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Co Reg no.: C26843

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Eden Finance p.l.c. (C 26843) (the "Company") pursuant to the Capital Market Rules as issued by the Malta Financial Services Authority.

QUOTE

Publication of Financial Analysis Summary 2023

The Board of Directors of the Company wish to inform the general public that the 2023 Financial Analysis Summary is hereby attached and can also be found on the Company's website by clicking on the following link:

https://edenleisure.com/wp-content/uploads/2023/06/Eden-Finance-plc_2023-FAS.pdf

UNQUOTE

By order of the Board

David Zahra
Company Secretary

26 June 2023

FINANCIAL ANALYSIS SUMMARY

26 June 2023

ISSUER

EDEN FINANCE P.L.C.

(C 26843)

GUARANTOR

EDEN LEISURE GROUP LIMITED

(C 4529)

Prepared by:

MZ INVESTMENTS

MZ INVESTMENT SERVICES

The Directors
Eden Finance p.l.c.
Eden Place
St George's Bay
St Julian's STJ 3310
Malta

26 June 2023

Dear Board Members,

Financial Analysis Summary

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

The purpose of this Analysis is that of summarising key financial data appertaining to Eden Finance p.l.c. (the "**Issuer**", "**Eden Finance**", or "**Company**") and Eden Leisure Group Limited (the "**Guarantor**", "**Eden Group**", or "**Group**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the most recent three financial years ended 31 December 2020, 31 December 2021, and 31 December 2022 has been extracted from the audited annual financial statements of the Issuer and the Guarantor.

(b) The forecast information for the current financial year ending 31 December 2023 has been provided by the Group.

(c) Our commentary on the financial performance, cash flows, and financial position of the Issuer and the Guarantor is based on explanations provided by the Group.

(d) The ratios quoted in this Analysis have been computed by us applying the definitions set out in Part 4 – 'Explanatory Definitions' of this report.

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(e) Relevant financial data in respect of the companies included in Part 3 – 'Comparative Analysis' of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies, as well as other sources providing financial data.

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

Yours faithfully,

Evan Mohnani
Head Corporate Finance Services

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PART 1 – INFORMATION ABOUT THE EDEN GROUP

1. KEY ACTIVITIES OF THE ISSUER

The principal activity of Eden Finance is to act as a finance vehicle for the Eden Group. The Company is not engaged in any trading activities and its sole purpose is that of raising finance and advance it to related entities within the Group. As a result, the Issuer is economically dependent on the operations, performance, and prospects of the Eden Group.

2. DIRECTORS OF THE ISSUER

The Issuer is managed by a Board of Directors, composed of the following seven individuals, who are entrusted with the Company's overall direction and management:

Ian De Cesare	Chairman and Non-Executive Director
Kevin De Cesare	Chief Executive Officer and Executive Director
Simon De Cesare	Executive Director
David Vella	Executive Director
Andrea Gera de Petri Testaferrata	Non-Executive Director
Paul Mercieca	Independent Non-Executive Director
Victor Spiteri	Independent Non-Executive Director

3. KEY ACTIVITIES OF THE GUARANTOR

Eden Leisure Group Limited is the parent and holding company of the Eden Group, and is principally engaged, through subsidiary companies and/or associated entities, in the ownership of various businesses within the hospitality and entertainment industries in Malta.

The Group owns two hotel properties – the InterContinental Malta which is the largest five-star hotel in Malta, as well as the 3-star Holiday Inn Express Malta – both of which are operated in terms of a management agreement with InterContinental Hotels Group ("**IHG**").

The establishments owned and operated by the Group are: (i) Eden Cinemas; (ii) Eden SuperBowl; (iii) Cynergi Health & Fitness Club ("**Cynergi**"); (iv) 89.7 Bay; (v) InterContinental Arena and Conference Centre ("**IACC**"); and (vi) Eden Car Park. Furthermore, the Guarantor owns real estate for rental purposes and operates an Esports division which focuses on activities and tournaments that are organised both locally as well as through online/offline channels.

4. DIRECTORS AND SENIOR MANAGEMENT OF THE GUARANTOR

The Guarantor is managed by a Board of Directors, composed of the following four individuals, who are entrusted with the Group's overall direction, strategy, and management:

Ian De Cesare	Chairman and Non-Executive Director
Kevin De Cesare	Non-Executive Director
Paul Mercieca	Non-Executive Director
Victor Spiteri	Non-Executive Director

Strategic Board

In 2021, the Group set up an *ad hoc* committee for the purpose of appraising and overseeing large-scale projects and investments. The Committee is chaired by Kevin De Cesare, with Simon De Cesare and David Vella representing the Group's Executive Management team. The Committee is further supported by Raphael Aloisio who acts as an independent advisor.

Executive Management

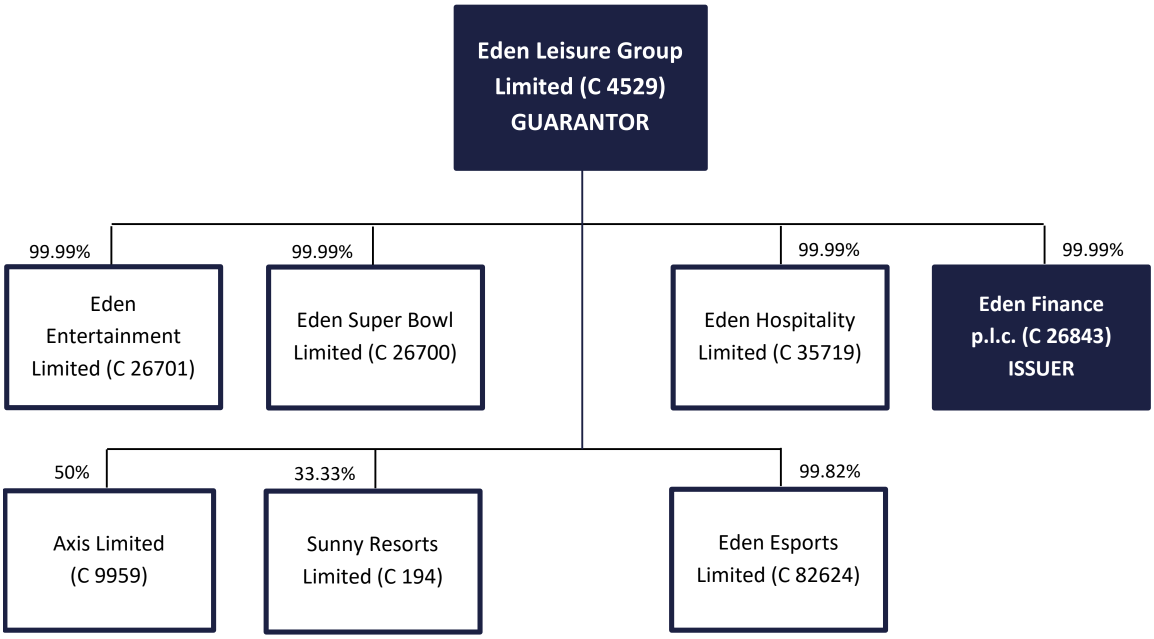
The day-to-day management of the Group is entrusted to Simon De Cesare, who is the Chief Executive Officer of the Group, and the Executive Management team. Some of the more important functions carried out by the Executive Management team include the consideration of new business opportunities, the execution of existing and new projects, and the procurement of funding thereof. The members of the Executive Management team are:

Simon De Cesare	Chief Executive Officer
David Vella	Chief Financial Officer
Kate De Cesare	Chief Operations Officer
Kevin De Cesare Jnr	Group General Manager
Pierre Baldacchino	Chief Commercial Officer

The average number of employees engaged by the Group during FY2022 amounted to 494 persons (FY2021: 393 persons).

5. GROUP ORGANISATIONAL STRUCTURE

The following diagram illustrates the organisational structure of the Group:



Eden Entertainment Limited ("EEL")

EEL was established in Malta on 14 July 2000 as a private limited liability company and is principally engaged in the operation of the Eden Cinemas, Eden Superbowl, Eden Car Park, 89.7 Bay, and Cynergi.

On 15 April 2023, EEL completed a management agreement with Valentina Communications Limited for the managerial control of the radio broadcasting frequency 100.2 FM. After obtaining the necessary approval from the Broadcasting Authority, the Group is presently rebranding the radio station with the intention to initiate operations in 2023.

Eden Super Bowl Limited ("ESL")

ESL was established in Malta on 14 July 2000 as a private limited liability company and is the owner of the property housing the Eden SuperBowl.

Eden Hospitality Limited ("EHL")

EHL was established in Malta on 22 February 2005 as a private limited liability company and is principally engaged in the operation of the InterContinental Malta, Holiday Inn Express Malta, and the IACC. The company also manages and services 46 self-catering apartments within InterContinental Malta ("**Diamond Suites**") which, in turn, are leased to a third-party timeshare operator.

Axis Limited

The Group has a 50% shareholding in Axis Limited, a company set up in Malta on 27 September 1988 as a private limited liability company and which leased a property situated in Paceville. Axis Limited has terminated its lease agreement with the landlord and, in consequence, the company will be placed into liquidation.

Sunny Resorts Limited

The Group has a 33.33% shareholding interest in Sunny Resorts Limited which holds an immovable property located in St Julian's.

Eden Esports Limited

Eden Esports Limited was established on 20 September 2017 and is principally engaged in providing online and offline Esports activities through the organisation and promotion of events, leagues, and tournaments both for local and international players. The company is also engaged in the promotion of Esports on various media channels as well as the creation and running of programmes and marketing events to increase the popularity of Esports sports in Malta and abroad.

6. MAJOR ASSETS

Eden Leisure Group Limited **Major Assets** **as at 31 December**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**
Property, plant and equipment	151,850	148,971	181,606
Investment property	16,750	16,750	16,750
Amounts receivable emanating from the sale of intellectual property	6,656	5,586	4,063
	175,256	**171,307**	**202,419**
Total assets	**190,888**	**193,529**	**217,948**
As % of total assets:			
Property, plant and equipment	*79.55*	*76.98*	*83.33*
Investment property	*8.77*	*8.66*	*7.69*
Amounts receivable emanating from the sale of intellectual property	*3.49*	*2.89*	*1.86*
	91.81	***88.52***	***92.87***

Property, plant, and equipment ("**PPE**") comprise land, buildings, furniture, fixtures, fittings, equipment, motor vehicles, and other fixed assets used in the Group's hospitality and entertainment operations.

During the period under review, the Group completed a 3-year investment programme which involved the renovation of all the rooms at the InterContinental Malta. Furthermore, the Group invested in the upgrade of the hotel's common areas, particularly the lobby which was substantially modernised. In parallel, the Lubelli Pizzeria and the Opal Lounge were inaugurated. The former opened in summer 2022 and is a Neapolitan wood-fired pizza concept which mixes local craft beer culture in a unique blend. On the other hand, the Opal Lounge was an investment in an underutilised area of the InterContinental Malta hotel aimed at creating a family-friendly lounge experience.

In FY2022, the Group reported an uplift of €27.5 million (net of deferred tax) in the carrying value of its PPE mainly on account of a parcel of land measuring 2,840 sqm which is currently being redeveloped into a new mixed-use project.

Investment property includes the Eden Business Centre located in Elia Zammit Street, St Julian's, and another property which is leased to a related company.

Amounts receivable emanating from the sale of intellectual property represent amounts owed to the Group following the sale of intellectual property and rights associated with the brands 'Cynergi' and '89.7 Bay' to EIP Ltd ("**EIP**") for the consideration of €8.6 million. EIP is ultimately equally owned by Ian De Cesare and Kevin De Cesare. Pursuant to an agreement with EIP, Eden Entertainment Limited is licenced to use the 'Cynergi' and '89.7 Bay' brands for a period of 25 years (which commenced on 1 January 2019) for the purpose of operating and managing 89.7 Bay and Cynergi.

7. PRINCIPAL BUSINESS ACTIVITIES

7.1 HOSPITALITY OPERATIONS

The hospitality segment comprises the operations of the InterContinental Malta, the Holiday Inn Express Malta, and the Diamond Suites.

The **InterContinental Malta** is a 481-room 5-star hotel located in St Julian's, which is run by IHG under a management contract which expires in 2034. The hotel offers a wide range of facilities, including accommodation, food and beverage offerings, spa, health and fitness centre, and extensive conference facilities.

The 118-room 3-star **Holiday Inn Express Malta** commenced operations in September 2017 and is run by IHG under a 15-year management contract. The property is a limited amenity, high quality hotel with an emphasis on the business traveller that demands an efficient service.

Diamond Suites is an apartment block of 46 self-catering units located adjacent to the InterContinental Malta and leased to Diamond Resorts International.

7.2 ENTERTAINMENT AND LEISURE OPERATIONS

The entertainment and leisure ("**E&L**") segment comprise the operations of the Eden Cinemas, 89.7 Bay, Cynergi, Eden SuperBowl, and Eden Esports.

Eden Cinemas

The Group is the largest operator of multiplex cinemas in Malta. The Eden Cinemas are situated in St Julian's and generate income through the operation of movie theatres, including box office receipts, food and beverage activities, as well as on-screen and off-screen advertising. Apart from showing the latest blockbusters as well as art-house movies, the Eden Cinemas also screens cultural and musical productions including operas and ballets broadcasted live from the world's most renowned theatres.

In view of the closure of the Group's second cinema block which is currently being redeveloped into a mixed-use project, and following the inauguration in December 2022 of 2 new large cinema screens, having a capacity of around 250 seats per cinema, the Group now has a total of 9 cinema screens operated within one property.

89.7 Bay

The Group has been operating 89.7 Bay since 1991. The radio station derives most of its revenues from advertising and the production of adverts. Over the years, it has built a strong audience and today enjoys considerable lead over other local radio stations.[1] 89.7 Bay is largely popular with the younger cohorts, with most of its listeners aged between 12 and 30 years.

Cynergi Health & Fitness Club

Cynergi is one of the largest health and fitness centres in Malta. Apart from generating revenue from memberships, the club also derives income from the rental of its studio and squash courts, as well as from the sale of nutritional and beverage products.

Cynergi has over 100 machines, a comprehensive weights area, two squash courts, an aerobics room, a crèche facility, as well as an indoor pool equipped with steam bath and sauna. The spa facilities are leased to a third-party international company and include an authentic Turkish Hamam.

Eden SuperBowl

Eden SuperBowl operates the only tenpin bowling alley in Malta. It comprises 18 lanes and is popular with families, youngsters, language schools, and corporate groups.

The Malta Tenpin Bowling Association operates solely at the Eden SuperBowl and organises three national leagues and *circa* 15 tournaments annually. The Eden SuperBowl also hosts two international annual tournaments (the Malta Open and the Seniors Open) which attract over 100 participants (mainly foreign nationals) per tournament.

[1] Broadcasting Authority – Audience Assessments, available at: https://ba.org.mt/audience-assessments. In the latest survey conducted in June 2022, 89.7 Bay had a market share of 20.5%, followed by Calypso Radio (13.1%), Vibe HD (12.6%), ONE Radio (12.4%), and Radju Malta (10.3%).

Eden Esports

Eden Esports has today become an established player in the organisation of international tournaments particularly for the game 'Counter-Strike: Global Offensive'. In view of the COVID-19 pandemic, Eden Esports was forced to move all its activities online in 2020 and 2021, through the creation of two significantly successful tournaments: the European Development Championship ("**EDC**") and the Malta Vibes Knockout Series. Both tournaments were geared towards tier two teams which exploited a gap in the market to provide innovative products.

7.3 OTHER OPERATIONS

InterContinental Arena and Conference Centre

The IACC is a 3,000 sqm facility mainly used by InterContinental Malta for organising meetings, conferences, events, and live shows.

Eden Car Park

The Eden Car Park is a multi-storey facility that spans the footprint of the InterContinental Malta and has a maximum capacity of 310 vehicles. Amid the strong increase in commercial, tourism, and leisure activities around the area, the Eden Car Park experienced a surge in demand and today is an important contributor to the Group's financial results. Moreover, the Eden Car Park is of significance to the other business entities of the Eden Group as it provides easily accessible car parking facilities to their respective clients.

Property Leasing

The Group owns and leases the following properties:

(i) **Property on St Augustine Street, St Julian's** – the Group leases on a long-term basis a property measuring *circa* 66 sqm which is operated as an Epic outlet.

(ii) **Eden Business Centre** – this property is situated in Elia Zammit Street, St Julian's, and comprises 784 sqm of office space spread on two levels with direct access to the Eden Car Park.

(iii) **Casino Malta** – a related party of the Group leases 3,000 sqm of space, situated under the InterContinental Malta, for the operation of Casino Malta. The lease contract is for a 10-year period starting from December 2015.

(iv) **Office space on Elia Zammit Street, St Julian's** – A related party of the Group leases on a long-term basis a property which comprises office space measuring *circa* 67 sqm which is being used as the Casino Malta offices.

Bid for the regeneration of Evans Building

In recent months, the Group submitted a bid (through a joint venture with a third party) in response to the public call for proposals, issued by Malta Strategic Partnership Projects, for the renovation, conversion, and long-term management (for a period of 65 years) of Evans Building, Valletta. In case of a successful outcome, the joint venture intends to transform Evans Building into an ultra-luxury Anantara Hotel through a management agreement with Minor Hotel Group. Minor Hotels is one of the largest international hotel management companies with 530 hotels, and also one of the largest restaurant operators in Asia. Over the years, Minor Hotels has gained recognition for its commitment to sustainability and responsible tourism practices.

8. MIXED-USE DEVELOPMENT

In January 2022, the Group received approval from the Planning Authority for the redevelopment of the Group's second cinema block on St Augustine Street, St George's Bay, St Julian's, that previously housed cinemas 11 to 16 ("**Cinema 16 Block**"). The purpose for this project is multi-faceted, including the better utilisation of space with a view of maximising the potential returns on investment through new revenue streams, improve the efficiencies of the Group's cinema operations, as well as grow and diversify the Group's hospitality division with a new hotel in the upper 4-star segment.

Demolition and excavation work started in Q1 2022 and the entire project is expected to be completed in stages in 2024 for a total cost of *circa* €32 million funded through own funds (€7 million) and a bank loan facility of €25 million which was obtained in January 2023.

Overall, the project will have a gross floor area of *circa* 28,300 sqm and will comprise: (i) a 168-room, 14-floor, upper 4-star Voco Hotel (a new brand owned by IHG) that will also include a large outdoor area for events and catering activities; ; (ii) two stand-alone office floors; (iii) a commercial complex providing retail and food and beverage space for rent; and (iv) a state-of-the-art family entertainment centre which will also include the Eden SuperBowl.

Voco Hotel

In 2019, the Group signed a binding agreement with IHG to manage on its behalf an upper 4-star, 168-room hotel under the Voco brand which is one of the newest and fastest growing brands within IHG's portfolio.

The hotel's reception and lounge bar area will be situated on the 4th floor and will lead to a 1,300 sqm outdoor garden. The property will also include a roof top overflow pool, a pool bar, as well as a restaurant on the 14th floor with spectacular views over St George's Bay.

The building is designed in a way to ensure maximum use of sustainable resources and renewable energy including the latest technology in cooling, heating, and insulation, as well as the reduction and reusing of water through the installation of a reverse osmosis plant and a grey water treatment plant. Furthermore, the hotel will not rely on single-use plastics (such as plastic key cards and disposable soap dispensers) and will recycle all glass, aluminium, and plastic bottles. In this respect, the Group is working with IHG with a view of setting the new Voco Hotel Malta as a benchmark for best practices in sustainability.

Office Block

The open space office area has been designed with a focus on quality including 3-sided glass façade and 3.6-metre-high floors. In total, the two floors will provide 5,000 sqm of office space which could also be used by the Voco Hotel for events and business purposes.

Despite the prevailing challenges in the market for office space office, the Group believes that its investment will have an edge on competition in view of the building's size, floor height, natural light, and superb location.

Commercial Complex

The project will offer rentable commercial spaces ranging in size from 220 sqm to 1,800 sqm. At present, the Group is in discussions with a number of potential tenants that fit with the overall vision and concept of the entire development. It is expected that rental income will start accruing in the second half of 2024.

Family Entertainment Centre

The building will comprise a fully-fledged entertainment centre spread over 3 floors with a total gross floor area of nearly 4,000 sqm. The complex will have a new 20-lane bowling centre; a significant number of additional new entertainment options including karaoke rooms, darts, and other social options; as well as a restaurant and bar offering.

Connected via escalators, the project will also have an area dedicated to the younger generations with a focus on modern entertainment such as virtual reality and video games that will be a first for Malta.

It is expected that the new family entertainment centre will open for business in Q2 2024.


VOCO

9. MARKET OVERVIEW

9.1 ECONOMIC UPDATE[2]

The Maltese economy grew strongly by 6.9% in 2022, driven by domestic demand and export of services, benefiting from the further recovery in tourism. Growth is forecast to moderate to 3.9% in 2023, as high inflation affects household disposable incomes and consumption. GDP growth is then set to reach 4.1% in 2024, supported by continuing net migration flows. Sizeable government measures helped to keep energy prices unchanged in Malta. They are expected to remain in place also in 2023 and 2024. As a result, the general government deficit stood at 5.8% in 2022, among the highest in the EU. It is expected to gradually decrease in 2023 and 2024. In consequence of robust GDP growth, public debt is forecast to remain below 60% of GDP.

Supported by strong growth in private consumption and investment, real GDP growth reached 6.9% in 2022. Growth also benefited from the strong performance of the services sectors in general. Tourism in 2022 rebounded quickly and above earlier expectations, both in terms of total number of visitors and tourism expenditures. The growth impact of a marked jump in gross fixed capital formation, related to a large one-off equipment purchase operation, was compensated by a strong increase in imports, resulting in a negative contribution of net exports.

In 2023, real GDP is forecast to grow at a slower pace, by 3.9%, as high inflation limits private consumption and the positive impulse from tourism, following the post-pandemic re-opening, moderates. In 2024, real GDP growth is expected to pick up to 4.1%.

Malta maintains a high pace of employment growth. Employment increased by an impressive 6.0% in 2022. Demand for labour increased across various sectors of the economy, both public and private, and was especially strong in tourism and administrative services. The labour force is set to continue growing at a robust pace in 2023 and 2024 in line with population growth as the country continued to attract foreign workers. Labour and skills shortages are expected to remain the main limiting factors for the Maltese economy over the forecast horizon. Malta's unemployment rate fell to 2.9% in 2022 and is expected to remain around this level in 2023 and 2024.

Harmonised Index of Consumer Prices (HICP) inflation in 2022 reached 6.1%, even though the energy prices were fixed at 2020 levels by government intervention. The Maltese authorities further confirmed their commitment to limiting energy inflation in 2023 and 2024. Nonetheless, inflation in 2023 is expected to stay high at 5.4%, pushed by increasing prices for imported goods (especially food), tourism services and housing maintenance services. In 2024, inflation is projected to slow to 2.8% as price growth in Malta's main trade partners moderates.

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

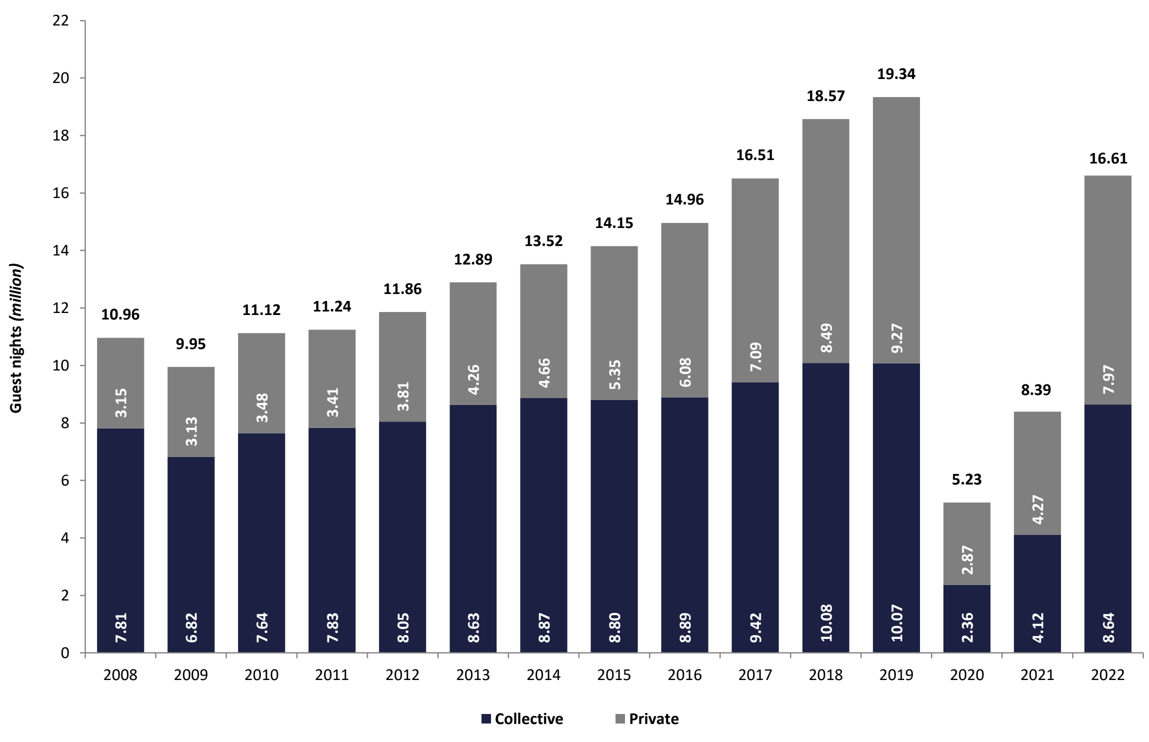
9.2 HOSPITALITY[3]

In 2022, the number of inbound tourists increased considerably by 136% over 2021, reaching 2,286,597 (2021: 968,136 visitors), but still remained 17% below 2019 pre-pandemic level (2019: 2,753,239 inbound tourists). In absolute terms, tourists visiting Malta for leisure purposes accounted for most of the year-on-year increase in arrivals although the number of visitors with business and other motives also increased.

The total number of guest nights that tourists spent in Malta during 2022 increased to around 16.6 million from 8.4 million a year earlier (+98%), but 14% less than the level recorded in 2019 (19.3 million guest nights). Guest nights at collective accommodation made up 52% of the aggregate (2021: 49%), while rented accommodation (other than collective accommodation) held a 48% share (2021: 51%).

Inbound tourists for the first three months of 2023 amounted to 443,062, an increase of 4.0% over the same period in 2019. Total nights spent by inbound tourists surpassed 2.9 million nights in Q1 2023, an increase of 3.8% when compared to Q1 2019.[4]

Total nights spent by inbound tourists by type of accommodation



Source: National Statistics Office Malta

The total occupancy rate in collective accommodation establishments during 2022 rose to 53.3%, from 33.2% a year earlier. However, it remained below that recorded in 2019, when it had reached 65.7%.

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[3] National Statistics Office Malta – News Release 020/2023.
[4] National Statistics Office Malta – News Release 078/2023.

All categories reported increases in their occupancy rates over 2021, with the 2-star category registering the largest increase – of 24.3 percentage points. This was followed by a rise of 23.0 percentage points in the 4-star category. Meanwhile, the smallest increase – of 13.6 percentage points – was registered in the 'other' collective accommodation category. Occupancy rates remained below those prevailing before the pandemic, with the most significant gap recorded among 5-star hotels, while in 2-star establishments the rate has almost converged to that prevailing then.[5]

Tourist expenditure in Malta more than doubled in 2022 to €2,012.5 million compared to the prior year (2021: €870.7 million). Total spending was just 9% below the level registered in the corresponding period of 2019. Expenditure per capita decreased by 2% from €899 in 2021 to €880 in 2022 (2019: €807), while average length of stay also decreased from 8.7 nights in 2021 to 7.3 nights in 2022 (2019: 7.0 nights). In Q1 2023, total tourist expenditure was estimated at €312.4 million compared to €272.4 million in the same period in 2019 (+15%).

[5] National Statistics Office Malta – News Release 040/2023.

PART 2 – PERFORMANCE REVIEW

10. FINANCIAL INFORMATION RELATING TO EDEN FINANCE PLC

The following historical information is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2020, 31 December 2021, and 31 December 2022.

The forecast information for the current financial year ending 31 December 2023 has been provided by the Group. This information relates to events in the future and is based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.

Eden Finance p.l.c. **Income Statement** **for the financial year 31 December**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Forecast** **€'000**
Finance income	1,680	1,680	1,680	1,680
Finance costs	(1,600)	(1,600)	(1,600)	(1,600)
Gross profit	**80**	**80**	**80**	**80**
Other income	116	-	-	-
Administrative expenses	(72)	(79)	(83)	(78)
Profit before tax	**124**	**1**	**(3)**	**2**
Taxation	(43)	(0)	1	(1)
Net profit	**81**	**1**	**(2)**	**1**

Eden Finance p.l.c. **Statement of Cash Flows** **for the financial year 31 December**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Forecast** **€'000**
Net cash from / (used in) operating activities	(76)	543	(676)	(100)
Net cash from / (used in) investing activities	1,680	1,680	1,680	1,680
Net cash from / (used in) financing activities	(1,600)	(1,600)	(1,600)	(1,600)
Net movement in cash and cash equivalents	**4**	**623**	**(596)**	**(20)**
Cash and cash equivalents at beginning of year	827	831	1,454	857
Cash and cash equivalents at end of year	**831**	**1,454**	**857**	**837**

Eden Finance p.l.c. **Statement of Financial Position** **as at 31 December**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Forecast** **€'000**
ASSETS				
Non-current assets				
Loans owed by parent company	40,000	40,000	40,000	40,000
Redeemable preference shares	1,165	1,165	1,165	1,165
Deferred tax asset	-	-	1	-
	41,165	**41,165**	**41,166**	**41,165**
Current assets				
Financial assets at amortised cost	881	305	869	961
Cash and cash equivalents	831	1,454	857	837
	1,712	**1,759**	**1,726**	**1,798**
Total assets	**42,877**	**42,924**	**42,892**	**42,963**
EQUITY				
Equity and reserves	**1,706**	**1,707**	**1,704**	**1,705**
LIABILITIES				
Non-current liabilities				
Debt securities	40,000	40,000	40,000	40,000
Current liabilities				
Trade and other payables	1,171	1,217	1,187	1,258
	41,171	**41,217**	**41,187**	**41,258**
Total equity and liabilities	**42,877**	**42,924**	**42,892**	**42,963**

Income Statement

In **FY2021**, interest receivable (finance income) amounted to €1.68 million while interest payable on bonds (finance costs) amounted to €1.60 million. After deducting €0.08 million in administrative costs, the Company reported a marginal net profit compared to the €0.08 million figure posted in FY2020 which included other income of €0.12 million.

In **FY2022**, the Issuer reported a similar performance to FY2021, but posted a marginal net loss amid an increase in administrative expenses and tax charges.

For **FY2023**, Eden Finance is not anticipating any material movements in its financial performance when compared to the previous years.

Cash Flow Statement

In **FY2021**, Eden Finance recorded a positive net movement in cash and cash equivalents of €0.62 million which represented a substantial improvement over the previous year reflecting favourable movements in receivables and/or related company balances. However, this was reversed in **FY2022** as the Company reported a negative net movement in cash and cash equivalents of €0.60 million on the back of adverse movements in receivables and/or related company balances.

For **FY2023**, the Issuer is forecasting a negative movement in cash and cash equivalents of €0.02 million. Overall, Eden Finance expects to end the projected year with a cash balance of €0.84 million compared to €0.86 million as at 31 December 2022.

Statement of Financial Position

The Company's balance sheet principally comprises the €40 million 4.00% unsecured bonds 2027 which funds were advanced to the Guarantor. Apart from the loan owed by the Guarantor, non-current assets comprise €1.17 million in redeemable preference shares of Eden Entertainment Limited.

For **FY2023**, the Issuer is not anticipating any material movements in its financial position when compared to the previous years.

11. FINANCIAL INFORMATION RELATING TO EDEN LEISURE GROUP LIMITED

The following information is extracted from the audited financial statements of the Group for the financial years ended 31 December 2020, 31 December 2021, and 31 December 2022.

The forecast information for the current financial year ending 31 December 2023 has been provided by the Guarantor. This information relates to events in the future and is based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.

Eden Leisure Group Limited **Income Statement** **for the financial year 31 December**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Forecast** **€'000**
Revenue	12,087	22,560	33,228	46,520
Net operating expenses	(12,669)	(15,210)	(24,679)	(32,041)
EBITDA	**(582)**	**7,349**	**8,549**	**14,479**
Depreciation and amortisation	(4,366)	(4,294)	(4,179)	(4,356)
Operating profit / (loss)	**(4,948)**	**3,056**	**4,370**	**10,123**
Fair value movement on investment property	(450)	-	-	-
Other net non-operating income / (costs)	(171)	(55)	(1)	-
Net finance costs	(2,057)	(2,026)	(2,017)	(2,034)
Profit / (loss) before tax	**(7,626)**	**975**	**2,352**	**8,089**
Taxation	2,884	1	(1,180)	(2,831)
Profit / (loss) after tax	**(4,742)**	**976**	**1,172**	**5,258**
Other comprehensive income				
Revaluation surplus, net of deferred tax	-	-	27,536	-
Other comprehensive items	(13)	(61)	(71)	101
Total comprehensive income/(expense)	**(4,755)**	**915**	**28,637**	**5,359**

Eden Leisure Group Limited **Divisional Analysis** **for the financial year 31 December**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Forecast** **€'000**
Revenue (€'000)	**12,087**	**22,560**	**33,228**	**46,520**
Hospitality	*6,628*	*15,851*	*23,789*	*35,600*
Entertainment & leisure	*5,459*	*6,709*	*9,439*	*10,920*
EBITDA (€'000)	**(582)**	**7,349**	**8,549**	**14,479**
Hospitality	(1,829)	5,385	7,026	12,378
Entertainment & leisure (post royalty fee)	58	762	930	957
Entertainment & leisure (pre royalty fee)	776	1,560	1,948	2,081
Other*	1,189	1,202	592	1,144
Segment EBITDA margin (%)	**(4.82)**	**32.58**	**25.73**	**31.12**
Hospitality	(27.60)	33.97	29.54	34.77
Entertainment & leisure (post royalty fee)	1.06	11.37	9.86	8.76
Entertainment & leisure (pre royalty fee)	14.21	23.26	20.64	19.05

** Namely rental operations. In FY2022, the Group incurred a one-time impairment charge of €0.5 million in relation to the demolition of the Cinema 16 Block*

Key Financial Ratios	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast
EBITDA margin (%) *(EBITDA / revenue)*	(4.82)	32.58	25.73	31.12
Operating profit margin (%) *(Operating profit / revenue)*	(40.94)	13.54	13.15	21.76
Net profit margin (%) *(Profit after tax / revenue)*	(39.24)	4.33	3.53	11.30
Return on equity (%) *(Profit after tax / average equity)*	(4.28)	0.90	0.96	3.84
Return on assets (%) *(Profit after tax / average assets)*	(2.43)	0.51	0.57	2.36
Return on invested capital (%) *(Operating profit / average equity and net debt)*	(3.14)	1.97	2.61	5.45
Interest cover (times) *(EBITDA / net finance costs)*	(0.28)	3.63	4.24	7.12

Income Statement

In **FY2020**, revenues contracted sharply to €12.09 million compared to €45 million in the previous year reflecting the significant negative impact of the COVID-19 pandemic. Hospitality revenues amounted to just €6.63 million (FY2019: €33.39 million) whilst income from E&L dropped by almost 53% to €5.46 million (FY2019: €11.61 million).

As a result of the sharp contraction in business, the Group recorded a negative EBITDA of €0.58 million compared to the record EBITDA of €13.51 million achieved in FY2019. Whilst the E&L segment made a positive EBITDA contribution of €0.06 million (FY2019: €0.99 million), the hospitality segment reported a negative EBITDA of €1.83 million (FY2019: positive EBITDA of €11.47 million) which outweighed the EBITDA of €1.19 million (FY2019: €1.05 million) generated by the Group's rental operations.

Depreciation and amortisation ("**D&A**") charges amounted to €4.37 million (FY2019: €4.54 million), thus leading to an operating loss of €4.95 million compared to the operating profit of €8.97 million recorded in FY2019.

After accounting for fair value movements (negative €0.45 million), other net non-operating costs (€0.17 million), and net finance costs (€2.06 million), the Group reported a loss before tax of €7.63 million compared to the pre-tax profit of €15.45 million achieved in FY2019. Nonetheless, the loss was partly compensated by a tax income of €2.88 million, thus resulting in a loss for the year of €4.74 million compared to the net profit of €12.66 million registered in FY2019.

In **FY2021**, revenues nearly doubled to €22.56 million reflecting the gradual re-opening of tourism as well as the organisation of some social and business events particularly in the second half of the year following the rapid rollout of vaccination in Q1 2021. Hospitality revenues amounted to €15.85 million whilst income from E&L increased by almost 23% to €6.71 million.

EBITDA amounted to €7.35 million, with 73.28% (or €5.39 million) emanating from the hospitality segment whilst the rental and E&L operations contributed 16.36% (or €1.20 million) and 10.37% (or €0.76 million) respectively. The EBITDA margin stood at 32.58% which exceeded the level of 30.01% achieved in FY2019 as the Group received €3.51 million in Government grants related to a wage subsidy programme in response to the COVID-19 pandemic. Furthermore, the Group had an average head count of 393 persons in FY2021 compared to 593 persons in FY2019.

After accounting for D&A charges of €4.29 million, the Group reported an operating profit of €3.06 million which translated into an operating profit margin of 13.54% and a return on invested capital of 1.97%.

Net finance costs remained virtually unchanged at €2.03 million. However, given the upsurge in EBITDA, the interest cover improved materially to 3.63 times compared to negative 0.28 times in FY2020.

Overall, Eden Group reported a net profit for the year of €0.98 million which translated into a return on equity of 0.90% and a return on assets of 0.51%.

In **FY2022**, revenues surged by 47.29% (or +€10.67 million) to €33.23 million amid a strong rebound in activity across all business lines reflecting the much higher tourism numbers as well as the significant increase in local consumerism. The hospitality segment generated €23.79 million (+50.08%) in revenues, representing 71.59% of the Group's total turnover. Conference groups started to return in Q2 2022 and activity during summer was positive despite the construction activity taking place near the Group's hotels and the limited availability of airline seats on the UK-Malta route that resulted in very expensive flight tickets.

The Group also faced other challenges stemming from the disruptions resulting from the demolition of the Cinema 16 Block which impacted the operations of both Eden Cinema and Eden SuperBowl. Notwithstanding, income from E&L increased by 40.69% year-on-year to €9.44 million as all sectors recorded improvement in performance particularly Cynergi and the cinema and bowling operations.

EBITDA for the year amounted to €8.55 million which includes a one-time impairment charge of €0.5 million in relation to PPE that appertained to the Cinema 16 Block. Furthermore, the amount of Government grants received by the Group in relation to the COVID-19 wage supplement amounted to €1.64 million compared to €3.51 million in FY2021. As a result, the EBITDA margin eased to 25.73% which also reflects the negative impact of high inflation which translated into higher costs, particularly wages and salaries.

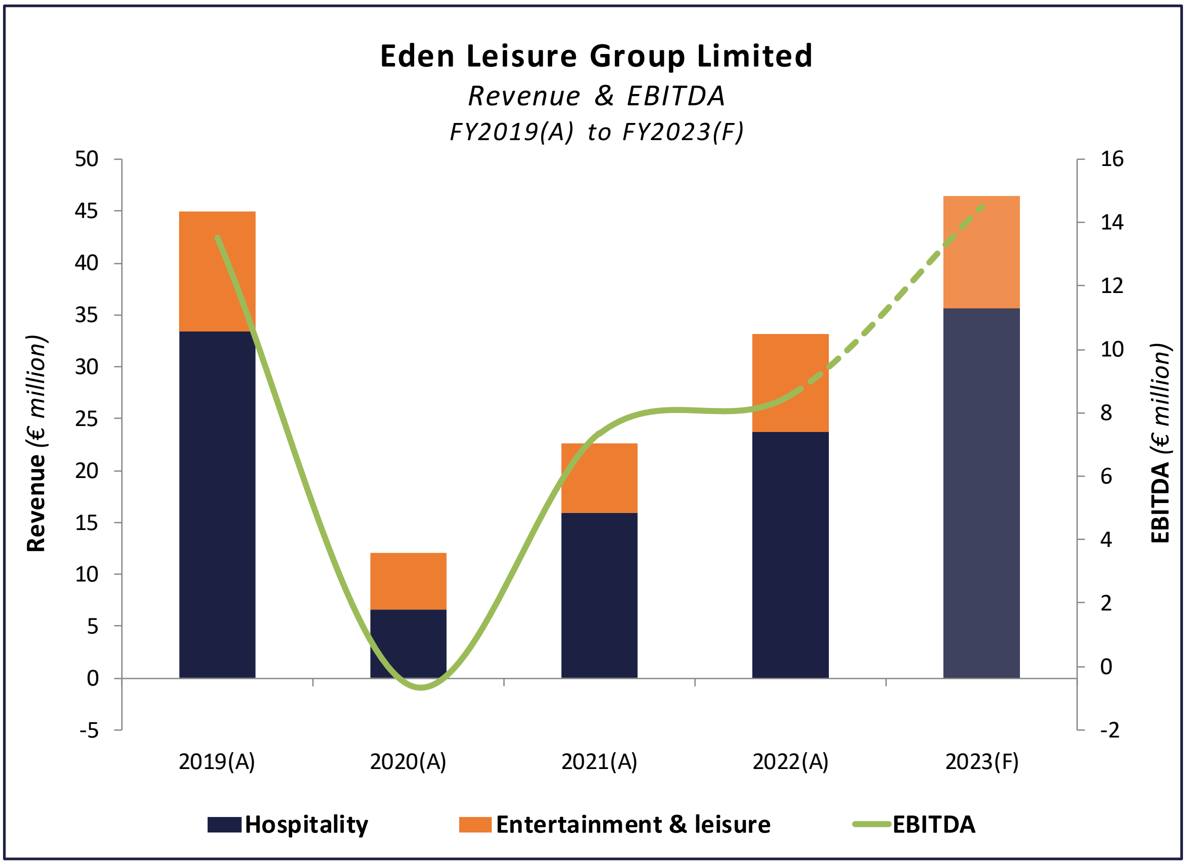
After accounting for D&A charges of €4.18 million, the Group reported an operating profit of €4.37 million representing an operating profit margin of 13.15% and a return on invested capital of 2.61%. Net finance costs stood at just over €2.03 million, thus leading to a pre-tax profit of €2.35 million compared to €0.98 million in FY2021. Given the growth in EBITDA, the interest cover improved further to 4.24 times.

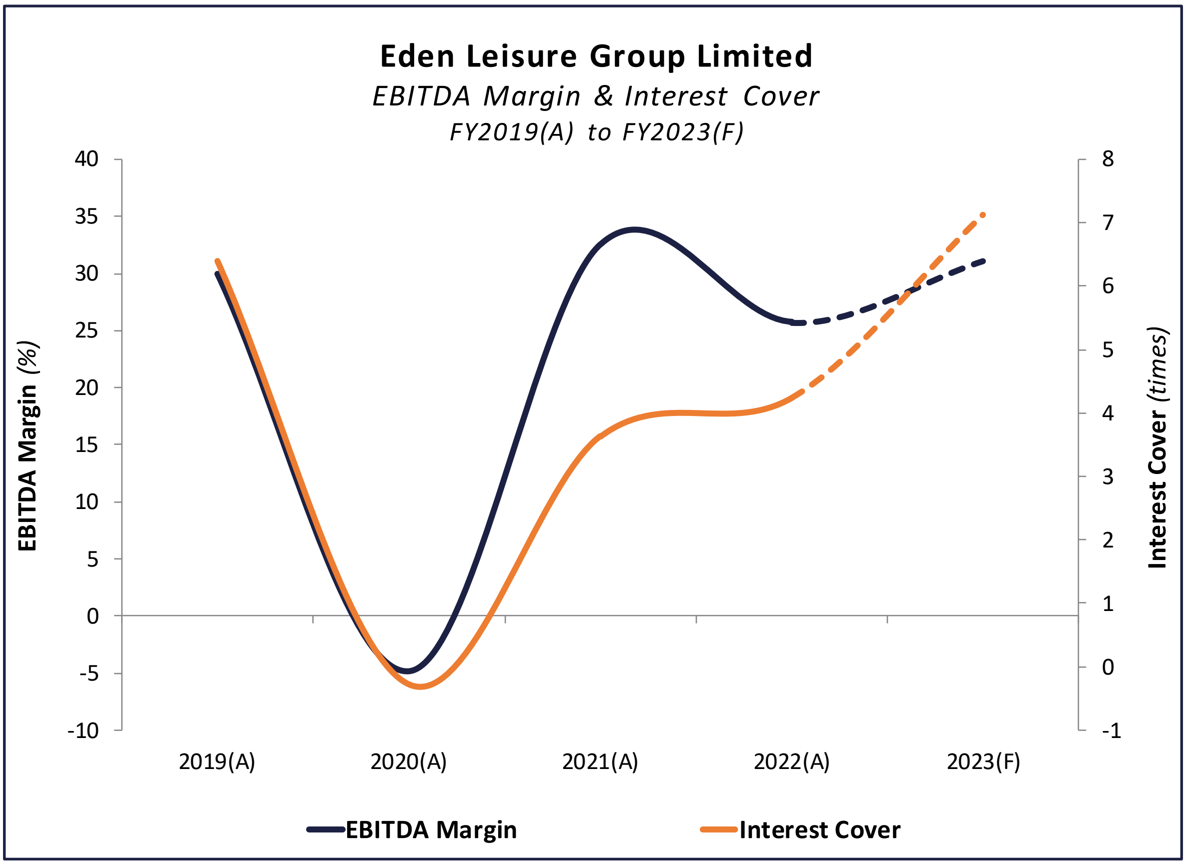
Overall, Eden Group reported a net profit for the year of €1.17 million which translated into a return on equity of 0.96% and a return on assets of 0.57%. Total comprehensive income was boosted by a €27.54 million revaluation surplus (net of deferred tax) in relation to the land of the Cinema 16 Block. As a result, Eden Group reported total comprehensive income for the year of €28.64 million compared to €0.92 million in FY2021.

During **FY2023**, the Group is expecting to generate €46.52 million in revenues which would represent an increase of 40.00% (or +€13.29 million) over FY2022. The main driver of growth is anticipated to be the hospitality division with a growth of almost 50% in income to €35.60 million on the back of the rapid and strong recovery in tourism as well as the robust demand for conferences and events. On the other hand, the Group's E&L arm is projecting an increase of 15.69% in revenues to €10.92 million amid the sustained recovery in this operating segment.

As a result of the expected material growth in business, EBITDA is anticipated to surge by 69.36% to a record of €14.48 million which would represent a margin of 31.12%. The lion's share of the Group's EBITDA will be generated by the hospitality division which is forecasting a significant increase in contribution to €12.38 million (FY2022: €7.03 million). Meanwhile, the Group's other operations are anticipated to generate an aggregate EBITDA of €2.10 million compared to €1.52 million in FY2022.

D&A charges are projected to amount to €4.36 million, thus leading to an operating profit of €10.12 million (FY2022: €4.37 million) which would translate into a return on invested capital of 5.45%. After accounting for net finance costs of €2.03 million and a tax expense of €2.83 million, the net profit for the year is estimated at €5.26 million which would translate into a return on equity of 3.84% and a return on assets of 2.36%. The interest cover is also expected to increase markedly to over 7 times.


Eden Leisure Group Limited
Revenue & EBITDA
FY2019(A) to FY2023(F)
Revenue (€ million)
EBITDA (€ million)
50
45
40
35
30
25
20
15
10
5
0
-5
16
14
12
10
8
6
4
2
0
-2
2019(A)
2020(A)
2021(A)
2022(A)
2023(F)
Hospitality
Entertainment & leisure
EBITDA


Eden Leisure Group Limited
EBITDA Margin & Interest Cover
FY2019(A) to FY2023(F)
EBITDA Margin (%)
Interest Cover (times)
40
35
30
25
20
15
10
5
0
-5
-10
8
7
6
5
4
3
2
1
0
-1
2019(A)
2020(A)
2021(A)
2022(A)
2023(F)
EBITDA Margin
Interest Cover

Eden Leisure Group Limited Statement of Cash Flows for the financial year 31 December	2020 Actual €'000	2021 Actual €'000	2022 Actual €'000	2023 Forecast €'000
Net cash from / (used in) operating activities	(2,481)	7,212	6,942	11,796
Net cash from / (used in) investing activities	(1,710)	(265)	(6,652)	(14,996)
Net cash from / (used in) financing activities	610	(760)	(5,720)	3,803
Net movement in cash and cash equivalents	**(3,581)**	**6,187**	**(5,429)**	**603**
Cash and cash equivalents at beginning of year	7,171	3,590	9,777	4,348
Cash and cash equivalents at end of year	**3,590**	**9,777**	**4,348**	**4,951**

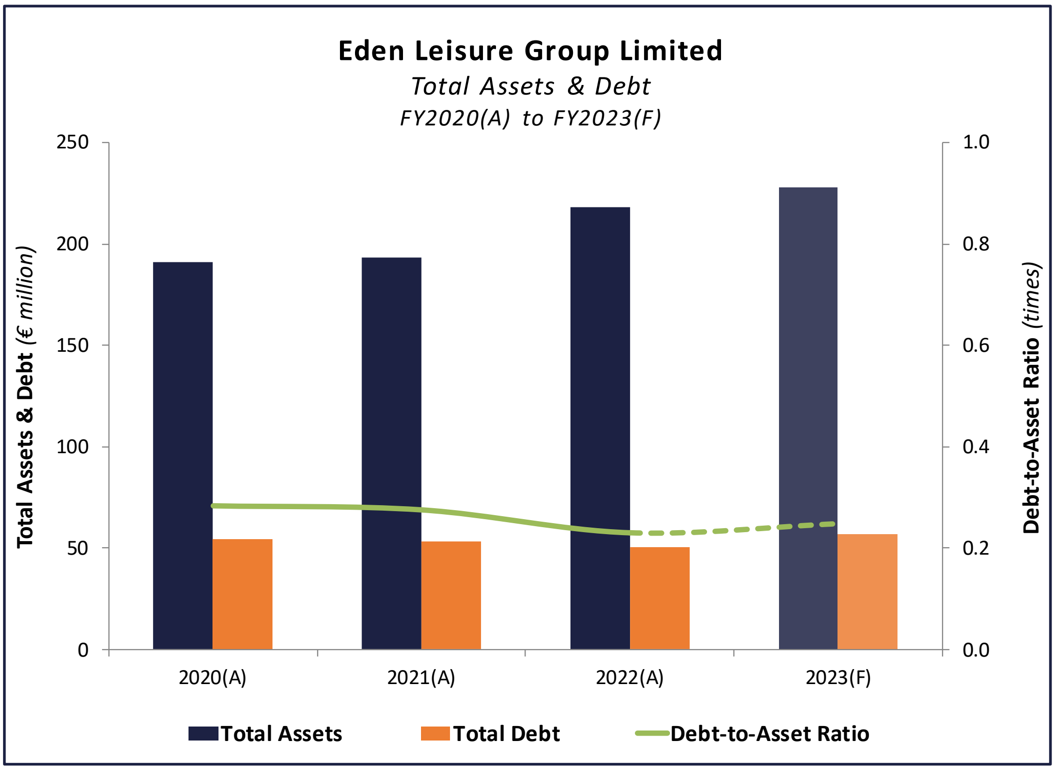
Statement of Cash Flows

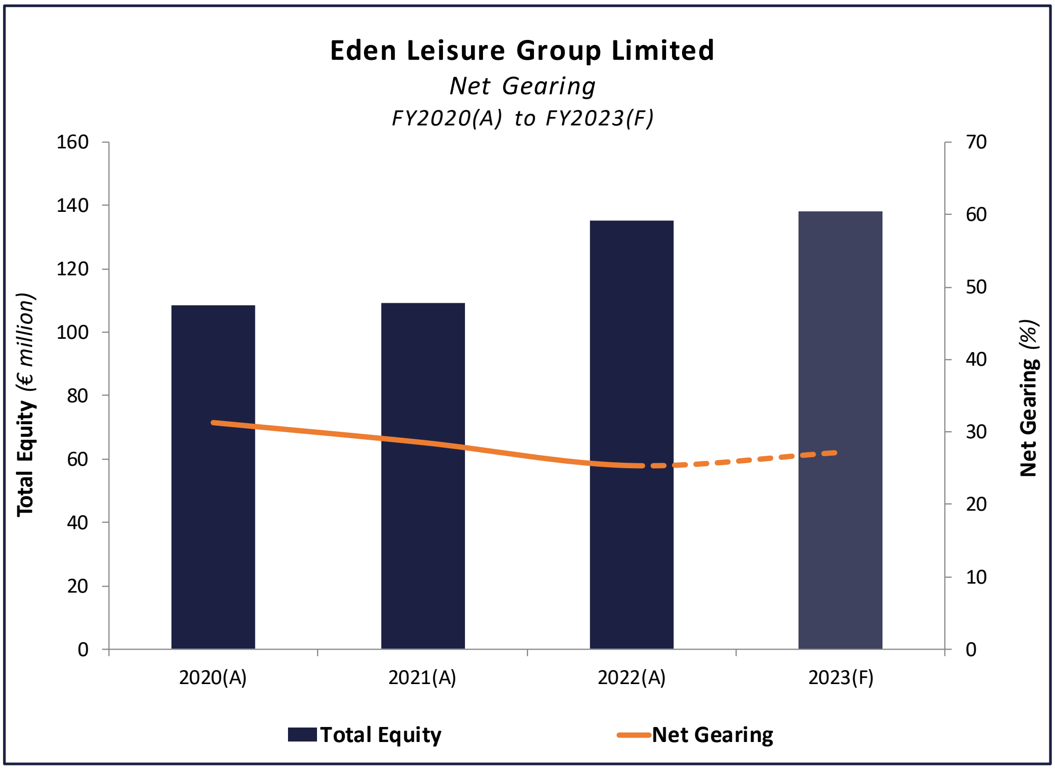
In **FY2020**, net cash used in operating activities amounted to €2.45 million compared to cash inflows of €12.33 million in FY2019, reflecting the severe contraction in business due to the COVID-19 pandemic. On the other hand, the Group used less cash for its investing activities, which amounted to €1.71 million compared to €5.26 million in FY2019, as the Guarantor adopted a very cautious approach to cash management in view of the COVID-19 pandemic. In parallel, the Group's cash flows benefitted from net borrowings of €0.8 million whilst the Group did not pay any dividends during the year (FY2019: €3.05 million). The overall net movement in cash and cash equivalents amounted to negative €3.58 million (FY2019: positive movement of €1.64 million) whilst the Group ended the 2020 financial year with a cash balance of €3.59 million compared to €7.17 million as at 31 December 2019.

In **FY2021**, the Guarantor generated €7.21 million in net cash from operating activities which was partly used in investing activities (€0.27 million) and financing activities (€0.76 million). The overall net movement in cash and cash equivalents was positive by €6.19 million, thus contributing to a notable increase in the cash balance to €9.78 million.

In **FY2022**, the Group registered a negative net movement in cash and cash equivalents of €5.43 million. Net cash flow from operating activities amounted to €6.94 million as despite the considerable increase in business, the Group's operating cash flows were impacted by adverse year-on-year working capital movements. Furthermore, Eden Group used €6.65 million for its investing activities, primarily for the redevelopment of the Cinema 16 Block, the investment related to two new state-of-the-art cinema screens, as well as the refurbishment and other improvement works at the InterContinental Malta including the opening of Lubelli Pizzeria and Opal Lounge. Meanwhile, €5.72 million was used for the Group's financing activities and included the repayment of bank borrowings amounting to €3.18 million and a dividend distribution of €2.5 million. Overall, the Guarantor ended the 2022 financial year with a cash balance of €4.35 million.

During **FY2023**, the Group is expecting a net positive movement of €0.60 million in cash and cash equivalents. The Guarantor is forecasting a material increase in net cash generated from operating activities to €11.80 million, reflecting the significant growth in business and profitability. In investing activities, the Group estimates that it will utilise €15 million mainly for the redevelopment of the Cinema 16 Block. Cash inflows from financing activities is expected to amount to €3.80 million and will comprise net drawdowns from bank borrowings of €6.30 million and payment of dividends of €2.50 million.





Eden Leisure Group Limited Statement of Financial Position as at 31 December	2020 Actual €'000	2021 Actual €'000	2022 Actual €'000	2023 Forecast €'000
ASSETS				
Non-current assets				
Property, plant and equipment	151,850	148,971	181,606	192,250
Right-of-use assets	1,745	1,491	1,423	1,375
Investment property	16,750	16,750	16,750	16,750
Investment in associated undertakings	718	717	717	716
Trade and other receivables	7,033	5,978	4,476	3,352
Deferred tax asset	1,602	1,665	584	-
	179,698	**175,572**	**205,556**	**214,443**
Current assets				
Inventory	2,198	2,077	2,123	2,198
Trade and other receivables	3,309	4,952	4,465	5,024
Financial assets	843	1,151	1,457	1,074
Fixed deposits	1,250	-	-	-
Cash and cash equivalents	3,590	9,777	4,347	4,951
	11,190	**17,957**	**12,392**	**13,247**
Total assets	**190,888**	**193,529**	**217,948**	**227,690**
EQUITY				
Share capital	60,000	60,000	60,000	60,000
Revaluation reserve	33,552	33,491	60,956	60,956
Fair value gain reserve	4,540	4,540	4,540	4,540
Retained earnings	10,375	11,254	9,926	12,785
Non-controlling interest	(98)	(1)	(1)	(1)
Equity and reserves	**108,369**	**109,284**	**135,421**	**138,280**
LIABILITIES				
Non-current liabilities				
Borrowings and bonds	51,324	48,643	45,475	51,734
Lease liabilities	1,627	1,563	1,537	1,497
Other non-current liabilities	16,591	17,034	20,296	20,296
	69,542	**67,240**	**67,308**	**73,527**
Current liabilities				
Borrowings	1,057	3,209	3,241	3,285
Lease liabilities	252	37	26	21
Other current liabilities	11,668	13,759	11,953	12,578
	12,977	**17,005**	**15,219**	**15,884**
	82,519	**84,245**	**82,528**	**89,411**
Total equity and liabilities	**190,888**	**193,529**	**217,948**	**227,690**
Total debt	*54,260*	*53,452*	*50,279*	*56,537*
Net debt	*49,420*	*43,675*	*45,932*	*51,586*
Invested capital (total equity plus net debt)	*157,789*	*152,959*	*181,352*	*189,865*

Key Financial Ratios	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	(84.91)	5.94	5.37	3.56
Net debt-to-equity (times) *(Net debt / total equity)*	0.46	0.40	0.34	0.37
Net gearing (%) *(Net debt / net debt and total equity)*	31.32	28.55	25.33	27.17
Debt-to-asset (times) *(Total debt / total assets)*	0.28	0.28	0.23	0.25
Leverage (times) *(Total assets / total equity)*	1.76	1.77	1.61	1.65
Current ratio (times) *(Current assets / current liabilities)*	0.86	1.06	0.81	0.83

Statement of Financial Position

Total assets amounted to €190.89 million as at 31 December **2020** (31 December 2019: €199.27 million), mainly comprising PPE (€151.85 million), investment property (€16.75 million), as well as current and non-current trade and other receivables (€10.34 million).

Total equity stood at €108.37 million (31 December 2019: €113.12 million) primarily consisting of share capital (€60 million), revaluation reserves (€33.55 million), and retained earnings (€10.38 million). On the other hand, total liabilities amounted to €82.52 million (31 December 2019: €86.14 million) of which the largest component comprise debt (i.e., bank borrowings, listed bonds, and lease liabilities) of €54.26 million (31 December 2019: €54.51 million).

During **FY2021**, total assets increased by 1.38% to €193.53 million as the drop in the values of PPE and trade and other receivables was offset by the substantial increase in cash balances. The Group's equity base expanded by 0.84% to €109.28 million whilst total liabilities increased by 2.09% to €84.25 million. In view of the drop in net debt to €43.68 million from €49.42 as at the end of 2020, coupled with the increase in equity, the Group's net gearing and net debt-to-equity ratios improved to 28.55% (31 December 2020: 31.32%) and 0.40 times (31 December 2020: 0.46 times) respectively.

In **FY2022**, total assets increased by 12.62% to €217.95 million reflecting the higher value of PPE on account of the works-in-progress relating to the redevelopment of the Cinema 16 Block and an uplift in carrying value of the same site. The revaluation surplus also positively impacted the equity base of the Group which expanded by almost 24% to €135.42 million.

Total liabilities contracted by 2.04% to €82.53 million reflecting the reduction in total borrowings to €50.28 million from €53.45 million as at the end of FY2021.

In the context of the abovementioned year-on-year changes, coupled with the strong uplift in EBITDA recorded during the year, the net debt-to-EBITDA multiple strengthened to 5.37 times from 5.94 times in FY2021. Likewise, all other credit metrics of the Group registered an improvement with the net debt-to-equity and net gearing ratios dropping to 0.34 times and 25.33% respectively whilst the debt-to-asset and the leverage ratios slipped to 0.23 times and 1.61 times respectively. Conversely, the current ratio deteriorated to 0.81 times from 1.06 times as at 31 December 2021 in view of the reduction in cash balances on account of the ongoing redevelopment of Cinema 16 Block.

In **FY2023**, total assets are expected to increase by 4.47% (or +€9.74 million) to €227.69 million reflecting the increase in PPE mainly on account of the redevelopment of the Cinema 16 Block which will be partly funded through bank borrowings. As a result, total debt is anticipated to increase by 12.45% (or +€6.26 million) to €56.54 million, thus also leading to a corresponding increase in total liabilities to €89.41 million.

Total equity is projected to expand by 2.11% to €138.28 million, mainly due to an increase in retained earnings to €12.79 million. Nonetheless, given the sharper increase in debt, the Group's debt metrics are anticipated to deteriorate, albeit marginally. In fact, the net gearing and the debt-to-asset ratios are forecasted to trended higher to 27.17% and 0.25 times respectively. On the other hand, in view of the substantial increase in earnings, the net debt-to-EBITDA multiple is expected to drop to 3.56 times.

12. VARIANCE ANALYSIS

The following information relates to the variance analysis between the forecasts for the financial year ended 31 December 2022 included in the Analysis dated 24 June 2022 (the "**2022 FAS**"), and the audited annual financial statements for the financial year ended 31 December 2022.

Eden Leisure Group Limited **Income Statement** **for the financial year 31 December 2022**	**Actual** **€'000**	**Forecast** **€'000**	**Variance** **€'000**
Revenue	33,228	35,483	(2,255)
Net operating expenses	(24,679)	(23,912)	(767)
EBITDA	**8,549**	**11,571**	**(3,022)**
Depreciation and amortisation	(4,179)	(4,237)	58
Operating profit	**4,370**	**7,334**	**(2,964)**
Other net non-operating income (costs)	(1)	(35)	34
Finance costs	(2,017)	(1,983)	(34)
Profit/(loss) before tax	**2,352**	**5,316**	**(2,964)**
Taxation	(1,180)	(1,861)	681
Profit/(loss) after tax	**1,172**	**3,455**	**(2,283)**
Other comprehensive income			
Revaluation surplus, net of deferred tax	27,536	-	**27,536**
Other comprehensive items	(71)	-	(71)
Total comprehensive income/(expense)	**28,637**	**3,455**	**25,182**

The profitability recorded by the Group in FY2022 was below expectations (when excluding the impact of the revaluation surplus) as the negative variances in revenues (-6.36% when compared to the 2022 FAS forecast) and net operating expenses (+3.21%) offset the lower-than-anticipated tax charge. Income fell short of expectations amid a slightly weaker rebound in the hospitality segment particularly in business conferences and related events. Furthermore, the higher element of net operating expenses reflects the negative impact of elevated inflation which virtually impacted all business lines of the Group.

Eden Leisure Group Limited Statement of Cash Flows for the financial year 31 December 2022	Actual €'000	Forecast €'000	Variance €'000
Net cash from / (used in) operating activities	6,942	9,812	(2,870)
Net cash from / (used in) investing activities	(6,652)	(7,500)	848
Net cash from / (used in) financing activities	(5,720)	(6,409)	689
Net movement in cash and cash equivalents	**(5,429)**	**(4,097)**	**(1,332)**
Cash and cash equivalents at beginning of year	9,777	9,777	-
Cash and cash equivalents at end of year	**4,348**	**5,680**	**(1,332)**

Statement of Cash Flows

Eden Group registered a higher negative net movement in cash and cash equivalents than previously anticipated. The variance in relation to the amount of net cash generated from operating activities is largely due to adverse working capital movements. On the other hand, the Guarantor used a lower amount of net cash for its investing and financing activities as, in aggregate, these were €1.54 million lower than forecasted at the time of the publication of the 2022 FAS.

Statement of Financial Position

The major variance is related to the amount of assets and equity held by the Group which were higher than forecast by almost €26 million, reflecting the revaluation surplus recorded during the year in relation to the land which is currently being redeveloped into a new mixed-use project.

Eden Leisure Group Limited
Statement of Financial Position
as at 31 December 2022

	Actual	Forecast	Variance
	€'000	**€'000**	**€'000**
ASSETS			
Non-current assets			
Property, plant and equipment	181,606	152,234	29,372
Right-of-use assets	1,423	1,210	213
Investment property	16,750	16,750	-
Investment in associated undertakings	717	716	1
Trade and other receivables	4,476	4,949	(473)
Deferred tax asset	584	1,665	(1,081)
	205,556	**177,524**	**28,032**
Current assets			
Inventory	2,123	2,052	71
Trade and other receivables	4,465	5,820	(1,355)
Financial assets	1,457	1,151	306
Cash and cash equivalents	4,347	5,680	(1,333)
	12,392	**14,703**	**(2,311)**
Total assets	**217,948**	**192,227**	**25,721**
EQUITY			
Share capital	60,000	60,000	-
Revaluation reserve	60,956	33,552	27,404
Fair value gain reserve	4,540	4,540	(0)
Retained earnings	9,926	11,747	(1,821)
Non-controlling interest	(1)	-	(1)
Equity and reserves	**135,421**	**109,839**	**25,582**
LIABILITIES			
Non-current liabilities			
Borrowings and bonds	45,475	45,481	(6)
Lease liabilities	1,537	1,635	(98)
Other non-current liabilities	20,296	17,034	3,262
	67,308	**64,150**	**3,158**
Current liabilities			
Borrowings	3,241	3,209	32
Lease liabilities	26	252	(226)
Other current liabilities	11,953	14,777	(2,824)
	15,219	**18,238**	**(3,019)**
	82,528	**82,388**	**140**
Total equity and liabilities	**217,948**	**192,227**	**25,721**
Total debt	*50,279*	*50,577*	*(298)*
Net debt	*45,932*	*44,897*	*1,035*
Invested capital (total equity plus net debt)	*181,352*	*154,736*	*26,616*

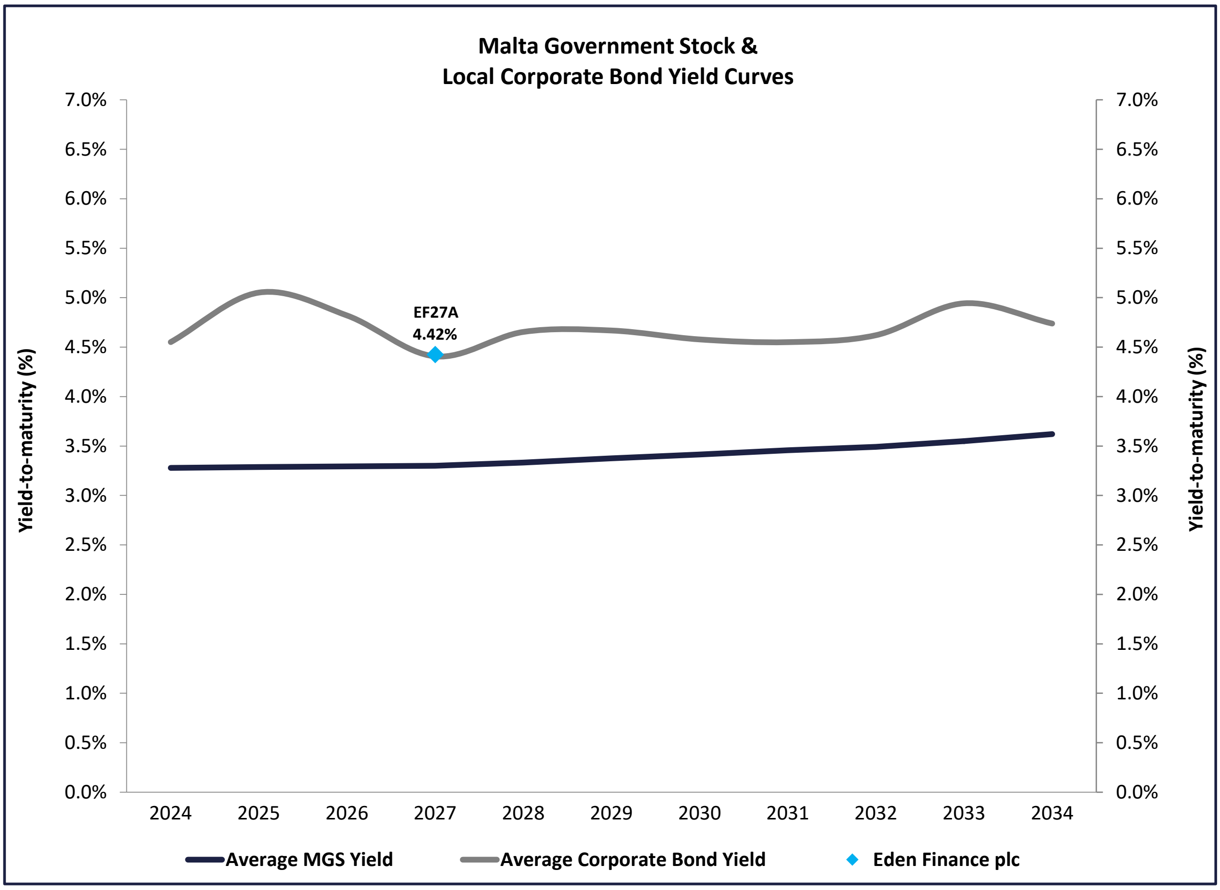
PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Group and other issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis serves as an indication of the financial performance and strength of Eden Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
6.00% AX Investments plc Unsecured & Guaranteed 2024	40,000	5.92	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2024	35,000	4.89	1.87	11.42	41.92	0.40
5.30% Mariner Finance plc Unsecured 2024	17,684	4.34	4.72	5.95	49.91	0.49
5.00% Hal Mann Vella Group plc Secured 2024	30,000	4.98	2.42	9.45	51.80	0.44
5.10% 1923 Investments plc Unsecured 2024	36,000	5.08	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024	6,465	2.55	13.29	4.71	63.61	0.65
5.75% International Hotel Investments plc Unsecured 2025	45,000	5.46	1.87	11.42	41.92	0.40
5.10% 6PM Holdings plc Unsecured 2025	13,000	5.09	10.95	0.38	11.16	0.17
4.50% Hili Properties plc Unsecured & Guaranteed 2025	37,000	4.90	1.80	12.53	45.87	0.46
3.70% Gap Group plc Secured & Guaranteed 2023/2025	16,618	4.97	33.21	4.85	56.20	0.69
4.35% Hudson Malta plc Unsecured & Guaranteed 2026	12,000	4.54	6.11	4.89	71.67	0.57
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	4.63	1.66	12.42	42.46	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	3.66	1.87	11.42	41.92	0.40
5.00% Dizz Finance plc Unsecured & Guaranteed 2026	8,000	5.02	1.91	10.70	79.93	0.59
3.75% Premier Capital plc Unsecured 2026	65,000	4.38	11.25	2.09	61.67	0.56
4.00% International Hotel Investments plc Unsecured 2026	60,000	4.15	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	3.55	1.75	14.74	30.01	0.28
3.90% Gap Group plc Secured & Guaranteed 2024/2026	21,000	4.05	33.21	4.85	56.20	0.69
4.00% Hili Finance Company plc Unsecured & Guaranteed 2027	50,000	4.29	4.64	4.84	69.79	0.63
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.35	4.60	2.66	27.22	0.27
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	4.42	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027	30,000	4.73	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	4.25	4.84	5.58	28.97	0.26
4.75% Best Deal Properties Holding Plc Secured & Guaranteed 2025/2027	15,000	4.62	13.29	4.71	63.61	0.65
4.75% Gap Group plc Secured & Guaranteed 2025/2027	23,000	4.62	33.21	4.85	56.20	0.69
3.85% Hili Finance Company plc Unsecured & Guaranteed 2028	40,000	4.40	4.64	4.84	69.79	0.63
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	4.50	4.84	5.58	28.97	0.26
3.80% Hili Finance Company plc Unsecured & Guaranteed 2029	80,000	5.96	4.64	4.84	69.79	0.63
3.75% AX Group plc Unsecured 2029	10,000	4.11	1.75	14.74	30.01	0.28
6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030	18,144	5.79	1.56	11.27	94.67	0.83
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.81	1.87	11.42	41.92	0.40
3.50% AX Real Estate plc Unsecured 2032	40,000	4.56	2.31	13.83	42.36	0.41
5.00% Mariner Finance plc Unsecured 2032	36,930	4.73	4.72	5.95	49.91	0.49
4.50% The Ona plc Secured & Guaranteed 2028/2034	16,000	4.74	44.17	9.76	64.11	0.59

As at 31 May 2023

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



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

The 4.00% Eden Finance plc unsecured bonds 2027 are trading at a yield-to-maturity ("YTM") of 4.42% which is in line with the average YTM of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity is 112 basis points.

PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation.
Operating profit	Profit from operating activities including movements in the fair value of investment property but excluding the share of results of associated undertakings, net finance costs, and taxation.
Profit after tax	Net profit generated from all business activities.

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

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

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

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