FINANCIAL ANALYSIS SUMMARY
Bortex Group Finance p.l.c.
29th April 2019

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

The Directors
Bortex Group Finance p.l.c.
32, Hughes Hallet Street,
Sliema, SLM 3142, Malta

29th April 2019

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Bortex Group Finance p.l.c. (the "**Issuer**") and Bortex Group Holdings Co Ltd (the "**Guarantor**"), where the latter is the parent company of the "**Group**". The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 2016, 2017 and 2018 have been extracted from the Issuer and Guarantor's audited statutory financial statements for the three years in question.

(b) The forecast data for the current financial year that is the year ending 31 October 2019, has been provided by management.

(c) Our commentary on the Issuer and Guarantor's results and financial position is based on the explanations set out by the Issuer in the Prospectus and Listing Authority Policies.

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

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

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Nick Calamatta
Director

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Part 1 - Information about the Group

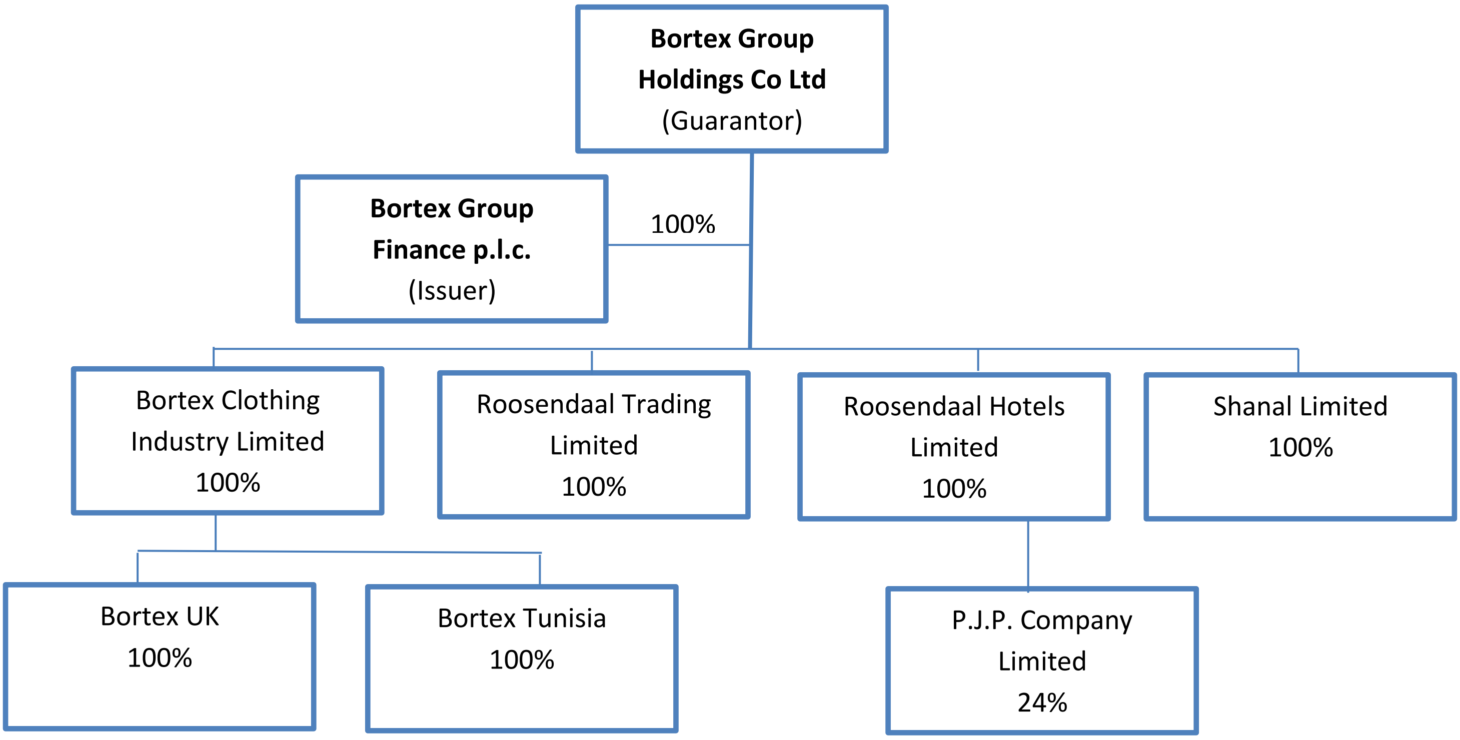
1.1 Issuer and Guarantor's key activities and structure

The Issuer, Bortex Group Finance plc, company registration number C 82346, is a limited liability company registered in Malta on 30th August 2017. The Issuer is, except for one share which is held by Mr Peter Borg and another share held by Ms Karen Bugeja, a wholly owned subsidiary of the Guarantor, which latter entity is the parent company of the Group. The Issuer, which was set up and established to act as a finance company, has as at the date hereof an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

The Guarantor, Bortex Group Holdings Company Limited, is a private limited liability company incorporated and registered in Malta with company registration number C 4863. It was formerly known as Borchild Limited until 26th September 2017. The Guarantor, which is the parent company of the Group, is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own private label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotels and residential properties in Malta. The Group is also active in the Maltese real estate market.

The authorised and issued share capital of the Guarantor is €46,587.46 divided into 20,000 ordinary shares having a nominal value of €2.329373 each. The Group is ultimately owned as to 50% by Mr Peter Borg and as to 50% by Ms Karen Bugeja.

The Group's structure is as follows:



1.2 Directors and key employees

Board of Directors - Issuer

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

Name	Designation
Mr. Peter Borg	Executive Director, rotating Chairperson
Ms. Karen Bugeja	Executive Director, rotating Chairperson
Ms. Christine Demicoli	Executive Director & Company Secretary
Mr. Mario C. Grech	Independent, Non-Executive Director
Mr. Emanuel Ellul	Independent, Non-Executive Director
Mr. Joseph Cachia	Independent, Non-Executive Director

The business address of all of the Directors is the registered office of the Issuer.

Board of Directors - Guarantor

As at the date of this Analysis, the Guarantor is constituted by the following persons:

Name	Designation
Mr. Peter Borg	Executive Director, rotating Chairperson
Ms. Karen Bugeja	Executive Director, rotating Chairperson
Ms. Christine Demicoli	Executive Director & Company Secretary
Ms. Alexandra Borg	Executive Director
Mr. Sam Borg	Executive Director
Mr. David Debono	Executive Director

The business address of all of the Directors is the registered office of the Issuer. Mr. David Debono resigned from his role as non-executive director of the Issuer on 27 June 2018, which role was replaced by Mr. Mario C. Grech. The former is now acting as an executive director of the Guarantor.

The executive directors of the Issuer and the Guarantor, on the strength of their respective knowledge and experience in the applicable business interests of the Group to which they contribute directly, occupy the senior management and key executive positions across the Group. As of 31 October 2018, the average number of persons employed with the Group amounted to 614 employees.

1.3 Major assets owned by the Group

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company.

The Group's operations are, and have been for a number of years, divided into two principal segments, garment manufacturing and retailing on the one hand, and property development and hotel operations on the other. Although the core business of the Group knows its origins in the garment manufacturing sector and the eventual retailing of those garments, it has also established itself in the hospitality sector, and more recently has moved into the boutique hotel sector, through the refurbishment of a historical property in Valletta, which welcomed its first clients last May 2018.

Bortex Clothing Industry Company Ltd, a direct subsidiary of the Guarantor based in Malta, and its two wholly owned subsidiaries Bortex UK and Bortex Tunisia, carry out the design and manufacture of a vast range of formal tailoring. Roosendaal Trading Limited, also a direct subsidiary of the Guarantor, is then involved in the sale and distribution of formal tailoring, outerwear, casual clothing, footwear and accessories through the operation of a number of retail outlets. The business forming part of the Group's hospitality segment is carried out by Roosendaal Hotels Limited, another direct subsidiary of the Guarantor, which owns and manages the operations of Hotel 1926 (formerly Plevna Hotel) situated in Sliema, Malta. Shanal Limited was retained as a Group entity to serve as the property company of the Group.

- **Garment manufacture and retail**

Bortex is among Malta's longest established names in formal men's tailoring. Bortex Clothing Industry Company Ltd was set up over fifty years ago by Maltese entrepreneur Sunny Borg in October of 1964, to produce jeans and similar items of clothing. The venture went from strength to strength, until in 1971 it entered into partnership with the renowned men's fashion manufacturer, Van Gils of Holland, to produce high quality tailoring. Van Gils shares were bought by the British retail group Next plc in 1987 enabling Bortex to spread its product profile into children's and ladies' wear.

In 1991, the Next plc shares in Bortex Clothing Industry Company Ltd were wholly bought up by the Borg family – resulting in the company becoming 100% owned by Sunny Borg and his family.

Over the years, the Group has diversified into other product areas to include the retail of a whole men's wear proposition including shirts, accessories and footwear as well as providing its own brands.

Its own label, Gagliardi, was launched in 2010 and its principal markets apart from Malta include the UK, Ireland, Russia, Serbia and Scandinavia. The retailing of the Gagliardi line is achieved through a mixture of franchising arrangements, own-stores models as well as mixed concessions. In recent years, the Group has also launched its own e-commerce platform through which its Gagliardi line is sold online, the operations of which are based in Malta.

Manufacturing for private label clients still forms a substantial portion of the Group's garment manufacturing operations, with clients based chiefly in Sweden, Switzerland and the United

Kingdom. The Group's operations in this sector have been streamlined in order to cater for higher-end and higher-value products rather than mass-produced but lower-value items. Although competition in this sector remains high, the Group enjoys an enviable track record and can boast several long-standing relationships with established brands.

The Group now manufactures mainly overseas, retaining Malta as its headquarters. Design, marketing and other knowledge based activities are carried out in Malta. Shipments from Bortex factories in Tunisia transit in Malta on their way to some of Europe's better-end department stores, chain store groups and fashion houses.

The Group has recently introduced a new concept of 'Made-to-Measure', whereby clients can order tailor made suits according to their preferences. Although this is a new concept in Malta, management informed us that it is catching up and that a niche market does exists.

- **Property development and hospitality**

The Group has owned and managed a small, yet strategic, property portfolio for several decades. With the exception of a warehouse situated in Zebbug, Malta, as part of the garment operations, the properties are owned and operated by Roosendaal Hotels Limited and Roosendaal Trading Limited. As the name implies, the former is involved in the hotelier industry and currently owns and manages Hotel 1926 in Tigne', Sliema. During 2018, the hotel was closed for major overhaul that lead to its rebranding as Hotel 1926 from its former name Plevna Hotel. Construction works of all floors are now complete with the opening of the first 38-rooms (1st to 3rd floor) in November 2018. Finishing works are in progress and having an additional three floors opened to guests as at the date of this Analysis, with a total of 70 operational rooms. The remaining 102-rooms will be opened sequentially as their respective floors are complete, with the hotel planned to reach full capacity by July 2019. The hotel offers the highest standards of lean luxury by employing state-of-the-art guest management software and technologies. It is complemented with a beach lido concession on the Qui-si-Sana foreshore, which concession is for an indefinite term tied to the operation of the hotel. In-line with the Group's plans the 1926 beach club opened on 1 July 2018 and operated successfully during the summer months. The Group is also involved in the construction and the eventual sale of a block of newly-developed luxury apartments, named 'TEN', and consisting of eighteen apartments and two penthouses over seven floors. This project is currently in development, while simultaneously being marketed for sale.

The Group, through Roosendaal Hotels Limited, holds 24% of the issued share capital of P.J.P. Company Limited, with the remaining shareholding held by Ms Karen Bugeja (38%) and P.Borg & Son Holdings Limited (38%), a company in which Mr Peter Borg holds 50% of the issued share capital. In June 2016, P.J.P. Company Limited acquired a residential property situated in St. Paul's Street, Valletta, Malta which renovations works were completed during 2018, with the boutique hotel opening its doors in May 2018. The 8-room boutique hotel is situated in the heart of the city and includes a rooftop terrace.

- **Retail store management**

Roosendaal Trading Limited is the principal company within the Group responsible for the operation of the Group's retail outlets for its garment sector in Malta.

The range of stores managed by said company are chiefly multi-brand stores, in which the Group's Gagliardi brand is sold alongside other brands such as Gant, Lacoste and Ralph Lauren, with which the Group has secured distribution arrangements. Roosendaal Trading Limited also operates one monobrand store, stocking and selling the Gagliardi line exclusively – this store is situated within The Point complex in Sliema, Malta. Moreover, The Group has opened another monobrand store in March 2019 within The Point complex, exclusively retailing the Ralph Lauren brand.

The Group plans to extend its store network, with flagship stores earmarked for the immediate future both in Sliema and Valletta (as set out in sub-section 1.4 below).

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

OWNING COMPANY	NAME OF PROPERTY	LOCATION	DESCRIPTION	% OWNERSHIP
Roosendaal Hotels Limited	Hotel 1926	Sliema, Malta	Hotel management & operation	100%
Roosendaal Hotels Limited	TEN apartments	Sliema, Malta	Investment property	100%
P.J.P. Company Limited	PJP Boutique Suites	Valletta, Malta	Hotel management & operation	24%
Roosendaal Trading Limited	Bortex Retail Outlet, Mosta	Mosta, Malta	Retail Outlet	100%
Roosendaal Trading Limited	Bortex Retail Outlet, Tower Road, Sliema	Sliema, Malta	Retail Outlet	100%
Roosendaal Trading Limited	Bortex Retail Outlet, Mriehel	Mriehel, Malta	Retail Outlet	100%
Bortex Clothing Industry Company Ltd	Bortex Warehouse, Zebbug	Zebbug, Malta	Warehouse	100%

1.4 Operational Developments

The most recent principal investments of the Group are described hereunder:

- **Update of Refurbishment and extension of the newly branded Hotel 1926 in Sliema, Malta**

The Group currently owns the site of the newly rebranded Hotel 1926, located in a quiet residential area off Qui-si-Sana seafront in Sliema, Malta. During the construction phase, an opportunity to re-design certain elements of the project arose and subsequently the newly refurbished hotel will have a total of 172-rooms compared to the 140-rooms as per original plans and published prospectus. The

Group also has a concession to operate a private beach situated 200 metres from the hotel on the Qui-si-Sana seafront. As per original plans, the Hotel has been re-branded to 'Hotel 1926' with an upgraded standard of a 4-star spa / suite hotel. The project involved the refurbishment of the internal spaces and the construction of three additional floors, together with a recessed penthouse floor, on top of the existing hotel. The first 38 rooms, together with the Spa, Margaux Restaurant, Sunny's Lounge and the Hotel Lobby, were finished in 2018, all of which were fully functional in November 2018. . The upper floors are being progressively finished, with the hotel having a total of 70-rooms in operation as the date of this Analysis. The remaining 102-rooms will be opened as their respective floors are complete, with the hotel planned to reach full capacity by July 2019.

. Once fully operational the hotel will have 52-rooms designate as suites, many of which boasting views of Manoel Island and Valletta, as well as a roof terrace. The private beach club has opened on 1 July 2018 as planned and operated successfully during the summer months. It is planned that this year the beach club will open for the season in May.

- **Update to Development of TEN Apartments in Sliema, Malta**

The Group is currently re-developing a plot of land it owns in Hughes Hallet Street, Sliema, Malta into a 9-storey building with commercial development at the ground floor area and residential units on the rest of the floors. The block of luxury apartments will be named 'TEN'. The current plans indicate that the development will include a reception area and commercial spaces at the ground floor level, 18 residential apartments and 2 penthouses with an average area of $140m^2$ and $170m^2$, respectively, as well as 69 underground car parking spaces. Works on the project commenced in 2016 and have been intentionally slowed down in 2018 as a safety measure for the workers working on the adjacent hotel project. Works have resumed in January 2019 and are now back on track and planned completion remains within the planned timelines, that is October 2019. At the time of writing, the Group has secured the sale of 7 apartments and 14 car spaces by way of promise of sale, which amounts to €3.2 million.

- **Update to Palazzo Jean Parisot Suites in Valletta, Malta**

The Group, through Roosendaal Hotels Limited, holds 24% of the issued share capital of P.J.P. Company Limited, which in June 2016 acquired a residential property situated in St. Paul's Street, Valletta, Malta, and which renovations works were completed during 2018, with the boutique hotel opening its doors in May 2018. The 8-room boutique hotel is situated in the heart of the city and includes a rooftop terrace.

- **International retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas**

In-line with the Group's intentions, during 2018 it has opened a further 3 Gagliardi stores in Sweden and Serbia. The Group intends to continue with its aggressive expansion of its Gagliardi brand in overseas territories via owned as well as franchised retail outlets. This capital expenditure program is intended to be sustained up to year 2020, with at least 6 new stores in the pipeline (3 per annum), with an earmarked investment of €1.8 million annually. In 2019, The Group has plans to open new stores in Poland and Cyprus.

- **Bortex Plaza and Valletta Outlet Refurbishment**

The Group has successfully relocated its store at the Plaza Shopping Complex in Sliema to a more prominent location within the same complex. In addition to this, the Group has carried out a complete refurbishment of its store in Valletta.

- **New Ralph Lauren Store**

The Group has in March 2019 opened a new store within The Point Complex, stocking and selling exclusively the Ralph Lauren brand.

- **Development of a mixed-use complex in Mriehel, Malta**

During 2018, the Group has successfully completed the development of its Mriehel complex, which was constructed on a plot of land stretching over an area of approximately 438m^2 overlooking the Mriehel bypass that the Group had previously acquired. The mixed-use commercial complex comprises of 5 floors, with a retail outlet on the 1st and 2nd floor, and office space that is entirely leased to third parties on the 3rd to 5th levels as at the date of this Analysis. The complex also includes three levels of underground car parking. The retail store is being utilised by the Group as a discount store.

- **Redevelopment of the Group's existing retail outlet in Mosta, Malta**

The Group owns a 2-storey building in Constitution Street, Mosta, Malta which is currently being used as one of the Group's retail outlets and is built on a site area of 181m^2, which it intends to develop into a mixed-use commercial building. The plan is for the proposed development to have 4 commercial levels, a basement for storage and ancillary uses. Part of the ground floor and top level will be used as a catering outlet from which the Group expects to generate rental income. The remaining parts of the development will be used as a commercial outlet for the Group's retail purposes. The Group previously planned to commence the renovation works in January 2019, but has decided to postpone its plans for a later date until such time as the present projects are concluded.

Save for the above projects, the Group is not party to any other principal investments and the Group intends to continue to finance the projects above with the proceeds of the bond issue that was completed in December 2017, with the remaining capital expenditure being funded by bank finance and own funds.

1.4.1 Hotel 1926

Hotel 1926 is the newly rebranded 4-star hotel that replaced the previous 3-star Plevna Hotel, which was managed and operated by the Group. The refurbished hotel has opened its doors in November 2018 and is currently hosting 70-rooms, with the remaining 102-rooms to be opened sequentially by July 2019. The hotel consist of a luxury spa, restaurant and a private beach club, as well as a roof terrace that will open once all refurbishment works are complete. Hotel 1926 operates sustainably through smart design technology, including access control, energy management and SuitePad technology, therefore, eliminating the need for plastic and paper.

Operational Performance

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

Hotel 1926	2018A	2019F
Revenue (€'000)	n/a	4,016
Gross operating profit (€'000)	n/a	2,423
Gross operating profit margin (%)	n/a	60%
Occupancy level	n/a	79%
Average daily rate (ADR) (€)	n/a	116
Revenue per available room (Rev/PAR) (€)	n/a	91
Benchmark performance[1]		
Occupancy level (%)	n/a	83%
Average daily rate (ADR) (€)	n/a	77
Revenue per available room (Rev/PAR) (€)	n/a	64

Source: Management's forecasts

The performance of the hotel in 2018 was not captured as the Group's financial year end is October and the hotel commenced operation at the end of November 2018.

In 2019, the hotel is forecasted to generate rooms' revenue of €4.0 million. It is pertinent to note that this estimated revenue does not capture the full capacity of the hotel as part of the rooms are still being completed, as further described above. It is estimated that the hotel will generate a gross profit of €2.4 million, translating to a gross profit margin of 60%.

The occupancy level is lower than that of the benchmark, which is reasonable given that the hotel's occupancy will be hugely affected by the opening of additional rooms during 2019 and the challenge to match clients reservations with the completion of additional rooms as more rooms are opened sequentially, with the hotel planned to reach full capacity by July 2019. The higher ADR of the hotel when compared to the benchmark is substantiated by: (a) the benchmark takes the average rate of all 4-star hotels in Malta, whereas Hotel 1926 is situated in a prime location thus benefits from higher tariffs and (b) the Hotel is newly refurbished and offers higher standards when compared to other 4-star hotels, including smart design technology and sustainable tourism

[1] MHRA Hotel Survey by Deloitte – Key Highlights: Q4 2018 & YTD

Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 30th August 2017 and, accordingly, has a trading record for a 14-month period of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to Group companies. For the purpose of this document, the focus is on a review of the performance of the Guarantor, which constitutes the entire group of companies. The Group's historical financial information for the three financial years ended 30th October 2016, 2017 and 2018, as audited by PricewaterhouseCoopers, is set out in the audited consolidated financial statements of the Group. Forecasts are based on management projections.

2.1 Issuer's Income Statement

Income Statement for the years ended October	30/08/2017 - 31/10/2018 A	2019F
	€000s	**€000s**
Finance income	515	657
Finance cost	(459)	(500)
Net finance costs	**56**	**157**
Administrative expenses	(36)	(53)
Profit before tax	**20**	**104**
Taxation	-	(36)
Profit after tax	**20**	**68**

Ratio Analysis	2018A	2019F
Gross Profit Margin (Net finance costs / Finance income)	10.9%	23.9%
Net Margin (Profit for the year / Finance Income)	3.9%	10.4%

Bortex Finance p.l.c incurred a profit of €20,000 for FY2018, which represents the spread of the interest received from loans granted to Group companies over the interest paid on the bond issue. In addition to this spread, finance income includes a facility fee that is intended to cover director's fees, listing fees and other administrative expenses. The Issuer has limited trading activity given that it was solely set up to act as a finance vehicle.

2.2 Issuer's Financial Position

Statement of Financial Position	Oct-2018A	Oct-2019F
	€000s	€000s
Assets		
Non-current assets		
Loans and receivables	12,497	12,497
Current assets		
Receivables	515	657
Cash and cash equivalents	218	202
	733	**859**
Total assets	**13,230**	**13,356**
Equity and liabilities		
Capital and reserves		
Share capital	250	250
Retained earnings	20	88
Total equity	**270**	**338**
Non-current liabilities		
Amortised bond issue	12,518	12,539
Current liabilities		
Payables	442	479
Total liabilities	**12,960**	**13,018**
Total equity and liabilities	**13,230**	**13,356**

In FY2019, total assets are forecasted to be at €13.4 million comprising mainly of loans and receivables to fellow subsidiaries of €13.2 million carried until the maturity of these loans in-line with the eventual redemption of the bond issue in FY2027, and a €0.2 million positive cash balance. The level of assets is not expected to alter materially throughout the life of the bond. Liabilities include €12.5 million amortised bond issue, which is expected to increase marginally over the life of the bond as issue costs are amortised. Total equity includes issued and fully paid up share capital of €0.25 million and retained earnings, which are expected to alter in-line with the annual profit surplus over the life of the bond.

2.3 Issuer's Cash Flow

Cash Flows Statement	Oct-2018A	Oct-2019F
	€000s	€000s
Cash flows from operating activities		
Cash generated from operations	(32)	462
Interest paid	-	(478)
Taxation paid	-	-
Net cash flows used in / (generated from) operating activities	**(32)**	**(16)**
Cash flows from investing activities		
Advances to related parties	(12,497)	-
Net cash flows generated from/(used in) investing activities	**(12,497)**	**-**
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares	250	-
Proceeds from the issuance of bonds	12,750	-
Payments for bond issue costs	(253)	-
Net cash flows generated from / (used in) financing activities	**12,747**	**-**
Movement in cash and cash equivalents	**218**	**(16)**
Cash and cash equivalents at start of year	-	218
Cash and cash equivalents at end of year	**218**	**202**

Cash flows from operating activities for FY2018 include the net cash generated from operations, which represent the net finance margin between the Issuer's coupon expenses and the interest charged to its fellow subsidiaries, the facility fee and the taxation paid on the Issuer's profit. The net cash flows from investing and financing activities reflect the €12.75 million bond issue, net of €0.3 million issue costs and its subsequent distribution between the Group's subsidiaries. Furthermore, it includes a share capital injection of €0.25 million.

In FY2019, forecasted movement in cash and cash equivalents is limited with the only movement relating to the net finance margin of the Issuer in-line with FY2018.

2.4 Group's Income Statement

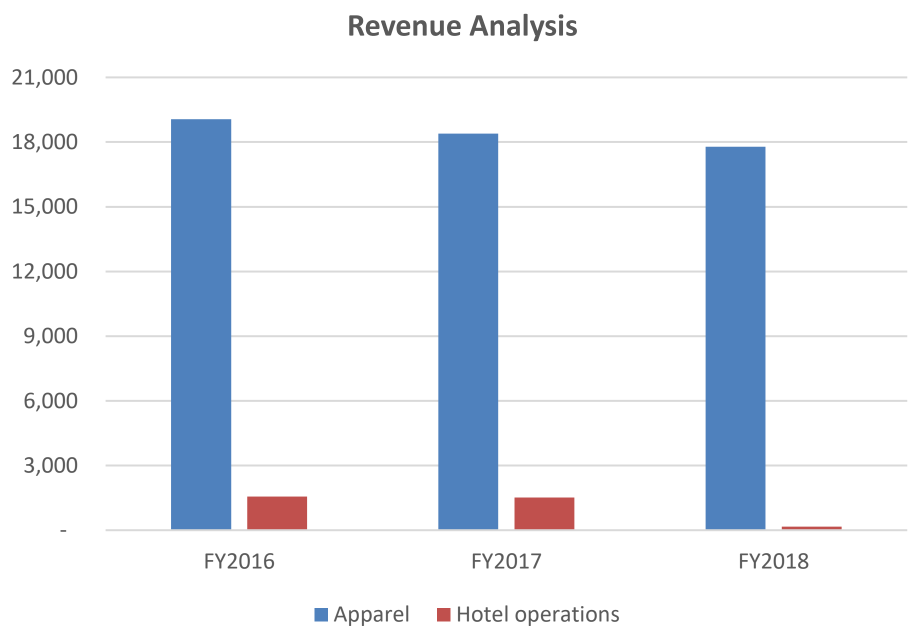
Income Statement	Oct-2016A	Oct-2017A	Oct-2018A	Oct-2019F
	€000s	€000s	€000s	€000s
Revenue	20,622	19,920	17,954	23,771
Cost of sales	(13,921)	(13,061)	(11,183)	(13,907)
Gross profit	**6,701**	**6,859**	**6,771**	**9,864**
Administrative expenses (excl. Depreciation and amortisation)	(1,714)	(1,936)	(1,404)	(1,872)
Selling expenses	(3,668)	(4,318)	(4,707)	(4,252)
Other operating expenses/(income)	(41)	(7)	43	383
EBITDA	**1,278**	**598**	**703**	**4,123**
Reported EBITDA	**1,278**	**598**	**703**	**4,123**
Normalisation adjustments	-	597	273	-
Normalised EBITDA	**1,278**	**1,195**	**976**	**4,123**
Profit from the sale of apartments	-	-	-	2,525
Depreciation and amortisation	(746)	(801)	(775)	(1,230)
EBIT	**532**	**(203)**	**(72)**	**5,418**
Investment and other income	46	32	90	-
Finance income	52	52	52	126
Finance costs	(281)	(259)	(232)	(694)
Share of profit from associate	-	-	-	12
Profit before tax	**349**	**(378)**	**(162)**	**4,862**
Income tax	(47)	1,490	(78)	(1,657)
Profit after tax	**302**	**1,112**	**(240)**	**3,205**

Ratio Analysis	2016A	2017A	2018A	2019F
Profitability				
Growth in Revenue (YoY Revenue Growth)	-5.1%	-3.4%	-9.9%	32.4%
EBITDA Margin (EBITDA / Revenue)	6.2%	3.0%	3.9%	17.3%
Operating (EBIT) Margin (EBIT / Revenue)	2.6%	-1.0%	-0.4%	22.8%
Net Margin (Profit for the year / Revenue)	1.5%	5.6%	-1.3%	13.5%
Return on Common Equity (Net Income / Total Equity)	1.2%	3.9%	-0.8%	10.9%
Return on Assets (Net Income / Total Assets)	0.7%	2.6%	-0.5%	6.2%
Interest Coverage (EBITDA / Cash interest paid)	4.5x	2.3x	4.3x[2]	6.1x

[2] During FY2018 part of the interest cost was capitalised and should the full finance costs have been expensed the interest coverage for FY2018 would have been of 1.3x.

1. **Revenue –** The noticeable decline in revenue over the past reporting periods is primarily due to a continued shift from the high volume manufacture of garments for private labels towards the manufacture and retailing of Gagliardi garments through the Group's retail outlets. This trend is expected to reverse following the roll-out of the internationalisation of the Gagliardi brand as well as revenue streams from projects outlined in section 1.4 of this Analysis. Nonetheless, it is important to point out that the decrease in revenue in FY2018 is mainly attributable to the loss of revenue from the hotel operations as during the year, the Plevna Hotel was undergoing a complete overhaul and rebranding exercise to its present name as Hotel 1926.

Segment Revenue	FY2016	FY2017	FY2018
	€000s	€000s	€000s
Apparel	19,056	18,397	17,784
Hotel operations	1,566	1,523	170
	20,622	19,920	17,954



Source: Audited Financial Statements

- **Revenue Analysis – Apparel Segment**

The apparel segment decreased by €0.6 million or 3.3% in FY2018 when compared to FY 2017, where the total revenue amounted to €18.4 million. This decrease is a result of the Group experiencing a decline in orders for the manufacturing of private label garments. Management informed us that the current world politics including Brexit and the Trade Wars are not facilitating their efforts in securing new customers for the sale of private label products. Despite this, management are optimistic that the international roll-out of their exclusive Gagliardi brand will mitigate the decrease in sale of private label garments and in-fact they are forecasting that the overall revenue from the apparel segment will increase by 10% or €1.8 million in FY 2019, when compared to the revenue generated in FY2018.

- **Revenue Analysis – Hospitality Segment**

Revenue from Hotel 1926 decreased to €0.1 million in FY2018 from €1.5 million in FY2017. This is as a result of the hotel ceasing operations during 2018 to carry out the planned refurbishment works and to upgrade the hotel to a 4-star spa / suite hotel. Hotel 1926 was successfully upgraded in-line with the original plans and has opened its doors in November 2018. The hotel has at the date of this Analysis 70-rooms in operation and additional rooms will be added sequentially to the hotel's capacity as they are completed, with the hotel planned to eventually reach full capacity, that is 172-rooms, by July 2019. As further explained in section 1.4.1 of this Analysis the hotel is expected to generate a revenue of €4.0 million in 2019. Revenue will further increase in 2020, as the revenue will capture the full year performance of the hotel operating at full capacity.

2. **EBITDA -** In 2018, earnings before depreciation, interest and taxation has experienced a marginal increase of €0.1 million, where it stood at €0.6 million in 2017. It is pertinent to point out that the EBITDA of the year under review includes a one-off loss incurred as a result of the disposal of assets upon closure of the former Hotel Plevna amounting to €0.3 million and that the EBITDA of last year included a onetime write-off of a trade receivable amounting to €0.6 million which resulted from the collapse of the British retail group Jaeger, which had been long-standing trading partners. Thus, when looking at the normalised EBITDA generated in 2018 the Group has experienced a decline of €0.2 million, where in 2017 it stood at €1.2 million.

3. **Net Profit/ (Loss) -** The Group reported a loss before tax of €0.2 million in 2018 (2017: loss of €0.4 million). In 2017, The Group received a cash conversion of unutilised investment tax credits which amounted to €1.5 million, as a result ended up with €1.1 million of profit after tax. In 2018, the Group incurred a trivial amount of tax, which resulted in the loss after tax to remain at €0.2 million.

- **Group's Performance Outlook**

Manufacturing and Retail - During the coming year, the Gagliardi brand will see the opening of a further three international stores. A concerted drive to improve Gagliardi retail margins is also under way. Within the manufacturing division, a process re-engineering exercise is also being undertaken, covering both the knowledge-based activities carried out in Malta, as well as the Group's manufacturing plant in Tunisia, with a view to improving efficiencies as well as reducing costs. Efforts are being made to replace the business lost in the garment manufacture for private label.

The Group is currently undertaking a significant number of projects and as such management has decided to postpone their plans in redeveloping their existing retail store in Mosta into a commercial development consisting of 4 commercial levels, a basement for storage and ancillary uses.

Hospitality and Real Estate - During the year ending 2019, the Group will see the full completion of the newly refurbished Hotel 1926, which is planned to be operating at full capacity in July 2019. The larger and newly refurbished hotel will significantly improve the Group's financial performance.

2.4.1 Variance Analysis

Income Statement	Oct-2018F	Oct-2018A	Variance
	€000s	€000s	€000s
Revenue	19,417	17,954	(1,463)
Cost of sales	(12,354)	(11,183)	1,171
Gross profit	**7,063**	**6,771**	**(292)**
Administrative expenses (excl. Depreciation and amortisation)	(1,918)	(1,404)	514
Selling expenses	(3,955)	(4,707)	(752)
Other operating expenses/(income)	150	43	(107)
EBITDA	**1,340**	**703**	**(637)**
Profit from the sale of apartments	-	-	-
Depreciation and amortisation	(1,112)	(775)	337
EBIT	**228**	**(72)**	**(300)**
Investment and other income	1	90	89
Finance income	165	52	(113)
Finance costs	(687)	(232)	455
Share of profit from associate	-	-	-
Loss before tax	**(293)**	**(162)**	**131**
Income tax	99	(78)	(177)
Loss after tax	**(194)**	**(240)**	**(46)**

- **Variance Analysis Commentary**

The major variance in expectations of performance is in terms of revenue, albeit the variance has been significantly mitigated by the cost savings exercise employed by the group, with the actual loss after tax being less than €0.1 million higher of the forecasted loss for FY2018. The loss in revenue is attributable to two factors: (a) the Group is experiencing decline in the apparel segment, with the loss in revenue from private label not yet matched by the increase in sales from the international roll-out of the Group's exclusive Gagliardi Brand and (b) the adverse timing difference from the projected rent receipts of the offices situated in the new complex in Mriehel, where not all space was fully rented out by October 2018. It is pertinent to note that all of the office space in this complex is rented out to third parties as at the date of this Analysis.

The Group experienced additional selling expenses than anticipated and this reflects the Group's efforts in promoting and increasing the revenue generated from the apparel segment. This increase in selling expense was partly netted off by the decrease in administrative expenses, which is the result of the cost saving exercise as mentioned above. The Group benefitted from the capitalisation of interest which was not included in the forecasted figures for 2018 and as such incurred lower finance costs than anticipated, resulting in the actual loss after tax to be almost in-line with the forecasted loss after tax.

2.5 Group's Balance Sheet

Statement of Financial Position	Oct-2016A	Oct-2017A	Oct-2018A	Oct-2019F
	€000s	€000s	€000s	€000s
Assets				
Total non-current assets	**19,489**	**20,983**	**28,614**	**31,109**
Current assets				
Inventories	15,647	15,281	17,692	16,777
Trade and other receivables	4,379	4,177	4,882	3,783
Current tax assets	16	20	29	29
Term placements	8	8	8	8
Cash and cash equivalents	898	1,519	1,375	197
	20,948	**21,005**	**23,986**	**20,794**
Total assets	**40,437**	**41,988**	**52,600**	**51,903**
Equity and liabilities				
Capital and reserves				
Share capital	47	47	47	47
Revaluation reserve	6,877	6,872	6,428	6,428
Other reserves	507	507	507	507
Retained earnings	20,626	21,688	20,898	24,103
Total equity	**28,057**	**29,114**	**27,880**	**31,085**
Non-current liabilities				
Deferred taxation	1,165	1,157	1,180	2,010
Borrowings	2,618	2,456	16,284	15,227
	3,783	**3,613**	**17,464**	**17,237**
Current liabilities				
Borrowings	5,183	6,104	3,379	698
Trade and other payables	3,374	3,147	3,877	2,678
Current tax liabilities	40	10	-	205
	8,597	**9,261**	**7,256**	**3,581**
Total liabilities	**12,380**	**12,874**	**24,720**	**20,818**
Total equity and liabilities	**40,437**	**41,988**	**52,600**	**51,903**

Ratio Analysis	2016A	2017A	2018A	2019F
Financial Strength				
Gearing 1 (Net Debt / Total Equity)	24.6%	24.2%	65.6%	50.6%
Gearing 2 (Total Liabilities / Total Assets)	30.6%	30.7%	47.0%	40.1%
Net Debt / EBITDA	5.4x	11.8x	26.0x	3.8x
Current Ratio (Current Assets / Current Liabilities)	2.4x	2.3x	3.3x	5.8x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.6x	0.6x	0.9x	1.1x
Interest Coverage (EBITDA / Cash interest paid)	4.5x	2.3x	4.3x	6.1x

The €12.75 million bond issue is reflected in the year under review. Total assets for financial year 2018 increased by €7.6 million on the previous year, as a result of the high capital expenditure on the newly refurbished Hotel 1926. Management is forecasting total assets to increase by around €2.5 million, which mainly reflects the costs of completion of the projects as described in annex 1.4 of this Analysis.

Total liabilities increased by €11.8 million, mainly as a result of the €12.75 million bond issue. Management is forecasting a decrease in liabilities of €3.9 million for financial year 2019, which reflects the re-payment of bank borrowings that exists as at 2018.

The book value of the Group's equity decreased by €1.2 million to €27.9 million in financial year 2017, which mainly reflects the dividends distribution of €0.8 million and the comprehensive loss for the year 2018 of €0.4 million. Total equity for financial year 2019 is expected to increase by €3.2 million, which reflects the forecasted profit for 2019.

The Group's leverage position remains in line with peers who operate in the manufacturing, retail, hospitality and real estate development industries.

2.6 Group's Cash flow Statement

Cash Flows Statement	Oct-2016A	Oct-2017A	Oct-2018A	Oct-2019F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Cash generate from operations	2,005	1,990	(1,949)	4,409
Cash outflows relating to property development project	-	(729)	(931)	(3,212)
Cash inflow from promise of sale agreements	-	204	278	4,863
Investment income	46	32	90	-
Finance income	52	52	52	127
Finance expense	(281)	(259)	(163)	(672)
Tax paid	79	(43)	(97)	(622)
Tax refund	-	500	500	500
Net cash flows generated from operating activities	**1,901**	**1,747**	**(2,220)**	**5,393**
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,269)	(2,014)	(9,107)	(2,950)
Proceeds from disposal of property, plant and equipment	66	-	9	-
Proceeds from disposal of investment property	1,162	-	930	-
Acquisition of associate	(1)	-	-	-
Repayments of advances to related parties	-	(1)	1	237
Purchase of available for sale financial assets	-	-	(33)	-
Proceeds from disposal of investment in joint venture	15	-	-	-
Loans granted to associate	(172)	-	-	-
Investments in term placements with banks	-	-	-	-
Net cash flows generated from/(used in) investing activities	**(1,199)**	**(2,015)**	**(8,200)**	**(2,713)**
Cash flows from financing activities				
Proceeds from the issuance of bonds	-	-	12,750	-
Payments from bond issue costs	-	-	(253)	-
Proceeds from bank borrowings	1,624	900	3,120	-
Repayments of bank borrowings	(713)	(209)	(2,849)	(510)
Repayments of loans from shareholders	(73)	(24)	(19)	-
Dividends paid	(611)	-	(784)	-
Net cash flows generated from / (used in) financing activities	**227**	**667**	**11,965**	**(510)**
Movement in cash and cash equivalents	929	399	1,545	2,170
Cash and cash equivalents at start of year	(4,854)	(4,024)	(3,494)	(1,973)
Effects of currency translation on cash and cash equivalents	(99)	131	(24)	-
Cash and cash equivalents at end of year	**(4,024)**	**(3,494)**	**(1,973)**	**197**

Ratio Analysis	2016A	2017A	2018A	2019F
Cash Flow				
Free Cash Flow (Net cash from operations - Capex)	€(368)	€(267)	€(11,327)	€2,443

In 2018, the Group reported a net movement in cash and cash equivalents of €1.5 million, which is the net result of the bond issue less the net cash flows used in investing activities amounting to €8.2 million and the net cash flows used in operating activities amounting to €2.2 million.

In forecasted year 2019 the net movement in cash is expected to be of €2.2 million, which reflects the positive net cash flows from operating activities amounting to €5.4 million less the net cash used in investing activities of €2.7 million that will be used in finalising the projects as described in section 1.4 of this Analysis.

Part 3 – Key market and competitor data

3.1 General Market Conditions[3]

In the third quarter of 2018, the pace of economic expansion in Malta accelerated, with real gross domestic product ("GDP") rising by 7.5% on a quarterly following a growth of 6.1% in the previous quarter. During the same period the rate of economic expansion in the euro area has moderated, with real GDP rising by 0.2% on a quarterly basis following two quarters of constant growth of 0.4%. Growth in Malta was supported by a strong increase in domestic demand, particularly private consumption. Net exports also contributed, albeit to a lesser extent. The slowdown in the euro area's GDP growth during the third quarter of 2018 reflected a negative contribution from external demand with net exports, after having a broadly neutral contribution in the previous quarter.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) accelerated to 2.5% in September from 2.0% in June. The pick-up was largely driven by a higher contribution from food prices, although non-energy industrial goods and energy inflation also edged up. Inflation based on the Retail Price Index (RPI), which only takes into account purchases by Maltese households, stood at 1.6% in September, up from 1.0% three months earlier.

In 2019, real GDP growth is projected to moderate further to 5.2%. As global demand moderates, economic growth is expected to continue relying on domestic demand, underpinned by high private and public consumption. Investment growth is expected to pick up on the back of large-scale infrastructure projects in the health, tourism and real estate sectors.

- **Retail Segment[4]**

In March 2018, the Economic Sentiment Indicator (ESI) for Malta fell to 102 from 110 in the preceding month, thus standing slightly above its long-term average of 100. The ESI stood 4 points lower than that recorded in the euro area. In March, lower sentiment was registered across all components with the exception of the retail sector. The largest declines were registered in the services sector and amongst consumers. In February 2018, retail trade, which is a short-term indicator of final domestic demand, rose at an annual rate of 4.2%, down from 5.5% in the preceding month.

Consumer confidence declined to -1 from 6 in the preceding month, the first negative reading since September 2013, though it still remained above its long-term average of -12. The recent decrease largely reflected a larger share of respondents expecting to make fewer major purchases over the next 12 months. However, consumers' assessment of their financial situation over the past year and their expectations for subsequent months also weakened. At the same time, expectations of the general economic situation remained broadly unchanged. Additional data show that fewer respondents expected unemployment to fall in the months ahead. A smaller share of consumers expected their savings to increase, while fewer respondents foresaw higher prices going forward.

[3] Central Bank of Malta – Quarterly Review No.1 2019 and European Commission's Winter 2019 Economic Forecast.
[4] Central Bank of Malta – Economic Update 4/2019

- **Hospitality Segment**[5]

The tourism industry in Malta has been progressively growing over the years, benefiting from a surge in tourism with records broken year-on-year. In 2018, tourists arrivals increased by 0.3 million from 2.3 million in 2017 to 2.6 million in 2018, an increase of 14.3%. This is comparable to previous year when in 2017 tourists arrivals increased by 15.7%, where in 2016 inbound tourists stood at 2.0 million.
Hotel accommodations benefited from the increasing number of tourists coming to Malta over the recent years, which translated into higher number of guests and occupancy.

In 2018, total nights spent by inbound tourists to Malta reached 18.6 million, an increase of 12.5% over 2017, where total nights stood at 16.5 million. This shows an improved growth when compared to 2017, where total nights increased by 10.3% or 1.5 million from 2016 (total nights 15.0 million). The increase in tourism activity in 2018 has not resulted in a proportional increase in the total expenditure per capita, where in 2018 it stood at €809 per capita, experiencing a decrease of 5.5% from 2017, where it stood at €856 per capita. This was mainly due to a decrease on other expenditure and a decrease on non-package accommodation expenditure, where compared to 2017 these decreased by 14.5% and 7.1% respectively. The average length of stay in Malta has slightly decreased from 2016, where it stood at 7.6 nights in 2016, decreased to 7.3 nights in 2017 and decreased further to 7.1 nights in 2018.

The top three localities for tourist accommodation in 2016 were St Julians (25%), St Paul's Bay/Bugibba/Qawra area (23%) and Sliema (17%), while the net occupancy rate increased from 64.0% to 64.5%.

This trend in the increase in the number of tourist arrivals over the last three years has been stable as can be demonstrated by the table below:

	2016	2017	2018	Change 2018/17
Inbound tourists	1,965,928	2,273,837	2,598,690	14.3%
Tourist guest nights	14,961,366	16,509,141	18,569,716	12.5%
Average length of stay	7.6	7.3	7.1	-2.7%
Tourist expenditure (€'000s)	1,708,952	1,946,894	2,101,765	8.0%
Tourist expenditure per capita (€)	869	856	809	-5.5%

[5] Inbound Tourism December 2018 (NSO)

3.2 Comparative Analysis

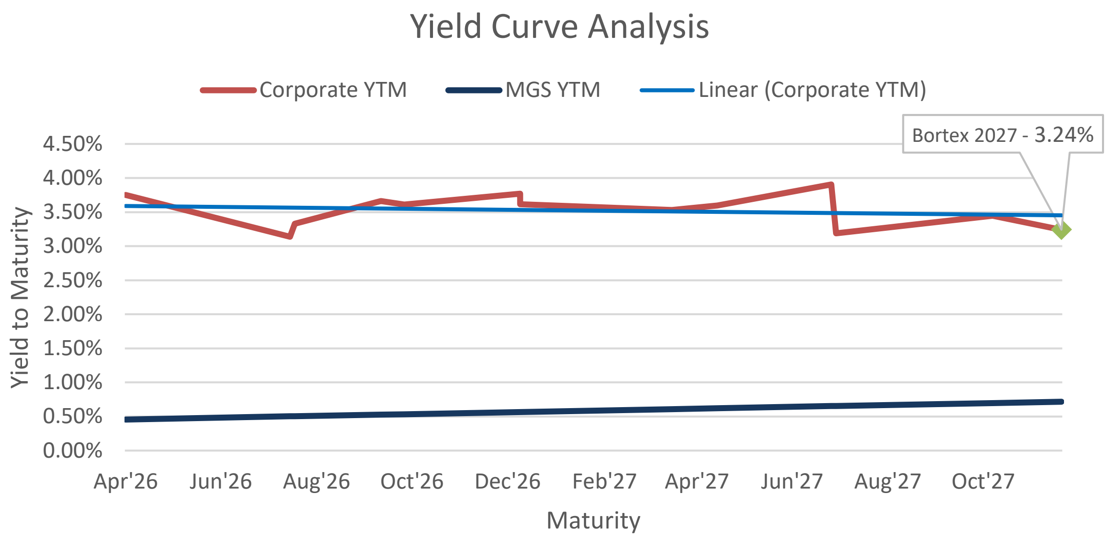
The purpose of the table below compares the proposed debt issuance of the group to other debt instruments with similar duration. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore also different.

Security	Nom Value (€000's)	Yield to Maturity* (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)	Last Price* (€)
4.25% Corinthia Finance plc Unsecured € 2026	40,000	3.75%	2.6	1,765.07	901.60	48.9%	67.9%	8.5	1.0	0.7%	2.0%	40.0%	103.00
4% MIDI plc Secured € 2026	50,000	3.14%	10.2	0.22	0.10	55.8%	47.0%	2.4	2.7	12.6%	22.2%	1031.7%	105.50
4% International Hotel Investments plc Secured € 2026	55,000	3.33%	2.7	1,602.32	884.63	44.8%	57.1%	7.9	1.5	1.9%	6.1%	53.5%	104.25
3.9% Plaza Centres plc Unsecured € 2026	8,500	3.66%	4.6	46.04	28.03	39.1%	41.8%	4.5	0.5	3.9%	33.5%	-0.2%	101.50
5% Dizz Finance plc Unsecured € 2026	8,000	3.61%	3.3	19.26	4.75	75.3%	195.0%	5.0	0.8	2.0%	0.6%	60.1%	108.90
4% International Hotel Investments plc Unsecured € 2026	40,000	3.77%	2.7	1,602.32	884.63	44.8%	57.1%	7.9	1.5	1.9%	6.1%	53.5%	101.50
4% International Hotel Investments plc Unsecured € 2026 FI	20,000	3.62%	2.7	1,602.32	884.63	44.8%	57.1%	7.9	1.5	1.9%	6.1%	53.5%	102.50
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.53%	7.7	38.0	0.8	97.9%	663.5%	4.8	0.6	101.2%	12.3%	261.0%	101.50
4.35% SD Finance plc Unsecured € 2027	65,000	3.60%	5.5	217.60	65.70	69.8%	92.1%	3.2	0.3	11.0%	14.5%	9.3%	105.15
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	3.91%	0.2	28.98	16.06	44.6%	72.5%	113.2	0.8	-0.7%	-33.3%	8.2%	103.40
3.75% Tumas Investments plc Unsecured € 2027	25,000	3.19%	7.5	198.82	89.24	55.1%	51.8%	2.0	1.6	13.0%	20.1%	31.4%	104.00
4% Stivala Group Finance plc Secured € 2027	45,000	3.45%	9.5	179.73	100.12	44.3%	55.8%	8.3	1.6	59.9%	483.9%	29.2%	104.00
3.75% Bortex Group Finance plc Unsecured € 2027	12,750	3.24%	4.3	52.60	27.88	47.0%	64.8%	25.7	3.3	-0.8%	-1.3%	-9.9%	103.75
Average of Comparables **		**3.55%**	**4.9**	**608.39**	**321.69**	**55.4%**	**121.6%**	**14.6**	**1.2**	**17.5%**	**47.8%**	**135.9%**	

Source: Latest Available Audited Financial Statements

* Last price as at 25/04/2019

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



As can be witnessed in the comparative analysis, the Group's leverage is below the average of its comparable issuers on the Malta Stock Exchange at 47.0% gearing (Liabilities/Assets), compared to an average of 55.4% or at a gearing (net debt / equity) of 64.8% compared to an average of 121.6% for the industry.

As at 25th April 2019, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 8-9 years was 294 basis points. The 3.75% Bortex 2027 bond is currently trading at a 252 basis point spread, therefore at 42 basis points below the average of the market.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by total assets.
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.

Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.
Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio Gearing Ratio Level 1 Gearing Ratio Level 2	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets. Is calculated by dividing Net Debt by Total Equity. Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
Occupancy Level	The occupancy level is expressed as a percentage and indicates the number of rooms occupied to the total number of available rooms in a given time period.
Average Daily Rate (ADR)	Average Daily Rate (ADR) is a performance metric used in the hotel industry and it represents the average rental income per paid occupied room in a given time period.
Revenue per Available Room (Rev/PAR)	Revenue per available room (RevPAR) is a performance metric used in the hotel industry. It is calculated by multiplying a hotel's average daily room rate (ADR) by its occupancy rate or by dividing a hotel's total room revenue by the total number of available rooms in the period being measured.