MCM
XXIII

1923
INVESTMENTS

Company Announcement

The following is a Company Announcement issued by 1923 Investments p.l.c. ("the Company") in terms of the Listing Rules.

QUOTE

The Board of Directors wishes to inform the general public that the 2021 Financial Analysis Summary of the Company has been approved.

A copy of the Financial Analysis Summary is attached herewith and is also available on the Company's website:

https://www.1923investments.com/financial-statements/

UNQUOTE

BY ORDER OF THE BOARD

Dr. Melanie Miceli Demajo
Company Secretary

23 June 2021

MCM
XXIII

1923
INVESTMENTS

FINANCIAL ANALYSIS SUMMARY
1923 Investments p.l.c.
23 June 2021

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

The Directors
Nineteen Twenty Three,
Valletta Road,
Marsa, MRS3000,
Malta

23 June 2021

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 1923 Investments p.l.c. (the "**Issuer**") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2018, 2019 and 2020 has been extracted from the audited financial statements of the Issuer for the three years in question.

(b) The forecast data for the financial year ending 2021 has been provided by management, unless otherwise specified.

(c) Our commentary on the Issuer's results and financial position is based on the explanations provided by management

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

(e) 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 or websites providing financial data.

The Analysis is meant to assist potential investors by summarising the more important financial data of 1923 Investments plc. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of any security of the Issuer and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,

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Nick Calamatta
Director

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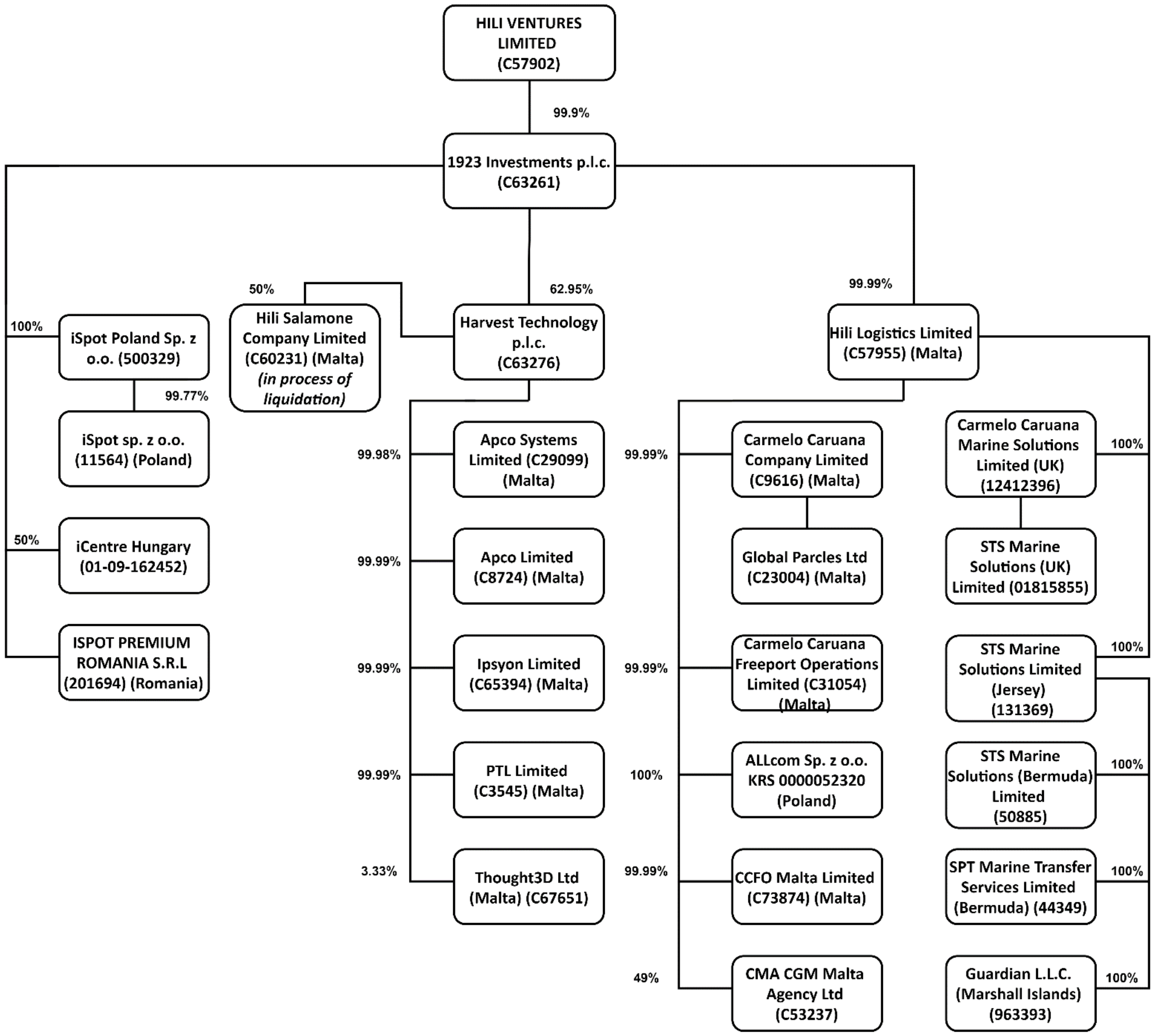
Part 1 - Information about 1923 Investments plc

1.1 Issuer and its Subsidiaries Key Activities and Structure



The organisation structure is as follows:

1923 Investments p.l.c. (the **"Issuer",** the **"Company"** or **"1923 Investments"**) was incorporated on 23 December 2013 as a holding company and forms part of Hili Ventures. The Issuer has an authorised share capital of €70,000,000 divided into 70,000,000 ordinary shares of €1 each. The issued share capital is of €52,135,000 divided into 52,135,000 ordinary shares 100% paid up. The Issuer is wholly owned by Hili Ventures Limited, except for 1 ordinary share which is held by APM Holdings Limited. Additionally, the operating and financial performance of the 1923 Investments is directly related to the financial and operating performance of the Issuer's subsidiary companies.

1923 Investments operates a retail division, more specifically through iSpot Poland ("iSpot") and its subsidiary company (SAD), and iCentre Hungary, which are engaged in the sale and distribution of Apple products and third party electronic products in Poland and Hungary as Apple Premium Resellers ("APR"). Moreover, the business operations of iSpot Premium Romania s.r.l. was sold in April 2019 and as a result, this company is currently non-trading.

Additionally, Harvest Technology p.l.c. (“**Harvest**”) and its subsidiary companies, are mainly involved in diverse technology businesses and are engaged in the sale, maintenance and servicing of information technology solutions, the provision of physical professional security systems, as well as the delivery of electronic payment solutions. More recently, through Harvest, the Issuer acquired a minority stake of 3.33% in Thought 3D Ltd and also has an indirect shareholding in Hili Salomone Company Limited, which is currently in the process of liquidation.

Hili Logistics Limited (“**Hili Logistics**”), and its subsidiary companies, operate in the transport and logistics sector in Malta and Poland. Through Hili Logistics, 1923 Investments is mainly involved in in air, road, sea logistics services, customs brokerage, warehousing, ship agency, ship-to-ship operations and project cargo. As further noted in section 1.4.2 of this Analysis, management discontinued the freight forwarding business in Q3 2020 to focus primarily on STS and warehousing in Malta. In addition, Global Parcels Limited, Carmelo Caruana Freeport Operations Limited and CCFO Malta Limited are currently in the process of being merged with Carmelo Caruana Company Limited.

In April 2020, 1923 Investments acquired the ship-to-ship transfer services business from Teekay Tankers Limited for $26m. For the purpose of the Analysis, this acquired business is referred to as “**STS Marine Solutions**”. More recently, the Board of Directors of 1923 Investments plc resolved to transfer STS Marine Solutions, mainly STS Marine Solutions Limited and Carmelo Caruana Marine Solutions Limited to Hili Logistics Limited. While the aforementioned re-structuring within Hili Logistics Limited has been reflected in the above presented organisation structure, further detail concerning this acquisition and other operational developments occurring during 2020 may be found in sub-section 1.4.2 of this Analysis.

1.2 Major Assets owned by 1923 Investments plc

1923 Investments’ major assets are comprised of the following:

• **Goodwill**

Goodwill relates to the number of acquisitions made by 1923 Investments plc over the past years, whereby the consideration paid on the acquisitions is higher than the fair market value of the purchased asset. As at December 2020, goodwill increased by *circa* €10.7m to €61.7m mainly on account of the STS Marine Solutions acquisition in April 2020. More specifically, goodwill as at December 2020 represents 63.6% of the total assets and is apportioned across the subsidiary companies as follows:

Goodwill (€'000s)	2020
iSpot Poland	21,368
APCO Systems Limited	3,861
APCO Limited	2,168
PTL Limited	1,465
Hili Logistics	32,829
Total	**61,691**

• **Intangible assets**

The consolidated intangible assets primarily include patents and trademarks, and internally developed software and acquired licences. The consolidated intangible assets as at December 2020 amounted to approximately €11.7m and is composed of:

i. The Apple Premium Reseller operations concerning the iSpot brand including related contracts. Given that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to iSpot, the useful life of this asset is considered to be indefinite. As at December 2020, this amounted to €10.1m. At iSpot, during 2020 there has been an investment in IT software which amounted to €0.3 million at year end.

ii. APCO Systems’ payment gateway. In view of possible technological obsolescence, the useful life of this asset is considered to be finite. In addition, Harvest’s total intangible assets as at December 2020, amounted to €1.3m.

• **Plant and equipment**

The consolidated plant and equipment are classified into improvements to premises, equipment, motor vehicles and furniture, fixtures and fittings used in its operations. As at December 2020, the consolidated plant and equipment amounted to €10.1m and represent *circa* 10.4% of 1923 Investments' total assets. Subsequent to the STS Marine Solutions acquisition, the consolidated plant and equipment registered an increase of approximately €4.4m.

• **Right of use assets**

In terms of leased assets, the consolidated right of use assets refer to contractual lease agreements, concerning buildings, motor vehicles and IT equipment under IFRS16, which was adopted in 2019. As per latest results, the consolidated right of use assets amounted to approximately €8.6m, which equates to approximately 8.8% of 1923 Investments' total assets.

A more detailed breakdown of the consolidated right of use assets and lease liabilities may be found in the tables demonstrated below.

Right of use assets (€'000s)	2020
Buildings	8,245
Motor vehicles	305
IT equipment	5
Total	**8,555**

Lease liabilities (€'000s)	Within 1 year	Within 2-5 years	After 5 years	Total
Lease payments	3,043	6,324	831	**10,198**
Finance charges	(740)	(572)	(46)	**(1,358)**
Net present value	**2,303**	**5,752**	**785**	**8,840**

1.3 Directors and Key Employees

Board of Directors - Issuer

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

Name	Office Designation
Mr Charles Borg	Chairman
Mr Carmelo *sive* Melo Hili	Non-Executive Director
Mr Dorian Desira	Non-Executive Director
Dr Ann Fenech	Independent Non-Executive Director
Mr Karl Fritz	Independent Non-Executive Director/ Chair Audit Committee

The senior management team of 1923 Investments plc consists of:

Name	Office designation
Mr Keith Busuttil	Chief Executive Officer
Mr Rudolph Mifsud Saydon	Chief Financial Officer
Ms Michèle Dandria	Director of Marketing

The business address of all the directors is the registered office of the Issuer. Dr Melanie Miceli Demajo is the company secretary of the Issuer.

The board is composed of Mr Charles Borg acting as chairman, and four non-executive directors; Mr Carmelo *sive* Melo Hili, Mr Dorian Desira, Dr Ann Fenech and Mr Karl Fritz. The board is responsible for the overall long-term direction of the Company, in particular in being actively involved in overseeing the systems of control and financial reporting and that the Company communicates effectively with the market.

The board meets regularly, with a minimum of four times annually, and is currently composed of five members, three of which are completely independent of the Issuer. As at the date of this Analysis, Mr Charles Borg, Dr Ann Fenech and Mr Karl Fritz are independent non-executive directors of the Issuer. Furthermore, Mr Geoffrey Camilleri resigned in the first quarter of the year, whereby Mr Dorian Desira was appointed in his seat on 4 January 2021.

The board meetings are attended by the Chief Executive Officer of 1923 Investments plc in order for the board to understand the ongoing developments and operations within the Company and its subsidiaries. The Chief Executive Officer is joined by the Chief Financial Officer in order for the board to have direct access of the financial operation of the respective companies.

As at the date of this Analysis, the Issuer has a total of 5 employees and, in aggregate, the Company and its subsidiaries currently have approximately 567 employees, with an average ratio of 78:22 between operational employees and administrational employees.

1.4 Operational Developments

1.4.1 iSpot

1.4.1.1 Business Overview

iSpot, is the largest Apple Premium Reseller in Poland and offers an extensive range of Apple products in the country. Furthermore, iSpot's stores offer an extensive range of third-party products and software services. In 2020, iSpot operated 25 stores under the iSpot brand (same as in 2019), together with a well-developed online proposition, which enabled iSpot to achieve robust financial results throughout the pandemic. In 2021, iSpot opened 2 more outlets in Poland to further expand its national footprint. At present, iSpot has a total of 27 outlets in Poland.

iSpot stocks the complete product range of Apple products for Mac, iPad, and iPhone, and a variety of software and accessories from Apple and other major technology brands. iSpot meets Apple's strict Premium Reseller requirements and has been recognised by Apple for providing top-level customer care in relation to solutions, service, and customer support. Through its technical staff, iSpot offers support and repair services to customers regardless of where they originally purchased the Apple product.

iSpot is also involved in turnkey solutions for business customer offering a broad list of services including design and construction of networks, data security, and the supply of hardware and software. Moreover, as a certified Apple Authorised Training Centre, iSpot has, since incorporation, participated in numerous projects relating to the implementation of Apple technology in higher education. This further strengthens iSpot's mission to become a unique place for educational customers, where one can find innovative products, educated sales expertise and personalised customer care.

1923 Investments also operates 4 stores in Hungary under the iCentre brand through a joint venture with a partner.

1.4.1.2 Operational Performance

iSpot Consolidated Statement of Comprehensive Income for the year ended 31 December	2018A	2019A	2020A	2021F
	€'000s	**€'000s**	**€'000s**	**€'000s**
Revenue	90,046	102,641	106,578	111,101
Net operating expenses	(87,928)	(97,352)	(99,992)	(104,321)
EBITDA	**2,118**	**5,289**	**6,586**	**6,780**
Depreciation and amortisation	(1,731)	(4,469)	(3,967)	(3,567)
EBIT	**387**	**820**	**2,619**	**3,213**
Other net income	-	-	-	-
Net finance costs	(622)	(318)	(800)	(1,360)
Profit before tax	**(235)**	**502**	**1,819**	**1,853**
Income tax	192	(298)	(559)	(406)
Profit after tax	**(43)**	**204**	**1,260**	**1,447**

EBITDA Derivation	2018A	2019A	2020A	2021F
	€'000s	€'000s	€'000s	€'000s
EBITDA has been calculated as follows:				
Operating profit	387	820	2,619	3,213
Adjustments:				
Depreciation and amortisation	1,731	4,469	3,967	3,567
EBITDA	**2,118**	**5,289**	**6,586**	**6,780**

Ratio Analysis	2018A	2019A	2020A	2021F
Profitability				
Growth in Revenue (YoY Revenue Growth)	6.6%	14.0%	3.8%	4.2%
EBITDA Margin (EBITDA / Revenue)	2.4%	5.2%	6.2%	6.1%
Operating (EBIT) Margin (EBIT / Revenue)	0.4%	0.8%	2.5%	2.9%
Net Margin (Profit for the year / Revenue)	n/a	0.2%	1.2%	1.3%

Notwithstanding the implications brought about by the COVID-19 pandemic, iSpot registered a strong year in 2020, both financially but also through improved customer engagement. Despite the fact that the COVID-19 pandemic resulted in approximately nine non-consecutive weeks of lockdown in total, iSpot exceeded previous expectations and reported a 3.8% increase in organic revenue over 2019. It is pertinent to note that organic growth was higher than 3.8%, however, the weaker Polish Zloty has resulted into a foreign exchange headwind of *circa* 6%.

Due to extended periods of store closures experienced throughout most of 2020, footfall traffic within such stores dropped by 37.1% on a comparative basis. Management noted that the initial drop in revenue brought about by the aforementioned store closures was successfully mitigated by increased e-commerce sales and also due to a significantly higher conversion rate and basket spend.

As the COVID-19 pandemic accelerated a structural shift in demand towards digital commerce, iSpot shifted their offering online to mitigate the impact of non-physical store movement. Inevitably, this resulted into a significant increase in e-commerce business during 2020, with management attributing this surge in online sales to the effective marketing strategies implemented by iSpot throughout the year. To this extent, traffic to the iSpot website increased by 42% when compared to 2019.

The conversion rate, which measures the percentage of actual purchases compared to customers entering the store, amounted to 12.3% in 2020, against 9.6% reported in 2019. As the demand for Apple products continued to strengthen throughout 2020, iSpot also experienced an increase in the average basket spend by 22.2% to €269 (2019: €220).

In view of the above-mentioned increase in revenue, iSpot reported an elevated level of operating expenditure during 2020, with this amounting to €100m and increasing by 3% to over 2019. However, notwithstanding the pandemic related challenges, iSpot registered an EBITDA improvement of 24.5% during 2020, which amounted to €6.5m. As a result, EBITDA margin was higher on a comparative basis at 6.2% (2019: 5.2%). Management attribute this improvement to an appropriate mix of Apple products, third-party products and software services sold throughout the year.

During 2020, iSpot's net finance costs significantly increased to €0.8m (2019: €0.3m), primarily due to the weakening of the Polish Zloty (PLN) versus the Euro during the year. More specifically, this increase in finance costs is mainly attributable to an FX difference of *circa* €0.6m and relates to the leases of retail outlets which are denominated in Euros whereas the functional currency of iSpot is in Polish Zloty.

Following the strong financial performance registered during 2020, iSpot reported a net profit of €1.1m (2019: €0.2m). Although the 2020 results were very close to the projections issued in 2019, the main variance relates to the increase in finance costs incurred by iSpot during 2020, which is clearly explained above.

Moving into 2021, iSpot management is projecting to generate revenue of €111.1m, implying an overall improvement of 4.2% over 2020. Management explained that throughout the first half of 2021, iSpot experienced a sustained increase in demand for its products, both through online sales as well as increased in-store movement. Inevitably, the remote working proposition, in addition to the introduction of home-schooling and the increased demand in entertainment streaming services, have resulted in a substantial increase in demand for Apple products. In view of this, and also given that the COVID-19 pandemic situation remains relatively fluid, iSpot management expects such positive trend and appetite for technology-related products and services to remain in place throughout the remaining months of 2021. As already noted, the projected increase in revenue for 2021 is also attributable to the opening of two outlets occurring in the first half of the current financial year.

1.4.2 Hili Logistics Limited

1.4.2.1 Latest Developments and Restructuring

In April 2020, the Board of Directors of 1923 Investments plc approved and concluded the purchase of a carve out transaction relating to ship-to-ship transfer services business from Teekay Tankers Limited. In view of this, STS Marine Solutions Limited, a company incorporated in Jersey was set up to purchase STS Marine Solutions (Bermuda) Limited, which operates the ship-to-ship business and SPT Marine Transfer Services Limited, which operates Terminal Management and Guardian LLC, which owns and operates a vessel. As part of this transaction, Carmelo Caruana Marine Solutions Limited was set up in the UK as a holding company to acquire STS Marine Solutions (UK) Limited, a company which primarily provides back-office services.

Acknowledging the synergies between Carmelo Caruana Company Limited and the newly acquired business, the Board of Directors of 1923 Investments plc resolved to transfer STS Marine Solutions Limited and Carmelo Caruana Marine Limited to Hili Logistics Limited. This transaction was concluded in Q4 2020.

Management noted that the intention of such restructuring is to position Carmelo Caruana Company Limited (CCCL) more appropriately for future growth in the maritime industry. Consequently, the Issuer transferred its operations in freight forwarding business to CMA CGM Malta Agency Limited (CMA) in the second half of 2020 and is now focusing primarily on ship-to-ship services, ship agency and warehousing activities.

During 2020, as part of this restructuring exercise, CCCL's focus was also concentrated towards the winding down of the courier and last mile services. Whilst the last mile and freight forwarding services ceased operations in July 2020 and August 2020 respectively, the courier services previously offered by Global Parcels Ltd was terminated in Q4 2020.

Hili Logistics management is now focusing on merging Carmelo Caruana Freeport Operations Limited, CCFO Malta Limited and Global Parcels Limited into Carmelo Caruana Company Limited, effective from 1st January 2020. This transaction is expected to be completed by the end of 2021.

1.4.2.2 Business Overview

Hili Logistics

Hili Logistics is a rapidly growing group of companies engaged in air, road, sea logistics services, customs brokerage, warehousing, ship agency, ship-to-ship operations and project cargo. A high-level overview concerning the main subsidiary companies operating within Hili Logistics is provided below:

- **Carmelo Caruana Company Ltd ("CCCL"):** As detailed above, the freight forwarding business operations within CCCL has been transferred to CMA during 2020. As a result, CCCL has now directed its resources to principally focus on agency and ship-to-ship operation services.

- **Carmelo Caruana Freeport Operations Limited ("CCFO"):** This company mainly specialised in the transhipment and cross-stuffing of merchandise, providing a full range of sea, land and air services. CFFO was also engaged in the storekeeping and warehousing of sea and air cargo at the Malta Freeport. While this company is currently non-trading, it is also in the process of being merged in CCCL.

- **Global Parcels Limited ("GPL")**: GPL was principally involved in the provision of international document and parcel delivery services, including air freight to European, American and the Asian-Pacific regions. As noted above, this courier business has been discontinued in the fourth quarter of 2020 as part of the logistics restructuring process. This company is non-operational and in the process of being merged in CCCL.

- **CCFO Malta Limited (formerly Peterson Malta Limited) ("CCFO Malta"):** The company used to serve oil and gas clients in the Mediterranean and in North Africa, with specialist supply base services up to September 2019. At present, CCFO Malta offers warehousing and logistics management, procurement and recruitment from CCFO Malta's permanent base in Malta. As in the case of CCFO and GPL, this company is in the case of being merged in CCCL.

- **Allcom Sp. z o.o. ("Allcom"):** Established in 1995, this company is a freight forwarding company and provider of warehousing, supporting customers in diverse sectors in Poland. From its offices at Gdynia and Gdansk ports on the south coast of the Baltic Sea, Warsaw and Bydgoszcz, Allcom's team shares a wealth of expertise and connections to a robust global network of customs agencies. Allcom's core business is door-to-door and port-to-door freight forwarding of containerised cargo, including food products, chemicals and construction materials. The company also provides customs clearance, project cargo and warehousing solutions.

- **CMA CGM Malta Agency Ltd ("CMA"):** Hili Logistics has a 49% interest in CMA, with the remaining 51% being held by CMA CGM Agencies Worldwide. CMA is a local liner agent for CMA CGM, the world's third largest shipping line. As noted above, during 2020, the freight forwarding business operations was transferred from CCCL to this company.

1923 Investments' strategy moving forward concerning Hili Logistics is to grow further its current revenue streams and, in particular, endeavours to add new geographic territories, enhance the current base of customers, and/or add new services.

Through Allcom, Hili Logistics is looking to expand its global reach by using current knowledge and range of services to grow a proven and successful business. Allcom management is committed to attract new clients by utilising existing logistical contacts and supply chains. In order to increase efficiency of the logistic process, the main targeted industries remain food, chemical products, machinery and equipment and industrial products.

Moreover, Allcom is also targeting to build relationships with relatively small partners and supports them when they grow. In line with the values of 1923 Investments which are aimed to further respect the environment, management reported that the main targets of focus are companies which trade in photovoltaic panels, electric bikes, UTO (personal mobility devices – kick scooters, electric skateboards, Segways, scooters), batteries and drones. Other sectors which are included in their growth strategy include toys and equipment for children, gaming accessories, home robots, 3D printers, board games, heat pumps, air-conditioning and specialised construction products. Allcom also envisages to continue servicing its current clients better. In view of this, the company intends to increase its market share by utilising the experience gained and the knowledge of specific needs of the clients.

STS Marine Solutions

As explained above, in April 2020, the Company acquired the global ship-to-ship (STS) support services operations from Teekay Tankers, excluding the North American operations. STS Marine Solutions is a world leading STS service provider with more than 30 years' experience in crude oil, refined petroleum, LPG and LNG transfers. On the local front, CCCL, which forms part of Hili Logistics, has also been engaged in similar operations for the last 20 years, and following the above restructuring, CCCL now operates as a partner of STS Marine Solutions through its base in Malta.

As a result, the teams in the UK and Malta are working together to develop a strong service offering to global oil majors seeking STS and agency services in Malta. This also brings along other opportunities to cross sell other services mainly for vessel owners such as supplies and provisions, crew changes, repairs and surveys. The sharing of market intelligence as well as resources naturally brings along opportunities for cost savings and leads to offer more competitive pricing in the market.

Apart from the core STS activities, STS Marine Solutions oversees operations across 24 bases whereby the company is also engaged in the provision of oil and gas support services and LNG operations, with this further expanding into LNG management, emergency support services and consultancy. The demand for the STS services is predominately driven by the volume of oil traded between oil majors and independent traders, and also by production where local port infrastructure is unable to accommodate large tankers.

Moving forward, the main strategy of STS Marine Solutions is to increase its long-term sustainable revenue stream by acquiring new contracts such as terminals and contracted STS projects. This will ultimately enable the company to expand its service offering geographically while simultaneously enabling the business to grow from its current position to one that will be able to make an ever-increasing contribution to 1923 Investments in general. Moreover, management has identified the LNG sector as a high growth area and thereby plans to commit resources and personnel to further specialise in this industry. During 2020, the management team has continued to manage an LNG terminal in Jordan. STS Marine Solutions will also consider bolt-on acquisitions to further drive its growth.

1.4.2.3 Operational Performance: STS Marine Solutions

Given that the restructuring within the Hili Logistics occurred in Q4 2020, the operational performance of STS Marine Solutions on a stand-alone basis from May to December 2020 is set out below. As from 2021, the performance of STS Marine Solutions will be reported within the Hili Logistics pillar. The historical financial performance of Hili Logistics Limited and the consolidated financial projections of both STS Marine Solutions and Hili Logistics are explained in detail in sub-section 1.4.2.4 of this Analysis.

STS Marine Solutions Consolidated Statement of Comprehensive Income For the year ended 31 December	**2020A**
	€'000s
Revenue	9,805
Net operating expenses	(8,374)
EBITDA	**1,431**
Depreciation and amortisation	(769)
EBIT	**662**
Other income	156
Impairment of goodwill	-
Net finance costs	(532)
Profit before tax	**286**
Income tax	(87)
Profit after tax	**199**

EBITDA Derivation	**2020A**
	€'000s
EBITDA has been calculated as follows:	
Operating profit	662
Adjustments:	
Depreciation and amortisation	769
EBITDA	**1,431**

Ratio Analysis	**2020A**
Profitability	
Growth in Revenue (YoY Revenue Growth)	n/a
EBITDA Margin (EBITDA / Revenue)	14.6%
Operating (EBIT) Margin (EBIT / Revenue)	6.8%
Net Margin (Profit for the year / Revenue)	2.0%

The STS business has been adversely impacted by the travel restriction measurers implemented worldwide throughout the pandemic which impacted the Oil STS industry. Management explained that the situation was further exacerbated by the sharp fall in the price of oil in the first half of 2020 caused by the imbalance between supply and real demand, where major countries filled their reserves at cheap prices for future use.

In view of this, STS Marine Solutions generated €9.8m in revenues for the eight-month period ending December 2021, representing a decline of 16.8% on previous projections. As a result, STS Marine Solutions incurred a lower level of net operating expenses, whereby EBITDA amounted to *circa* €0.7m. The financial performance of the company was also characterised by an elevated level of finance costs, with these amounting to €0.5m which is attributable to an inter-company loan as part of the acquisition.

On the other hand, during 2020, STS Marine Solutions management continued to work on securing important contracts in the LNGSTS sector with international gas producers. In this regard, STS Marine Solutions is also actively seeking to secure new terminal management contracts similar to the LNG Terminal in Jordan.

1.4.2.4 Operational Performance: Hili Logistics

Hili Logistics Consolidated Statement of Comprehensive Income For the year ended 31 December	2018A	2019A	2020A	2021F
	€'000s	**€'000s**	**€'000s**	**€'000s**
Revenue	16,408	16,208	14,134	33,992
Operations in Malta	*4,906*	*4,750*	*3,146*	*2,329*
Operations in Poland	*11,502*	*11,458*	*10,988*	*11,150*
Operations in UK	-	-	-	*20,513*
Net operating expenses	(15,891)	(15,472)	(12,930)	(29,935)
EBITDA before winding down costs	**517**	**736**	**1,204**	**4,057**
Costs relating to winding down of freight forwarding operations	-	-	(608)	-
EBITDA after winding down costs	**517**	**736**	**596**	**4,057**
Depreciation and amortisation	(184)	(278)	(181)	(1,432)
EBIT	**333**	**458**	**415**	**2,625**
Share of results in associates and other net income	-	307	422	519
Impairment of goodwill	-	(3,500)	-	-
Net finance costs	(177)	(196)	(159)	(1,019)
Profit before tax	**156**	**(2,931)**	**678**	**2,125**
Income tax	(77)	(180)	(46)	(746)
Profit after tax	**79**	**(3,111)**	**632**	**1,379**

EBITDA Derivation	2018A	2019A	2020A	2021F
	€'000s	**€'000s**	**€'000s**	**€'000s**
EBITDA has been calculated as follows:				
Operating profit	333	458	415	2,625
Adjustments:				
Depreciation and amortisation	184	278	181	1,432
Costs relating to winding down of freight forwarding operations	-	-	608	-
EBITDA	**517**	**736**	**1,204**	**4,057**

Ratio Analysis	2018A	2019A	2020A	2021F
Profitability				
Growth in Revenue (YoY Revenue Growth)	n/a	-1.2%	-12.8%	140.5%
EBITDA Margin (EBITDA / Revenue)	3.2%	4.5%	4.2%	11.9%
Operating (EBIT) Margin (EBIT / Revenue)	2.0%	2.8%	2.9%	7.7%
Net Margin (Profit for the year / Revenue)	0.5%	-19.2%	4.5%	4.1%

The logistics segment has also been impacted by the pandemic, with total revenues declining by *circa* €2.1m (or 12.8%) to €14.1m in 2020. Apart from the pandemic related challenges, this drop in revenue is also attributable to the winding down of the freight forward operations in Malta with effect from Q4-2020.

Management noted that the implications brought about by the pandemic have directly impacted the logistics industry in general. Inevitably, the restrictions imposed by countries on movement and flow of goods have resulted into consequent supply chain disruptions during the year. Similarly, the drop in demand and consumption of non-essential goods has also reduced manufacturing output thereby impacting volumes of cargo.

Nonetheless, management reported that CMA CGM experienced a better performance in 2020 and registered an increase in revenue of 15% to €6.6m. This improvement is mainly attributable to higher sea transport traffic during

2020, higher freight rates and also the contribution of the CCCL freight operations. Allcom saw an improvement in volumes despite the COVID-19 restrictions. The management team in Poland focused its sales effort on increasing services to clients in the food and pharmaceuticals sector which were seeing strong growth and also engaged in cross-selling high margin services such as the storage of goods at the company's managed warehouse in Bolszewo.

Apart from managing to increase volumes and mitigating the implications brought about by the pandemic, Allcom also implemented a cost efficiency exercise across all operating divisions, which ultimately has assisted the company to boost its profitability during the year.

In view of the above, Hili Logistics still managed to report a satisfactory financial performance during 2020, and exceeded previous expectations namely in terms of operating expenses and profitability. In view of the cost-cutting exercise at Allcom and the overall decline in revenue, Hili Logistics reported a total net operating expenses of €12.9m, implying an overall decline of 8% on a comparative basis and an overall drop of 9.2% when compared to previous expectations.

Moreover, after accounting for a one-off restructuring cost of €0.6m, mainly incurred in relation to the termination of the freight forwarding operations at CCCL, Hili Logistics reported an EBITDA of €0.6m during 2020, translating into an EBITDA margin of 4.2% (2019: 4.5%).

The financial projections illustrated above also captures the financial projections of both STS Marine Solutions and Hili Logistics.

More specifically, the restructuring at CCCL in 2020 has allowed the business to focus on Agency, STS and warehousing in Malta which is already seeing an improvement across all business lines. Management reported that positive trend has also continued in 2021 where the business is seeing an increase in the number of operations across the agency and local STS business while the warehouse is currently operating at over 90% utilisation.

As a result, the outlook for 2021 concerning STS Marine Solutions remains positive. Management expects this acquisition to be transformational for the marine service offering. Apart from boosting the company's revenue generation potential, the sharing of market intelligence as well as resources naturally (between the UK and the local teams), is also expected to bring along opportunities for cost savings and leads to offer more competitive pricing in the market. It is important to note that the 2021 projections presented above take into account a twelve-month period of STS Operations within Hili Logistics.

Additionally, the 2021 STS Marine Solutions financial projections take into account an increase in operations, in all bases in the second half of the year following the anticipated relaxation of the COVID-19 restrictions. It is also expected that once COVID-19 restrictions are lifted, the demand for oil will resume and STS operations will return to pre-pandemic levels.

Despite the recent sharp increase in the freight costs concerning the Allcom operation, the results of the first quarter of 2021 were encouraging. As stated above, these positive results are in line with the fact that the company is at present targeting industries which are currently on high demand namely relating to food, chemical products, machines and equipment and industrial products. Upon taking the above factors into consideration, Hili Logistics which now also includes the STS Marine Solutions operation, is anticipated to generate *circa* €34m in revenues during 2021. The projected figures also account for an increase in finance costs of €1m. This increase is mainly attributable to additional interest incurred during the year on intercompany loans. The interest on the intercompany loans is payable to 1923 Investments

Overall, profit after tax for 2021 is expected to amount to approximately €1.4m (2020 €0.6m).

1.4.3 Harvest Technology plc

1.4.3.1 Business Overview

The activities of Harvest Technology p.l.c. (“**Harvest**”) primarily consist of delivering business solutions and e-commerce systems to diverse clients. Harvest’s main operating companies include; PTL Limited (“**PTL**”), Apco Systems Limited (“**APCO Systems**”), and Apco Limited (“**APCO**”).

PTL

PTL is a multi-brand information technology (“IT”) solutions provider to both the local, private and public sectors. PTL provides comprehensive and integrated solutions for its customers’ technology needs through the company’s broad hardware, software and value-added service offerings. The wide range of offerings allows PTL’s customers to streamline their procurement processes by collaborating with PTL in the provision of a large part of their technology requirements.

The company’s hardware offerings include products from leading brands across multiple categories such as networking, data storage solutions, desktops and banking automation products, amongst others. Software offerings include custom-made software solutions, integration, and services that help customers enhance their software investments. PTL offers a full suite of value-added services, which are typically delivered as part of a technology solution to help customers meet their specific needs.

Other services offered include configuration and management services, virtualisation, collaboration, information security, application integration and migration, mobility, and cloud computing. With comprehensive technical scope and capabilities, PTL offers a single point of reference for its clients’ diverse IT requirements by assessing, designing, deploying and managing IT solutions to help customers enable, manage and secure their IT environments.

PTL’s business is well diversified across customers, products, service offerings and vendors from whom it purchases products and software for resale. The company has aligned its sales and marketing functions around customer channels in order to retain and increase sales to existing customers as well as to acquire new ones. A team of technology specialists, who design solutions and provide recommendations in the selection and procurement processes, supports the direct selling personnel. Products are purchased for resale from original equipment manufacturers (“OEMs”) and distributors.

Management maintains that effective purchasing from a diverse vendor base is a key element of the company’s business strategy. PTL is authorised by OEMs to sell their products, and it operates as a reseller for major software publishers that allows the end-user customer to acquire packaged software or licensed products and services.

PTL is the preferred local partner of IBM, with whom it has formed a strong alliance over the past years through continuous training of its software and hardware engineers on IBM technologies and products so as to offer a unique specialised product to its customers. Through IBM, PTL offers its expert consultancy services to large clients outside Malta. In 2019, PTL, collaborating with IBM, managed to secure a major five-year contract in Mauritius to install and maintain a broader security system for a client. PTL represents other major partners such as NCR, CISCO and Lenovo.

PTL has three main revenue segments:

- Products – the sale of hardware and licences;
- Maintenance and support – ongoing agreements with customers for servicing and maintenance of products sold. Agreements are typically renewed annually, and their value is determined on a pre-set minimum number of hours at pre-agreed rates; and
- Services – the revenue stream encompassing all other services provided outside of the standard service and maintenance agreements. This includes software engineering and development of system integrators, amongst others.

APCO Systems

APCO Systems is a payment solutions provider operating a payment platform under the brand name ‘Apcopay’. Apcopay offers e-commerce processing services for retailers and internet-based merchants. The term ‘merchant’ generally refers to any entity that accepts credit or debit cards as payment for goods and services.

The primary business model of APCO Systems is to enable merchants to accept a variety of card and alternative payment options on their respecting e-commerce portals and applications.

Card-based payment forms comprise of credit, debit, vouchers and prepaid cards. Credit and debit card transaction processing includes the processing of major international card brands such as MasterCard and Visa, as well as other debit networks. Electronic payment processing involves a consumer or cardholder acquiring goods or services from a merchant and using a credit or debit card or other electronic method as payment. Apcopay is the medium that enables customer transactions to reach the acquiring bank acting on behalf of the merchant.

APCO Systems' offerings include front-end authorisation processing, settlement and funding processing, full customer support, consolidated billing and statements, and online monitoring and reporting. APCO is PCI-DSS certified (Payment Card Industry Data Security Standards). APCO Systems' value proposition is to provide high quality, responsive, secure and full end-to-end service to all its customers.

APCO Limited

APCO Limited is a supplier of a broad range of automation and security solutions catering to various sectors, include the banking, retail and fuel sectors. Through major partner relationships such as Wincor Nixdorf, Gemalto and Gilbarco, APCO's portfolio includes ATMs, point-of-sale terminals, plastic cards, deposit machines, currency exchanges, fuel payment systems, and other cash-handling equipment. On the security front, APCO delivers end-to-end specialised products and services targeted to B2B clients. Such products include intruder prevention and detection solutions, and the core systems that help customers manage the infrastructure they deploy. APCO sells its products and services through multiple sales channels both locally and internationally, and it targets customers in many vertical markets.

1.4.3.2 Operational Performance

Harvest Technology p.l.c. Consolidated Statement of Comprehensive Income For the year ended 31 December	**2018A**	**2019A**	**2020A**	**2021F***
	€'000s	**€'000s**	**€'000s**	**€'000s**
Revenue	15,569	16,049	19,217	19,500
Net operating expenses	(14,214)	(12,134)	(13,800)	(14,697)
EBITDA	**1,355**	**3,915**	**5,417**	**4,803**
Depreciation and amortisation	(388)	(690)	(773)	(717)
EBIT	**967**	**3,225**	**4,644**	**4,086**
Other net income/(loss)	-	(58)	-	-
Net finance costs	(39)	(131)	(144)	(130)
Profit before tax	**928**	**3,036**	**4,500**	**3,956**
Income tax	(348)	(947)	(1,459)	(1,385)
Profit after tax from continuing operations	**580**	**2,089**	**3,041**	**2,571**
Discontinued operations	-	-	-	-
Profit for the year	**580**	**2,089**	**3,041**	**2,571**

EBITDA Derivation	**2018A**	**2019A**	**2020A**	**2021F**
	€'000s	**€'000s**	**€'000s**	**€'000s**
EBITDA has been calculated as follows:				
Operating profit	967	3,225	4,644	4,086
Adjustments:				
Depreciation and amortisation	388	690	773	717
EBITDA	**1,355**	**3,915**	**5,417**	**4,803**

Ratio Analysis	**2018A**	**2019A**	**2020A**	**2021F**
Profitability				
Growth in Revenue (YoY Revenue Growth)	19.0%	3.1%	19.7%	1.5%
EBITDA Margin (EBITDA / Revenue)	8.7%	24.4%	28.2%	24.6%
Operating (EBIT) Margin (EBIT / Revenue)	6.2%	20.1%	24.2%	21.0%
Net Margin (Profit for the year / Revenue)	3.7%	13.0%	15.8%	13.2%

The above presented 2021 projections are based on information available to the public issued via a Company announcement on 9 December 2020 titled 'Review of 2020 performance and outlook for 2021'. These projections were further reiterated by the Company through another Company announcement issued on 6 May 2021, titled 'Q1 2021 financial update'.

While this pandemic has hindered several sectors which traditionally thrived, technology-oriented companies have performed particularly well throughout the pandemic, with many experiencing unprecedented revenue streams over the past couple of months.

The pandemic has accelerated the shift towards a more digital world and has indeed sped up the demand for IT solutions across the globe.

Notwithstanding the current distressed economic environment, Harvest reported strong 2020 results, with total revenues increasing by *circa* 20% over the prior year, and profit before tax exceeding IPO expectations by 44%. More specifically, this strong performance was primarily driven by the commencement of PTL's Mauritius project, increased proliferation of products and an increase in demand for online payments particularly since the onset of COVID-19.

Despite Harvest registering a robust financial performance during 2020, Harvest still felt the burden brought about by the pandemic. To this extent, management reported that this crisis has delayed Harvest's ability to grow its international business as originally intended. This has thus resulted in a drop in revenue of approximately 10% when compared to Harvest's IPO projections.

Although total 2020 revenues were below those expected, Harvest still managed to reduce its operating expenditure (as a % of revenue), which has ultimately boosted Harvest's net income.

Management noted that Harvest's international expansion strategy is progressing well. Throughout 2020, Harvest established a presence in Greece, whereby it has already engaged with several banks as well as a number of retailers. Amongst other milestones, during 2020, Harvest has engaged with additional Tier 1 merchants in the gaming space in Colombia.

Moving into 2021, Harvest recently announced that the unaudited consolidated net profit before tax for the first quarter of 2021 amounted to *circa* €1.1m, representing an overall improvement of 7% over previous expectations and a 34% increase over the comparable period in the preceding year. In view of the above positive traits, Harvest revised upwards its IPO projections for 2021. Harvest management now expects to generate €19.5m in revenues, demonstrating an anticipated improvement of 1.5% over 2020.

The principal focus of Harvest Technology is to invest further and upgrade its technology platforms to ensure that Apcopay services are both scalable as well as versatile. With clients in more than 25 countries, Harvest management intends to increase its international presence and diversify in industries it services, extending its partner networks and introducing new online payment products and services.

Whilst consolidating its local presence in terms of business opportunities, as travel starts to reopen, Harvest is seeking to step up its focus on internationalisation across all subsidiaries. Management explained that the success registered by PTL in terms of the Mauritius project with IBM has provided Harvest with a strong foundation for future growth.

In this respect, management discussed that, while PTL is actively looking into new projects across the African continent, APCO also intends to strengthen its presence in South Africa, namely through a local partnership agreement with a large IT management consulting group specializing in retail.

1.5 COVID-19 impact on 1923 Investments' operational and financial performance

The current events stemming from the COVID-19 outbreak have had a significant impact on the world economy during 2020 as travel restrictions imposed by countries and the ensuing lockdowns have presented operational challenges across 1923 Investments' operating companies as explained in detail in section 1.4 of this Analysis. Nevertheless, in view of 1923 Investments' strong diversification element within its business lines, 1923 Investments performed well during the year with results being in line with the projections set out in the 2020 Financial Analysis Summary.

The directors have continued to actively monitor all pandemic-related developments taking place both locally and internationally in order to take any appropriate action to safeguard the interest of the Company and its subsidiaries.

Although management managed to improve on actual results of the previous year, such events might still have an impact on the performance and financial position of 1923 Investments in the future due to any unforeseen effects that such pandemic might have on the economies and industries to which the Company and its subsidiaries are exposed.

Nonetheless, management reiterated that, whilst the pandemic situation remains relatively fluid and future events may have an adverse effect on 1923 Investments' future profitability, liquidity and financial position, the outlook remains cautiously optimistic.

Liquidity Measures

It is normal practice within 1923 Investments that management prepares periodical budgets and projections throughout the year to monitor the performance. In view of the developments pertaining to COVID-19 last year, such projections are more valuable to assess the impact that the pandemic may have on the profitability and liquidity of the Company and its subsidiaries. In fact, the frequency of such projections has increased from the norm in order for management to assess the trends and be in a better position to take timely decisions.

Costs Containment Measures

Management teams within the operating subsidiaries were invited to revise their respective market operating costs, which, as per direction provided by management, resulted into additional operational efficiencies across 1923 Investments in general. Management has also availed itself of and utilised the Government's aid and assistance measures in Malta and Poland which has assisted in creating stability and peace of mind to its employees while at the same time giving management the ability to further invest in a safer work environment that will be beneficial to its workforce in the longer term.

Assumptions undertaken in projections utilised for the purpose of this document

Most recent trends were analysed and referred to when building the projections for 2021. Within these projections, management has taken into consideration the pandemic related impact on 1923 Investments and the projected gradual recovery from the pandemic. Management explained that these projections were based on the actual 2020 financial performance of the Company and its subsidiaries, and were also based on management's knowledge and understanding of the potential implications brought about by the pandemic vis-à-vis the industries in which 1923 Investments and its subsidiaries operate, and the repositioning in the market. Imperatively, all assumptions adopted for each of the companies are set out in detail in section 1.4 of this Analysis.

The directors have assessed the reserves and financing available to 1923 Investments and are confident that these are adequate to support the Company in the foreseeable future. In this respect, management has also confirmed that the Issuer has sufficient resources at its disposal to honour both its existing and proposed bond interest payment obligations.

1.6 Related Party Debt Securities

1923 Investments p.l.c. is part of Hili Ventures. Within the same group, Premier Capital p.l.c., Hili Properties p.l.c. and Hili Finance p.l.c., all sister companies of 1923 Investments p.l.c., have the following outstanding debt securities. The below table also includes 1923 Investments p.l.c.'s current outstanding bond.

Security ISIN	Security name	Amount Listed	Currency
MT0000841206	5.1% 1923 Investments plc Unsecured € 2024	36,000,000	EUR
MT0000511213	3.75% Premier Capital plc Unsecured € 2026	65,000,000	EUR
MT0000941204	4.5% Hili Properties plc 2025	37,000,000	EUR
MT0001891200	3.85% Hili Finance plc 2028	40,000,000	EUR
MT0001891218	3.8% Hili Finance plc 2029	80,000,000	EUR

Part 2 - Historical Performance and Forecasts

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

The financial information below is extracted from the audited consolidated financial statements of 1923 Investments plc for the financial years ended 31 December 2018, 2019 and 2020. The projected financial information for the year ending 31 December 2021 has been provided by management.

2.1 Issuer's Consolidated Statement of Comprehensive Income

1923 Investments p.l.c. Consolidated Statement of Comprehensive Income For the year ended 31 December	2018A	2019A	2020A	2021F
	€'000s	€'000s	€'000s	€'000s
Revenue	122,023	134,898	149,734	164,593
Net operating expenses	(118,278)	(126,198)	(136,593)	(150,389)
Normalised EBITDA	**3,745**	**8,700**	**13,141**	**14,204**
Costs relating to winding down of freight forwarding operations	-	-	(608)	-
EBITDA	**3,745**	**8,700**	**12,533**	**14,204**
Depreciation and amortisation	(2,463)	(5,485)	(4,922)	(5,836)
EBIT	**1,282**	**3,215**	**7,611**	**8,368**
Share of results, dividends of associates & jointly controlled entities	191	353	480	519
Other income / (expenses)	-	75	157	9
Net gain on disposal of subsidiaries (or part of)	-	5,823	-	1,815
Impairment of goodwill	-	(3,789)	-	-
Net finance costs	(2,538)	(2,635)	(3,946)	(3,642)
Profit before tax	**(1,065)**	**3,042**	**4,302**	**7,069**
Taxation	(152)	(1,436)	(883)	(2,243)
Profit/ (loss) for the year	**(1,217)**	**1,606**	**3,419**	**4,826**
Other comprehensive income				
Exchange differences - foreign operations	**(2,255)**	**295**	**(4,978)**	**255**
Total comprehensive income	**(3,472)**	**1,901**	**(1,559)**	**5,081**

EBITDA Derivation	2018A	2019A	2020A	2021P
	€'000s	€'000s	€'000s	€'000s
EBITDA has been calculated as follows:				
Operating profit (EBIT)	1,282	3,215	7,611	8,368
Adjustments:				
Depreciation and amortisation	2,463	5,485	4,922	5,836
Costs relating to winding down of freight forwarding operations	-	-	608	
EBITDA	**3,745**	**8,700**	**12,533**	**14,204**

Ratio Analysis[1]	2018A	2019A	2020A	2021F
Profitability				
Growth in Revenue (YoY Revenue Growth)	25.1%	10.6%	11.0%	9.9%
EBITDA Margin (EBITDA / Revenue)	3.1%	6.4%	8.4%	8.6%
Operating (EBIT) Margin (EBIT / Revenue)	1.1%	2.4%	5.1%	5.1%
Net Margin (Profit for the year / Revenue)	N/A	1.2%	2.3%	2.9%
Return on Common Equity (Net Income / Average Equity)	N/A	3.9%	7.5%	8.3%
Return on Assets (Net Income / Average Assets)	N/A	1.2%	2.5%	3.2%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	4.2%	9.3%	12.2%	11.3%

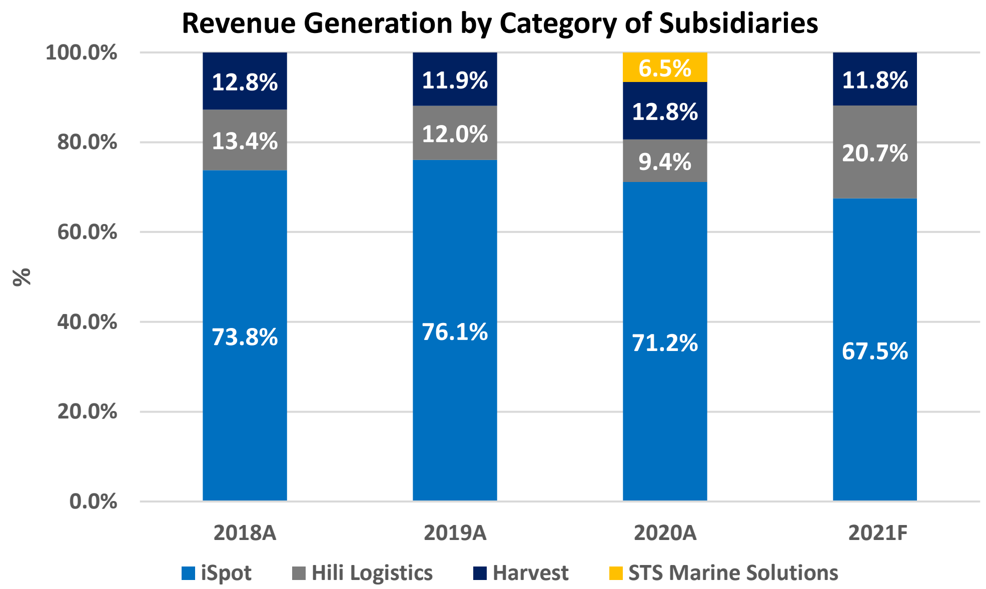
[1] Ratio analysis may not agree to prior FASs, due to a change in the calculation methodology or rounding of figures

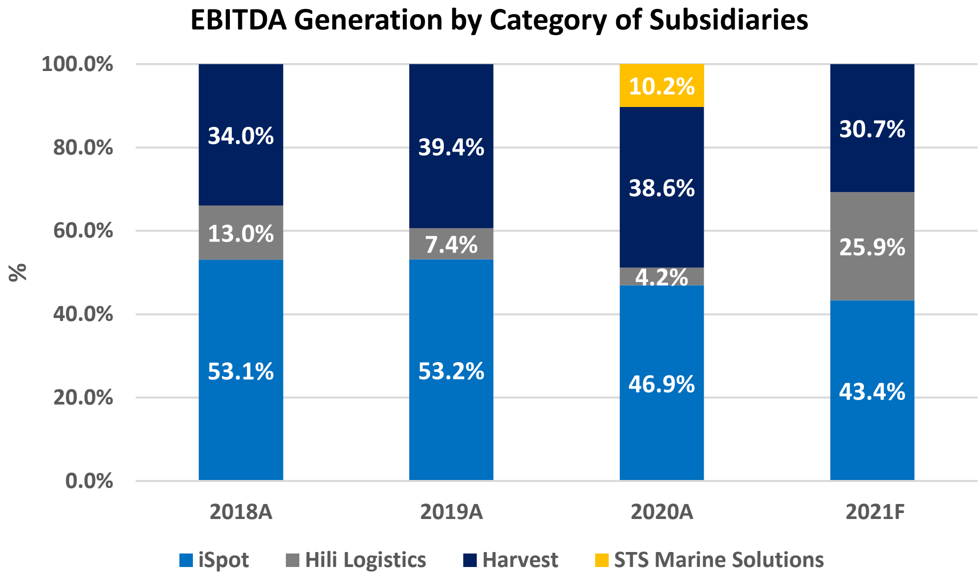
As could be noted from the above financial data, consolidated revenue increased by 11% from 2019 to 2020. This growth was predominantly driven by robust financial performances registered by iSpot and Harvest during the year, with revenues generated by these two subsidiaries increasing by 3.8% and 19.7% respectively. This improvement is also attributable to an eight-month revenue (commencing May 2021) contribution of €9.8m from STS Marine Solutions.

In terms of forward-looking expectations, 1923 Investments' management is expecting to generate revenue of *circa* €164.6m during 2021, implying an overall expected improvement of 9.9% when compared to 2020.

In view of this improvement in revenue, 1923 Investments incurred €137.2m in consolidated operating expenditure during 2020, which also includes a one-off restructuring cost of €0.6m, mainly incurred in relation to the termination of the freight forwarding operations at CCCL. EBITDA for the year increased from €8.7m in 2019 to €12.5m in 2020, primarily due to the inclusion of the STS Marine Solutions operation within 1923 Investments as well as the improved financial performance registered by iSpot and Harvest respectively during the year. Pursuant to an anticipated improvement across all subsidiaries and an expected gradual recovery from the COVID-19 pandemic, EBITDA is expected to increase to €14.2m in 2021. A detailed segmental analysis concerning 1923 Investments' revenue and EBITDA generation over the review period is set out below:

1923 Investments p.l.c. Segmental Analysis For the year ended 31 December	**2018A**	**2019A**	**2020A**	**2021F**
Revenue	**€'000s**	**€'000s**	**€'000s**	**€'000s**
iSpot	90,046	102,641	106,578	111,101
Hili Logistics	16,408	16,208	14,134	33,992
Harvest	15,569	16,049	19,217	19,500
STS Marine Solutions	-	-	9,805	-
Total	**122,023**	**134,898**	**149,734**	**164,593**
EBITDA				
iSpot	2,118	5,289	6,586	6,780
Hili Logistics	517	736	596	4,057
Harvest	1,355	3,915	5,417	4,803
STS Marine Solutions	-	-	1,431	
Total	**3,990**	**9,940**	**14,030**	**15,640**
EBITDA Margin (%)				
iSpot	2.4%	5.2%	6.2%	6.1%
Hili Logistics	3.2%	4.5%	4.2%	11.9%
Harvest	8.7%	24.4%	28.2%	24.6%
STS Marine Solutions	n/a	n/a	14.6%	n/a
Aggregate	3.3%	7.4%	9.4%	9.5%





The depreciation and amortisation charge during 2020 tapered down to €4.9m, mainly on account of lower capital expenditure carried out in 2020. This is expected to increase to €5.8m in 2021, primarily due to a full year of depreciation at STS Marine Solutions as well as capital expenditure in new equipment at STS. This increase is also attributable to the capital expenditure undertaken in the first half of 2021 regarding the opening of the new outlets at iSpot level in Poland.

Upon taking the above developments into consideration, during 2020, 1923 Investments registered an improved consolidated operating profit of €7.6m (2019: €3.2m), resulting into a consequent increase in the EBIT margin from 2.4% in 2019 to 5.1%. As per above presented projections, EBIT margin is envisaged to remain stable during 2021.

Finance costs mainly consist of interest incurred on 1923 Investments' bond currently in issue, in addition to finance costs on bank borrowings and finance lease liabilities (IFRS 16). Net finance costs increased from €2.6m in 2019 to €3.9m in 2020, with this increase also being attributable to the acquisition of STS Marine Solutions business. These are expected to amount to €3.6m in 2021. Moreover, management is expecting to register a gain on disposal of an investment amounting to €1.8m.

During the year under review, consolidated profit before tax increased by 41.4% to €4.3m (2019: €3.0m). This increase was mainly driven by the eight-month contribution from STS Marine Solutions as well as solid financial performances at both Harvest and iSpot.

Profit before tax is expected to further improve during 2021 to €7.1m, primarily due to a full year contribution from STS Marine Solutions, an overall expected improvement across all subsidiaries post the covid pandemic impact in2020 as well as a gain on the partial divestment of an investment.

Overall, management expects to report total comprehensive income for 2021 of €5.1m, an increase of €6.7m when compared to the previous year. In 2020, 1923 Investments suffered an adverse movement in the exchange reserve amounting to €5.0m as a result of a significantly weaker Polish Zloty (PLN) against the Euro which closed at PLN 4.5597 at 31 December 2020 (2019: PLN 4.2501). The US Dollar also suffered against the Euro and reached USD 1.2271 at 31 December 2020 compared to USD 1.0876 at 30 April 2020 being the date of acquisition of STS Business.

While it is difficult to predict foreign exchange trends going forward, the projections of 1923 Investments plc account for a positive foreign exchange reserve movement amounting to €0.3m.

2.1.1 Variance Analysis

1923 Investments p.l.c. Statement of Comprehensive Income For the year ended 31 December 2020	Dec-20 Forecast	Dec-20 Audited	Variance
	€'000s	**€'000s**	**€'000s**
Revenue	159,510	149,734	(9,776)
Net operating expenses	(147,848)	(136,593)	11,255
Normalised EBITDA	**11,662**	**13,141**	**1,479**
Costs relating to winding down of freight forwarding operations	-	(608)	(608)
EBITDA	**11,662**	**12,533**	**871**
Depreciation and amortisation	(5,653)	(4,922)	731
EBIT	**6,009**	**7,611**	**1,602**
Share of results, dividends of associates & jointly controlled entities	388	480	92
Other income/ (expenses)	18	157	139
Net gain on disposal of subsidiaries (or part of)	1,815	-	(1,815)
Impairment of goodwill	-	-	-
Net finance costs	(3,793)	(3,946)	(153)
Profit before tax	**4,437**	**4,302**	**(135)**
Taxation	(1,020)	(883)	137
Profit/ (loss) after tax from continuing operations	**3,417**	**3,419**	**2**
Loss for the year from discontinued operations	-	-	-
Profit/ (loss) for the year	**3,417**	**3,419**	**2**
Other comprehensive income			-
Exchange differences - foreign operations	**-**	**(4,978)**	**(4,978)**
Total comprehensive income	**3,417**	**(1,559)**	**(4,976)**

Notwithstanding the improvement in revenue registered during the year, actual revenue for 2020 was lower than previously anticipated, by *circa* €9.8m. Management attributes this decline to the implications brought about by the pandemic on 1923 Investments in general, as all operating subsidiaries registered a decline in revenue when compared to previous expectations. The sharpest decline was namely recorded at STS Marine Solutions as further explained in prior sections of this Analysis. This was also exacerbated by the significant FX headwind due to the weaker Polish Zloty. In the forecast, a rate of 4.2 PLN to the EUR was used, versus an actual average rate of 4.443, which resulted in a €6.1m headwind at the revenue level.

In view of this drop in revenue, a positive variance in net operating expenses and EBITDA of €11.3m and €0.9m respectively, were registered during the year. Management further noted that it was not envisaging the winding down of freight forwarding operations at the date of when the previous projections were completed.

Actual depreciation and amortisation charge during the year under review was lower than forecast by €0.7m, mainly due to lower capital expenditure incurred during the year.

The projected net gain on the partial disposal of an investment amounting to €1.8m did not take place during 2020.

Notwithstanding the pandemic related challenges, in addition to the fact that the net gain on disposal of subsidiary did not take place during the year, management successfully met the profit after tax target for 2020.

Overall, total comprehensive loss amounted to €1.6m compared to a forecasted total comprehensive income of €3.4m. The difference relates to exchange differences on foreign operations.

2.2 Issuer's Consolidated Statement of Financial Position

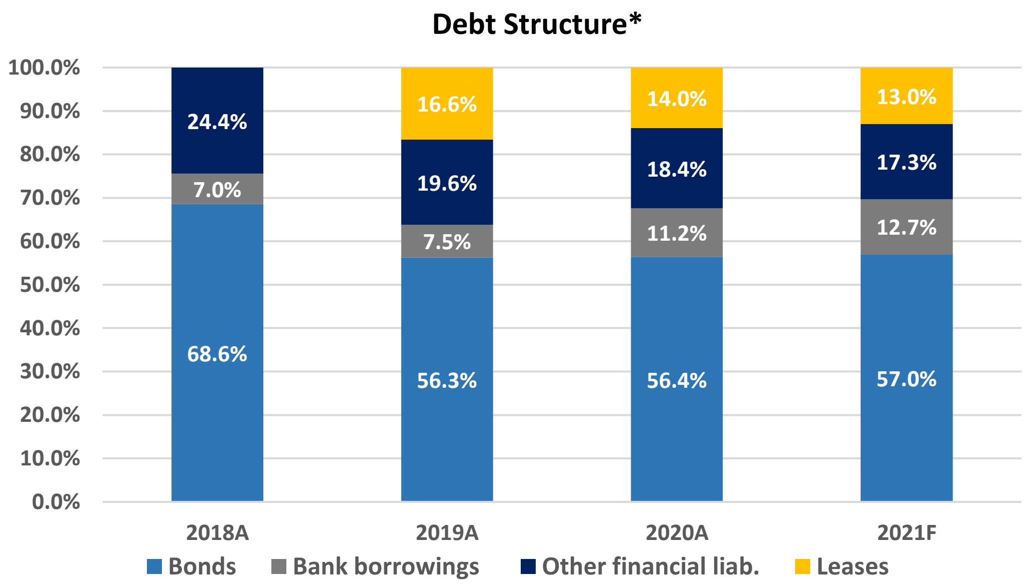
1923 Investments p.l.c. Statement of Financial Position For the year ended 31 December	2018A	2019A	2020A	2021F
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Goodwill and other intangibles	66,386	63,155	73,380	73,548
Property, plant and equipment	6,629	5,611	10,057	10,897
Investments in associates and joint ventures	958	1,229	1,512	1,967
Right-of-use assets	-	10,294	8,555	8,317
Loans and receivables	8,523	2,384	1,847	1,542
Deferred tax asset	1,546	1,463	1,608	2,099
Total non-current assets	**84,042**	**84,136**	**96,959**	**98,370**
Current assets				
Inventory	15,841	11,476	9,692	12,326
Trade and other receivables	12,628	11,805	12,616	15,146
Other current assets	4,679	10,924	4,845	3,010
Cash and cash equivalents	3,604	18,934	11,380	33,115
Total current assets	**36,752**	**53,139**	**38,533**	**63,597**
Total assets	**120,794**	**137,275**	**135,492**	**161,967**
Equity				
Share capital	49,575	49,575	49,575	69,575
Reserves	(11,301)	(8,348)	(8,474)	(5,073)
Non-controlling interest	44	3,836	4,473	5,652
Total equity	**38,318**	**45,063**	**45,574**	**70,154**
Liabilities				
Non-current liabilities				
Debt securities	35,516	35,596	35,677	35,759
Borrowings and other financial liabilities	12,400	3,178	13,215	12,956
Lease liabilities	-	7,541	6,537	4,873
Other non-current liabilities	2,026	1,952	1,436	1,521
Total non-current liabilities	**49,942**	**48,267**	**56,865**	**55,109**
Current liabilities				
Bank overdrafts	3,334	4,555	4,719	5,549
Borrowings and other financial liabilities	551	9,415	827	311
Lease liabilities	-	2,958	2,302	3,247
Trade and other payables	28,649	27,017	25,205	27,597
Total current liabilities	**32,534**	**43,945**	**33,053**	**36,704**
Total liabilities	**82,476**	**92,212**	**89,918**	**91,813**
Total equity and liabilities	**120,794**	**137,275**	**135,492**	**161,967**

Ratio Analysis[2]	2018A	2019A	2020A	2021F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	55.7%	49.6%	53.2%	29.7%
Gearing 2 (Total Liabilities / Total Assets)	68.3%	67.2%	66.4%	56.7%
Gearing 3 (Net Debt/ Total Equity)	125.8%	98.3%	113.9%	42.2%
Net Debt / EBITDA	12.9x	5.1x	4.1x	2.1x
Current Ratio (Current Assets / Current Liabilities)	1.1x	1.2x	1.2x	1.7x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.6x	0.9x	0.9x	1.4x
Interest Coverage 1 (EBITDA / Cash interest paid)	1.4x	3.6x	4.8x	5.4x
Interest Coverage 1 (EBITDA / Finance Costs)	1.5x	3.3x	3.3x	3.9x

Total assets as at December 2020 amounted to €135.5m and principally comprise goodwill and intangible assets at €83.4m, current assets excluding cash balances of €27.2m and cash and cash equivalents of €11.4m. The increase in goodwill, property, plant & equipment as well as the reduced cash balances, are attributable to the acquisition of STS Marine Solutions in April 2020. Total assets are projected to increase by €26.5m and amount to €162m during 2020, mainly due to an equity injection of €20m, as well as the projected gain on disposal by Harvest explained above.

Total financial debt, which is primarily composed of debt securities, borrowings, other financial liabilities and lease liabilities, amounted to €63.3m during 2020. The decline of borrowings and other financial liabilities listed under current liabilities during 2020 is mainly attributable to payment of loan to a third party by iSpot and the capitalisation of a loan to Hili Ventures amounting to *circa* €2.6m. Moreover, total liabilities during the year under review amounted to €89.9m.

1923 Investments' total financial debt is expected to marginally taper down during 2021 and amount to €62.7m. Total liabilities during 2021 are projected to further increase to €91.8m.



*Further visibility is given in the debt structure chart presented above, showing bonds, bank borrowings and other financial liabilities separately from financial leases.

[2] Ratio analysis may not agree to prior FASs due to a change in the calculation methodology or rounding of figures

2.2.1 Variance Analysis

1923 Investments p.l.c. Statement of Financial Position For the year ended 31 December	Dec-20 Forecast	Dec-20 Audited	Variance
	€'000s	€'000s	€'000s
Assets			
Non-current assets			
Goodwill and other intangibles	75,896	73,380	(2,516)
Property, plant and equipment	11,499	10,057	(1,442)
Investments in associates and joint ventures	1,372	1,512	140
Right-of-use assets	7,927	8,555	628
Loans and receivables	3,709	1,847	(1,862)
Deferred tax asset	1,460	1,608	148
Total non-current assets	**101,863**	**96,959**	**(4,904)**
Current assets			
Inventory	12,576	9,692	(2,884)
Trade and other receivables	19,142	12,616	(6,526)
Other current assets	1,106	4,845	3,739
Cash and cash equivalents	11,325	11,380	55
Total current assets	**44,149**	**38,533**	**(5,616)**
Total assets	**146,012**	**135,492**	**(10,520)**
Equity			
Share capital	49,575	49,575	-
Reserves	(7,164)	(8,474)	(1,310)
Non-controlling interest	5,380	4,473	(907)
Total equity	**47,791**	**45,574**	**(2,217)**
Liabilities			
Non-current liabilities			
Debt securities	35,677	35,677	-
Borrowings and other financial liabilities	15,923	13,215	(2,708)
Lease liabilities	6,082	6,537	455
Other non-current liabilities	1,615	1,436	(179)
Total non-current liabilities	**59,297**	**56,865**	**(2,432)**
Current liabilities			
Bank overdrafts	6,999	4,719	(2,280)
Borrowings and other financial liabilities	3,493	827	(2,666)
Lease liabilities	2,515	2,302	(213)
Other current liabilities	25,917	25,205	(712)
Total current liabilities	**38,924**	**33,053**	**(5,871)**
Total liabilities	**98,221**	**89,918**	**(8,303)**
Total equity and liabilities	**146,012**	**135,492**	**(10,520)**

The main variances arising within 1923 Investments non-current assets during 2020 relate to a decline relating to property, plant and equipment as well as total loans and receivables, with such variations mainly being attributable to a more cautious capital expenditure outflow than previously forecasted especially in the STS and iSpot business. Moreover, the drop in inventory and trade and other receivables in comparison to previous forecasts relate to better inventory management.

The drop in borrowings and other financial liabilities under both non-current and current liabilities during 2020 is a result of loan repayment to a third party as noted above.

2.3 Issuer's Consolidated Statement of Cash Flows

1923 Investments p.l.c. Statement of Cash Flows For the year ended 31 December	2018A	2019A	2020A	2021F
	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities	1,382	12,124	12,283	9,086
Interest paid	(2,659)	(2,419)	(2,716)	(2,607)
Income tax paid	(1,053)	(883)	(1,920)	(1,514)
Tax refund	420	322	450	920
Net cash flows generated from/(used in) operating activities	**(1,910)**	**9,145**	**8,097**	**5,885**
Net cash flows generated from/(used in) investing activities	**(1,584)**	**8,535**	**(18,997)**	**(3,967)**
Net cash flows generated from/(used in) financing activities	**1,654**	**(3,570)**	**3,182**	**18,987**
Movement in cash and cash equivalents	**(1,840)**	**14,110**	**(7,718)**	**20,905**
Cash and cash equivalents at start of year	2,109	269	14,379	6,661
Cash and cash equivalents at end of year	**269**	**14,379**	**6,661**	**27,566**

Ratio Analysis	2018A	2019A	2020F	2021F
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	€(914)	€10,171	€9,162	€7,413

Net cash generated from operating activities in 2020 amounted to €8.1m, compared to a net cash inflow of €9.1m in 2019. Although current year's profitability is on the same lines of 2019, the gain on disposal of Harvest shares in 2019 is tax neutral, thus resulted in a higher tax charge in 2020 when compared to 2019. In 2021, net cash from operating activities is expected to result in a net cash inflows of €5.9m, principally due a lower level of cash flow from operating activities during the year.

Net cash outflows from investing activities amounted to €19m during 2020 (2019 - cash inflows €8.5m). The results registered under investing activities during the year under review are mainly attributable to a net cash outflow concerning the acquisition of STS Marine Solutions amounting to €24.8m. In 2021, net cash used in investing activities is projected to amount to circa €4.0m.

In 2020, net cash generated from financing activities amounted to €3.2m, which includes loans advanced by related parties, payments to third parties and additional proceeds from bank loans. Cash inflows from financing activities in 2021 are expected to amount to €19.0m, primarily due to an equity injection of €20m as explained in the above section.

2.3.1 Variance Analysis

1923 Investments p.l.c. Statement of Cash Flows For the year ended 31 December	Dec-20 Forecast	Dec-20 Audited	Variance
	€'000s	€'000s	€'000s
Net cash flows generated from operating activities	**(4,299)**	**8,097**	**12,396**
Net cash flows generated from/(used in) investing activities	**(22,067)**	**(18,997)**	**3,070**
Net cash flows generated from / (used in) financing activities	**16,313**	**3,182**	**(13,131)**
Movement in cash and cash equivalents	**(10,053)**	**(7,718)**	**(2,335)**
Cash and cash equivalents at start of year	14,379	14,379	-
Cash and cash equivalents at end of year	**(4,326)**	**6,661**	**2,335**

Management reported that the variances concerning 1923 Investments' operating activities mainly relate to the reclassification between operating, investing and financing activities between the 2020 audited financial statements and the projections stated above.

Net movement in cash and cash equivalents amounted to negative €7.7m compared to projected negative balance of €10.1m. The principal reason for the difference is in cash flow from operating activities and financing activities primarily due to a better performance at operations level compensated by the lack of proceeds on the disposal of shares in subsidiary earmarked to happen in 2020 in the previous projections.

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

European Economic Update[3]

After the historic drop in economic activity recorded in the first part of 2020 and the subsequent rebound in the summer, the EU economy faced another setback in late 2020 as the resurgence of the pandemic prompted a new round of containment measures. With output falling again in the last quarter of 2020 and the first of 2021, by a cumulative 0.9%, the EU was pushed back into recession.

However, considering the stringent restrictions, the decline in activity was far milder when compared to the downturn in the first half of 2020 due to better adaptation of firms and households to the constraints of the pandemic and stronger monetary and fiscal which provided support to global growth and trade.

Economic developments in 2021 and 2022 will largely be determined by success of the rollout of the vaccination programmes, and their ability to deal with mutant variants as well as governments decisions regarding lifting restrictions. For the EU, it is being forecasted that following a marginal easing of restrictions in the course of the second quarter, progress in vaccinations will enable a more marked easing of restrictions in the second half of the year. In 2022, COVID-19 will remain a public health concern, despite the high share of the population being vaccinated (including refreshed protection when needed, for example due to new variants). It is therefore assumed that some limited containment measures will be in place as needed.

The EU economy is forecast to grow by 4.2% in 2021 and to strengthen to around 4.4% in 2022 (4.3% and 4.4%, respectively, in the euro area). A stronger-than-previously expected rebound in global activity and trade, help to explain the brighter outlook for all countries compared to previous expectations. However, the pace of recovery across differences remains substantial.

The risks surrounding the GDP forecast are high and will remain so as long as the pandemic hangs over the economy. On the epidemiological front, developments concerning the pandemic and the efficiency and effectiveness of vaccination programmes could turn out better or worse than assumed in the central scenario of this forecast. On the economic side, this forecast may underestimate the propensity of households to spend, or, on the opposite, consumers' desire to maintain high levels of precautionary savings. The impact of alternative paths for the evolution of household savings is assessed in the model-based analysis presented in this publication. Another risk to the outlook is the timing of policy support withdrawal, which if premature could jeopardise the recovery. On the downside, the impact of corporate distress on the labour market and the financial sector could prove worse than anticipated.

On the upside, stronger than projected global growth, particularly in the US, could have a more positive impact on the European economy than expected. Stronger US growth, however, risks pushing up US sovereign bond yields, which could interact with the materialisation of idiosyncratic risks (stemming from e.g. the slow vaccination rollout) in highly indebted emerging market economies with high foreign currency debts, causing disorderly adjustments in financial markets. Inflation in EU could turn out higher if the rebound in the European and global economies is stronger than expected, or if current supply constraints turn out more persistent. Overall, the risks surrounding the outlook are broadly balanced.

Malta Economic Update[4]

In May, business conditions were positive, reflecting the fact that most macroeconomic variables are improving from the very low levels observed in 2020. It is important to take the latter factor into consideration when considering year-on-year growth rates. European Commission data show that sentiment was positive across all sectors – bar the retail

[3] European Economic Forecast – Spring 2021
[4] CBM – Economic Update 6/2021

sector, which stood marginally negative. Overall economic sentiment edged down in May, but remained above its long-term average.

In April, annual growth in industrial production turned positive after five consecutive negative readings. The volume of retail trade rebounded strongly in annual terms. The number of registered unemployed fell compared with March, while the unemployment rate remained unchanged. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) remained unchanged at 0.1% in April, while inflation based on the Retail Price Index (RPI) accelerated to 0.9%. Maltese residents' deposits expanded at an annual rate of 7.4% in April, following an increase of 7.0% in the previous month, while annual growth in credit to Maltese residents decelerated to 9.4%, from 11.6% a month earlier. In April, the deficit on the cash-based Consolidated Fund narrowed considerably when compared with a year earlier, reflecting a strong increase in government revenue, coupled with a decline in government expenditure.

Apple products

The market in Poland for Apple products and services is competitive. As with other developed markets, the market is characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of mobile communication and media devices, personal computers, and other digital electronic devices. iSpot competes with other resellers of Apple products and services, and therefore competing factors include mainly price of products, location of stores, quality of service provided and share of the business-to-business market. iSpot's other competitors, which sell Apple products as well as other mobile devices and personal computers based on other operating systems, typically undertake aggressive price cuts and lower their product margins to gain or maintain market share. The challenge of the Apple Premium Reseller stores is to differentiate the total service experience beyond the product. Apple is, however, designing new ways to expand the business generated from its retail platforms beyond the current B2C activity, which is expected to create growth opportunities for the company's already strong portfolio in the market.

iSpot is an official partner of Apple and benefits from the continuous introduction of new and improved products and services ahead of competitors so as to maintain high demand for Apple offerings. Principal competitive factors important to the iSpot brand include price, product features, relative price/performance, product quality and reliability, design innovation, a strong third-party software and peripherals ecosystem, marketing and reselling capability, service and support, and corporate reputation.

The logistics services industry

The logistics service industry which is viewed as an auxiliary for trade and commerce, enables industries to deliver goods and services to the ultimate consumers by facilitating mobility throughout the supply chain. The pandemic related supply chain disruptions had a direct impact on the logistics industry with detrimental factors such as labour shortage, fragmented supply lines, weak infrastructure, and ambiguity with respect to the rules and regulations for mobility of goods.

These disruptions inevitably led to delay in deliveries, traffics and surge pricing. However, the impact is volatile and unequal as ecommerce shipping at intra-region level has seen upward shift with increase in online transactions while those which facilitated through offline networks have taken a setback.

Upon estimating when this industry is expected to fully recover from the current crisis, much will depend on both the duration of this crisis and the extent of the impact on the global economy as well as, the scale and effectiveness of mitigating measures provided by authorises.

As the pandemic situation remains relatively fluid, close monitoring is imperative, namely in terms effective distribution of the vaccine as well as the development of multiple mutations of the COVID-19 pandemic.

IT hardware, software and services industry

The COVID-19 pandemic has push the world into uncharted waters with many anomalies still to be resolved. It has forced governments across the globe to introduce aggressive and severe emergency measures and restrictions to contain the virus spread.

Undoubtedly, such measures emerged as significant threats to industries, while others were confronted with a niche opportunity to expand further. More specifically, while selective sectors were facing an unprecedented scenario with a notable liquidity squeeze, technology-oriented business have found methods to health steady and even thrive in a COVID-19 world.

Realistically speaking, this virus has changed the way societies interact, and as such, it is reshaping how business is done. Indeed, the remote working proposition has now become the norm for many companies, rather than a necessity. To this extent, this pandemic has deepened the reliance on the services offered by predominantly tech oriented companies.

From an optimistic viewpoint, the pandemic has triggered habitual changes which have been on the back burner for a while, and which were more aligned to our mental wellbeing. The idea of introducing remote working as the norm is one of the factors that should be seen as positive. Once again, technology was crucial in making it happen. More habitual changes will continue to rely on the support of technology, and to this end from now on, we should continue to see exponential growth in tech companies.

STS market

The pandemic has sent shockwaves through supply chains, shipping networks and ports, leading to plummeting cargo volumes and foiling growth prospects. At the peak of the crisis, when the contraction of cargo volumes brought an additional challenge to structural market imbalance, the STS market industry adopted more discipline, cutting capacity and reducing costs to maintain profitability instead of market share. Furthermore, the current situation was exacerbated by the sharp fall in the price of oil caused by the imbalance between supply and real demand

To cope with pandemic-related disruptions, players in the maritime sector adjusted their operations, finances, sanitary and safety protocols as well as working practices and procedures. In addition, several governments, through their border agencies, port authorities and customs administrations, made reforms to keep trade flowing while keeping people safe.

Moving forward, the global STS industry will be at the forefront of efforts towards a sustainable recovery, as a vital enabler of the smooth functioning of international supply chains. To this extent, the industry must be a key stakeholder to assess the best practices that emerged from the pandemic and strengthen trade facilitation in the years to come.

3.2 Comparative Analysis

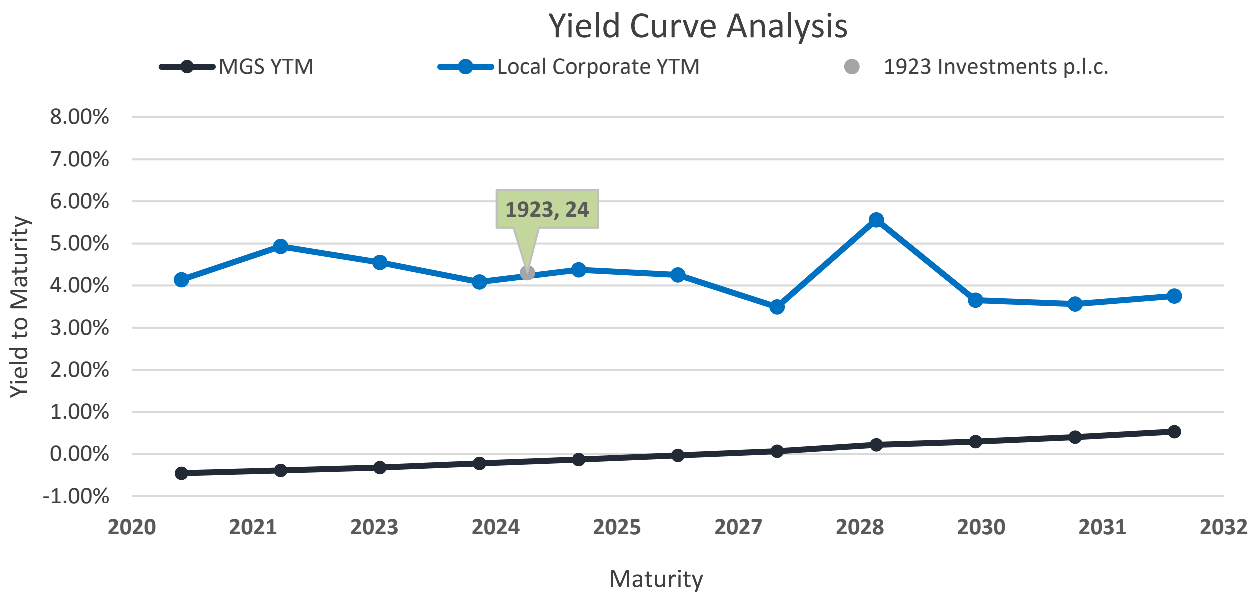
The purpose of the table below compares the proposed debt issuance of 1923 Investments plc to other debt instruments. For consistency purposes we opted to maintain the same peers as per last year's Financial Analysis Summary. Additionally, we believe that there is no direct comparable company related to the Issuer and as such we included a variety of Issuers with different maturities. More importantly, we have included different issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with 1923 Investments' business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)	Last Closing Price *
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)	
6% Pendergardens Developments plc Secured € 2022 Series II	21,845	3.53%	1.6x	60.6	29.5	51.3%	36.4%	5.2x	2.2x	0.0x	0.0x	(.4)x	102.75
4.25% GAP Group plc Secured € 2023	19,247	2.66%	2.2x	103.9	15.1	85.4%	81.1%	7.2x	7.2x	31.2%	17.2%	-15.9%	103.55
6% AX Investments Plc € 2024	40,000	4.76%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%	103.11
5.3% Mariner Finance plc Unsecured € 2024	35,000	3.55%	3.6x	100.4	50.3	49.9%	48.1%	5.8x	0.6x	6.6%	20.2%	-4.7%	105.01
5% Hal Mann Vella Group plc Secured € 2024	30,000	4.19%	2.4x	122.4	47.3	61.3%	52.9%	10.8x	1.2x	3.1%	6.1%	4.8%	102.51
5.1% 1923 Investments plc Unsecured € 2024	36,000	4.31%	4.8x	135.5	45.6	66.4%	52.1%	3.8x	1.2x	7.5%	2.3%	11.0%	102.50
4.25% Best Deal Properties Holding plc Secured € 2024	14,776	3.03%	14.7x	27.5	4.1	85.0%	82.4%	13.1x	3.7x	20.3%	7.0%	1140.2%	104.00
5.1% 6PM Holdings plc Unsecured € 2025	13,000	4.56%	(.7)x	0.5	(19.3)	-5156.2%	38.8%	12.2x	(.1)x	0.6%	-3.1%	-48.3%	102.00
4.5% Hili Properties plc Unsecured € 2025	37,000	3.96%	1.6x	149.6	62.7	58.1%	54.9%	14.6x	0.5x	6.8%	52.9%	-11.5%	102.10
4.35% Hudson Malta plc Unsecured € 2026	12,000	4.18%	4.9x	43.4	5.5	87.3%	81.6%	8.3x	1.3x	-14.8%	-2.9%	-29.6%	100.70
4% MIDI plc Secured € 2026	50,000	3.35%	(.5)x	227.6	101.8	55.3%	37.8%	(64.5)x	2.9x	-2.1%	-75.1%	-89.8%	103.00
4% International Hotel Investments plc Secured € 2026	55,000	3.57%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%	102.00
3.75% Premier Capital plc Unsecured € 2026	65,000	3.14%	6.8x	278.8	53.0	81.0%	75.2%	3.1x	1.0x	32.1%	5.5%	-6.5%	103.00
4% International Hotel Investments plc Unsecured € 2026	60,000	3.64%	(.2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%	101.75
4.35% SD Finance plc Unsecured € 2027	65,000	3.96%	6.8x	324.4	137.6	57.6%	43.3%	4.1x	1.4x	9.0%	20.5%	5.7%	101.99
4% Eden Finance plc Unsecured € 2027	40,000	3.94%	(.5)x	190.5	108.5	43.1%	31.8%	(51.4)x	0.9x	-4.3%	-39.2%	-73.1%	100.32
4% Stivala Group Finance plc Secured € 2027	45,000	3.21%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%	104.50
3.85% Hili Finance Company plc Unsecured € 2028	40,000	3.53%	4.2x	624.2	106.8	82.9%	78.5%	5.8x	1.0x	14.1%	3.2%	-1.5%	102.00
3.8% Hili Finance Company plc Unsecured € 2029	80,000	3.87%	4.2x	624.2	106.8	82.9%	78.5%	5.8x	1.0x	14.1%	3.2%	-1.5%	99.51
Average**		**3.70%**											

Source: Latest available audited financial statements

* Last closing price as at 31/05/2021

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



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph also illustrates on a stand-alone basis, the yield of 1923 Investments plc bond.

As at 31 May 2020, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 1 to 5 years (2022-2026) was 358 basis points. The current 1923 Investments bond is trading at a YTM of 4.31%, translating into a spread of 425 basis points over the corresponding MGS. This means that this bond is trading at a premium of 67 basis points in comparison to 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.
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 Income (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 the average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the 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)	Free cash flow (FCF) represents the cash a Group/Company generates after accounting for cash outflows to support operations and maintain its capital assets. It is calculated by taking Cash Flow from Operating Activities (before the payment of interest) less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can be 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.
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 be 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 interest-bearing 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 measures how many times a Group/Company can cover its current interest payment with its available earnings.
Interest Coverage Level 1	Is calculated by dividing EBITDA by Cash Interest Paid.
Interest Coverage Level 2	Is calculated by dividing EBITDA by Finance Costs.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
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.