



Zejtun offices and technical facilities

Investor Update

Full Year 2023

Agenda

- Overview
- Financial Highlights
- Outlook



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- **Overview**
- **Financial Highlights**
- **Outlook**



Strong growth in revenues and profits



19% growth in
Total Revenue

5.0 million in 2023
4.2 million in 2022



26% growth in
Operating Profits

3.4 million in 2023
2.7 million in 2022



Dividend increase

1c4 in 2023
1c3 in 2022



Marsa office building

Key projects delivered

- Full year of revenue from Zejtun
- Renovation of The Exchange (Spencer Hill)
- Move-in by anchor Government tenants (BCA and OPSA ¹)

1. Old Persons Standard Authority



Zejtun

- c. 10,000 sq.m
- 100% leased
- State-of-the-art build
- Blue-chip tenant

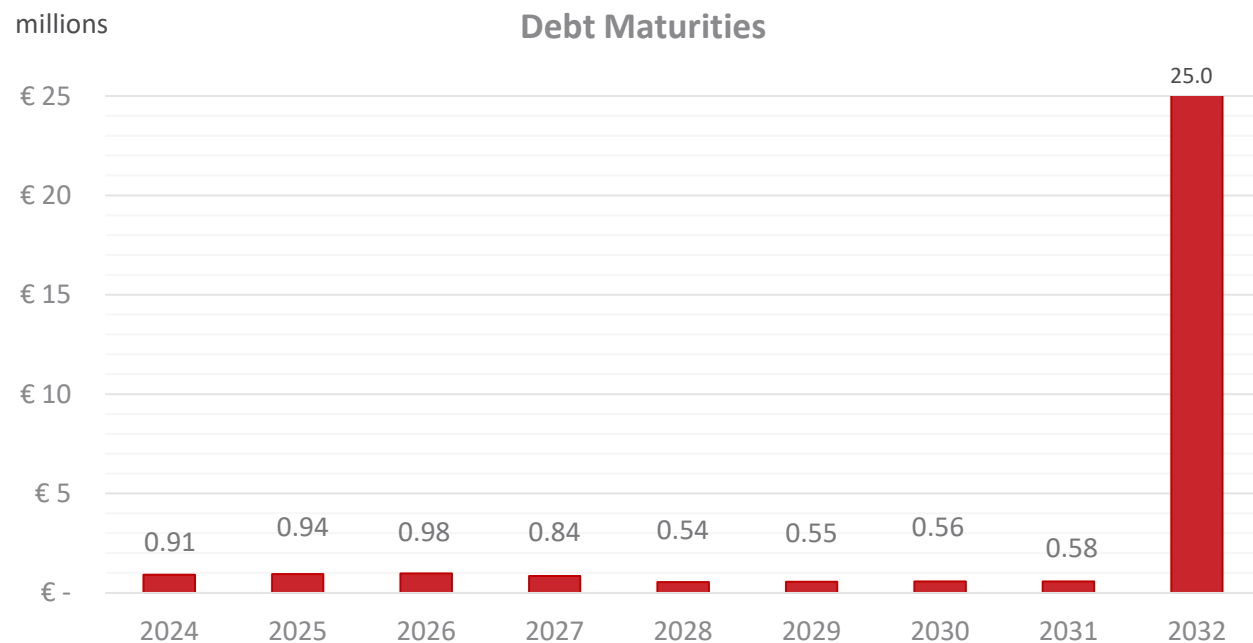


The Exchange

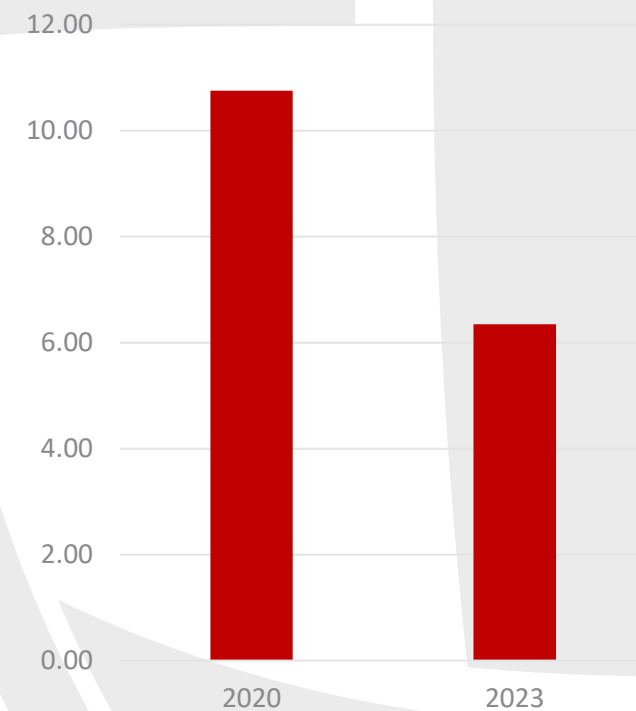
- c. 4,200 sq.m
- 64% leased
- Fully modernised heritage property

Strong Balance Sheet

- No significant upcoming maturities
- Net debt to EBITDA has materially de-rated

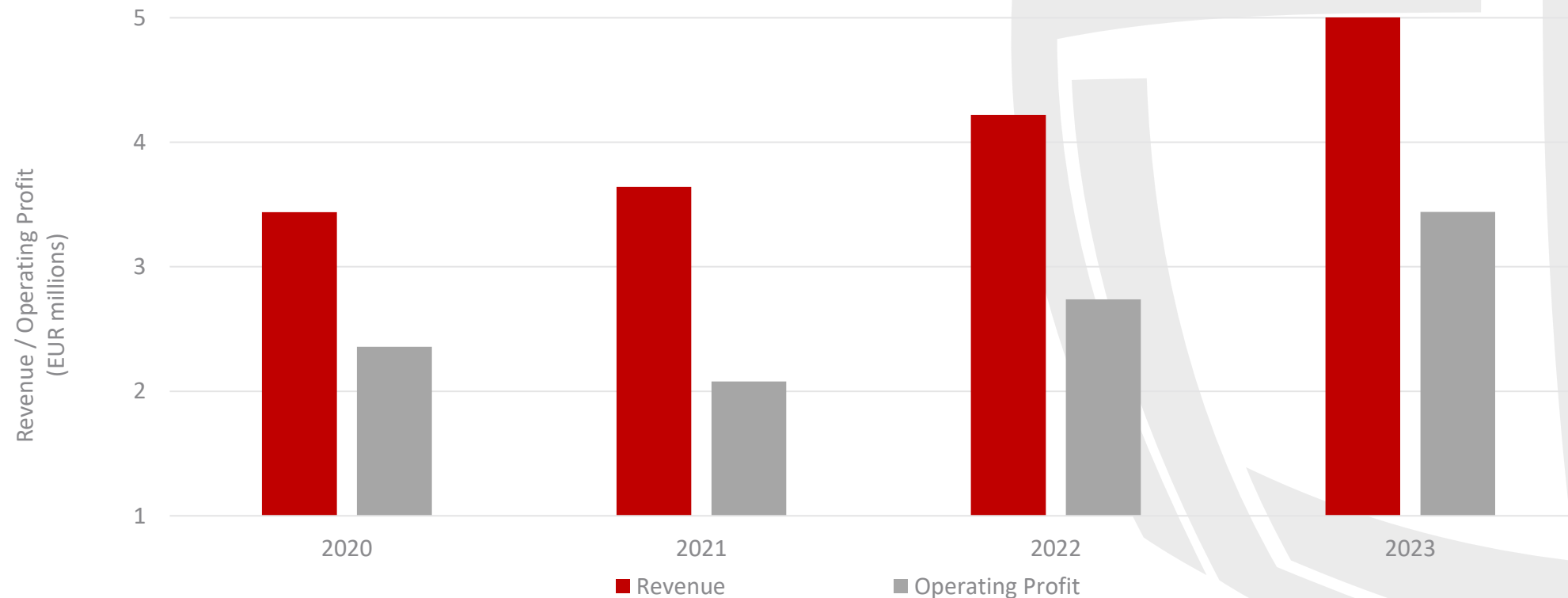


Net debt/EBITDA



Compelling financial evolution

Strong growth in revenues and operating profits over past 3 years



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P&L 2023

Statement of Comprehensive Income

	Dec 2023 €000	Dec 2022 €000	Variance €000
Revenue	4,936	4,153	783
Other income	82	67	15
Total Revenue	5,018	4,220	798
Net impairment losses on financial assets	13	(10)	23
Administrative expenses	(1,591)	(1,471)	(120)
EBIT	3,440	2,739	701
Finance income	226	48	178
Finance cost	(1,303)	(1,039)	(264)
Adjustment to fair valuation of property	970	(98)	1,068
Profit before tax	3,333	1,650	1,683
Income tax expenses	(1,270)	(1,512)	242
Profit for the year	2,063	138	1,925
Earnings per share (in euro)	0.020	0.001	0.019

Total Revenue: Increase led by full year of revenue from Zejtun, commencement of rent from the renovated 'The Exchange' building and increases in rental rates

Administration expenses: Items contributing to the increase include higher AGM costs as we returned to a physical AGM in 2023 and an increase in professional fees as the Group is expanding its tenant base and entering new lease agreements

Finance costs: The increase reflects the higher cost of borrowing; in the year, the Group paid full year of interest (and amortisation) on the Bond and the Ta' Xbiex loan

Fair value movements: The main increases were for the Zejtun property and Floriana offices (which are no longer owner-occupied) and smaller increases on the industrial properties

Income tax: Current tax in the previous year included tax on the sale of the B'Kara Old Exchange

Balance Sheet

Statement of Financial Position

	Dec-23 €000	Dec-22 €000	Variance €000
ASSETS			
Non-current assets			
Investment property	87,336	81,840	5,496
Property, plant and equipment	909	887	21
Trade and other receivables	25	14	11
Intangible assets	2	2	-
Total non-current assets	88,272	82,744	5,528
Current assets			
Trade and other receivables	1,369	1,192	177
Deposits	6,019	4,163	1,856
Cash and cash equivalents	3,226	13,856	(10,630)
Current tax asset	192	170	22
Total current assets	10,806	19,381	(8,575)
Total assets	99,078	102,125	(3,047)

Investment property: Increase in investment property mainly relates to the capex incurred on The Exchange at Spencer Hill and the Zejtun Complex. There were also fair value increase for Zejtun and Floriana

Cash and cash equivalents: Decrease in cash at bank following significant loan repayments, capital expenditure and dividends.

Deposits: Increase in deposits as we moved cash to short term deposits to avail of better interest rates.

Balance Sheet (contd.)

Borrowings: Decreases in borrowings following the part-early repayment of the loan that had been taken for Ta' Xbiex

Trade and other payables: Increase in trade and other payables mainly due to payables and retentions on related to the renovation of The Exchange

Total liabilities of the Group fell by approximately 8%

Statement of Financial Position - continued

	Dec-23 €000	Dec-22 €000	Variance €000
Share capital	32,419	32,419	-
Other reserve	254	252	2
Retained earnings	23,716	22,970	746
Total capital and reserves	56,389	55,641	748
Non-current liabilities			
Borrowings	30,182	35,078	(4,896)
Deferred tax liabilities	8,242	7,701	541
Trade and other payables	143	141	2
Total non-current liabilities	38,567	42,920	(4,353)
Current liabilities			
Borrowings	907	799	108
Trade and other payables	2,852	2,498	354
Current tax liabilities	363	267	96
Total current liabilities	4,122	3,564	558
Total liabilities	42,689	46,484	(3,795)
Total equity and liabilities	99,078	102,125	(3,047)

Balance Sheet

Company Performance

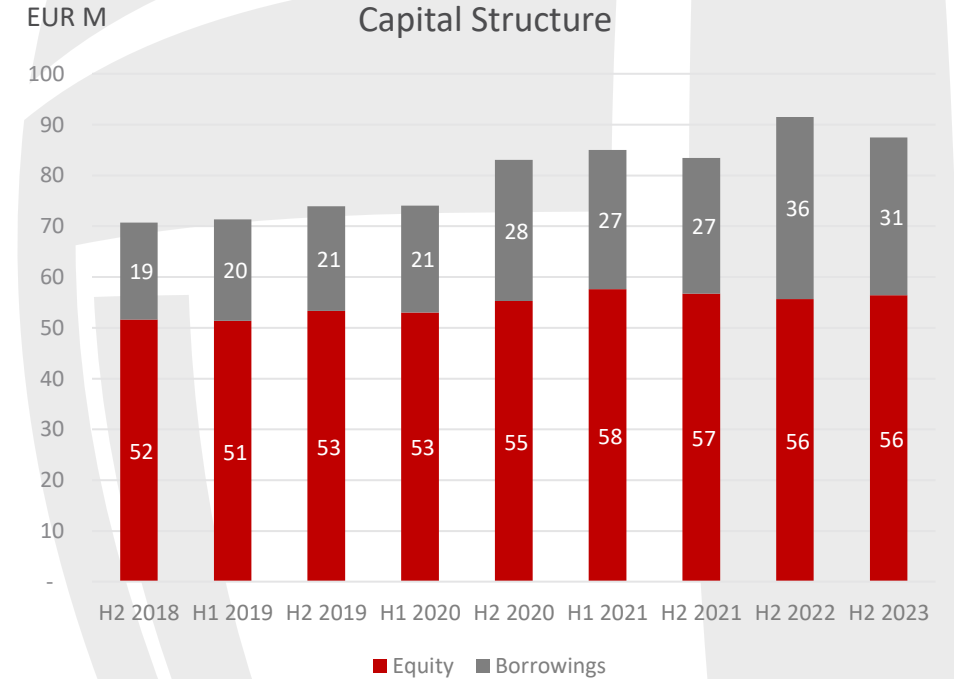
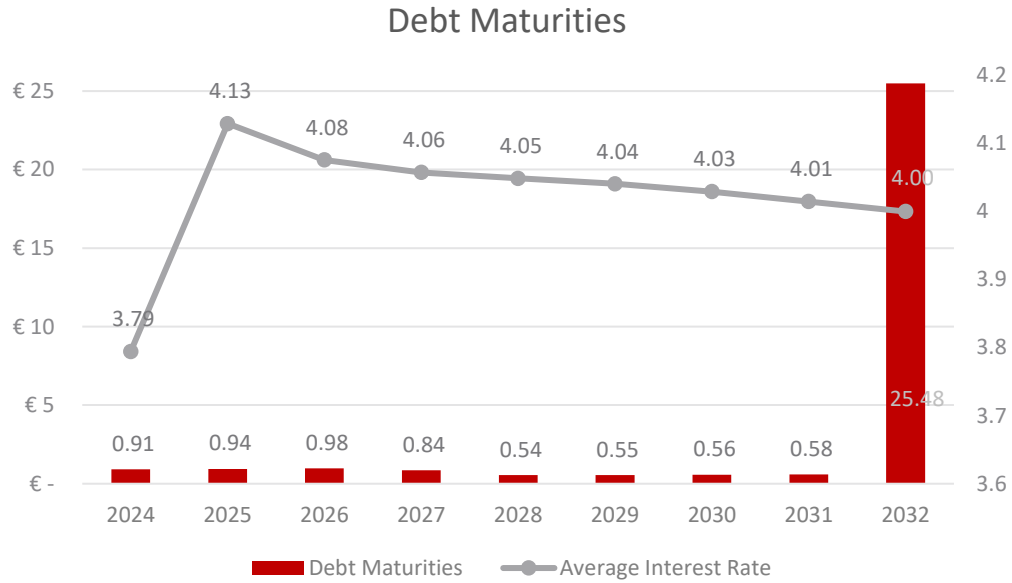
	2023	2022
	€000	€000
Total assets	99,078	102,125
Total liabilities	42,689	46,484
NAV at end of year	56,389	55,641
NAV per share	0.557	0.549
Proforma NAV per share (excluding deferred tax)	0.638	0.625
Property value (including PPE)	88,245	82,727
Net borrowings	21,844	17,859
Loan-To-Value	25%	22%
Equity	56,389	55,641
Net borrowings	21,844	17,859
Gearing Ratio	39%	32%

Net Asset Value per share increased marginally over the prior year.

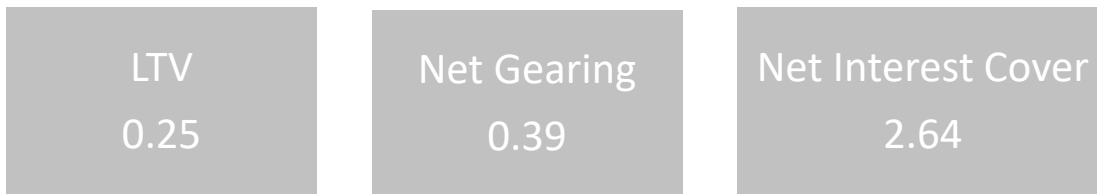
This was led by the decrease in the liabilities of the Group, consisting primarily of the repayment of bank loans.

The use of cash to repay loan, capex and dividend also resulted in a decrease in Total Assets and an increase in net borrowings.

Debt & Capital Structure



Financing Metrics



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Outlook

- Tenant concentration risk reducing as new tenants join; diversification across different sectors
- Continued growth in revenues and operating profits expected in 2024
- Increased dividend of 1c4 recommended for 2023
- Looking ahead, a number of leases expiring in the next 12 months; Company focused on attracting the right tenants and, in some cases, repurposing the property
- Well-positioned with strong balance sheet and long-term debt funding

Portfolio Overview

as at 31 March 2024

Property	Tenant	Lease outstanding (in years)	NIA (sqm)
Industrial Properties			
B'Kara New Exchange	GO p.l.c.	4.81	860
B'Kara epic	epic	5.76	994
Rabat Exchange	GO p.l.c.	0.75	714
Marsa New Exchange	GO p.l.c.	3.71	340
St. Paul's Bay Exchange	GO p.l.c.	2.33	746
Sliema Exchange	GO p.l.c.	1.59	560
Mosta Exchange	GO p.l.c.	5.76	1,678
Zejtun Technical Facilities	GO p.l.c.	8.73	5,622
Radio Link, Naxxar	GO p.l.c.	0.75	488
			12,002
Offices			
GO Head Office, Marsa	GO p.l.c.	0.75	9,130
Victoria, Gozo	Government of Malta (GM)	3.84	291
The Bastions, Floriana	Finco, Planning Authority	1.64	1,627
Spencer Hill, Marsa ¹	BCA, GM	3.00	4,258
Swatar Call Centre	HSBC UK, GM	1.07	6,555
MIB, Ta' Xbiex	Various	1.82	2,131
Zejtun Office	GO p.l.c.	8.73	4,418
			28,410
		3.68	40,412