Financial Analysis Summary

28 June 2016

Issuer

PTL Holdings p.l.c.

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

The Directors
PTL Holdings p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa MRS 3000

28 June 2016

Dear Sirs

PTL Holdings p.l.c. Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the 2016 Financial Analysis Summary 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 PTL Holdings p.l.c. (the "**Group**" or the "**Company**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the years ended 31 December 2013 to 31 December 2015 has been extracted from the audited financial statements of PTL Holdings p.l.c. and its subsidiaries;

(b) The forecast data of the Group for the year ending 31 December 2016 has been provided by management of the Company.

(c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by the Company.

(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) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours faithfully,

Wilfred Mallia
Director

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PART 1 – INFORMATION ABOUT THE COMPANY

1. KEY ACTIVITIES

PTL Holdings p.l.c. (the "**Company**", "**Issuer**" or the "**Group**") was incorporated on 23 December 2013 as a holding company for the technology business of the Hili Ventures Group.

On 30 June 2014 and 1 August 2014 the Group acquired the businesses of SAD (section 4.2) and APCO (section 4.3) respectively, and in December 2014 the Company issued €36 million 5.1% unsecured bonds of a nominal value of €100 per bond, redeemable at their nominal value on 4 December 2024. These bonds are listed on the Official List of the Malta Stock Exchange.

2. DIRECTORS AND SENIOR MANAGEMENT

The Company is managed by a Board consisting of five directors entrusted with its overall direction and management.

Board of Directors

Carmelo *sive* Melo Hili	Chairman and Non-Executive Director
Richard Abdilla Castillo	Non-Executive Director
Stephen Kenneth Tarr	Non-Executive Director
Tomasz Nawrocki	Executive Director
John Trefor Price Roberts	Independent Non-Executive Director
Karl Fritz	Independent Non-Executive Director

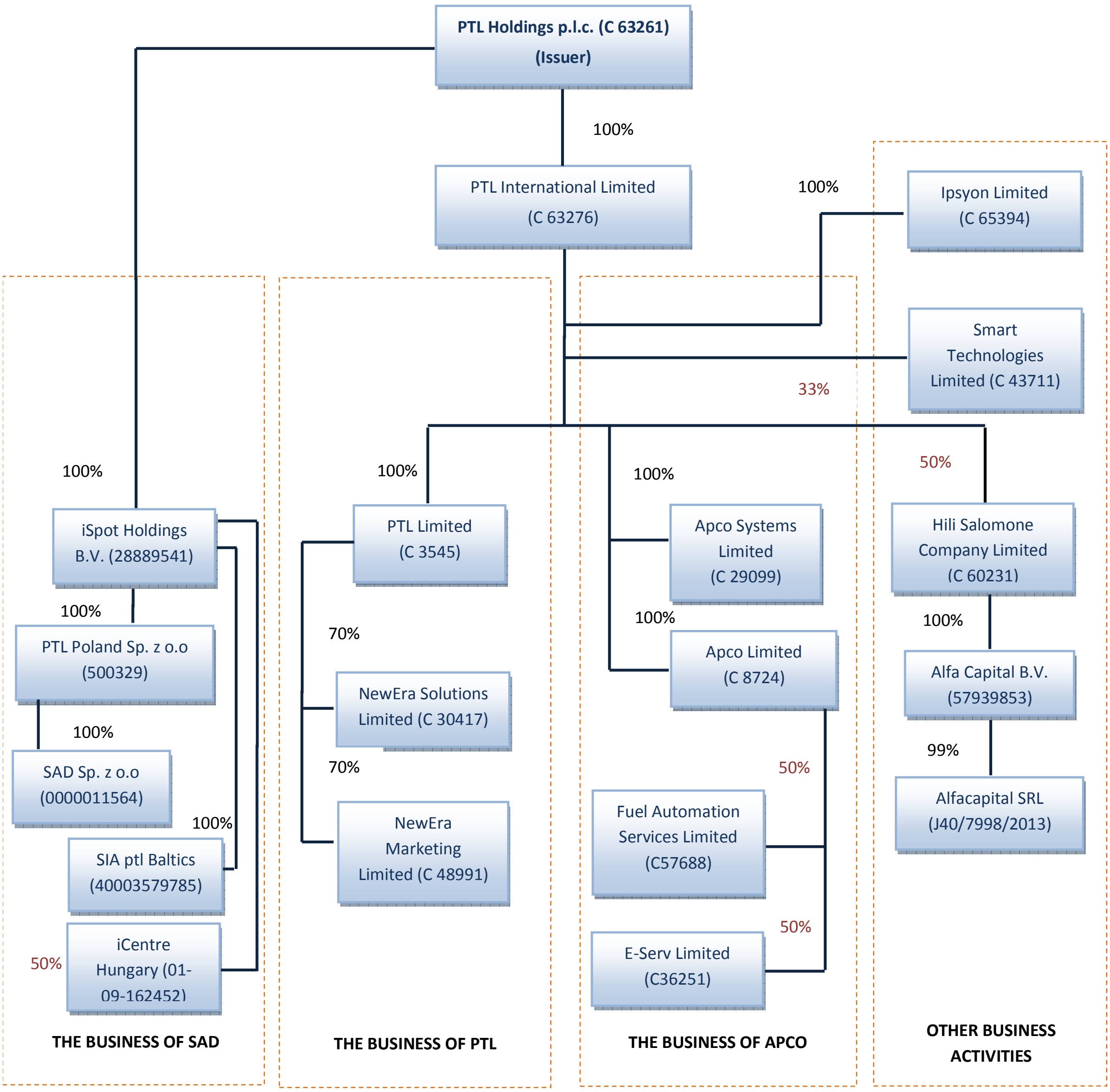
Senior Management of the Group

PTL International Limited	Bertrand Spiteri	Chief Executive Officer
	Rudolph Mifsud Saydon	Chief Financial Officer
SAD	Tomasz Nawrocki	Managing Director
APCO Systems	Ian Pellicano	Managing Director

3. PTL GROUP

3.1 ORGANISATIONAL STRUCTURE

As the holding company of the Group, the Company is ultimately dependent upon the operations and performance of the Group's operating companies. The organisational structure of the Group is illustrated in the diagram hereunder:



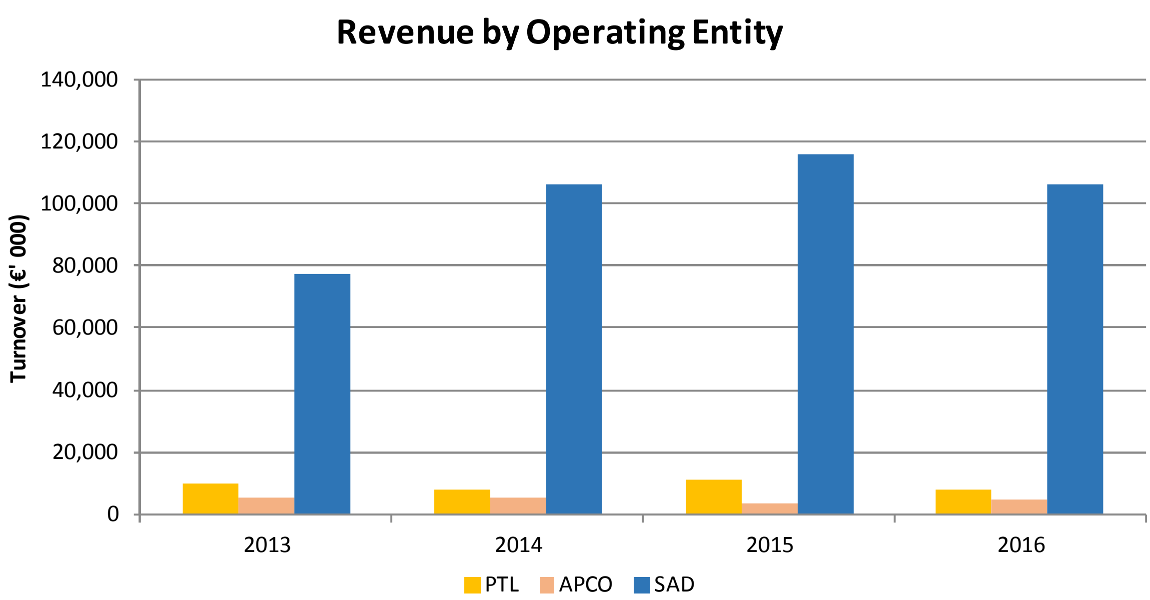
The Group's businesses (PTL, SAD and APCO) are described in more detail in section 4 below. With respect to other business activities, the Group has shareholdings of 50% and 33.3% in Hili Salomone Company Limited and Smart Technologies Limited respectively. The Group also holds 50% of the issued share capital of each of Fuel Automation Services Limited and E-Serv Limited, both of which are non-operating companies. Furthermore, the latter company is in the process of liquidation

Hili Salomone Company Limited was incorporated to operate stores offering Apple products, as an Apple Premium Reseller, in Hungary and Romania. Under the brand name 'iCentre', the company operates 3 stores in Hungary and 1 outlet in Romania. Subsequently Hili Salomone Company Limited was placed into liquidation and the shareholding in iCentre Hungary (formerly Starking Obuda Kft) and Alfacapital L.L.C. has been transferred to iSpot Holdings BV and VJ Salomone Limited in equal portions.

Smart Technologies Limited is principally engaged in the provision of IT solutions and networking services.

iSpot Holdings BV is currently in the process of acquiring the 100% shareholding in Alfacapital SRL (iCentre Romania).

4. GROUP OPERATING BUSINESSES



4.1 PTL

4.1.1 Business Overview

PTL is a multi-brand information technology solutions provider to businesses and the public sector in Malta. PTL provides comprehensive and integrated solutions for its customers' technology needs through the company's extensive hardware, software and value-added service offerings. The breadth of offerings allows customers to streamline their procurement processes by partnering with PTL as a complete technology solutions provider. The company's hardware offerings include products with leading brands across multiple categories such as network communications, notebooks/mobile devices, data storage, video monitors, printers, desktops, servers, ATMs and security systems among others. Software offerings include licensing, licensing management and software solutions and services that help customers to optimise their software investments. PTL offers a full suite of value-added services, which typically are delivered as part of a technology solution, to help customers meet their specific needs.

Solutions range from configuration services for computer devices to fully integrated solutions such as virtualisation, collaboration, security, application integration and migration, mobility and cloud computing. With broad technical scope and capabilities, PTL offers a single source for its clients' diverse IT requirements, which involves 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 and 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 to retain and increase sales to existing customers and to acquire new customers. The direct selling personnel are supported by a team of technology specialists who design solutions and provide recommendations in the selection and procurement processes. 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 all or selected products offered by the manufacturer, and operate as a reseller for major software publishers that allows the end-user customer to acquire packaged software or licensed products and services.

PTL offers its end-to-end services to entities from various industry sectors, but predominantly operates within a set of industry vertical markets where the Company has developed extensive knowledge and expertise. Such vertical markets include the following:

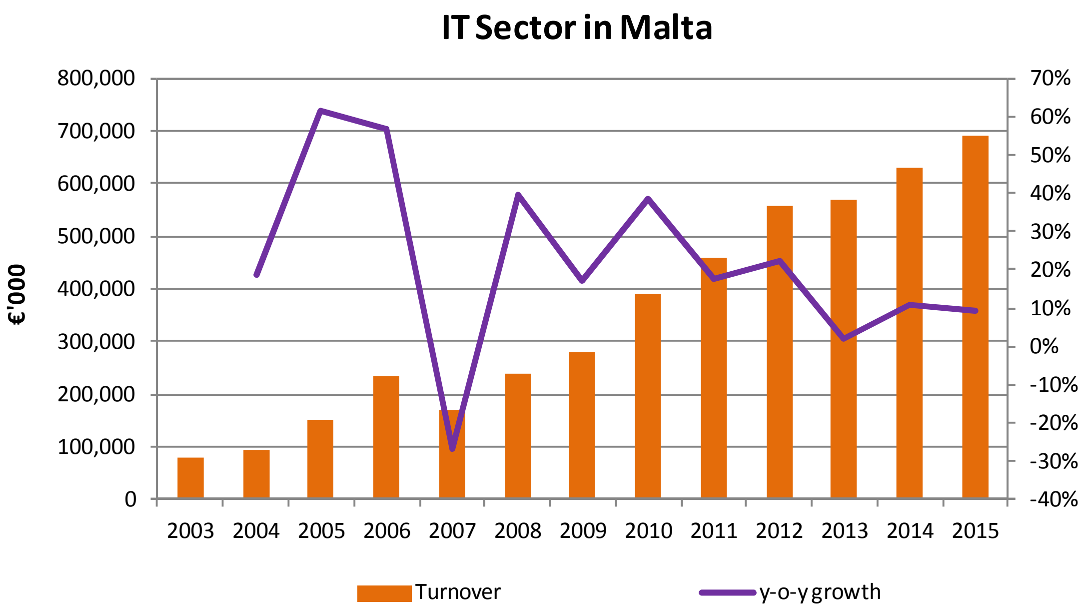
- **Retail and Distribution** – PTL provides a variety of solutions to businesses in Malta ranging from point-of-sale devices, merchandising infrastructure and supply chain systems to customer loyalty programmes, security products and services. Up to FY2015, PTL also provided such offerings in the Middle East, but management decided to cease these operations as from FY2016 since this business was not contributing positively towards the Company.

- **Banking** – PTL supplies the leading banks in Malta with key hardware, software and maintenance services that facilitate day-to-day operations.

- **Public sector** – PTL supplies IT products (hardware and software) and provides support services to a number of government entities and public sector organisations in Malta.

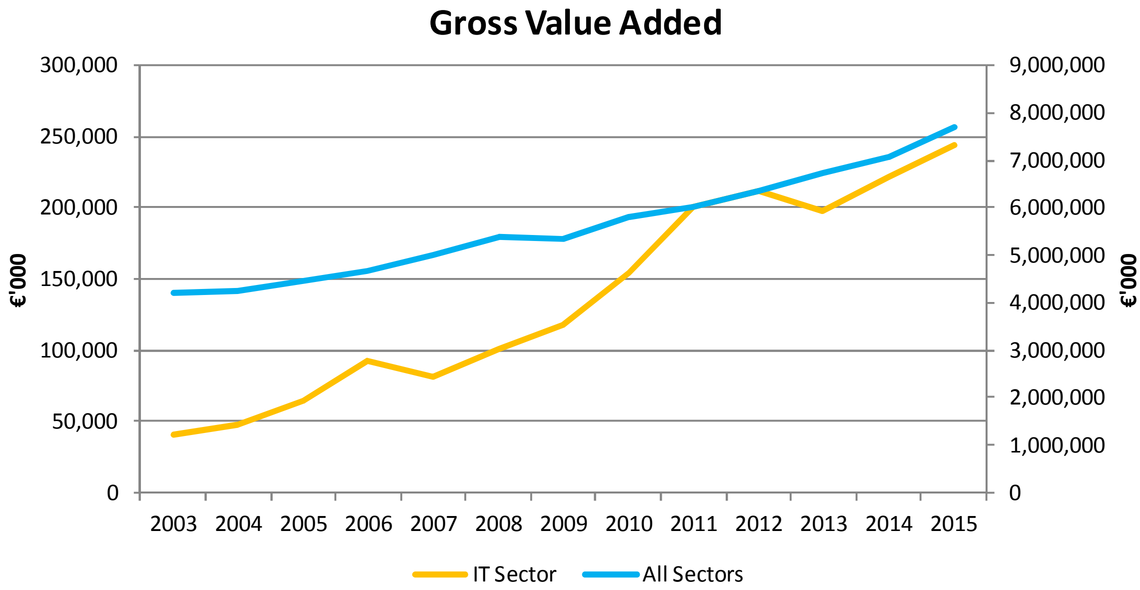
4.1.2 The Information Technology (IT) Sector in Malta

The IT sector is divided into three closely connected segments: hardware, software and IT services (implementations, integrations, technical service, consultancy, training and outsourcing). In 2014, the total income from this sector in Malta amounted to €690 million, an increase of 9.4% over the previous year. The chart below illustrates the output from the IT sector in Malta in the last 12 years. As highlighted, the IT market recovered quickly in 2008 after the economic downturn in 2007, and stabilised thereafter. However, further analysis of the last two years shows a y-o-y decline in percentage growth (2014: 10.6%; 2015: 9.4%). Since 2008, the IT sector grew at an annual compound rate of 16%.



Source: National Statistics Office Malta (NACE 62 & NACE 63 data)

Activity in the IT sector has, in the last decade, increased considerably in relation to the local economy and in 2015 represented 3.2% of Malta's gross value added (2005: 1.5%). The chart hereunder highlights the growth in the country's gross value added as compared to the growth in IT.



Source: National Statistics Office Malta (NACE 62 & NACE 63 data)

4.1.3 Operational Performance

The following table sets out the highlights of PTL Limited's operating performance for the years indicated therein.

PTL Limited Income Statement for the year ended 31 December	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Projection €'000
Revenue	9,604	7,758	10,821	8,043
Products	4,396	3,706	5,821	3,911
Maintenance and support	3,219	2,637	2,649	2,695
Services	1,989	1,413	2,351	1,437
Net operating expenses	(8,674)	(8,166)	(10,622)	(7,926)
EBITDA	**930**	**(408)**	**199**	**117**
Depreciation and amortisation	(122)	(184)	(130)	(125)
Other net income	5	332	30	-
Net finance costs	(67)	(58)	(93)	(73)
Profit before tax	**746**	**(318)**	**6**	**(81)**
Taxation	(195)	196	(5)	28
Profit after tax	**551**	**(122)**	**1**	**(53)**
Total comprehensive income	**551**	**(122)**	**1**	**(53)**

Key Accounting Ratios	FY2013	FY2014	FY2015	FY2016
Revenue growth *(revenue FY1/revenue FY0)*		-19%	39%	-26%
Operating profit margin *(EBITDA/revenue)*	10%	-5%	2%	1%
Net profit margin *(Profit after tax/revenue)*	6%	-2%	0%	-1%

Source: Charts Investment Management Service Limited

Revenue for the year ended 31 December 2013 amounted to €9.6 million, an increase of 9% from the previous year and which followed an increase of 34% from FY2011. In FY2013, 18% of revenue was generated from clients located in the Middle East which operate in the retail sector. In addition, 5% of turnover was derived from the sale of ATMs to banks in Libya. In relation to the business in Malta, PTL has in the last years experienced a general decline in large scale IT projects locally, which are normally driven by the public sector and the banking industry.

In FY2014, PTL generated €7.8 million in revenue, a decrease of *circa* 19% over the preceding year. This is mainly due to a reduction in revenue from the Middle East and Libya. In 2014, PTL discontinued its relationship with a solutions supplier for the retail sector in the Middle East which has adversely impacted revenue. Compared to FY2013, the revenue generated from the services segment registered a decline of €0.6 million (-29%), a reduction of €0.6 million (-18%) in the maintenance and support segment and a decrease of €0.7 million (-16%) in the products market. In contrast, PTL managed to reduce its operating expenses over the previous year by €0.5 million to *circa* €8.2 million. Overall, PTL reported a negative EBITDA of €0.4 million, resulting in a -5% EBITDA margin.

Other income increased by *circa* €0.3 million, from €5,000 in FY2013 to €0.3 million in FY2014. This substantial increase was mainly due to sale of intangible assets to a related party in the form of intellectual property rights and trademarks. After taking into account a tax credit of €0.2 million, PTL registered a total loss for the year being reviewed of *circa* €0.1 million.

During the financial year ended 31 December 2015, PTL generated revenue of €10.8 million, an increase of €3.1 million when compared to the prior year. This growth was primarily due to an increase of €2.1 million (+57%) in sale of products and an increase of €0.9 million (+66%) in the provision of services. Maintenance and support services remained stable at €2.6 million. Net operating expenses in FY2015 increased by €2.5 million (+30%) on FY2014 and amounted to €10.6 million. As a result, PTL reported an EBITDA for the year under review of €0.2 million as compared to a loss of €0.4 million in FY2014. After accounting for depreciation, other income and net finance costs, the Company generated a profit before tax of €6,000 (FY2014: loss before tax of €0.3 million).

As for FY2016, PTL is projecting a decline in revenue of €2.8 million from €10.8 million in FY2015 to €8.0 million, which will result in a loss for the year of €53,000 (FY2015: profit of €1,000). Apart from the anticipated slowdown in business activity generally, management has also resolved to terminate PTL's operations in the Middle East with effect from FY2016. The company is currently undertaking an exercise to improve sales performance and strengthen internal processes (including cost control measures and billing procedures). In this regard, management expects the business of PTL to show signs of improvement as from the latter part of FY2016.

4.1.4 Competition and Trends

The IT hardware, software and services industry is very fragmented and highly competitive. PTL competes with a large number and wide variety of marketers and resellers of IT hardware, software and services. The competitive landscape in the industry is continually changing as various competitors expand their product and service offerings. In addition, emerging models such as cloud computing are creating new competitors and opportunities in messaging, infrastructure, security, collaboration and other services offerings, and, as with other areas, PTL both resells and competes directly with many of these offerings.

4.2 SAD

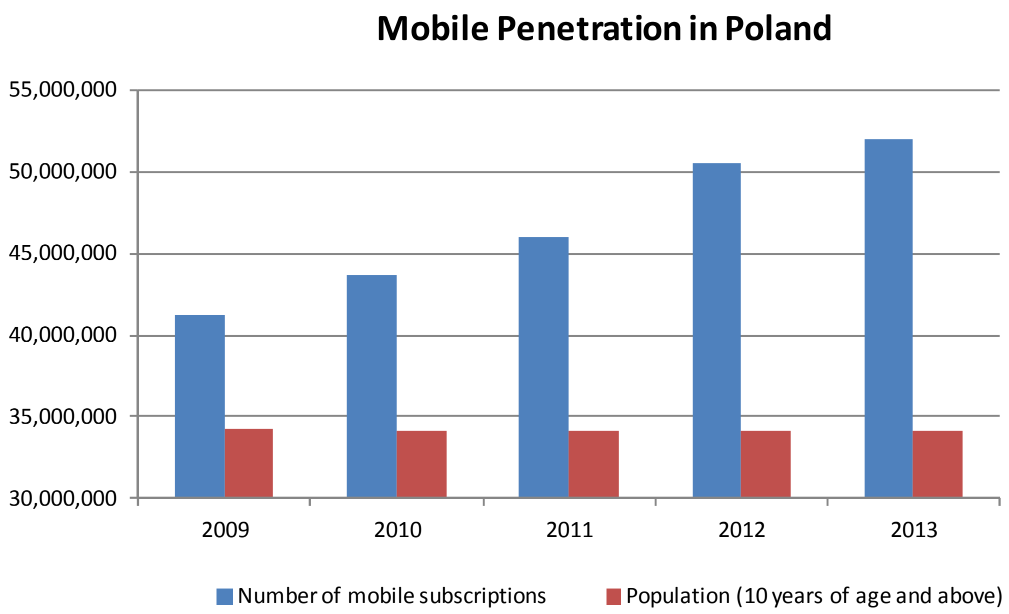
4.2.1 Business Overview

SAD is Poland's largest Apple retailer and operates 24 stores under the iSpot brand, together with a well-developed online proposition. As an Apple Premium Reseller and Apple Authorised Service Provider, SAD outlets carry a full range of Apple products, including software and accessories, and through its trained staff also offer support and repair services to customers regardless of where they originally purchased the Apple product. In addition to Apple solutions, iSpot stores offer an extensive range of third-party products and software.

SAD is also involved in turnkey solutions for government agencies and business customers, and its services comprise the design and construction of networks, data security, and the supply of hardware and software. Moreover, as a certified Apple Authorised Training Centre, SAD has since incorporation participated in numerous projects relating to the implementation of Apple technology in higher education, has equipped more than 2,000 school technology labs and provided training to circa 8,500 teachers on information technology.

An important part of SAD's business is its involvement in the audio-video market, streaming and TV broadcasting. In this niche market, SAD provides TV stations, production companies, content owners and broadcasters with innovative technology and integration solutions to enable the production of live, enriched video programming. SAD's clients comprise most of the major TV stations in Poland, including TVN, TVP and Polsat.

4.2.2 The Market for Mobiles in Poland



Source: EUROSTAT (latest available data relates to 2013)

Poland's mobile market has been characterised by rapid development of LTE (Long Term Evolution – 4G) networks and services. By early 2016, mobile penetration was about 155%, among the highest rates in the region and reflecting the popularity among consumers for keeping two or more SIM cards. With more than 59 million subscribers, the market has room for 26 licensed operators, including 19 MVNOs (Mobile Virtual Network operators). The relatively high number of network operators suggests that there will be some market consolidation in coming years, as has been seen in other European markets. ARPU (Average Revenue per User) has stabilised after falling in recent years in the wake of retail tariff competition, and regulatory mandated reductions in mobile termination rates and in roaming tariffs. LTE networks provide extensive population coverage, which will increase further into 2016 as operators make use of concessions in the 800MHz and 2600MHz bands which were released to them in January 2016.

Nokia by Microsoft remained the undisputed leader within feature phones with a 48% volume share in 2015. Such a great performance is thanks to its well-known brand and long history in the marketplace, during which it proved to be reliable and resistant to breakage, which consumers value highly.

Volume sales of mobile phones are expected to record a CAGR of 4% over the forecast period (2016 - 2020) with growing sales of smartphones and further shrinking of feature phones. Smartphones will continue pushing feature phones out and continue dominating in both volume and value sales of mobile phones. Increasing cheap smartphones encourages some consumers to replace their feature phones with smartphones, which offer more functionality. Internet will be one of the main growth drivers for smartphones, as nowadays many consumers, especially young people, can scarcely imagine life without an internet connection. Moreover, the increasing popularity of phablets suggests further possible transformations and mixes of electronic devices. One such innovation might be phoneblocks, which will consist of a base and number of blocks and allow consumers to construct their own smartphone using different blocks meeting their needs regarding different parameters including storage or battery.

4.2.3 Operational Performance

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

SAD SP. Z O.O. Income Statement for the year ended 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**
Revenue	77,342	106,523	115,600	106,518
Retail	43,404	61,946	78,109	87,152
Corporate	31,596	42,046	34,243	16,223
Services	2,342	2,531	3,248	3,143
Net operating expenses	(73,879)	(101,867)	(109,913)	(100,464)
EBITDA	**3,463**	**4,656**	**5,687**	**6,054**
Depreciation and amortisation	(800)	(902)	(1,002)	(1,441)
Other net income	170	221	267	(559)
Net finance costs	(87)	(254)	(550)	178
Profit before tax	**2,746**	**3,721**	**4,402**	**4,232**
Taxation	(495)	(826)	(827)	(804)
Profit after tax	**2,251**	**2,895**	**3,575**	**3,428**

Key Accounting Ratios	**FY2013**	**FY2014**	**FY2015**	**FY2016**
Revenue growth *(revenue FY1/revenue FY0)*		38%	9%	-8%
Operating profit margin *(EBITDA/revenue)*	4%	4%	5%	6%
Net profit margin *(Profit after tax/revenue)*	3%	3%	3%	3%

Source: Charts Investment Management Service Limited

SAD's principal business activity is that of a reseller of Apple products, primarily through its 24 retail outlets which operate as Authorised Premium Resellers under the proprietary iSpot brand. During the three historical years under review retail sales increased by 38% from €56.5 million in FY2013 to €78.1 million in FY2015, primarily as a result of new openings in FY2013 (5 new stores) and one store in each of FY2014 and FY2015.

Up to the second quarter of 2015, SAD sold electronic goods within the corporate sector (B2B) across a number of European countries. However, due to a change in VAT regulations as well as the risks associated with cross border sales of technology items, management resolved not to pursue any further such opportunities.

SAD's EBITDA increased annually by *circa* €1 million from €3.5 million in FY2013 to €5.7 million in FY2015. Net profit also increased from €2.3 million in FY2013 to €2.9 million and €3.6 million in FY2014 and FY2015 respectively, registering a net profit margin of 3% in each of the mentioned years.

For the projected financial year ending 31 December 2016, SAD expects to generate €106.5 million in revenue (FY2015: €115.6 million). Although SAD ceased to operate the B2B business for the reasons mentioned above, the company is forecasting that the increase in retail operations will partly mitigate the said loss in corporate business. As such, revenue from retail is projected to increase by €9.1 million from €78.1 million in FY2015 to €87.2 million in FY2016 as a result of an increase in same store sales and the addition of one store (to 25 stores). After taking into account the decline in corporate sales from €34.2 million to €16.2 million (-€18.0 million), the net decrease in FY2016 is expected to amount to €9.1 million.

With respect to EBITDA, management is anticipating that the profit margin will improve y-o-y by 1% to 6% and as a result, EBITDA should increase from €5.7 million in FY2015 to €6.1 million in FY2016. Net profit is projected to remain stable at €3.4 million (FY2015: €3.6 million).

4.2.4 Competition and Trends

The market in Poland for Apple products and services is highly competitive. As with other developed markets, the market is characterised 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. SAD competes with other resellers of Apple products and services, and therefore the main competing factors are not price or quality of products, but location of stores, quality of service provided and share of the business-to-business market. SAD's other competitors, who sell 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.

SAD is highly dependent on Apple to continuously introduce new and improved products and services ahead of competitors so as to maintain high demand for Apple offerings. Principal competitive factors important to SAD 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.

4.3 APCO SYSTEMS LIMITED AND APCO LIMITED

4.3.1 Business Overview

APCO Systems Limited (hereinafter also referred to an 'APCO Systems') is a provider of electronic payments transaction processing services for retailers and internet-based merchants and operates a payment platform under the brand name 'APCOPAY'. In addition, APCO Limited (hereinafter also referred to an 'APCO') is a supplier of ATMs (Wincor Nixdorf), point-of-sale terminals, plastic cards, deposit machines, currency exchanges, automotive fuel payment systems, other cash-handling equipment and other business automation solutions.

The primary business model of APCO Systems is to enable merchants to accept a variety of card and payment variants within the online space. APCO Systems sells its services through multiple sales channels in Malta and internationally, and targets customers in many vertical markets.

Card-based payment forms consist 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 the form of payment. APCO Systems is the processing intermediary between the merchant, the credit and debit networks and the financial institutions that issue cards. APCO Systems' offerings include front-end authorisation processing, settlement and funding processing, full customer support, industry compliance with PCI-DSS (Payment Card Industry Data Security Standards), consolidated billing and statements, and online monitoring and reporting. APCO Systems' value proposition is to provide high quality, responsive, secure and full end-to-end service to all its customers.

The majority of merchant services revenue is generated on services priced as a percentage of transaction value or a specified fee per transaction, depending on card type. APCO Systems also charges fees based on specific services that are unrelated to the number of transactions or the transaction value.

4.3.2 The E-payments and M-payments Market

E-payments are defined as digital payments that are made over the internet for e-commerce activities. The largest segment of e-payments is the consumer-to-business (C2B) payments, which are used mainly for goods purchased in online stores, and are being driven by the fast growing global e-commerce market. Consumers are likely to increasingly opt for online stores that provide more convenience and a broader selection of products at prices regarded as competitive. Moreover, in order to drive sales, e-commerce businesses are increasingly offering personalised services and loyalty programs to frequent customers.

M-payments are defined as a form of payment where the mobile phone is used as a payment method – not just as an alternative channel to send the payment instruction – and the payment information flow takes place in real time. Such payments occur across applications such as: (i) Peer-to-peer (P2P) – as domestic money transfers or international remittances; and (ii) Consumer-to-business (C2B) – as retail payments at stores, mobile online payments such as those made on eBay or to purchase ringtones. It should be noted that these payments are not made using the browser on the mobile, but by using the payment application built for the mobile.

It is estimated that there were 389.7 billion non-cash transactions in 2014, and the number is expected to rise to 411.2 billion by 2017. Cheques continue their downward cycle, and debit cards are consolidating their position as second only to cash. Debit cards are by far the most popular payment type and their numbers are increasing. The increased popularity of e-commerce is a factor pushing up these figures. This growth is also being driven by competitor products, such as Apple Pay or PayPal, since such transactions are actually initiated through debit card transactions. Furthermore, non-cash transactions in emerging markets are growing at an exceptional pace.

Three forces are helping drive growth in mobile and electronic payments transactions – increased penetration of smart phones and internet usage, advances in technology, and innovative products and services. Industry expectations are that m-payment transactions will have grown 58.5% annually to 28.9 billion transactions in 2014; and e-payments, as demonstrated by trends in e-commerce, are expected to have grown by 18.1% yearly in the same period to a total of 34.8 billion transactions. This growth is making the area an attractive one for banks and non-banks.

4.3.3 Operational Performance

APCO Limited

APCO Limited is engaged in the importation of office and banking equipment and the billing for the provision of payment services. The following table sets out the operating performance highlights of APCO Limited for the years indicated therein.

APCO Limited Income Statement for the period ended	**2013**	**2014**	**2014**	**2015**	**2016**
	Jul'12-Jun'13	Jul'13-Jun'14	Jul'14-Dec'14	Jan'15-Dec'15	Jan'16-Dec'16
	12 mths	12 mths	6 mths	12 mths	12 mths
	Actual	**Actual**	**Actual**	**Actual**	**Projection**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Revenue	3,618	3,260	1,131	2,032	2,955
Hardware revenue	1,456	1,851	149	525	830
Payment Service Provider (PSP)	2,119	1,372	807	1,477	2,125
Other revenue	43	37	175	30	-
Net operating expenses	(3,344)	(3,197)	(1,056)	(1,975)	(2,825)
EBITDA	**274**	**63**	**75**	**57**	**130**
Depreciation and amortisation	(21)	(11)	(15)	(13)	(6)
Other net income	117	139	467	64	-
Net finance costs	-	(3)	(6)	(2)	4
Profit before tax	**370**	**188**	**521**	**106**	**128**
Taxation	(137)	(107)	(95)	(36)	(45)
Profit after tax	**233**	**81**	**426**	**70**	**83**

Key Accounting Ratios	FY2013	FY2014	FY2014	FY2015	FY2016
Operating profit margin *(EBITDA/revenue)*	8%	2%	7%	3%	4%
Net profit margin *(Profit after tax/revenue)*	6%	2%	38%	3%	3%

Source: Charts Investment Management Service Limited

Revenue primarily comprises hardware sales, mainly to the banking and finance sector, and include sales of automation equipment such as ATMs, point-of-sale terminals and foreign exchange machines.

In FY2014, the company experienced a general decrease in transactions volume during the year which adversely impacted revenue from services.

In September 2014, the company changed its financial year end from 30 June to 31 December. Consequently, the Income Statement being presented in this Financial Analysis Summary includes the financial results for a period of 6 months ending 31 December 2014. The profit before tax increased from *circa* €81,000 on 30 June 2014 to *circa* €426,000 on 31 December 2014. This substantial increase resulted from the gain on disposal made from the sale of immovable property amounting to *circa* €325,000.

During the year under review (FY2015), the company generated €57,000 in EBITDA and profit for the year amounted to €70,000.

The company is forecasted to generate revenue of €3.0 million in FY2016, an increase of €0.9 million (+45%) when compared to FY2015. Such increase in revenue is expected from all segments of the business. EBITDA is projected to increase from €57,000 in FY2015 to €130,000 in FY2016, and profit after tax is expected to amount to €83,000 (FY2015: €70,000).

APCO Systems Limited

APCO Systems is engaged in the provision of bespoke computer software and payment gateway solutions under the 'APCOPAY' brand. Revenue is generated primarily through the provision of online payment solutions to web merchants. As a payment service provider the company offers a single payment gateway that provides the merchant's customers access to multiple payment methods via various banks, cards and payment networks. In this respect, revenue is generated from annual fees, fees charged on transaction volumes and support services. Such revenue is charged to its sister company, APCO Limited.

The following table sets out the operating performance highlights of APCO Systems for the years indicated therein.

APCO Systems Limited Income Statement for the year ended 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**
Revenue	1,728	1,766	1,266	1,843
Net operating expenses	(953)	(1,171)	(1,106)	(1,452)
EBITDA	**775**	**595**	**160**	**391**
Depreciation and amortisation	(7)	(9)	(16)	(16)
Other net income	6	1,000	-	-
Net finance income (costs)	-	(21)	5	17
Profit before tax	**774**	**1,565**	**149**	**392**
Taxation	(268)	(208)	(52)	(137)
Profit after tax	**506**	**1,357**	**97**	**255**
Total comprehensive income	**506**	**1,357**	**97**	**255**

Key Accounting Ratios	**FY2013**	**FY2014**	**FY2015**	**FY2016**
Revenue growth *(revenue FY1/revenue FY0)*		2%	-28%	46%
Operating profit margin *(EBITDA/revenue)*	45%	34%	13%	21%
Net profit margin *(Profit after tax/revenue)*	29%	77%	8%	14%

Source: Charts Investment Management Service Limited

Revenue generated from the provision of payment services is highly volatile partly due to seasonality factors that affect the business activities of APCO's clients. A portion of its customer base operates in the gaming industry and as a result the number of major sports events has a material impact on the volume of transactions and achieved revenue.

During the year ended 31 December 2014, APCO Systems generated €1.77 million in revenue. This was marginally higher by €38,000 (+2%) when compared to the prior year. EBITDA margin decreased from 45% in FY2013 to 34% in FY2014, due to an increase in operating expenses of €219,000. In FY2014, profits after taxation increased by €851,000 from €0.5 million in FY2013 to *circa* €1.4 million in FY2014. APCO Systems generated this increase mainly from a €1 million sale of internally generated intellectual property to another group company.

Revenue generated in FY2015 was lower than in the prior year by €0.5 million from €1.8 million in FY2014 to €1.3 million. This decline was almost entirely reflected in EBITDA (which was lower by €0.4 million y-o-y) as net operating expenses remained broadly stable at *circa* €1.1 million. Profit before tax in FY2015 amounted to €149,000 as compared to €565,000 (excluding the €1 million non-recurring income) reported in FY2014.

A recovery in business is anticipated to occur during FY2016. In fact, management has forecasted revenue to increase by €0.6 million (+46%) from €1.3 million in FY2015 to €1.8 million. In terms of EBITDA, the company expects to generate €0.4 million in FY2016 as compared to €0.2 million in the prior year, which is a positive movement. Profit after tax is projected at €0.3 million in FY2016 (FY2015: €97,000).

4.3.4 Competition and Trends

The management of APCO Systems believes that electronic transactions will expand further in the future and that an increasing percentage of these transactions will be processed through emerging technologies. Competitors are continually offering innovative products and enhanced services, such as products that support smart phones that contain mobile wallet software. As mobile payments continue to evolve and are desired by merchants and consumers, APCO Systems will continue to develop new products and services that will leverage the benefits that these new technologies can offer customers. In addition, it is expected that new markets will develop in areas that have been previously dominated by paper-based transactions. Industries such as e-commerce, government, recurring payments and business-to-business should continue to see transaction volumes migrate to more electronic-based settlement solutions. As a result, the continued development of new products and services and the emergence of new vertical markets will provide opportunities for APCO Systems to expand its business in the years to come.

5. BUSINESS DEVELOPMENT STRATEGY

The Group's vision is to be the trusted advisor to its clients, helping them enhance their business performance through innovative technology solutions. The Group's value is its ability to guide, advise, implement and manage IT solutions for its clients, and the strategy is to grow profitable market share by delivering relevant IT solutions to customers on a scalable support and delivery platform. With the continual emergence of new technologies and technology solutions in the IT industry, management believes businesses continue to seek technology providers to supply value-added advice to help them identify and deploy IT solutions, rather than to just supply product selection, price and availability. The Group believes that it is well positioned in the market and can gain profitable market share and provide enhanced value to clients.

The Group's strategy is based on the following objectives:

- Growing the traditional core business faster than market through innovation and additional products;

- Strengthening the core business through targeted expansion of its range of solutions and support services;
- Focusing on increasing penetration of Apple products and services in Poland through the expansion of Apple stores and further developing business-to-business propositions; and
- Pursue potential acquisitions or investments that have high growth potential.

PART 2 – GROUP PERFORMANCE REVIEW

6. FINANCIAL INFORMATION

The projected financial statements detailed below relate to events in the future and are based on assumptions which the PTL Group 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 following financial information is extracted from the audited consolidated financial statements of PTL Holdings p.l.c. (the "**Company**") for the financial years ended 31 December 2013 to 2015. The financial information for the year ending 31 December 2016 has been provided by Group management.

PTL Holdings p.l.c. Group Income Statement for the year ended 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**
Revenue	9,639	66,669	128,597	123,791
Net operating expenses	(8,708)	(65,334)	(122,431)	(117,556)
EBITDA	**931**	**1,335**	**6,166**	**6,235**
Depreciation	(123)	(800)	(1,260)	(1,794)
Share of results of associates & jointly controlled entities	-	(104)	(54)	-
Net finance costs	(67)	(1,321)	(2,662)	(2,549)
Profit before tax	**741**	**(890)**	**2,190**	**1,892**
Taxation	(198)	(108)	(974)	(655)
Profit after tax	**543**	**(998)**	**1,216**	**1,237**
Total comprehensive income	**543**	**(998)**	**1,216**	**1,237**

PTL Holdings p.l.c. Group Balance Sheet				
as at 31 December	**2013**	**2014**	**2015**	**2016**
	Actual	**Actual**	**Actual**	**Projection**
	€'000	**€'000**	**€'000**	**€'000**
ASSETS				
Non-current assets				
Goodwill and other intangibles	1,553	41,196	40,953	40,882
Property, plant and equipment	385	3,634	4,423	4,518
Investments in associates and joint ventures	270	308	352	318
Loans and receivables	-	228	1,020	867
Deferred tax asset	25	484	678	782
	2,233	**45,850**	**47,426**	**47,367**
Current assets				
Inventory	656	7,567	9,020	9,878
Trade and other receivables	3,563	9,483	8,500	8,884
Other current assets	1,186	890	3,508	5,993
Cash and cash equivalents	273	8,685	2,089	359
	5,678	**26,625**	**23,117**	**25,114**
Total assets	**7,911**	**72,475**	**70,543**	**72,481**
EQUITY				
Equity and reserves	**3,285**	**6,133**	**6,592**	**6,757**
LIABILITIES				
Non-current liabilities				
Borrowings and bonds	797	44,949	43,204	41,985
Other non-current liabilities	-	932	1,126	988
	797	**45,881**	**44,330**	**42,973**
Current liabilities				
Borrowings and bonds	895	6,686	2,142	3,442
Other current liabilities	2,934	13,775	17,479	19,309
	3,829	**20,461**	**19,621**	**22,751**
	4,626	**66,342**	**63,951**	**65,724**
Total equity and liabilities	**7,911**	**72,475**	**70,543**	**72,481**

PTL Holdings p.l.c. Group Cash Flow Statement for the year ended 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**
Net cash from operating activities	512	2,093	5,890	4,504
Net cash from investing activities	158	(41,870)	(9,634)	(1,340)
Net cash from financing activities	(494)	47,607	(2,252)	(5,761)
Net movement in cash and cash equivalents	**176**	**7,830**	**(5,996)**	**(2,597)**
Cash and cash equivalents at beginning of year	-	176	8,006	2,010
Cash and cash equivalents at end of year	**176**	**8,006**	**2,010**	**(587)**

Key Accounting Ratios	**FY2013**	**FY2014**	**FY2015**	**FY2016**
Operating profit margin *(EBITDA/revenue)*	10%	2%	5%	5%
Interest cover (times) *(EBITDA/net finance cost)*	13.90	1.01	2.32	2.45
Net profit margin *(Profit after tax/revenue)*	6%	-1%	1%	1%
Earnings per share (€)[1] *(Profit after tax/number of shares)*	0.06	-0.12	0.14	0.15
Return on equity *(Profit after tax/shareholders' equity)*	17%	-16%	18%	18%
Return on capital employed *(Operating profit/total assets less current liabilities)*	23%	3%	12%	13%
Return on assets *(Profit after tax/total assets)*	7%	-1%	2%	2%

[1] *Earnings per share calculation set out above has been based on the current number of shares in issue of PTL Holdings plc of 8,399,724 shares of €1 each.*

Source: Charts Investment Management Service Limited

The figures relating to FY2013 do not take into account the acquisition of the two major businesses, being SAD (acquired in July 2014) and APCO (acquired in August 2014). As such, FY2015 is the first financial year which reflects the annual results of operations of PTL, SAD and APCO.

In FY2015, *circa* 90% of Group revenues and 92% of Group EBITDA were generated by SAD. Looking ahead, it is expected that the operations of SAD will continue to generate the majority of revenue and EBITDA for the PTL Group. A detailed analysis of the operations and financial performance of each of PTL, SAD and APCO is provided in section 4 of this report.

After accounting for depreciation charge of €1.3 million (FY2014: 0.8 million) and net finance costs of €2.7 million (FY2014: €1.3 million), the Group registered a profit before tax in FY2015 of €2.2 million as compared to a loss in FY2014 of €0.9 million. Profit after tax in FY2015 amounted to €1.2 million (FY2014: loss of €1.0 million) and is projected to remain unchanged in FY2016 (at €1.2 million).

Other than equity, the Group is principally financed through bank loans and debt securities, analysed as follows:

PTL Holdings p.l.c. Group Borrowings as at 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**
Loan - HSBC Bank Malta plc	1,196	-	-	-
Loan - HSBC Bank Polska S.A.	-	11,595	9,343	8,195
Other financial liabilities	399	4,098	651	931
Bank overdrafts	97	679	79	946
5.1% Unsecured Bonds 2024		35,263	35,273	35,355
Total borrowings and bonds	**1,692**	**51,635**	**45,346**	**45,427**

Key Accounting Ratios	**31 Dec'13**	**31 Dec'14**	**31 Dec'15**	**31 Dec'16**
Net assets per share (€)[1] *(Net asset value/number of shares)*	0.39	0.73	0.78	0.80
Liquidity ratio (times) *(Current assets/current liabilities)*	1.48	1.30	1.18	1.10
Gearing ratio *(Net debt/net debt and shareholders' equity)*	30%	88%	87%	87%

[1] Net assets per share calculation set out above has been based on the current number of shares in issue of PTL Holdings plc of 8,399,724 shares of €1 each.

Source: Charts Investment Management Service Limited

VARIANCE ANALYSIS

PTL Holdings p.l.c. Group Income Statement for the year ended 31 December	2015 Actual €'000	2015 Forecast €'000	Variance €'000
Revenue	128,597	143,369	(14,772)
Net operating expenses	(122,431)	(137,353)	14,922
EBITDA	**6,166**	**6,016**	**150**
Depreciation	(1,260)	(921)	(339)
Share of results of associates & jointly controlled entities	(54)	(34)	(20)
Net finance costs	(2,662)	(2,647)	(15)
Profit before tax	**2,190**	**2,414**	**(224)**
Taxation	(974)	(508)	(466)
Profit after tax	**1,216**	**1,906**	**(690)**

As presented in the above table, the Group's revenue for FY2015 was lower than forecasted by €14.8 million (-10%) principally due to weaker than expected sales at SAD. However, actual EBITDA was higher by €150,000 as a consequence of a decline in net operating expenses of €14.9 million (-11%) which more than compensated for the lower revenue amount.

Actual profit for the year was lower by €690,000 mainly as a result of higher than expected depreciation charge (+€339,000) and taxation (+€466,000).

7. RELATED PARTY DEBT SECURITIES

PTL Holdings p.l.c. is a member of the Hili Ventures Group. Within the same group, Premier Capital p.l.c. and Hili Properties p.l.c., both sister companies of PTL Holdings p.l.c., have the following outstanding debt securities:

Security ISIN	Security Name	Amount Listed	Currency
MT0000511205	6.8% Premier Capital plc 2017-2020	24,641,000	EUR
MT0000941204	4.5% Hili Properties plc 2025	37,000,000	EUR

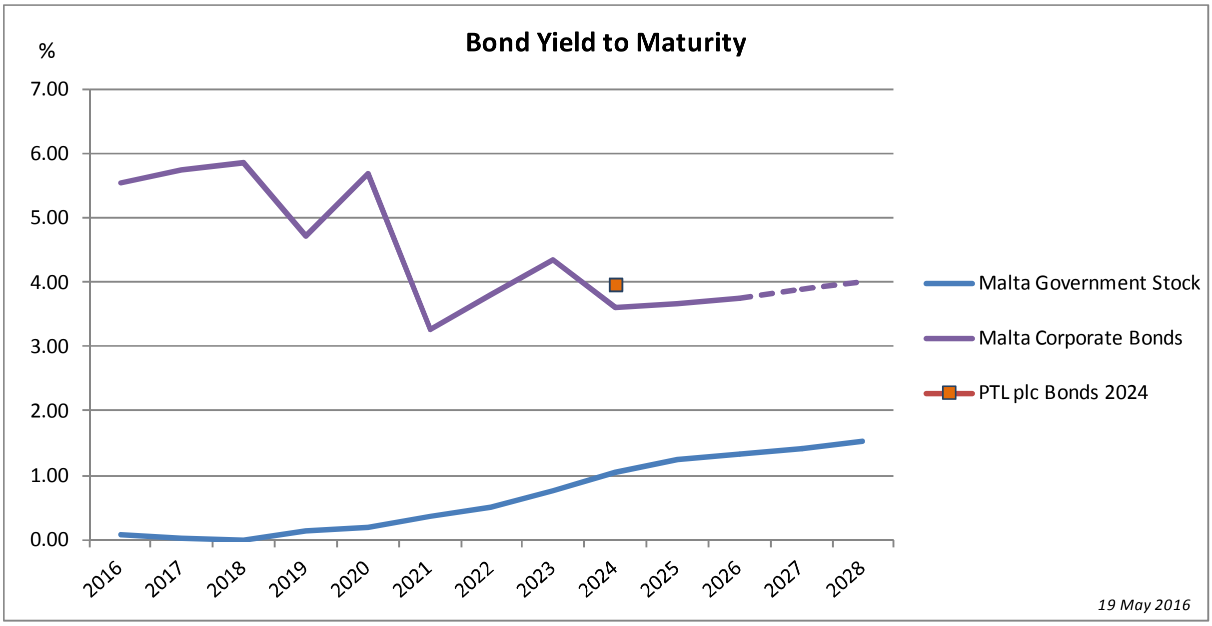
PART 3 – COMPARABLES

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

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6.8% Premier Capital plc € Bond 2017-2020	24,641,000	5.73	4.58	72,208	17,739	64.59
6.6% Eden Finance plc 2017-2020	13,984,000	5.68	3.10	145,427	76,648	38.42
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	3.28	n/a	58,098	11,734	61.87
5.8% International Hotel Investments plc 2023	10,000,000	4.04	1.45	1,159,643	608,288	36.49
6% AX Investments Plc € 2024	40,000,000	4.02	2.88	206,038	111,482	36.65
6% Island Hotels Group Holdings plc € 2024	35,000,000	3.80	0.58	145,140	54,053	53.19
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	3.76	3.49	67,669	25,823	57.66
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	3.61	0.05	81,842	31,150	55.46
5.1% PTL Holdings plc Unsecured € 2024	**36,000,000**	**3.97**	**2.32**	**70,543**	**6,592**	**86.78**
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.43	1.50	90,867	26,315	71.30
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	3.76	1.13	1,357,869	641,031	41.81

19 May'16

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Charts Investment Management Service Limited



To date, there are no corporate bonds which have a redemption date beyond 2026 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta.

PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, including IT hardware, software, consultancy and related services.
Net operating expenses	Net operating expenses include the cost of products, labour expenses, and all other direct expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Share of results of joint ventures	The PTL Group owns minority stakes in a number of companies (less than 50% plus one share of a company's share capital). The results of such companies are not consolidated with the subsidiaries of the Group, but the Group's share of profit is shown in the profit and loss account under the heading 'share of results of associates and jointly controlled entities'.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.

Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the 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 Company.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates 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 purchased. Such assets include goodwill and other intangible assets, property, plant & equipment and investments accounted for using the equity method.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current 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 a company's current assets to its

	current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.