PHN/39

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Phoenicia Finance Company p.l.c. (C 88958) (hereinafter the "Company") of The Phoenicia Hotel, The Mall, Floriana, pursuant to the Capital Markets Rules issued by Malta Financial Services Authority:

Quote

In terms of Capital Markets Rule 5.16.24, Phoenicia Finance Company p.l.c. (the "**Company**") announced that the financial results of the Company, as published in the financial statements for the year ended 31 December 2022, resulted in a profit after tax of €18,261, which represents an adverse variance of €13,739 (43%) when compared to a profit after tax of €32,000 indicated in the projections published in the Financial Analysis Summary issued on 27 June 2022 by way of Company Announcement (Ref: PHN33) (the "**Published Projections**"). This variance is a result of administrative expenses incurred for the year ended 31 December 2022.

The financial results as published in the combined financial statements of Phoenicia Hotel Company Limited (OC 1) and Phoenicia Malta Limited (C 41576), the guarantors of the €25,000,000 4.15% unsecured bonds 2023-2028 issued by the Company in terms of a prospectus dated 12 November 2018 (the "**Guarantors**") and the Company (together the "**Group**") for the year ended 31 December 2022, report revenue of €14.7 million. This represents a favourable variance of €1.4 million (10%) when compared to €13.3 million indicated in the Published Projections. This evidences a sustained improvement in terms of revenue generation.

In addition, the combined profit after tax of €269,118 represents an adverse variance of €361,882 (57%) when compared to the profit before tax of €631,000 forecast in the Published Projections. This result is a consequence of administrative expenses incurred for the year ended 31 December 2022.

The Group's total assets as at 31 December 2022 stood at €128.2 million, which represents a variance of €33.0 million (35%) when compared to the total assets of €95.2 million forecast in the Published Projections. This variance is attributable to a revaluation gain of €11.5 million recognised as at 31 December 2022 and a related party loan receivable of €20 million.

The Group's total liabilities as at 31 December 2022 stood at €81.4 million, which represents a variance of €22.9 million (39%) when compared to the total liabilities of €58.5 million forecast in the Published Projections. This variance is mainly attributable to a new bank loan facility amounting to €20 million, that was advanced to the related party referred to above.

The Group's cash and cash equivalents as at 31 December 2022 stood at €1.2 million, which represents a favourable variance of €0.8 million (203%) when compared to the cash and cash equivalents of €0.4 million forecast in the Published Projections. This is attributable to a positive variance of €0.8 million in net cash flows from operating activities.

PHOENICIA FINANCE COMPANY P.L.C

The Group's equity as at 31 December 2022 stood at €46.8 million, which also represents favourable variance of €10.1 million (28%) when compared to the Group's equity of €36.6 million forecast in the Published Projections. This variance is mainly attributable to the revaluation gain of €11.5 million recognised as at 31 December 2022.

Unquote

BY ORDER OF THE BOARD

24 April 2023

S. Manduca

Dr. Stephanie Manduca
COMPANY SECRETARY