €9.3 million. The corresponding EBITDA in 2019 was €70.7 million. The minimal loss at EBITDA level in 2020 was achieved in consequence of proactive cost-cutting across-the-board measures taken at Group level, including reducing staff complements at all levels as well as various programmes on salary cuts and deferrals. The Group also tapped into subsidies and funds available from various Governments, and successfully renegotiated terms with most of the Group's funding banks.

Adjustments in value of property and intangible assets amounted to a loss of €6.2 million in FY2020 compared to a gain of €2.6 million in FY2019. The said loss for 2020 primarily represents an impairment of €5.2 million in the carrying value of the London apartment.

In 2020, the Group reported a net profit from its share of results of associate companies of €9.1 million (2019: €3.4 million). Although the current year's performance was dampened by the results of the Golden Sands hotel and timeshare operation (50% share owned by IHI p.l.c.) resulting in an erosion of €2.5 million, this amount represents a lower loss than that achieved in the preceding year when a loss of €4 million was registered from this activity. The timeshare sales operation was discontinued in 2020. On the other hand, the results of MIH p.l.c. through its principal subsidiary company Palm City Ltd, owner of the Palm City Residences in Libya, continued to improve further. In 2020, this investment contributed €12.5 million to the Group's profitability (2019: €7.3 million).

In 2020 'other' items amounted to a loss of €13.2 million (FY2019: profit of €5.3 million). Out of this loss, €10.4 million mainly represents exchange differences related to the St Petersburg property on account of a weaker Rouble compared to FY2019. Year-on-year the Rouble devalued by 32% against the Euro. The remaining loss of €2.8 million relates to currency translation differences on the Azure Resorts Group, previously recorded in translation reserves, which were released to profit or loss because of the loss of joint control over the joint venture.

Changes in fair value during 2020 in respect of the Group's properties amounting to €10.3 million have been recognised with other comprehensive income to reverse previously recognised revaluation reserves. These impairments relate to the Corinthia Hotel Budapest and Corinthia Hotel London and apartment. In 2019, a revaluation surplus of €7.0 million in respect of the Group's properties was recognised within other comprehensive income.

On account of a weaker Sterling and Rouble relative to the reporting currency of the Group which is Euro, the Group recorded a combined currency translation loss of €52.4 million in 2020, relative to a profit of €31.9 million registered in 2019 (included as part of 'Other effects and tax').

The Group registered a loss on total comprehensive income of €131.5 million in 2020 against a profit of €86.7 million registered in 2019.

Revenue in **FY2021** increased by €39.3 million (+37%) y-o-y to €145.7 million on account of the gradual recovery in the hospitality business and the consolidation of Golden Sands Resort Limited's results following the acquisition by the Group of the remaining 50% shareholding thereof in February 2021. A significant improvement was registered in the second half of the year following vaccinations and the relaxation of restrictions and limitations. Corinthia St Petersburg and Corinthia London recovered faster than the other hotels mainly due to internally generated demand (domestic tourism).

On the strength of the increased revenue, the Group recorded a positive EBITDA of €23.9 million, an increase of €33.3 million from the EBITDA loss of €9.4 million registered in the prior year. This performance represents an 85% flow-through of the incremental revenue to EBITDA on account of a yielding strategy that maximised room rates, the proactive cost-cutting decisions taken in 2020 and the disciplined approach to costs in 2021. The Group continued to tap into subsidies and funds available from various Governments in the jurisdictions where the Group operates. As such, the Group's EBITDA margin recovered from -9% in 2020 to 16% in 2021 and interest cover improved from -0.34 times in 2020 to 0.85 times in 2021.

During 2021, the Group acquired the other 50% of the Golden Sands Hotel which is now accounted for as a subsidiary. The Group's share of results of associates and joint ventures reflects the Golden Sands Hotel results for the first two months of 2021 before acquisition. The remaining investment shown as an associate principally relates to Mediterranean Investments Holding p.l.c., the owner of the Palm City Residences in Libya through the subsidiary company Palm City Ltd. The Group's share of results of associate companies amounted to €7.5 million in the reviewed year compared to €9.1 million in FY2020.

In 2021, the Group disposed of its shareholding in Internasyonal Turizm ve Otelcilik a.s. (Turkey) for a gross consideration of €6.5 million and recorded a profit on disposal of €5.8 million. Furthermore, Atkins Travel Limited was disposed to a third party for £1. A loss on disposal of €0.44 million was recognised in the Group's income statement.

During the reviewed year, the Group reported an overall exchange loss of €1.2 million (accounted for in line item "Other" in the income statement) compared to a loss on exchange of €9.3 million the year before. This movement in exchange difference is the net of gains on exchange related to the St Petersburg property in 2021 as the Rouble recovered from 90.68 to 84.07 and of losses on the dinar as the Libyan Central Bank devalued the dinar on 3 January 2021 by 330%.

The Group reported a loss for the year of €21.8 million compared to a loss of €75.7 million in 2020. Accordingly, the net profit margin improved on a comparable basis but remained negative at -15% (2020: -71%).

In 2020, on account of COVID-19 and the expected recovery tempo, the Group registered net property impairments of €16.4 million before tax (€6.2 million through the income statement and €10.2 million through other comprehensive income). This impairment was attributable to the London hotel and apartment and to the Budapest property. In 2021, on account of less uncertainty and the positive results recognised in some properties, especially the London hotel, the Group recognised a property uplift of €79.7 million (€1.3 million through the income statement and €78.4 million through other comprehensive income).

Both the Sterling and Rouble strengthened in 2021 relative to the reporting currency of the Group (Euro), but this positive result was subdued by the devaluation of the Libyan Dinar. The Group recorded a combined currency translation gain of €13.9 million relative to a loss of €53.4 million registered in 2020 (accounted for in comprehensive income within item 'Other effects and tax').

Overall, the Group registered a profit on total comprehensive income of €71.3 million in FY2021 against a loss of €131.5 million registered in FY2020.

The financial performance for **2022** was again partially impacted by COVID-19, particularly during the first quarter of the year. The military conflict which erupted in February 2022 between Russia and Ukraine and which led to international sanctions on Russia, also had an effect on the Group's results and assets held in Russia. The geopolitical situation between Russia and the west resulted in a drop in international business which consequentially delayed the recovery from COVID-19 in Russia. On a positive note, in spite of the situation in and around the Russian market, the hotel maintained the same occupancy levels as in 2021 in view of the local trade that the hotel always enjoyed. All hotels (excluding Russia and Libya) registered higher revenues over the prior year, most notably the Corinthia hotels in London, Lisbon, Budapest, Malta and Prague.

The Group's revenue in FY2022 increased by €124.7 million (+86%) to €270.3 million (FY2021: €145.7 million). Revenue generated in 2022 represented 86% of the 2019 pre-COVID-19 revenue figure.

On the strength of the increased revenue, the Group registered an EBITDA of €52.0 million compared to €23.9 million in 2021, an increase of €28.1 million. Furthermore, EBITDA margin improved from 16.4% in FY2021 to 19.2%. In consequence of the aforesaid y-o-y increase in both revenue and EBITDA, the negative results from operating activities reported in FY2021 of €15.7 million was converted to a profit of €12.9 million (that is, a positive movement of €28.6 million).

Finance costs for the year under review increased by €3.1 million to €31.9 million (FY2021: €28.8 million). Notwithstanding, interest cover improved from 0.85 times in FY2021 to 1.66 times in FY2022. Depreciation & amortisation decreased y-o-y by €1.8 million to €31.6 million.

The Group registered a loss of €7.8 million in value of property and intangible assets (FY2021: gain of €1.3 million), which principally comprised a fair value loss of €5.9 million on the St Petersburg commercial centre.

Share of results of associate companies primarily relates to Mediterranean Investments Holding p.l.c., the owner of the Palm City Residences in Libya through the subsidiary company Palm City Ltd. The Group's share of results of associate companies amounted to €5.3 million compared to €7.5 million in FY2021.

In FY2022, the Group reported in its Income Statement a gain of €15.4 million compared to a loss in FY2021 of €1.2 million (classified as 'Other'), which principally reflects a positive movement in exchange differences relating to the St. Petersburg property as the Rouble continued to recover. In May 2022, the bank loan on the property in St. Petersburg was fully settled resulting in a realised gain on exchange of €12.09 million and eliminated future exchange rate volatility from the Income Statement on this loan.

The Group registered a loss of €3.4 million in FY2022 compared to a loss of €21.8 million in the prior year.

In FY2021 on account of continued recovery from COVID-19 and the positive results achieved in some properties, especially the London Hotel, the Group recognised property uplifts of €79.7 million. In FY2022, on account of continued recovery, the Group recognised a further uplift on the property in London of €12.7 million. This uplift was offset by fair value losses recognised on the St. Petersburg property amounting to €9.7 million, following the hostilities by Russia on Ukraine and the ensuing sanctions which materially affected the business. In aggregate, gross surplus in other comprehensive income amounted to €2.96 million (FY2021: €78.4 million).

The weakening of Sterling in FY2022 relative to the reporting currency of the Group, which is the Euro, resulted in a loss on translation of the investment in London. The Group recorded a loss of €23.9 million in 'other effects and tax', which mainly comprised currency translation movements, relative to a gain of €14.6 million registered in FY2021.

Overall, the Group registered total comprehensive expense in FY2022 of €24.1 million compared to a total comprehensive income of €71.3 million in the prior year.

The estimates for the projected financial year as presented in this document assume that the carrying values of hotel and investment properties will not be revalued upwards or impaired, and therefore no adjustment has been made as to possible uplifts or impairments in value of assets which can materially affect the consolidated income statement and the balance sheet values.

Total revenue for **FY2023** is projected to amount to €321.5 million, an increase of €51.1 million (+19%) compared to the prior year (FY2022: €270.3 million) and +3% over FY2019's aggregate revenue. The y-o-y growth in revenue is primarily reflective of the post-pandemic positive trend in travel.

On the other hand, the Group's operating costs are expected to increase considerably by €45.7 million or 21% (y-o-y) due to an increase in personnel and salaries, energy bills, food cost and other operational costs. As such, EBITDA is projected to increase by €5.5 million or 11% (y-o-y) to €57.5 million (FY2022: €52.0 million), which is 81% of EBITDA achieved in FY2019. As such, the Group's EBITDA margin is expected to decline from 19.24% in FY2022 to 17.88% in FY2023.

Results from operating activities is expected to increase by €13.5 million from the prior year to €26.3 million, but such increase is set to be largely absorbed by higher finance costs on account of an increase in debt levels and higher interest rates on variable loans. As a result, interest cover is set to weaken from 1.66 times in FY2022 to 1.35 times in FY2023.

In consequence of the foregoing, the Group expects to register a loss for the year of €10.4 million (FY2022: loss of €3.4 million).

In other comprehensive income, the Group is projecting an adverse variance in exchange fluctuations of €11.2 million in relation to the Rouble relative to the Euro.

The Group's total comprehensive expense for FY2023 is estimated to amount to €21.6 million compared to a total comprehensive expense of €24.1 million registered in 2022.

CPHCL Company Limited Statement of Financial Position as at 31 December	**2020 Actual €'000**	**2021 Actual €'000**	**2022 Actual €'000**	**2023 Forecast €'000**
ASSETS				
Non-current assets				
Intangible assets	5,253	9,647	9,033	9,163
Investment properties	208,623	178,840	185,624	173,984
Property, plant and equipment	1,153,817	1,306,960	1,299,101	1,342,117
Investments in associates & joint ventures	128,033	99,026	104,704	112,022
Right-of-use assets	15,088	15,020	15,402	15,057
Other financial assets	7,669	8,590	9,117	7,480
Deferred tax assets	32,444	35,428	36,166	36,261
Financial assets	7,198	6,898	5,373	5,373
Trade and other receivables	38	1,014	1,539	10,527
	1,558,163	1,661,423	1,666,059	1,711,984
Current assets				
Inventories	13,056	14,805	17,030	19,912
Trade and other receivables	30,684	30,634	42,942	53,618
Taxation	4,438	1,015	283	228
Financial assets	13,799	12,306	3,607	2,741
Assets placed under trust arrangement	5,637	77	77	-
Cash and cash equivalents	90,350	143,062	77,657	80,657
Assets held for sale	930	134	102	102
	158,894	202,033	141,698	157,258
Total assets	**1,717,057**	**1,863,456**	**1,807,757**	**1,869,242**
EQUITY				
Called up share capital	20,000	20,000	20,000	20,000
Other reserves	123,351	146,527	135,677	122,386
Retained earnings	262,217	257,763	253,271	246,493
Non-controlling interest	422,902	475,276	466,477	464,937
	828,470	**899,566**	**875,425**	**853,816**
LIABILITIES				
Non-current liabilities				
Borrowings, bonds and other financial liabilities	639,523	718,961	636,502	723,856
Lease liabilities	13,474	13,712	15,018	15,239
Other non-current liabilities	104,429	113,876	114,097	109,345
	757,426	846,549	765,617	848,440
Current liabilities				
Bank overdrafts	10,487	4,798	11,028	5,642
Borrowings and bonds	39,915	23,036	58,742	69,208
Lease liabilities	2,727	2,757	2,214	2,094
Other current liabilities	78,032	86,750	94,731	90,042
	131,161	117,341	166,715	166,986
	888,587	**963,890**	**932,332**	**1,015,426**
Total equity and liabilities	**1,717,057**	**1,863,456**	**1,807,757**	**1,869,242**
Total debt	*706,126*	*763,264*	*723,504*	*816,039*
Net debt	*610,139*	*620,125*	*645,770*	*735,382*
Invested capital (total equity plus net debt)	*1,438,609*	*1,519,691*	*1,521,195*	*1,589,198*

Key Financial Ratios	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast
Net debt-to-EBITDA *(times)* *(Net debt / EBITDA)*	n/a	25.97	12.42	12.79
Net debt-to-equity *(times)* *(Net debt / total equity)*	0.74	0.69	0.74	0.86
Net gearing *(%)* *(Net debt / net debt and total equity)*	42.41	40.81	42.45	46.27
Debt-to-asset *(times)* *(Total debt / total assets)*	0.41	0.41	0.40	0.44
Leverage *(times)* *(Total assets / total equity)*	2.07	2.07	2.07	2.19
Current ratio *(times)* *(Current assets / current liabilities)*	1.21	1.72	0.85	0.94

Source: MZ Investment Services Ltd

Total assets in FY2022 amounted to €1,808 million, a decrease of €55 million from a year earlier. The principal movements during the year included the following:

i) An increase in inventories and trade & other receivables of €14.5 million reflected the recovery in operating activities.
ii) A decrease in cash balances of €65.4 million as explained further in the commentary on the cash flow statement below.

Total liabilities decreased by €32 million (y-o-y) and mainly represented the repayment of the €40 million bank loan on the property in St Petersburg, partly offset by an increase in other current liabilities (mainly trade payables) of €8 million on account of an increase in operating activities recorded during the year.

The net gearing ratio of the Group increased by 1 percentage point from 41% in FY2021 to 42%, however net debt to EBITDA improved significantly from 26 times in FY2021 to 12 times in FY2022. The liquidity ratio weakened to 0.85 times compared to 1.72 times in FY2021.

In **FY2023**, total assets are expected to increase by €61.5 million mainly on account of the following:

i) investment property is expected to decrease y-o-y by €11.6 million, which reflects the disposal of the Pinhiero Chagas apartments and projected adverse exchange fluctuations relating to the Russian Rouble compared to the Euro;

ii) an increase in property, plant & equipment of €43.0 million (net of depreciation charge) comprising various refurbishment programmes and projected development of Grand Hotel Astoria;

iii) an increase of €9.0 million in trade and other receivables, which principally reflects the expected key money due on the New York hotel property;

iv) a net increase in inventories and trade & other receivables of €13.6 million is reflective of the continued increase in operating activities;

v) an increase in projected cash balances of €3.0 million as explained further in the commentary on the cash flow statement below.

Total liabilities are projected to increase by €83.1 million (y-o-y), which movement is expected to emanate primarily from changes in borrowings and other financial liabilities.

In view of the increased borrowings, the Group's gearing ratio is projected to increase by *circa* 4 percentage points to 46.27%. On the other hand, net debt-to-EBITDA is anticipated to remain relatively stable at 12.79 times.

The liquidity ratio for FY2023 is expected to improve to 0.94 times compared to 0.85 times in the prior year.

CPHCL Company Limited Cash Flow Statement for the financial year 31 December	**2020 Actual €'000**	**2021 Actual €'000**	**2022 Actual €'000**	**2023 Forecast €'000**
Net cash from / (used in) operating activities	(2,130)	30,176	47,815	41,241
Net cash from / (used in) investing activities	(15,401)	19,714	(41,063)	(82,659)
Net cash from / (used in) financing activities	(18,152)	10,495	(71,236)	50,433
Net movement in cash and cash equivalents	**(35,683)**	**60,385**	**(64,484)**	**9,015**
Cash and cash equivalents at beginning of year	118,505	79,863	138,264	66,629
Effect of translation of group entities to presentation currency	(2,959)	(1,984)	(7,151)	(629)
Cash and cash equivalents at end of year	**79,863**	**138,264**	**66,629**	**75,015**

Net cash flows from operating activities principally relate to the hospitality operations of the Group. In 2022, operations across the Group's properties were significantly higher compared to 2021, and this is reflected in higher net cash inflows from operating activities which amounted to €47.8 million (FY2021: inflows of €30.2 million). In the forecast year (2023), the Group expects to generate €41.2 million in net cash from operating activities, a decrease of €6.6 million compared to a year earlier.

In FY2021, the Group generated €19.7 million from investing activities. During the year, cash receipts came from the sale of the London apartment and Internasyonal Turizm ve Otelcilik a.s., net of disposal of financial assets and dividends and interest received amounting to €50.9 million in aggregate, while cash outflows included the acquisition of 50% of the Golden Sands Resort amounting to €15.4 million and capex of *circa* €15.8 million. During FY2022, the Group utilised €47.8 million for the acquisition of investment property (€6.6 million) and property, plant and equipment (€41.2 million), and received net proceeds amounting to €6.1 million from disposal of financial assets.

In the projected financial year (FY2023), the Group is projecting net cash used in investing activities to amount to €82.7 million. Expenditure on Grand Hotel Astoria is expected to amount to €77.8 million. Furthermore, the Group will be settling key money amounting to €9.2 million in relation to the New York hotel. Projected cash inflows of €6.1 million relate to the disposal of the Pinhiero Chagas apartments, while dividend and interest receivables are estimated at €1.6 million (in aggregate).

Financing activities principally comprise movement in bank and other borrowings, issuance of debt securities, payment of leases and dividends, and interest paid.

In FY2022, net cash outflows amounted to €71.2 million compared to net cash inflows of €10.5 million in the previous year. During the reviewed year, net repayment of bank loans and related party loans amounted to €39.4 million (FY2021: net repayments of €24.1 million), while lease obligations and interest payments amounted to €3.5 million (FY2021: €2.6 million) and €28.3 million (FY2021: €26.3 million) respectively. In the prior year, the Group received net proceeds from the issue of bonds of €63.6 million.

Net cash from financing activities in FY2023 is projected to amount to €50.4 million and shall comprise net cash inflows from borrowings (mainly Group loans and bank facilities) of €97.8 million. Net cash outflows are projected to amount to €47.4 million, comprising mainly payment of lease obligations of €2.3 million and interest payable of €43.3 million.

9. VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the forecast financial information for the year ended 31 December 2022 included in the prior year's Financial Analysis Summary dated 30 June 2022 and the audited consolidated financial statements for the year ended 31 December 2022.

CPHCL Company Limited **Consolidated Income Statement** **for the financial year 31 December 2022**	**Actual**	**Forecast**	**Variance**
	€'000	**€'000**	**€'000**
Revenue	270,345	249,283	21,062
Net operating costs	(218,344)	(211,089)	(7,255)
EBITDA	**52,001**	**38,194**	**13,807**
Depreciation and amortisation	(31,634)	(32,563)	929
Other net income / (expenses)	(100)	-	(100)
Gain / (loss) on exchange	425	-	425
Adjustments in value of hotel & other properties, intangibles	(7,827)	-	(7,827)
Results from operating activities	**12,865**	**5,631**	**7,234**
Finance costs	(31,885)	(30,661)	(1,224)
Investment income & movement in value of financial assets	(3,077)	1,085	(4,162)
Gain on sale of investment in subsidiaries	-	-	-
Share of results of associate companies	5,317	5,657	(340)
Other	15,398	11,192	4,206
Loss before tax	**(1,382)**	**(7,096)**	**5,714**
Taxation	(2,051)	703	(2,754)
Loss for the year	**(3,433)**	**(6,393)**	**2,960**
Other comprehensive income / (expense)			
Gross surplus / (impairment) on revaluation of hotels & other assets	2,959	-	2,959
Share of other comprehensive income of equity accounted investments	230	-	230
Other effects and tax	(23,897)	18,186	(42,083)
	(20,708)	**18,186**	**(38,894)**
Total comprehensive income / (expense) net of tax	**(24,141)**	**11,793**	**(35,934)**

In 2022, the Group performed better than expected at the operational level – in particular, actual revenue was higher by 8.4% (or €21.1 million) while EBITDA was higher than projected by 36% (or €13.8 million). Due to the adverse movement in value of fixed assets and intangibles of €7.8 million, the Group's positive variance on operating activities amounted to only €7.2 million.

A positive variance in currency movements of €4.2 million was offset by a negative variance in movement in value of financial assets of the same amount. Finance costs were higher than expected by €1.2 million.

The Group recorded an adverse variance in other comprehensive income of €38.9 million, principally on account of the weakening of Sterling in 2022 relative to the reporting currency of the Group.

CPHCL Company Limited Cash Flow Statement for the financial year 31 December 2022	Actual	Forecast	Variance
	€'000	€'000	€'000
Net cash from / (used in) operating activities	47,815	25,805	22,010
Net cash from / (used in) investing activities	(41,063)	(61,799)	20,736
Net cash from / (used in) financing activities	(71,236)	(35,480)	(35,756)
Net movement in cash and cash equivalents	**(64,484)**	**(71,474)**	**6,990**
Cash and cash equivalents at beginning of year	138,264	138,264	-
Effect of translation of group entities to presentation currency	(7,151)	(1,375)	(5,776)
Cash and cash equivalents at end of year	**66,629**	**65,415**	**1,214**

Actual net movement in cash and cash equivalents was higher than projected by €7.0 million.

Cash inflows from operating activities were higher than projected by €22.0 million on account of better-than-expected performance by the Group's hotels. Regarding investing activities, capital expenditure for the year was lower than forecasted which resulted in a positive variance of €20.7 million.

In financing activities, actual cash outflows amounted to €71.2 million compared to a projected net outflow of €35.5 million, thus resulting in a negative variance of €35.8 million. During the year, the Group repaid the outstanding loan on the St Petersburg property which was not anticipated in the projected results.

CPHCL Company Limited Statement of Financial Position as at 31 December 2022	Actual €'000	Forecast €'000	Variance €'000
ASSETS			
Non-current assets			
Intangible assets	9,033	8,418	615
Investment properties	185,624	191,462	(5,838)
Property, plant and equipment	1,299,101	1,358,448	(59,347)
Investments in associates & joint ventures	104,704	104,685	19
Right-of-use assets	15,402	16,391	(989)
Other financial assets	9,117	8,840	277
Deferred tax assets	36,166	35,341	825
Financial assets	5,373	6,896	(1,523)
Trade and other receivables	1,539	4,641	(3,102)
	1,666,059	1,735,122	(69,063)
Current assets			
Inventories	17,030	18,837	(1,807)
Trade and other receivables	42,942	45,173	(2,231)
Taxation	283	940	(657)
Financial assets	3,607	3,389	218
Assets placed under trust arrangement	77	-	77
Cash and cash equivalents	77,657	70,319	7,338
Assets held for sale	102	134	(32)
	141,698	138,792	2,906
Total assets	**1,807,757**	**1,873,914**	**(66,157)**
EQUITY			
Called up share capital	20,000	20,000	-
Other reserves	135,677	164,301	(28,624)
Retained earnings	253,271	252,616	655
Non-controlling interest	466,477	474,441	(7,964)
	875,425	**911,358**	**(35,933)**
LIABILITIES			
Non-current liabilities			
Borrowings, bonds and other financial liabilities	636,502	670,392	(33,890)
Lease liabilities	15,018	15,600	(582)
Other non-current liabilities	114,097	116,059	(1,962)
	765,617	802,051	(36,434)
Current liabilities			
Bank overdrafts	11,028	4,904	6,124
Borrowings and bonds	58,742	63,378	(4,636)
Lease liabilities	2,214	2,426	(212)
Other current liabilities	94,731	89,797	4,934
	166,715	160,505	6,210
	932,332	**962,556**	**(30,224)**
Total equity and liabilities	**1,807,757**	**1,873,914**	**(66,157)**

Total assets as at 31 December 2022 were lower than forecast by €66.2 million, mainly on account of the lower than expected capital expenditure on the Grand Hotel Astoria project (Corinthia Hotel Brussels) and various refurbishment programmes (property, plant & equipment).

The adverse variance in 'other reserves' of €28.6 million reflects a net negative movement in currency translation reserve which was not foreseen at the time of preparation of the FY2022 projections.

Total liabilities were lower by €30.2 million mainly on account of the repayment of the St Petersburg property bank loan.

10. DEBT SECURITIES ISSUED BY ASSOCIATED COMPANIES

CPHCL owns 50% of Mediterranean Investments Holding p.l.c. ("**MIH**"), a company principally involved in the Palm City Residences Project and the Medina Tower Project and which are both situated in Libya. Below is a list of outstanding debt securities as at the date of this report.

Security ISIN	Amount Outstanding	Security Name
MT0000371295	€ 20,000,000	5.5% Mediterranean Investments Holding plc Unsecured & Guaranteed Bonds 2023
MT0000371303	€ 30,000,000	5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed Bonds 2027
n/a	€ 11,000,000	6.00% Mediterranean Investments Holding plc Unsecured Notes 2023-2025 *(unlisted)*
	€ 61,000,000	

Source: Malta Stock Exchange

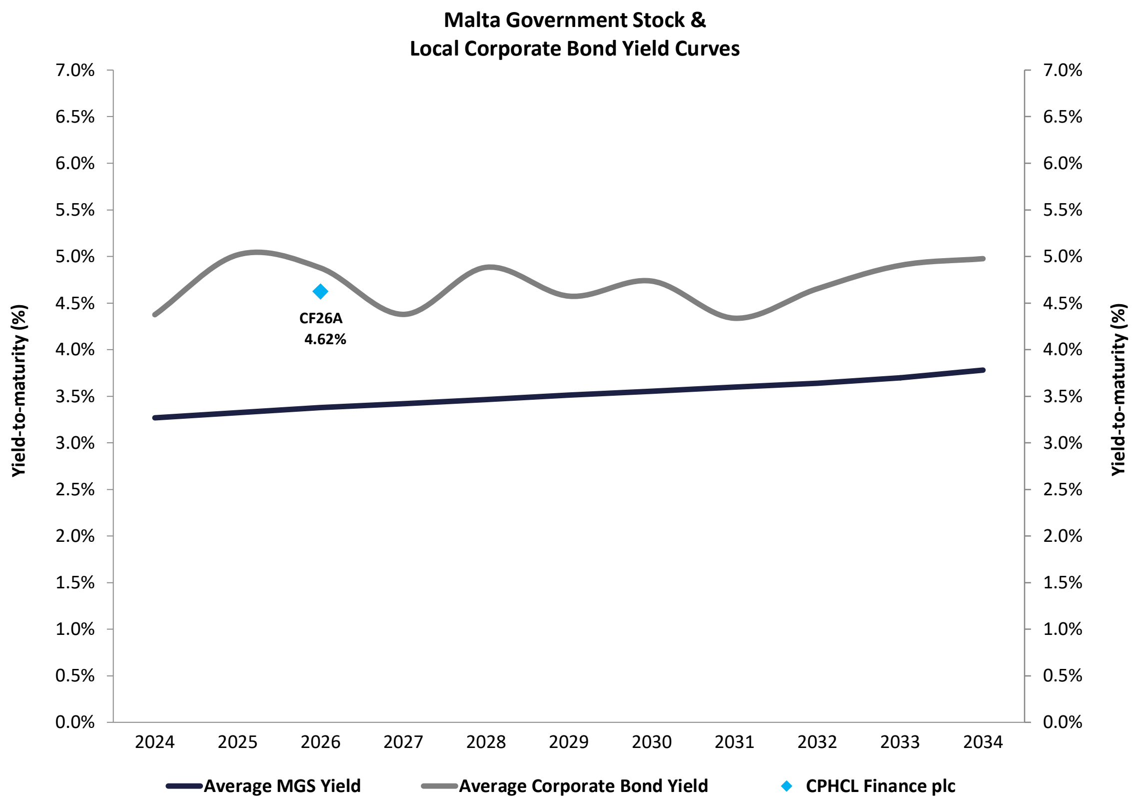
PART 4 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of Corinthia 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 serves as an indication of the financial performance and strength of the Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
6.00% AX Investments plc Unsecured & Guaranteed 2024	40,000	4.62	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2024	35,000	4.92	1.87	11.42	41.92	0.40
5.30% Mariner Finance plc Unsecured 2024	17,684	5.01	4.72	5.95	49.91	0.49
5.00% Hal Mann Vella Group plc Secured 2024	30,000	4.98	2.42	9.45	51.80	0.44
5.10% 1923 Investments plc Unsecured 2024	36,000	4.39	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024	6,465	2.58	13.29	4.71	63.61	0.65
5.75% International Hotel Investments plc Unsecured 2025	45,000	5.47	1.87	11.42	41.92	0.40
5.10% 6PM Holdings plc Unsecured 2025	13,000	5.09	10.95	0.38	11.16	0.17
4.50% Hili Properties plc Unsecured & Guaranteed 2025	37,000	5.38	1.80	12.53	45.87	0.46
3.70% Gap Group plc Secured & Guaranteed 2023/2025	16,618	3.91	33.21	4.85	56.20	0.69
4.35% Hudson Malta plc Unsecured & Guaranteed 2026	12,000	4.35	6.11	4.89	71.67	0.57
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	4.62	1.66	12.42	42.46	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	3.74	1.87	11.42	41.92	0.40
5.00% Dizz Finance plc Unsecured & Guaranteed 2026	8,000	5.32	0.56	36.59	79.93	0.59
3.75% Premier Capital plc Unsecured 2026	65,000	4.37	11.25	2.09	61.67	0.56
4.00% International Hotel Investments plc Unsecured 2026	60,000	4.33	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	3.55	1.75	14.74	30.01	0.28
3.90% Gap Group plc Secured & Guaranteed 2024/2026	21,000	4.75	33.21	4.85	56.20	0.69
4.00% Hili Finance Company plc Unsecured & Guaranteed 2027	50,000	4.21	4.64	4.84	69.79	0.63
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.63	4.60	2.66	27.22	0.27
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	4.28	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027	30,000	4.97	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	4.00	4.84	5.58	28.97	0.26
4.75% Best Deal Properties Holding Plc Secured & Guaranteed 2025/2027	15,000	4.74	13.29	4.71	63.61	0.65
4.75% Gap Group plc Secured & Guaranteed 2025/2027	23,000	4.50	33.21	4.85	56.20	0.69
3.85% Hili Finance Company plc Unsecured & Guaranteed 2028	40,000	5.32	4.64	4.84	69.79	0.63
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	4.50	4.84	5.58	28.97	0.26
3.80% Hili Finance Company plc Unsecured & Guaranteed 2029	80,000	4.93	4.64	4.84	69.79	0.63
3.75% AX Group plc Unsecured 2029	10,000	4.11	1.75	14.74	30.01	0.28
6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030	18,144	5.79	1.56	11.27	94.67	0.83
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.36	1.87	11.42	41.92	0.40
3.50% AX Real Estate plc Unsecured 2032	40,000	4.56	2.31	13.83	42.36	0.41
5.00% Mariner Finance plc Unsecured 2032	36,930	4.73	4.72	5.95	49.91	0.49
4.50% The Ona plc Secured & Guaranteed 2028/2034	16,000	4.98	32.26	9.77	64.11	0.59

As at 19 May 2023

Sources: Malta Stock Exchange
M.Z. Investment Services Limited
Most recent audited annual financial statements except for GPH Malta Finance plc (FY2022/2023 - forecast)



To date, there are no corporate bonds which have a redemption date beyond 2034. The Malta Government Stock ("MGS") yield curve has been included as it is widely considered as the benchmark 'risk-free' rate for Malta.

The **4.25% CPHCL Finance plc unsecured bonds 2026** are currently trading at a yield-to-maturity ("YTM") of 4.62% which is 25 basis points below the average YTM of other local corporate bonds maturing in the same year. The premium over the corresponding MGS yield of equivalent maturity is 125 basis points.

PART 5 - EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation.
Operating profit	Profit from core operations excluding interest and tax.
Profit after tax	Net profit generated from all business activities.

Profitability Ratios	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit as a percentage of total revenue.
Net profit margin	Profit after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on the company's net assets and is computed by dividing the net profit by average equity.
Return on assets	Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets.
Return on invested capital	Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt.

Cash Flow Statement	
Net cash flow from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Cash flow from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Cash flow from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.

Balance Sheet	
Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises 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 acquired.
Current assets	All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

Financial Strength/Credit Ratios	
Interest cover	Measures the extent of how many times a company can pay its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity.
Debt-to-asset	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets.
Leverage	Shows how much equity a company is using to finance its assets.
Current ratio	Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets.