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The Board of Directors
Malta Properties Company p.l.c.
The Bastions,
Triq Emvin Cremona,
Floriana FRN1281

21 May 2024

Dear Sirs,

Malta Properties Company p.l.c. – Financial Analysis Summary Update 2024 (the "Update FAS")

In accordance with your instructions and in line with the requirements of the Malta Financial Services Authority Policies, we have compiled the Update FAS set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Update FAS is that of summarising key financial data appertaining to Malta Properties Company p.l.c. (a public limited liability company registered under the laws of Malta bearing company registration number C 51272) (the "**Company**" or "**Issuer**"). The data is derived from various sources or is based on our own computations and analysis of the following:

(a) historic financial data for the three years ended 31 December 2021 to 2023 has been extracted from the Issuer's audited statutory financial statements for the three years in question, as and when appropriate;
(b) the projections for the financial year ending 31 December 2024 have been prepared and provided by management of the Issuer;
(c) our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer;
(d) the ratios quoted in the Update FAS have been computed by us applying the definitions as set out and defined herein; and
(e) relevant financial data in respect of competitors as analysed in Part D has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Update FAS is meant to assist potential investors by summarising the more important financial data of the Issuer. The Update FAS does not contain all data that is relevant to potential investors and is intended to complement, and not replace, financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the securities of the Issuer and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Doreanne Caruana
Head of Corporate Advisory

FINANCIAL ANALYSIS SUMMARY

Malta Properties

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as revised on 13 August 2021.

21 May 2024

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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IMPORTANT INFORMATION

Purpose of the Document

Malta Properties Company p.l.c. (the "**Company**", "**MPC**" or the "**Issuer**") issued a €25 million secured bond 2032 (the "**Bond Issue**") as part of its bond issuance programme of up to €50 million. Both the Base Prospectus and the Final Terms were dated 1 June 2022. This Update FAS has been prepared in line with the requirements of the Listing Policies as last updated by the MFSA on 13 August 2021. The purpose of this report is to provide a summary of the financial performance and position of the Company and the group that it is the holding company of (the "**MPC Group**" or "**Group**").

Sources of Information

The information that is presented has been collated from a number of sources, including the Group's audited financial statements for the years ended 31 December 2021, 2022 and 2023 as well as management forecasts for the Group covering the financial year ending 31 December 2024.

Forecasts that are included in this document have been prepared by management and on the basis of management representations, have been approved for publication by the directors of the Company, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1 January to 31 December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

1 June 2022 (appended to the prospectus)
12 May 2023

PART A BUSINESS AND MARKET OVERVIEW

1. INTRODUCTION

Malta Properties Company p.l.c. is a public limited liability company with company registration number C 51272, with its shares listed on the Malta Stock Exchange, following a spin-off from GO p.l.c. in 2015.

MPC and its subsidiaries (the "**MPC Group**" or "**Group**") own a portfolio of 15 properties across Malta and Gozo (see section 4 below) and the main activities of the Group consist of the acquisition, development and leasing of immovable property.

2. CORPORATE GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS OF THE ISSUER

The Issuer's board of directors as at the date of this document comprises the following:

Nasser Al Awadhi	Non-Executive Director and Chairman* *(appointed on 19 September 2023)*
Deepak Srinivas Padmanabhan	Non-Executive Director
Dr Cory Greenland	Non-Executive Director
Saqib Saeed	Non-Executive Director
Huda Buhumaid	Non-Executive Director

**Sayed Mohamed Mohamed Noor Sharaf resigned from Chairman and Non-Executive Director on 19 September 2023.*

All Directors are considered independent. The Company deems that although Mr Nasser Al Awadhi, Mr Saqib Saeed and Ms Huda Buhumaid have an employee and director relationship with the controlling shareholder, this relationship is not considered to create a conflict of interest such as to jeopardise exercise of their free judgement.

The Company Secretary is Dr Francis Galea Salomone.

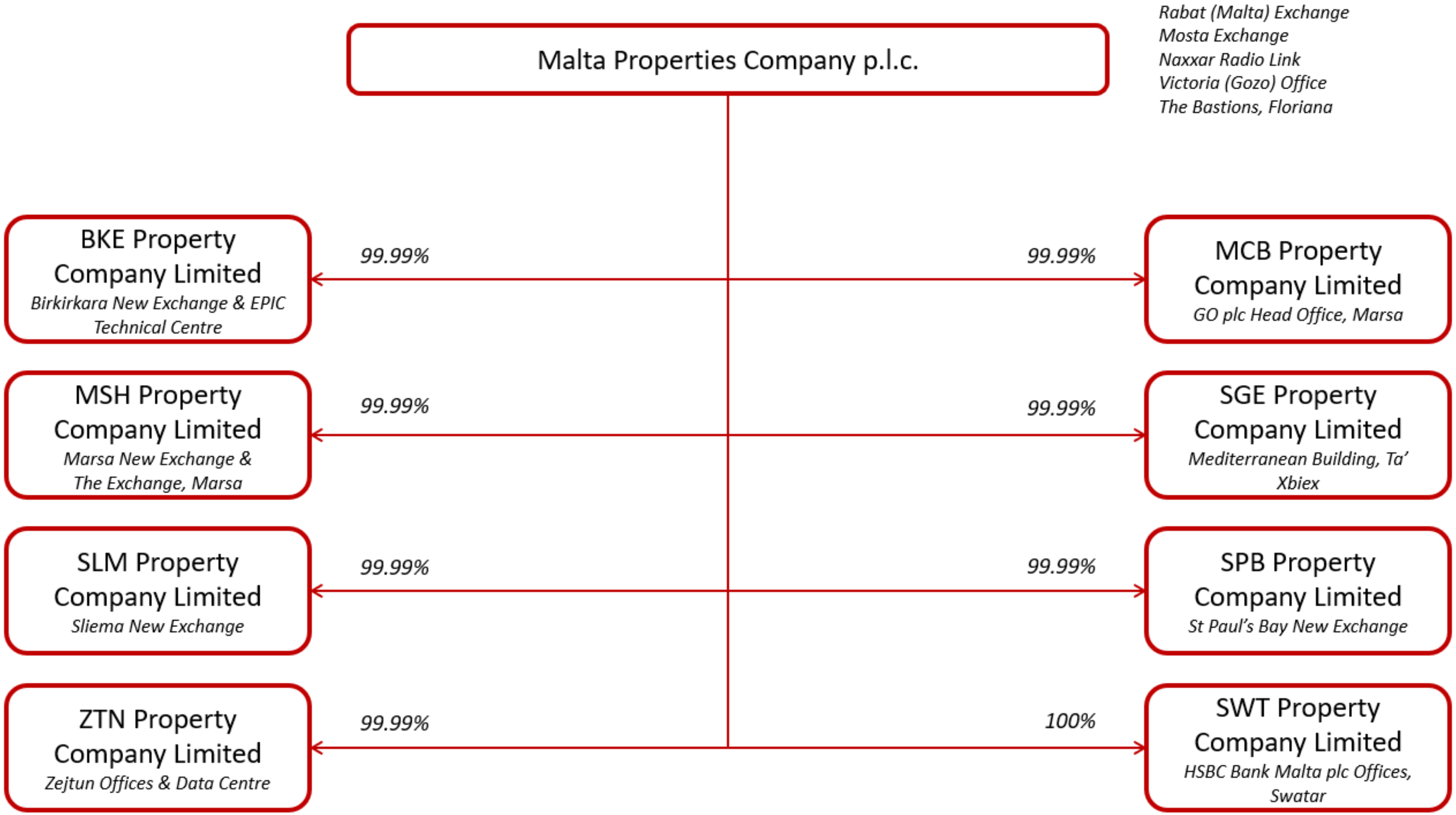
Group Senior Management

The following are the respective key members of the Group's senior management team:

Mohsin Majid	Chief Executive Officer
Daniela Zammit	Chief Financial Officer

3. GROUP STRUCTURE

As at the date of this FAS, the Group is structured as follows:



4. MAJOR ASSETS

The Group owns a portfolio of office buildings and industrial properties, which it leases to various tenants on medium to long term agreements. The current property portfolio is exclusively located across Malta and Gozo and has along the years represented over 80% of total assets, including both investment properties and that classified as property, plant and equipment (PPE), being the office space used by MPC as its own head office. The portfolio comprises the following properties:

	Current Tenant	Net Leaseable Area *sqm*	Carrying Value as at 31/12/2023 *€ '000*	Current Lease Termination
Held by MPC plc				
Naxxar Radio Link	GO plc	488	2,475	31/12/2024
Rabat (Malta) Exchange	GO plc	714	1,252	31/12/2024
Mosta Exchange	GO plc	1,678	5,160	31/12/2029
Victoria (Gozo) Offices	Government of Malta	291	1,070	31/01/2028
The Bastions, Floriana	Planning Authority FINCO	741 886	6,960	19/08/2026 18/03/2025
Held by Subsidiaries				
GO Head Office Marsa	GO plc	9,130	13,600	31/12/2024
Birkirkara New Exchange	GO plc	860	1,750	20/01/2029
Birkirkara Epic Technical Facility	Epic	994	2,970	31/12/2029
The Exchange, Marsa	Government Authorities Vacant	2,741 1,517	9,500	Various
Marsa New Exchange	GO plc	340	690	14/12/2027
Mediterranean Building, Ta' Xbiex *	Various	2,131	9,326	Various
Sliema New Exchange	GO plc	560	955	31/10/2025
St Paul's Bay New Exchange	GO plc	746	1,195	31/07/2026
HSBC Call Centre, Swatar	HSBC Global Services (UK) Government of Malta	5,510 1,045	10,623	31/10/2024 28/02/2027
Zejtun Offices and Data Centre	GO plc	10,040	20,610	20/12/2032
TOTALS		**40,412**	**88,136**	

** including MPC's head office (classified as PPE)*

5. RECENT AND UPCOMING DEVELOPMENTS

During the three-year historic period covered in this Analysis, the Group executed the property transactions listed below:

Transaction	Year	Property	Location	Consideration
Disposal	2021	St George's Exchange	St. Julian's	€14.00 million
Acquisition	2022	Mediterranean Building	Ta' Xbiex	€8.58 million
Disposal	2022	Birkirkara Old Exchange	Birkirkara	€8.00 million

On the development front, the Group completed the contruction of its largest property in its portfolio – the Zejtun Offices & Data Centre – in 2022. This property was completed and handed over to the tenant (GO p.l.c.) in late 2022.

During 2022, the Company began a major renovation of its Marsa Spencer Hill property, which has since been renamed as 'The Exchange'. The first phase of this renovation is now complete, and MPC welcomed the Building and Construction Authority (BCA) as its first tenant in 2023 to The Exchange, while a further agreement has been reached during the first few months of 2024 with the Older Persons Standards Authority to become the second tenant in the property.

Property renovations are key to the portfolio as the Group seeks to present an attractive proposition to its prospective tenants, but also to improve energy efficiency and manage its carbon footprint through more environmentally-friendly buildings.

The Company entered a number of new lease agreements over the last twelve months. These include:

- several new tenants at the Mediterranean Building in Ta' Xbiex. Certain floors of this property reverted back to the Group's possession in October 2023 (following the earlier failure of the previous tenant, Genesis Global Limited);
- the Building and Construction Authority and the Older Persons Standards Authority moved into The Exchange, Marsa, as mentioned above; and
- a government agency started occupying part of the Swatar property, ahead of the planned departure of HSBC Global Services later in 2024.

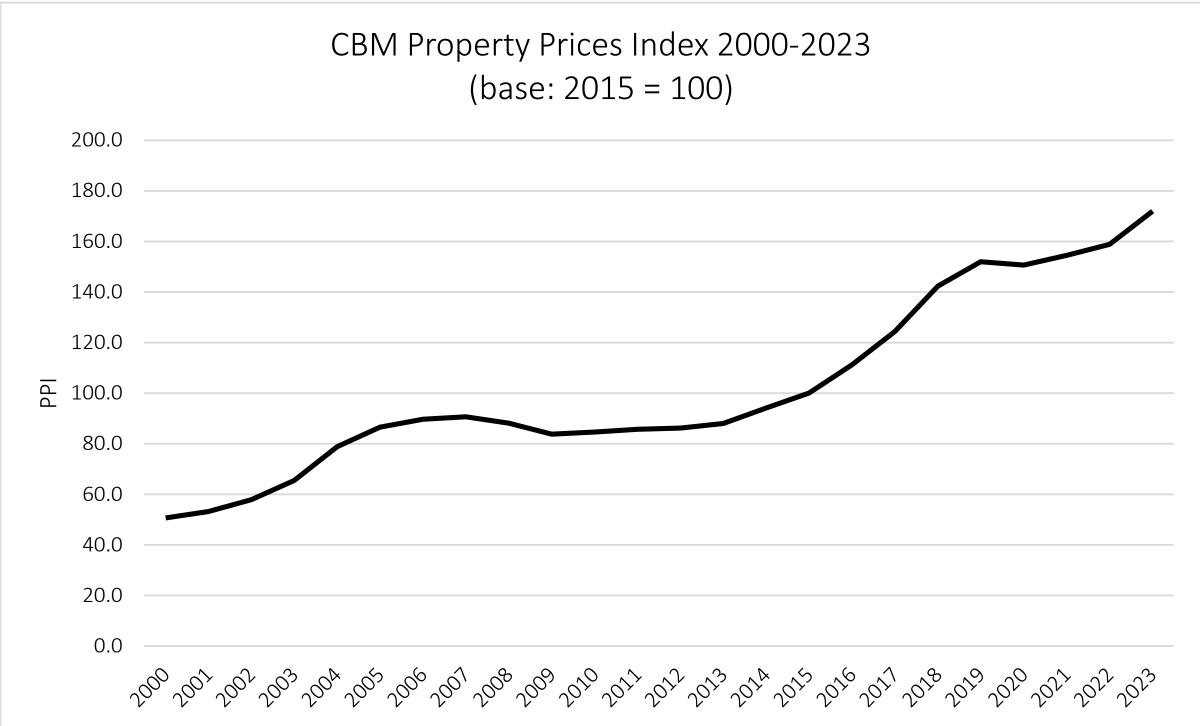
In addition to the Swatar property, the company has three more properties where leases are up for renewal during 2024.

6. Market Overview

The construction and real estate industries have traditionally been key drivers of growth for the local economy. Moreover, the positive correlation between the performances of the local economy and the construction and real estate industry has been particularly evident over the years. These have been mainly fuelled by favourable local and external macroeconomic dynamics as well as various initiatives (including fiscal incentives) by the Government of Malta aimed at boosting the overall level of public and private investment, regenerate business/retail and consumer confidence, and increase the participation and relocation of numerous foreigners and foreign companies opting to reside and do business in Malta.

The Residential Property Market in Malta

Following the disruption in the momentum that was building in the local economy caused by COVID-19, data indicates that the construction and real estate industry has since reembarked on a growth trajectory.



The Property Price Index published by the Central Bank of Malta, which is based on published prices, indicate a general upward trend in the index, with a small dip noticed during 2020, only to increase again as from 2021. The increase in 2023 was significant, when compared to the shifts in previous years, at 8.3% to 172 points. Permits issued in 2023 were 37.4% higher than those issued in 2022, despite the drop in the last quarter of the year of 10.1%. Furthermore, the number of promise of sale agreements entered into during 2023 was lower than the level in 2022, at 12,180 (2022 – 14,331), although the value of the final deeds of sale was of €2.5 billion, which is an increase of 8% over 2022, suggesting a higher value per final deed of sale. This is aligned to the increase in the PPI in 2023.

The Commercial Property Market in Malta

The above gives an overview of the trends in the property market in Malta. Unfortunately, data is very limited particularly in relation to commercial real estate and as such no further detailed analysis could be carried out. Nevertheless, in a seminar held earlier this year, a panel of local experts in commercial property expressed concern on how the supply of office space in Malta is showing signs of outpacing demand. In addition to the supply, there are other factors effecting the demand, according to the said panel, which include inflationary pressures, higher interest rates and changes in the way employees work, where the work from home / anywhere and hot-desking has not been completely reversed to pre-COVID state and have been effecting the demand of office space.

During the past few years, a number of sizeable developments have been undertaken, offering office and commercial spaces, particularly in the Central Business District area (such as the Quad Central which offers 38,000 sqm of office space; c. 14,600sqm of office space at Trident Park; and 10,000sqm at Avenue 77) and central Malta area (such as ST Business Centre in Gzira at c. 3,000sqm of office space; Pangea in St Julians offering approx. 1,700sqm of office space and c.500sqm of commercial space)[1] while a number of developments are currently underway, which will continue to increase the existing supply of office and commercial space available.

Sources:

Central Bank of Malta – Property Prices Index – January 2024 [link]

PwC Malta – Real Estate Survey 2024 [link]

NSO – Residential Property Transactions: December 2023 [link]

Report on the Malta Business Network seminar on commercial property [link]

[1] *Information on the office space per development mentioned has been obtained from the respective websites, all of which were accessed on 30 April 2024: https://stprojectsmalta.com/commercial-projects/; https://www.pangeamalta.com/; https://www.thequad.com.mt/about/; https://avenue77.com.mt/; and https://tridentestatesplc.com/trident-park/.*

PART B FINANCIAL ANALYSIS

This section is split in three parts – section 7 focuses on the historic financial information of the Group for the financial years ended 31 December 2021, 2022 and 2023 and on the forecast financial information covering the year ending 31 December 2024. Section 8 includes variance analysis of the results obtained in the year ended 31 December 2023 and the respective forecast figures published in the FAS dated 12 May 2023, while section 9 includes a set of financial ratios based on the financial information presented in section 7.

FINANCIAL INFORMATION PRESENTED IN THE ANALYSIS

The historic financial information for the years ended 31 December 2021, 2022 and 2023 have been extracted from the Group's consolidated financial results for the said periods. The forecasts for FY2024 have been provided by management.

7 GROUP CONSOLIDATED HISTORIC FINANCIAL INFORMATION

7.1. THE INCOME STATEMENT

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€000s	*€000s*	*€000s*	*€000s*
Rental income	3,576	4,153	4,936	5,472
Other income	67	67	82	92
Total income	**3,642**	**4,220**	**5,018**	**5,564**
Direct costs	(126)	(135)	(210)	(322)
Gross profit	**3,516**	**4,085**	**4,808**	**5,242**
Net impairment gains/(losses) on financial assets	(19)	(10)	13	9
Administrative expenses	(1,419)	(1,336)	(1,381)	(1,640)
Operating profit	**2,078**	**2,739**	**3,440**	**3,611**
Finance income	6	48	226	160
Finance costs	(692)	(1,039)	(1,303)	(1,199)
FV movement arising on property	2,219	(98)	970	419
Profit before tax	**3,612**	**1,650**	**3,333**	**2,991**
Tax expense	(967)	(1,513)	(1,270)	(1,226)
Profit for the year	**2,645**	**138**	**2,063**	**1,765**

Operating profit	*2,078*	*2,739*	*3,440*	*3,611*
Depreciation & Amortisation	*12*	*12*	*14*	*21*
EBITDA	*2,090*	*2,751*	*3,454*	*3,632*

Review of FY2023

Rental income for FY2023 improved by just under 19% to €4.9 million, reflective of a full year's rent from the Group's largest asset, the Zejtun Complex & Data Centre, and the income from the new lease at The Exchange. As mentioned in the previous section, this building has undergone the first phase of its renovation and welcomed its first tenant – the BCA – during FY2023. Improvement of rental income was also the result, to a lesser extent, of annual inflationary increases in rental rates of agreements in force with existing tenants.

During FY2023, there was an increase in the the direct costs related to the repairs and maintenance of multi-tenanted properties as new tenants occupied the buildngs. Administrative costs were also marginally up, reflecting higher professional fees, employee benefit expenses, directors' fees and additional costs incurred by the Company in holding a physical annual general meeting during FY2023 (the first physical meeting since COVID-19).

Overall, the Company registered a significant improvement in its operating profit for the year, which increased by over 25% to €3.4 million. Finance costs were higher in FY2023, reflecting the increased cost of borrowings and the impact of a full year of interest on the outstanding bond.

FY2023 also featured an uplift in the fair value of the investment property of just under €1 million, primarily reflecting a positive fair value movement related to the Zejtun property which has been completed and handed over to the tenant, and the transfer of the Floriana offices from PPE (as previously they were owner-occupied) to investment property.

After accounting for the €1.3 million taxation charge, profit for the year was €2.1 million (FY2022: €0.1 million). Taxation in FY2023 came in lower than that of FY2022, since the latter included the sales tax of the Birkirkara Old Exchange over and above the tax on rental revenues.

Outlook for FY2024

FY2024 is expected to contribute additional revenue to the Group, reflecting a full year of income from current tenants at The Exchange and improved occupancy levels therein. Furthermore, Mediterranean Building at Ta' Xbiex has become fully occupied as from the end of the first quarter of 2024, which will boost the rental revenues for the Company in the said financial year.

Direct costs are expected to be higher reflective of the additional commissions to be paid in relation to the increase of new tenants, as well as the provision of ancillary services and facilties to be introduced at multi-tenanted buildings. Administrative expenses are also envisaged to be higher for FY2024, taking into account the impact of inflation on costs and employment-related costs.

The expected decline in finance costs for FY2024 results from a reduction in bank borrowings, as the Company effects principal repayments during the year. The anticipated fair value gain in investment properties is €0.4 million (FY2023: €1 million), and relates to increased occupancy and inflationary increases in rates. While other fair value gains / losses cannot be excluded at this point in time, these cannot be ascertained and as such, are not forecast in the FY2024 figures.

Although the Company forecasts a 5% increase in operating profits to €3.6 million, the profit before tax falls to around €3 million representing a 10% drop from the comparable figure in FY2023. FY2024 expects an increase in revenue, which will partly be offset by a lower increase in expenses, a decrease in finance costs and a lower incidence of favourable fair value movements on investment property. After accounting for an unchanged tax charge of €1.2 million, given that the increase in tax charge on rental income is offset by a lower deferred tax charge on property values, the Group is forecast to register in a lower profit at €1.8 million for FY2024 (FY2023: €2.1 million).

7.2. Statement of Cash Flows

	FY2021 (A) *€000s*	FY2022 (A) *€000s*	FY2023 (A) *€000s*	FY2024 (F) *€000s*
Net cash (used in) / generated from operating activities	(669)	1,626	1,623	4,525
Net cash generated from / (used in) investing activities	10,734	(7,526)	(6,107)	775
Free cash flows	**10,065**	**(5,900)**	**(4,484)**	**5,300**
Net cash (used in) / generated from financing activities	(2,262)	7,888	(6,146)	(6,528)
Net movement in cash & cash equivalents	**7,803**	**1,988**	**(10,630)**	**(1,228)**
Cash & cash equivalents at beginning of the year	4,065	11,868	13,856	3,226
Cash & cash equivalents at the end of the year	**11,868**	**13,856**	**3,226**	**1,998**
Deposits	271	4,163	6,019	2,030
Total cash & equivalents	**12,139**	**18,019**	**9,245**	**4,028**

Review of FY2023

Cashflows from operations were at €1.6 million in FY2023, reflecting the improved level of rental income generated during the year, adjusted for interest and tax. In FY2023, the Company's cash outflows in relation to investing activities included a total of €4.2 million additions to its investment properties portfolio, consisting primarily of the amounts spent for the refurbishment of The Exchange. Furthermore, the Company has increased the amount of fixed deposits by a further €1.9 million for treasury management purposes.

Loan repayments effected during FY2023 amounted to €4.8 million, with the balance from the cash used in financing activities of €1.3 million representing the dividends paid during the said financial year. The net cash used in financing activities amounted to €6.1 million in aggregate for FY2023 in contrast with the net cash generated in FY2022 which included the proceeds from the bond issue.

Net movements in cash and equivalents for FY2023 amounted to €10.6 million, which after accounting for the cash balances at the beginning of the financial year of €13.9 million, resulted in net cash position of €3.2 million (excluding fixed deposits of €6.0 million).

Outlook for FY2024

The improved revenue expected to be generated in FY2024 is reflected in the forecast cash inflow from operations of €4.5 million, up from €1.6 million in the previous year. The forecast improvement in operational cash flows are also due to the timing of receipts expected from tenants and payments made to suppliers on projects.

Investing activities are forecast to provide positive cashflow as a lower amount of capital expenditure is expected to be spent in FY2024, which will be netted off by a release of fixed deposits.

During FY2024, the Group is expecting to utilise cash from its operations and some of its fixed deposits to apply these towards accelerated bank borrowing repayments, in the region of €5 million, together with the dividend payment lead to a €6.5 million outflow from financing activities.

The closing cash position of the Group, taking into account also the bank deposits, which by the end of FY2024 are expected to amount to around €2.0 million, is anticipated to be €4.0 million.

7.3. STATEMENT OF FINANCIAL POSITION

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€000s	*€000s*	*€000s*	*€000s*
ASSETS				
Non-current Assets				
Intangible assets	-	2	2	2
Property, plant & equipment	895	887	909	1,114
Investment property	71,357	81,840	87,336	90,742
Trade & other receivables	201	14	25	14
Total Non-current Assets	72,453	82,744	88,272	91,872
Current Assets				
Trade & other receivables	1,250	1,193	1,369	708
Current tax assets	9	170	192	170
Deposits	271	4,163	6,019	2,030
Cash & equivalents	11,868	13,856	3,226	1,998
	13,398	19,381	10,806	4,906
Assets classified as HFS	6,962	-	-	-
Total Current Assets	20,360	19,381	10,806	4,906
Total Assets	92,812	102,125	99,078	96,778
EQUITY & LIABILITIES				
Capital & Reserves				
Share capital	32,419	32,419	32,419	32,419
Other reserves	251	252	254	254
Retained earnings	24,048	22,970	23,716	24,163
Total Equity	56,717	55,641	56,389	56,836
LIABILITIES				
Non-current Liabilities				
Bond Issue	-	24,479	24,520	24,575
Borrowings	21,277	10,599	5,662	1,046
Deferred tax liability	7,461	7,701	8,242	8,560
Trade & other payables	123	141	143	141
Total Non-current Liabilities	28,861	42,920	38,567	34,322
Current Liabilities				
Borrowings	5,469	799	907	313
Trade & other payables	1,639	2,499	2,852	4,740
Current tax liability	125	267	363	567
Total Current Liabilities	7,234	3,564	4,122	5,620
Total Liabilities	36,095	46,485	42,689	39,942
Total Equity & Liabilities	92,812	102,125	99,078	96,778

Review of FY2023

MPC's asset base continued to be primarily made up of investment properties, which comprises the Group's property portfolio. The part of the office building which is used by MPC as its own head office (until FY2022 this represented part of The Bastions property situated in Floriana whilst thereafter the Company began utilising part of the Mediterranean Building in Ta' Xbiex) is not included under investment property but classified as property, plant and equipment.

Current assets of the Group were primarily cash and cash equivalents and deposits, at €9.2 million. The balance of current assets of €1.6 million as at the end of FY2023 consisted of trade and receivables, 47% of which were in relation to indirect taxation receivable on The Exchange renovation project.

Total assets amounted to €99.1 million, a net decline of 3% over the previous year mainly in view of the repayment of loans and payment of dividend.

The Group's asset base was financed through a mix of equity and liabilities. The equity base of the Group stood at €56.4 million, with share capital making up €32.4 million thereof, and retained earnings amounting to €23.7 million.

The Group's liabilities are largely composed of borrowings, which at the end of FY2023 consisted of a mix between bank financing and a listed bond, as detailed further hereunder:

Borrowings Analysis	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€000s	*€000s*	*€000s*	*€000s*
Bank Borrowings				
Current	5,469	799	907	313
Non-Current	21,277	10,599	5,662	1,046
Bond Issue	-	24,479	24,520	24,575
Total Debt	**26,746**	**35,877**	**31,089**	**25,934**
Cash & Equivalents *(including deposits)*	12,139	18,019	9,245	4,028
Net Debt	**14,607**	**17,858**	**21,844**	**21,906**

The valuation of the investment properties of the Group over the years resulted in a deferred tax liability of €8.2 million – such tax liability will be incurred only once (and if) the property in relation to which such valuation refers to is sold.

Total trade and other payables represented a further €2.9 million, consisting of amounts payable in relation to the renovation works, other accruals and payables, deferred income and security deposits received from the Group's tenants.

Outlook for FY2024

The composition of the Group's asset base is not expected to be considerably different in FY2024, although it is expected to take cognisance of the works carried out at The Exchange, the Mediterranean Building and the Swatar building, all of which are expected to improve the value of the investment property portfolio accordingly, which at the end of the current year, is forecast to be in the region of

€90.7 million (from €87.3 million by the end of FY2023). The Group's level of deposits is expected to drop to €2 million, which as explained above, reflects the usage of the funds mainly towards bank borrowings repayments and capital expenditure.

Equity is expected to increase slightly at €56.9 million as the additional contribution to retained earnings from the profit for the year will be largely offset by the dividend payment with respect to FY2023.

8 VARIANCE ANALYSIS - FY2023

	FY2023 (A)	FY2023 (F)	Variance
	€000s	*€000s*	
Rental income	4,936	4,956	*0%*
Other income	82	63	*31%*
Total income	**5,018**	**5,019**	*0%*
Direct costs	(210)	(221)	*-5%*
Gross profit	**4,808**	**4,798**	*0%*
Net impairment gains on financial assets	13	-	*n/a*
Administrative expenses	(1,381)	(1,563)	*-12%*
Operating profit	**3,440**	**3,235**	*6%*
Finance income	226	133	*70%*
Finance costs	(1,303)	(1,337)	*-3%*
FV movement arising on property	970	765	*27%*
Profit before tax	**3,333**	**2,796**	*19%*
Tax expense	(1,270)	(1,510)	*-16%*
Profit for the year	**2,063**	**1,286**	*60%*

Operating profit	***3,440***	***3,235***	*6%*
Adjustment for Depreciation & Amortisation	*14*	*12*	*16%*
EBITDA	***3,454***	***3,247***	*6%*

In FY2023, the Group registered a profit for the year which is better than that anticipated in the FAS published in 2023. The improvement was a result of tighter costs controls that led to lower administrative fees expensed for the year, marginally lower finance costs, higher finance income earned, and a fair value gain that was better than that anticipated. In addition, tax expense was also lower for the year in view of lower deferred tax as a result of less capital expenditure incurred than that anticipated.

9 Ratio Analysis

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
EBITDA margin *(EBITDA / Total Income)*	57.4%	65.2%	68.8%	65.3%
Gross Profit margin *(Gross Profit / Total Income)*	96.5%	96.8%	95.8%	94.2%
Operating Profit (EBIT) margin *(Operating Profit (EBIT) / Total Income)*	57.1%	64.9%	68.6%	64.9%
Net Profit margin *(Net Profit / Total Income)*	72.6%	3.3%	41.1%	31.7%
Return on Equity *(Net Profit / Average Equity)*	4.7%	0.2%	3.7%	3.1%
Return on Capital Employed *(Net Profit / Average Capital Employed)*	5.2%	3.1%	5.4%	5.1%
Return on Assets *(Net Profit / Average Assets)*	2.8%	0.1%	2.1%	1.8%
Current Ratio *(Current Assets / Current Liabilities)*	2.8x	5.4x	2.6x	0.9x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	1.7x	5.1x	2.2x	0.7x
Interest Coverage ratio *(EBITDA / Net finance costs)*	3.0x	2.8x	3.2x	3.5x
Gearing Ratio *(Net debt / [Net Debt + Total Equity])*	20.5%	24.3%	27.9%	27.8%
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	0.3x	0.4x	0.4x	0.3x
Net Debt to EBIDTA *(Net Debt / EBIDTA)*	7.0x	6.5x	6.3x	6.0x

The Group's performance ratios for FY2023 remained significantly high, and generally improved over those achieved in the previous financial year. Although the Company's liquidity ratios tightened when compared to those in the previous year, these remained sufficiently healthy with the current ratio at 2.6 times and a cash ratio of 2.2 times (FY2022: 5.4 times and 5.1 times, respectively).

As the Group's EBITDA improved in FY2023, this led to a stronger interest coverage ratio, at 3.2 times, compared to 2.8 times in FY2022. Gearing was maintained at an acceptable level, at just under 28%, or 0.4 times when excluding the effect of cash, while the Group's net debt to EBITDA stood at 6.3 times, improving marginally from 6.5 times a year earlier in view of the improved EBITDA.

For FY2024, the ratios are expected to remain significantly aligned to those achieved in FY2023, with the exception of the cash and current ratios, which are expected to contract further as the Group utilises deposits and cash balances to strengthen its investment portfolio and accelerate the repayments of bank borrowings, the cost of which has increased in view of the sharp rise in interest rates.

Additional Ratios

The following additional ratios are being computed in relation to the listed shares of the Company:

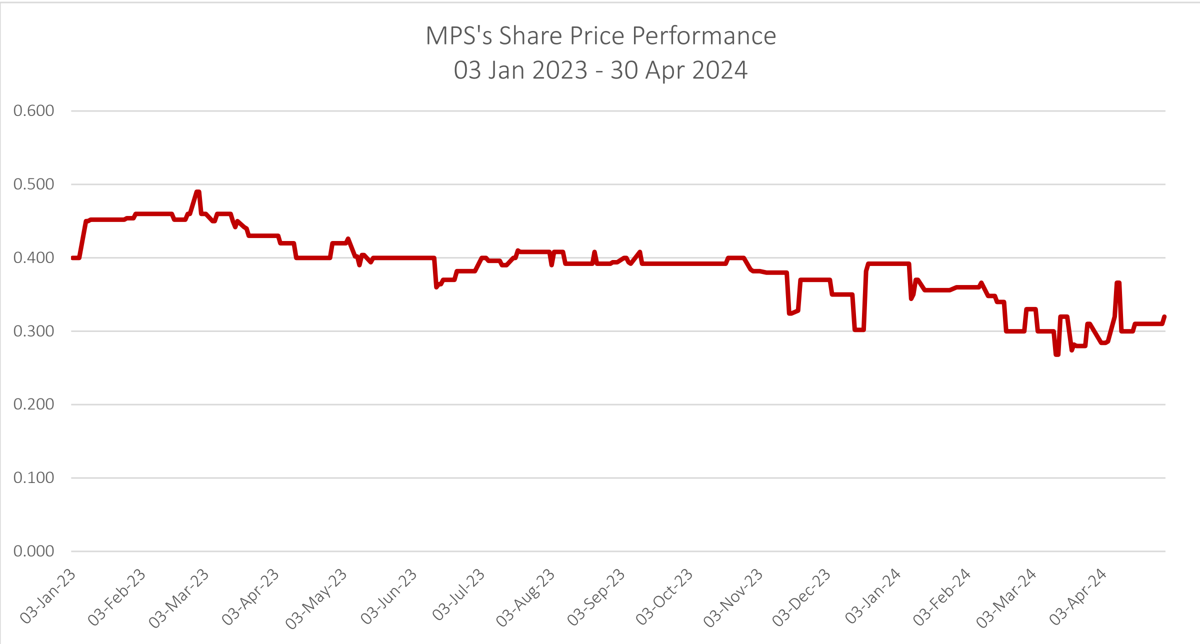
Other Ratios	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
Earnings per Share (EPS) *(Net profits / No of shares in issue)*	€0.0261	€0.0014	€0.0204	€0.0174
Dividend Cover *(EPS / Net dividend paid per share)*	2.18x	0.10x	1.57x	1.24x

The Group's performance in FY2023 led to a higher earnings per share when compared to FY2022, while the Group's dividend cover improved accordingly, reflecting the higher net profit for the year. The earnings per share for FY2024 is expected to be marginally lower, reflective of the lower net profit for the year.

PART C OTHER LISTED SECURITIES

MPC's shares are listed on the Official List of the Malta Stock Exchange. Details of its listed securities are included hereunder:

Number of shares in issue:	101,310,488 shares
ISIN:	MT0000990102
Highest price in 2023:	€0.490
Lowest price in 2023:	€0.302
2023 Closing Price:	€0.392
Current price:	€0.32 *(as at 30 April 2024)*



Enterprise Value (EV)[2]:	€54.26 million
Price to Earnings (P/E) Ratio[3]:	15.7x

[2] *Based on the market capitalisation as at 30 April 2024 and the figures extracted from the Statement of Financial Position as at 31 December 2023*

[3] *Based on the share price as at 30 April 2024 and the earnings per share for the financial year ended 31 December 2023.*

PART D COMPARATIVES

The table below compares MPC's financial metrics to those of other companies which have debt securities listed on the Malta Stock Exchange with a similar maturity as that of the Company.

It is to be noted, however, that there are significant differences in the business models of each of the listed companies being compared below and an exact match to the operations and business of the Issuer is not available. Thus, while the metrics below can be used as a gauge of MPC's financial strength against other issuers listed locally, they do not capture the quantitative factors such as the differences in business models of each issuer, their competitive position in the market, KPIs, etc.

Bond Details	Outstanding Amount *(€)*	Gearing Ratio*	Net Debt to EBIDTA *(times)*	Interest Cover** *(times)*	YTM^
4.55% St. Anthony Co. p.l.c. 2032 (Secured)	15,500,000	63.6%	13.9	1.17	4.32%
3.65% Int. Hotel Investments plc 2031	80,000,000	42.5%	9.6	1.84	4.77%
4.00% Central Business Centres plc 2027/2033 (Callable)	21,000,000	55.1%	21.0	1.10	4.66%
4.00% Malta Properties Company plc 2032 (Secured)	**25,000,000**	**27.9%**	**6.3**	**3.21**	**4.06%**

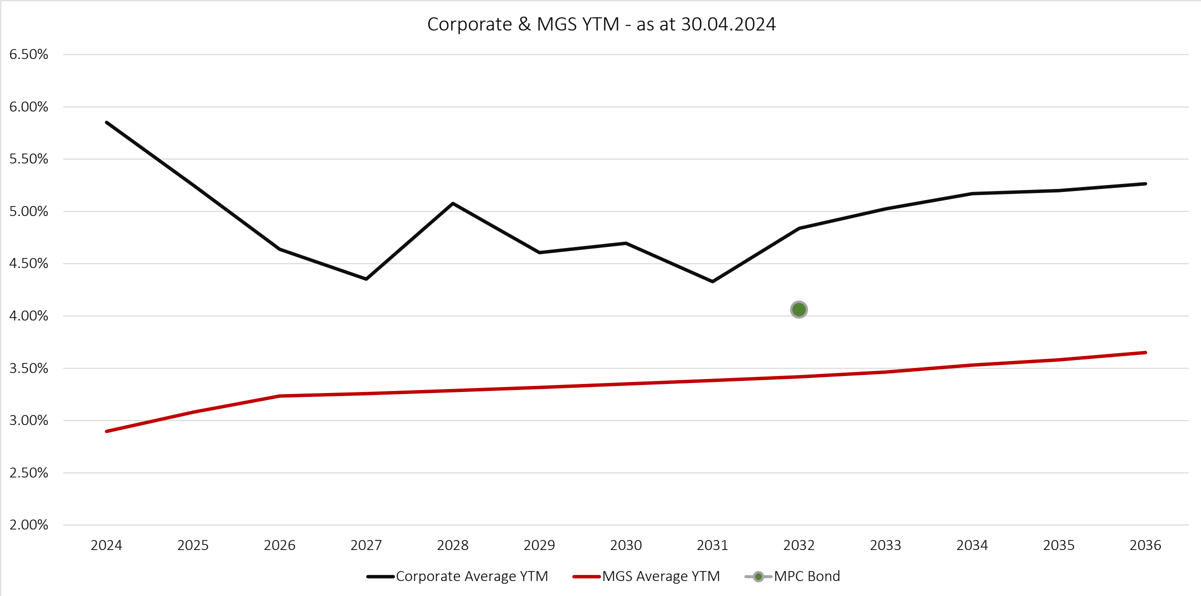
Source: Yield to Maturity from rizzofarrugia.com based on bond prices of 30 April 2024. Ratio workings and financial information quoted have been based on the respective issuers' published financial data (or their guarantors, where and as applicable) available as at 30 April 2024. Where negative, the respective ratios are marked as 'n/a' due to their incomparability.

^Yield to Maturity (YTM) based on bond prices as at 30 April 2024.

**Gearing Ratio: Net Debt / (Net Debt + Equity)*

***Interest Cover: EBITDA / Net Finance Cost*

The chart below shows the average yield to maturity of the MPC bond compared to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 30 April 2024.



The YTM for the bond as at 30 April 2024 was of 4.06%. As such, the Company's bonds are priced approximately 64 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2032 and at a discount of 78 basis points over the average yield to maturity of corporate bonds maturing in 2032 (data correct as at 30 April 2024).

PART E GLOSSARY

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
EBIT	Earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.

Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Profitability Ratios

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed 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.
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 earnings before interest and tax by capital employed.
Return on Assets	Return on assets (ROA) measures the rate of return on the assets of the company. This is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
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.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

Other Definitions

Net leasable area (NLA)	For single tenanted properties the NLA reprents the Gross Internal Area while for multi-tenanted properties the NLA represents the Net Internal Area which excludes the landlord/common areas.
Earnings per Share (EPS)	This is calculated by dividing the company's profit by the number of shares in issue.
Dividend Cover	This is calculated by dividing the EPS by the dividend per share.
Enterprise Value (EV)	EV measures the company's total value comprising its market capitalisation and net debt.
Price to Earnings (P/E)	The P/E ratio is a valuation multiple used to compare the company's share price with its EPS.