

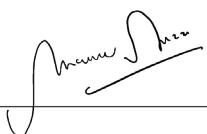
Mizzi Organisation Finance p.l.c.

Summary dated 24 September 2021

YOU ARE ABOUT TO PURCHASE SECURITIES THAT ARE NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND. THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE BOARD OF DIRECTORS



Maurice F. Mizzi



Carmel J. Farrugia

signing in their own capacity as directors of the Issuer and on behalf of each of Brian R. Mizzi, Kenneth C. Mizzi, Kevin Rapinett and Joseph M. Galea as their duly appointed agents.

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

1. Introduction And Warnings

This Summary contains key information on the Issuer, the Guarantors and the Bonds, summarised details of which are set out below:

Issuer	Mizzi Organisation Finance p.l.c., a public limited liability company registered in Malta, with company registration number C 29506 and legal entity identifier (LEI) number 485100SI6M5QXXM00H23.
Address	Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta.
Telephone number	+356 2596 9000
Issuer Website	www.mofplc.com
Competent authority approving the Prospectus	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta).
Address	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010.
Telephone number	+356 2144 1155
MFSA Website	https://www.mfsa.mt/
Name of the securities	3.65% Bonds due 2028-2031
ISIN number of the Bonds	MT0000211228
Prospectus approval date	24 September 2021

Prospective investors are hereby warned that:

- i. this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- ii. any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- iii. an investor may lose all or part of the capital invested in subscribing for Bonds;
- iv. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- v. civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

2. Key Information on the Issuer

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and legal form, its LEI and country of incorporation

The Issuer is Mizzi Organisation Finance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta and with legal entity identifier (LEI) number 485100SI6M5QXXM00H23.

2.1.2 Principal Activities of the Issuer

The Issuer is a finance company and does not carry out any trading activities of its own. The sole purpose of the Issuer is that of raising funds in the capital markets for the purposes of on-lending the said funds to companies forming part of the Mizzi Organisation. The sole asset of the Issuer consists in loans granted to companies forming part of the Mizzi Organisation.

2.1.3 Organisational Structure of the Mizzi Organisation

The Issuer is fully owned by MOL, one of the four Guarantors of the Bond Issue. All of the Guarantors are owned, in varying proportions, by Daragon Limited (C 2562), Demoncada Limited (C 2577), Mr Maurice F. Mizzi, Demoncada Holdings Ltd (C 3858) and Investors Limited (C 26602).

2.1.4 Major Shareholders of the Issuer

The Issuer's majority shareholder is MOL which holds 99.92% of the issued share capital of the Issuer. MOL is, in turn, held by Daragon Limited (C 2562), Demoncada Limited (C 2577) and Mr Maurice F. Mizzi (each holding approximately 33.3%).

2.1.5 Key Managing Directors

The board of Directors of the Issuer is composed of the following persons: Brian R. Mizzi (Executive Director), Kenneth C. Mizzi (Executive Director), Maurice F. Mizzi (Executive Director), Joseph M. Galea (Independent Non-Executive Director), Carmel J. Farrugia (Independent Non-Executive Director) and Kevin Rapinett (Independent Non-Executive Director).

2.1.6 Statutory Auditors

The auditors of the Issuer as of the date of this Summary and for the financial years ended 2018, 2019 and 2020 are PricewaterhouseCoopers of 78, Mill Street, Qormi QRM 3101, Malta. The Accountancy Board registration number of PricewaterhouseCoopers is AB/26/84/38.

2.2 What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer is set out below:

Amounts in €'000s	FY2020	FY2019	FY2018
Operating profit/(loss)	(10)	(10)	(10)
Net financial debt	171	183	212
Cash flows from operating activities	(41)	(4)	(52)
Cash flows from financing activities	N/a	N/a	N/a
Cash flows from investing activities	30	25	0

2.3 What are the key risks that are specific to the Issuer?

The most material risk factors specific to the Issuer, which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1 The Issuer is dependent on the performance of companies forming part of the Mizzi Organisation for the repayment of loans.

The Issuer does not carry out any trading activities of its own and its sole purpose is to raise funds in the capital markets for the purpose of on-lending the said funds to companies forming part of the Mizzi Organisation. The sole asset of the Issuer consists in loans granted to companies forming part of the Mizzi Organisation. For this reason, the only revenue generating activities of the Issuer is the receipt of principal and interest income received on the said loans. Accordingly, the Issuer is economically dependent on the operational results, the financial position and the financial performance of companies forming part of the Mizzi Organisation to which it provides financing. The underperformance of any of the said borrowing companies may have an adverse effect on the performance of the Issuer which, in turn, may affect its ability to service payments under the Bonds of both principal and interest.

3. Key Information on the Securities

3.1 What are the main features of the securities?

The Bonds are being issued in an aggregate amount of up to €45,000,000 with a nominal value of €100 per Bond issued and redeemable at par and redeemable on 20 October 2031 or, at the sole option of the Issuer, any date falling between 15 October 2028 and 14 October 2031. The Bonds bear interest at the rate of 3.65% per annum on the nominal value of the Bonds.

The Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds shall have the following ISIN: MT0000211228. The Bonds shall be freely transferable.

The Bonds constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount by the Guarantors on a joint and several basis. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations.

There are no special rights attached to the Bonds other than the right of the Bondholders to (i) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bonds; (ii) payment of capital and interest in accordance with the ranking of the Bonds; (iii) the benefit of the Guarantee (as detailed in section 3.3); and (iv) such other rights attached to the Bonds emanating from the Securities Note.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

3.3 Is there a guarantee attached to the securities?

The Bonds are guaranteed by the Guarantors on a joint and several basis (the “**Guarantee**”). Accordingly, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to demand payment from any or all the Guarantors without having to first take action against the Issuer.

3.4 The Guarantors

The Guarantors are: (i) Mizzi Organisation Limited (C 813) (“**MOL**”); (ii) Consolidated Holdings Limited (C 1192) (“**CHL**”); (iii) The General Soft Drinks Company Limited (C 1591) (“**GSD**”); and (iv) GSD Marketing Limited (C 3774) (“**GSDM**”).

MOL was established on 7 April 1967 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) with company registration number C 813. The LEI of MOL is 2138003UBN30WKRV7Q78. MOL is the finance company of the Mizzi Organisation, responsible for performing a treasury function therein. Its subsidiaries operate principally within the automotive, retail, real estate, and mechanical and engineering services sectors.

CHL was established on 26 July 1968 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) with company registration number C 1192. The LEI of CHL is 485100SLWFPDEVPL9J42. CHL and its Subsidiaries operate principally within the hospitality sector.

GSD was established on 6 May 1969 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) having company registration number C 1591. The LEI of GSD is 213800LU4WKKSGLD5M41. GSD operates within the beverage sector.

GSDM was established on 5 September 1977 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) having company registration number C 3774. The LEI of GSDM is 485100R03X666K6N8869. GSDM operates within the beverage sector.

The key financial information pertaining to the Issuer and the Guarantors for the financial periods ended 31 December 2018, 31 December 2019 and 31 December 2020 is set out below on a combined basis:

Amounts in €'000s	FY2020	FY2019	FY2018
Operating profit/loss	(3,485)	8,635	7,990
Net financial debt	111,310	106,917	96,423
Cash flows from operating activities	13,373	14,004	7,845
Cash flows from financing activities	(1,841)	(6,356)	6,963
Cash flows from investing activities	(13,917)	2,233	(18,903)

3.5 Key risks that are specific to the Guarantors and the Guarantee

3.5.1 Risks relating to the business of the Guarantors

The Guarantors have a diversified business portfolio and either directly, or through their Subsidiaries, operate in multiple sectors. Each sector is susceptible to certain risks and therefore, should any of such risks materialise, they would have a material adverse effect on the ability of each of the Guarantors to satisfy their obligations under the Guarantee. Moreover, whilst certain Guarantors such as GSD and GSDM do not have any Subsidiaries, CHL and MOL are both holding companies and thus their financial position is in turn contingent on the financial position of their Subsidiaries.

The most material risk factors specific to the Guarantors and their Subsidiaries, which may negatively impact the operations and financial position of the Guarantors should the circumstances mentioned therein materialise, are as follows:

3.5.1.1 Risks relating to the COVID-19 pandemic

As at the date of this Prospectus, the main business elements of the operations of the Guarantors and their Subsidiaries were impacted by the COVID-19 pandemic. The full impact of the COVID-19 pandemic on a Guarantor’s and, or its Subsidiaries’ business will depend on a range of factors which the Issuer is not able to accurately predict as at the date of this Prospectus, including, albeit not limited to, the duration and scope of the pandemic, the impact of new COVID-19

variants and the impact on economic activity, any of which may have a negative impact on Mizzi Organisation's suppliers and customers, or the economy as a whole, and could, in turn, decrease demand for the Mizzi Organisation's products and services offered through the Guarantors or their Subsidiaries.

3.5.1.2 Risks relating to the financing of the Mizzi Organisation

The Guarantors' and their Subsidiaries' indebtedness could adversely affect their financial position. A number of companies forming part of the Mizzi Organisation have bank debt and, or are expected to incur additional debt in connection with their future growth strategy. A substantial portion of the cash flow generated from the companies forming part of the Mizzi Organisation is utilised to repay their debt obligations pursuant to the terms of the facilities provided. Should the Guarantors or their Subsidiaries significantly increase their debt obligations, this may have an adverse effect on the profitability of the Guarantors or their Subsidiaries. Moreover, the agreements regulating the bank debt of the companies forming part of the Mizzi Organisation impose significant financial covenants on the said companies, whether they act in the capacity as borrowers or guarantors under the respective loan agreements. These covenants could limit the ability of the said companies to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. The terms of such agreements as well as changes in banking risk appetite may prevent the Guarantors and, or their Subsidiaries from obtaining the capital and financing they require for the continued operation of their business and the completion of major projects on commercially viable terms, or at all.

3.5.1.3 Risks relating to the distribution and franchise agreements and relations with suppliers and agents

The Guarantors' operations in the automotive, beverage, retail sector and mechanical and engineering contracting services are dependent on franchise, distributor and supply agreements entered into with international brand owners and manufacturers. The continued distribution of products is therefore largely contingent on the strength of its relationships with its existing franchisors, distributors and suppliers and therefore, any deterioration or change in such relationships for any reason whatsoever could potentially have an adverse effect on the profitability of the respective operating company.

Some of the franchise and distributor agreements which certain companies within the Mizzi Organisation rely on for their operations may be terminated by notice and, or are due to terminate in the short term, albeit subject to renewal. Should any of the franchise agreements be terminated, not be renewed, or be renewed on less favourable terms, the profitability and financial condition of the Guarantors may be adversely affected.

3.5.1.4 Risks relating to changes in consumer preferences and demand

The Guarantors' success in the sectors in which they operate is dependent on their ability to manufacture and, or offer products that have a strong consumer appeal. Such sectors are susceptible to fluctuations in consumer trends because of changes in taste, consumer habits, general economic conditions, social trends, consumer attitude, consumer satisfaction and any other similar factors which are linked to consumer demand. Moreover, the success of such operating companies is also dependent on their ability to swiftly anticipate, capitalise and adapt to changes in consumer attitude and preferences. Should they fail to do so, they may experience a reduction in revenue which could have a material adverse effect on their operational results and financial condition as well as the group of companies within the Mizzi Organisation, which they form part of.

3.5.1.5 Risks relating to competition

The Guarantors and their Subsidiaries face competition in all product categories and markets in which they operate. Severe competition in the relative sectors and changes in economic and market conditions could adversely affect the business and operating results of the Guarantors, as a direct result of their participation in the sector directly or through their Subsidiaries.

3.5.1.6 Risks relating to seasonality and dependence on tourism

The beverage, hospitality and food and beverage sectors are highly seasonal, with higher demand in the summer months which is attributable to an increased number of tourist arrivals in Malta and hotter temperatures. A fall in the number of tourist arrivals in Malta is likely to contribute towards a negative impact on the demand for the products offered by the Guarantors and their Subsidiaries as well as occupancy levels of the Waterfront Hotel, which is owned by WHL (a Subsidiary of CHL).

3.5.1.7 Risks relating to property development

Several companies within the Mizzi Organisation are in the course of developing and, or have plans to carry out further

property development projects. Property development projects are subject to a number of specific execution risks, including the risk of cost overruns, the risk of rental or sales transactions not being effected at the prices and within the timeframes envisaged, delays or refusal in obtaining all necessary zoning, land use, building, development, modifications, occupancy and other required permits and authorisations, amongst others. Moreover, property development is also susceptible to risks associated with the construction industry, including risks associated with the health and safety of persons engaged for the purposes of the development, such as the risk of serious injury or even fatality. If such risks were to materialise this could have a negative effect on the revenue generation, financial performance, and financial position of the Guarantor or Subsidiary executing the project.

3.5.2 Risks relating to the Guarantee

The Bonds are being guaranteed by the Guarantors on a joint and several basis. Accordingly, the Bondholders shall be entitled to request any or all of the Guarantors to pay both the interest due and the principal amount under the said Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Issuer. The strength of the undertakings given under the Guarantee is dependent upon, and directly linked to, the financial position and solvency of the individual Guarantors.

3.6 What are the key risks that are specific to the Securities?

3.6.1 Suitability of the Bonds

Debt instruments which may be redeemed by an issuer prior to their maturity date are considered as having an embedded call option, with the price of the bonds taking these components into account. The Bonds may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of the early redemption component, the Bonds are complex financial instruments for the purposes of MIFID II and may not be suitable for all recipients of the Prospectus. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

3.6.2 The Bonds are redeemable at the option of the Issuer

Any or all of the Bonds may be redeemed by the Issuer on a Designated Early Redemption Date. Once the Bonds are redeemed, the relevant Bondholders shall no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed on a Designated Early Redemption Date, Bondholders would not receive the same return on investment that it would have received if they were redeemed on the Redemption Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds.

3.6.3 No prior market for the Bonds

Prior to the Bond Issue and admission to listing on the Official List, there has been no public market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

3.6.4 Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. The emergence of the COVID-19 pandemic in Q1 2020 has manifested in a highly volatile economy with the magnitude of the downturn in terms of depth and duration particularly uncertain across the globe. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Bonds at all.

3.6.5 Amendments to the Terms and Conditions of the Bonds

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds, it may call a meeting of Bondholders. Defined majorities of Bondholders may bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Moreover, this must be considered in light of the power of each Guarantor to veto any changes to the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee.

4. Key Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market

4.1 Under which conditions and timetable can I invest in this security?

Application for the Bonds

Preferred Applicants may subscribe for Bonds by submitting an Application Form to an Authorised Financial Intermediary by latest 14:00 hours on 8 October 2021, together with payment of the full price of the Bonds applied for.

Pursuant to the Placement Agreements, PAFIs (either in their own name or in the name of underlying clients) must provide details of Applicants representing the amount they have been allocated in terms of the respective Placement Agreement by completing a data file as provided by the Registrar by latest 14:00 hours on 8 October 2021, accompanied by full payment.

Pursuant to the subscription agreements submitted by Authorised Financial Intermediaries in connection with the Intermediaries' Offer, Authorised Financial Intermediaries (either in their own name or in the name of underlying clients) must provide details of Applicants representing the amount they have been allocated in terms of the respective subscription agreement, by completing a data file as provided by the Registrar by latest 12:00 hours on 12 October 2021.

Expected Timetable

1. Application Forms available to Preferred Applicants from the Issuer's office	29 September 2021
2. Offer Period for Preferred Applicants	4 October 2021 to 8 October 2021, both days included
3. Placement Date	8 October 2021
4. Intermediaries' Offer Date	8 October 2021
5. Commencement of interest on the Bonds	15 October 2021
6. Announcement of basis of acceptance	15 October 2021
7. Refunds of unallocated monies (if any) and dispatch of allotment letters	22 October 2021
8. Expected date of admission of the securities to listing	22 October 2021
9. Expected date of commencement of trading in the securities	25 October 2021

Plan of Distribution, Allotment and Allocation Policy

The Bond Issue is open for subscription to all categories of investors as detailed hereunder and the Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. the amount of €25 million in nominal value of the Bonds has been reserved for, and shall be allocated to, the PAFIs in accordance with Placement Agreements with the Issuer;
- ii. the amount of up to €5 million in nominal value of the Bonds has been reserved for allocation to Preferred Applicants; and
- iii. the remaining balance of €15 million in nominal value of the Bonds, together with any of the Bonds reserved for, and not taken up by, Preferred Applicants in terms of point (ii) above, shall be allocated to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer. The Issuer undertakes to allocate to each of the Authorised Financial Intermediaries subscribing for Bonds pursuant to the Intermediaries' Offer, a minimum allocation of €2 million in Bonds, subject to increase in case of subscription by the Preferred Applicants for less than €5 million in Bonds or by any of the Authorised Financial Intermediaries for less than €2 million in Bonds.

Adjustments to the allocations specified in points (ii) and (iii) above may apply depending on whether Applications by Preferred Applicants and, or subscription agreements by Authorised Financial Intermediaries participating in the Intermediaries' Offer shall exceed and, or fall below the abovementioned allocations, in accordance with the allocation policy of the Issuer.

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE by no later than 22 October 2021. In the event that the said condition is not satisfied within 15 Business Days from the closing

of the Offer Period, the Intermediaries' Offer Date and Placement Date, any Application monies will be returned without interest by direct credit into the Applicant's bank account.

The Issuer shall announce the result of the Bond Issue by not later than 15 October 2021.

Total Estimated Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €1,000,000 in aggregate. There is no particular order of priority with respect to the payment of such expenses.

4.2 Why is this Prospectus being produced?

Use and Estimated net amount of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €44 million, shall be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- i. approximately €25 million of the net bond proceeds from the Bonds shall be used to part refinance existing bank debt of the Mizzi Organisation as detailed hereunder:
 - a. the amount of approximately €16.7 million shall be used to refinance bank debt of MOL, specifically, facilities made available by HSBC Bank Malta p.l.c for the purpose of, *inter alia*, meeting financing requirements of the Mizzi Organisation; and
 - b. the amount of approximately €8.3 million shall be used to refinance bank debt of AML, specifically, facilities made available by Bank of Valletta p.l.c for the purpose of, *inter alia*, financing capital expenditure and works relating to *Is-Suq tal-Belt* and settling current trade creditor balances.
- ii. approximately €5 million shall be used for the partial financing of the Hofra Project as detailed hereunder:
 - a. the amount of €4.3 million shall be used to part finance phase 2 and phase 3 of the Hofra Project; and
 - b. the amount of €0.7 million shall be used to part finance the repayment of an intra-group loan agreement advanced by MOL to IML for the purposes of part financing phase 1 of the Hofra Project.
- iii. approximately €3 million shall be used for the partial financing of the Arkadia Refurbishment.
- iv. approximately €11 million, together with any residual amounts not utilised for the purposes identified in paragraphs (i) – (iii) above, shall be utilised for general corporate funding purposes of the Mizzi Organisation.

In the event that the Bond Issue is not fully taken up, the Issuer shall issue Bonds up to the amount subscribed for and the proceeds from the Placement Agreements shall be used for the purpose set out in (i) above, and any excess shall be applied in part settlement of the purposes set out in (ii) - (iv) above, in the order of priority indicated above.

The Issuer shall lend the net proceeds of the Bonds to MOL, in its capacity as the finance company of the Mizzi Organisation, which shall subsequently on-lend such proceeds to companies forming part of the Mizzi Organisation for the purposes described above. These loan agreements are conditional upon, *inter alia*, the issue and allotment of the Bonds, which in turn is conditional upon the Bonds being admitted to the Official List.

In the event that this condition is not satisfied, the Issuer shall, through the Registrar and, or the Authorised Financial Intermediaries (as applicable), return the proceeds of the Bond Issue to the Bondholders.

Underwriting

The Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

Conflicts of interest

Save for the subscription for the Bonds by Authorised Financial Intermediaries and the commissions payable thereto, and any fees payable in connection with the Bond Issue to the advisers to the Issuer, so far as the Issuer is aware, no person involved in the Bond Issue has an interest material to the Bond Issue.

Registration Document

This document is a Registration Document issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.
Dated 24 September 2021

by



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 29506

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES ISSUED BY THE ISSUER.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Sponsor & Manager



Registrar



Legal Counsel



APPROVED BY BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Maurice F. Mizzi", is written over a horizontal line.

Maurice F. Mizzi

A handwritten signature in black ink, appearing to read "Carmel J. Farrugia", is written over a horizontal line.

Carmel J. Farrugia

signing in their own capacity as directors of the Issuer and on behalf of each of Brian R. Mizzi, Kenneth C. Mizzi, Kevin Rapinett and Joseph M. Galea as their duly appointed agents.

Important Information

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE ISSUER AND THE GUARANTORS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY, THE ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS, OR THEIR RESPECTIVE DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTORS SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS OF ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN

SATISFACTION OF THE CAPITAL MARKET RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISERS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “*ADVISERS*” IN SECTION 3.5 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES OF THE ISSUER.

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1. Definitions

In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the laws of Malta);
AFL	Arkadia Foodstores Ltd, a private limited liability company registered under the laws of Malta, with company registration number C 96908, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
AML	Arkadia Marketing Limited, a private limited liability company registered under the laws of Malta, with company registration number C 11113, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
Arkadia Commercial Centre	the building known as the "Arkadia Commercial Centre" situated in Victoria, Gozo which comprises a shopping mall, a food store and parking spaces;
Arkadia Refurbishment	the refurbishment of the Arkadia Commercial Centre and its two main flagship food stores (one at the Arkadia Commercial Centre and the other at Portomaso, St Julian's) as detailed in section 5.2(ii) of this Registration Document;
Associate Companies	an undertaking in which an undertaking has a participating interest, and over whose operating and financial policies that other undertaking exercises significant influence. An undertaking is presumed to exercise a significant influence over another undertaking where it has 20% or more of the shareholders' or members' voting rights in that other undertaking;
Bond Issue	the issue of the Bonds;
Bonds	the €45,000,000 unsecured bonds of a nominal value of €100 per bond payable in full upon subscription, redeemable at their nominal value on the Redemption Date or an Early Redemption Date and bearing interest at the rate of 3.65% per annum, as described in further detail in the Securities Note;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act;
CHL	Consolidated Holdings Limited, a private limited liability company registered under the laws of Malta, with company registration number C 1192, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
CCL	Continental Cars Limited, private limited liability company registered under the laws of Malta, with company registration number C 2840, having its registered office at Continental Garage, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
Directors or Board or Board of Directors	the directors of the Issuer whose names are set out in section 3.1 of this Registration Document under the heading " <i>Directors of the Issuer</i> ";
Euro or €	the lawful currency of the Republic of Malta;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the laws of Malta);
GSD	The General Soft Drinks Company Limited, a private limited liability company registered under the laws of Malta, with company registration number C 1591, having its registered office at Marsa Industrial Estate, Marsa MRS 3000, Malta;
GSDM	GSD Marketing Limited, a private limited liability company registered under the laws of Malta, with company registration number C 3774, having its registered office at Marsa Industrial Estate, Marsa MRS 3000, Malta;

Guarantor	each of MOL, CHL, GSD and GSDM and the term “ Guarantors ” shall collectively refer to the said companies;
Hofra Project	the development and completion of the vacant excavated site owned by IML in Blata l-Bajda as detailed in section 6.2 of this Registration Document;
IELS	Institute of English Language Studies Limited, a private limited liability company registered under the laws of Malta, with company registration number C 7235, having its registered office at IELS, Matthew Pulis Street, Sliema, SLM 3052, Malta;
IML	Industrial Motors Limited, a private limited liability company registered under the laws of Malta, with company registration number C 417, having its registered office at Triq Antonio Bosio, Msida MSD 1341, Malta;
Issuer	Mizzi Organisation Finance p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 29506 and having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
Legacy	Legacy Contractors Ltd, a private limited liability company registered under the laws of Malta with company registration number C 1041 and having its registered office at 24, Crescent Lodge, Triq Sta Marija, Zebbug, Malta;
Malta Stock Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
MAS	Mizzi Automotive Services Limited, a private limited liability company registered under the laws of Malta with company registration number C 23949 and having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Mizzi Estates	Mizzi Estates Limited, a private limited liability company registered under the laws of Malta, with company registration number C 990, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
Mizzi EV	Mizzi EV Limited, a private limited liability company registered under the laws of Malta, with company registration number C 95947, having its registered office at Rue D'Argens, Gzira GZR 1368, Malta;
Mizzi Lease	Mizzi Lease Limited, a private limited liability company registered under the laws of Malta, with company registration number C 799, having its registered office at Mizzi Lease, Rue D'Argens, Gzira GZR 1368, Malta;
Mizzi Organisation	means the conglomerate of companies including the Issuer, the Guarantors, their Subsidiaries, and their Associate Companies;
MOL	Mizzi Organisation Limited, a private limited liability company registered under the laws of Malta, with company registration number C 813, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;

MML	Muscats Motors Limited, a private limited liability company registered under the laws of Malta, with company registration number C 420, having its registered office at Muscats Garage, Rue D'Argens, Gzira GZR 1368, Malta;
MZM	Mizzi Motors Limited, a private limited liability company registered under the laws of Malta, with company registration number C 37267, having its registered office at 200, Rue D'Argens, Gzira GZR 1368, Malta;
NMS	Nissan Motor Sales Limited, a private limited liability company registered under the laws of Malta with company registration number C 2387, having its registered office at Industrial House, National Road, Blata l-Bajda, Hamrun HMR 9010, Malta;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Registrar	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 2833, having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Registration Document	this document in its entirety;
Securities Note	the securities note issued by the Issuer dated 24 September 2021, forming part of the Prospectus;
Sponsor or Manager	Rizzo, Farrugia & Co (Stockbrokers) Ltd, a private limited liability company registered under the laws of Malta, with company registration number C 13102, having its registered office at Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta;
Subsidiary	an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “ Subsidiaries ” shall collectively refer to the said entities;
Summary	the summary issued by the Issuer dated 24 September 2021, forming part of the Prospectus;
Titan	Titan International Limited, a private limited liability company registered under the laws of Malta, with company registration number C 1115, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta;
UAFL	United Acceptances Finance Limited, a private limited liability company registered under the laws of Malta, with company registration number C 360, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta; and
WHL	The Waterfront Hotel Limited, a private limited liability company registered under the laws of Malta, with company registration number C 22209, having its registered office at Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- d. all references in this Registration Document to “*Malta*” shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Registration Document.

2. Risk Factors

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER; OR (II) THE GUARANTORS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, OR THE MIZZI ORGANISATION, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER’S AND, OR THE GUARANTORS’ FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER OR MIZZI ORGANISATION FACE OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE ISSUER’S AND, OR GUARANTORS’ FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 3 BELOW, THE SPONSOR, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE BONDS, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, “FORWARD-LOOKING STATEMENTS”.

Forward-looking Statements

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “projects”, “anticipates”, “expects”, “envisages”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Guarantors’ actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer or Mizzi Organisation are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

All forward-looking statements contained in the Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

2.1 Risks Relating to the Issuer

2.1.1 The Issuer is dependent on the performance of companies forming part of the Mizzi Organisation for the repayment of loans

As further described in section 5.1 of this Registration Document, the Issuer does not carry out any trading activities of its own and its sole purpose is to raise funds in the capital markets for the purpose of on-lending the said funds to companies forming part of the Mizzi Organisation. The sole asset of the Issuer consists in loans granted to companies forming part of the Mizzi Organisation (see section 4.1 of the Securities Note which details the loans to be granted by the Issuer to companies forming part of the Mizzi Organisation on receipt of the Bond proceeds). For this reason, the only revenue generating activities of the Issuer is the receipt of interest income received on the said loans.

In view of the financing activities of the Issuer, it is economically dependent on the operational results, the financial position and the financial performance of companies forming part of the Mizzi Organisation to which it provides financing. The underperformance of any of the said borrowing companies may have an adverse effect on the performance of the Issuer which, in turn, may affect its ability to service payments of the principal and, or interest of the Bonds.

2.2 Risks Relating to the Guarantors

The Guarantors have a diversified business portfolio and either directly, or through their Subsidiaries, operate in multiple sectors including the automotive, beverage, hospitality, food and fashion retail, real estate and mechanical and engineering contracting sectors. As further described in section 5.2 of this Registration Document:

- i. MOL and its Subsidiaries operate principally within the automotive, food and fashion retail, real estate and mechanical and engineering contracting sectors;
- ii. CHL and its Subsidiaries operate principally within the hospitality sector; and
- iii. GSD and GSDM operate within the beverage sector.

The risks described below are relevant to all the aforementioned sectors within which the Guarantors operate.

These risks may be directly associated with a Guarantor’s operations in a given sector or may arise on account of the operations of its Subsidiaries. Accordingly, whilst certain Guarantors such as GSD and GSDM do not have any Subsidiaries, CHL and MOL are both holding companies and thus their financial position is in turn contingent on the financial position of their Subsidiaries.

2.2.1 Economic and Financial Risks

2.2.1.1 Risks relating to the COVID-19 pandemic

COVID-19 necessitated governments (including the Maltese government) to respond at unprecedented levels to protect public health, local economies and livelihoods. It has affected different sectors within which the Guarantors operate at different times and varying degrees as it has developed. The varying government support measures and restrictions imposed in response to the COVID-19 outbreak have added challenges, given the rapid pace of change and significant operational demands. The speed at which Malta will be able to unwind the government support measures and restrictions and return to pre-COVID-19 economic levels will vary based on the levels of infection, local governmental and decisions and access and ability to roll out vaccines. There remains a risk of subsequent waves of infection in Malta and elsewhere, as evidenced by the recently emerged variants of the virus. Renewed outbreaks emphasise the ongoing threat of COVID-19.

The Government of Malta has attempted to mitigate the implications of the pandemic, specifically in those sectors which were largely hit, pursuant to the administration of a variety of economic incentives and schemes. However, there is at present no assurance that such schemes and incentives shall be continued and if continued, whether they shall be continued under the same terms and conditions. Accordingly, the extent and duration of such aid is largely dependent on the success thereof, as well as the development of the pandemic. Whilst certain effects of the COVID-19 pandemic have been or are expected to be temporary especially in light of the success achieved by global vaccination efforts, the implications of the pandemic are expected to continue to have a bearing on market operations, specifically those sectors which have been directly impacted by the pandemic. Moreover, the repeated discovery of different variants of COVID-19 are indicative of the continued impact of the pandemic, which remains relatively evolving and unknown. Accordingly, the uncertainty of the situation, coupled with market volatility, a decrease in market liquidity, and a greater aversion towards travel and unnecessary spending, may continue to impact the Guarantors' and their Subsidiaries' operational results, financial condition and overall performance.

As at the date of this Prospectus, the main business elements of the operations of the Guarantors and their Subsidiaries were impacted by the COVID-19 pandemic.

The full impact of the COVID-19 pandemic on a Guarantor's and, or its Subsidiaries' business will depend on a range of factors, which the Issuer is not able to accurately predict as at the date of this Prospectus, including the duration and scope of the pandemic, the impact of new COVID-19 variants, the impact on economic activity and any future measures adopted by local and foreign governments to mitigate the impact of the COVID-19 pandemic, any of which may have a negative impact on Mizzi Organisation's suppliers and customers, or the economy as a whole, and could, in turn, decrease demand for the Mizzi Organisation's products and services offered through its Guarantors or their Subsidiaries.

2.2.1.2 Risks relating to the financing of the Mizzi Organisation

The Guarantors' and their Subsidiaries' indebtedness could adversely affect their financial position. As at the date of this Registration Document, a number of companies forming part of the Mizzi Organisation have bank debt, with the majority of the Mizzi Organisation's bank debt being obtained by, and channelled through, MOL as the finance company of the Mizzi Organisation, responsible for performing a treasury function therein. MOL, together with other companies forming part of the Mizzi Organisation, expects to incur additional debt in connection with its future growth strategy in terms of acquisitions and project developments. The Guarantors and their Subsidiaries may require additional debt finance in the future to fund their respective projects, notwithstanding that the Mizzi Organisation aims at maintaining its debt-to-equity ratio at prudent levels, with corresponding equity being injected at levels considered to be adequate and prudent under current banking practices. A substantial portion of the cash flow generated from the companies forming part of the Mizzi Organisation is utilised to repay their debt obligations pursuant to the terms of the facilities provided. Should the Guarantors or their Subsidiaries significantly increase their debt obligations, this may have an adverse effect on the profitability of the Guarantors or their Subsidiaries.

The agreements regulating the bank debt of the companies forming part of the Mizzi Organisation impose significant financial covenants on the said companies, whether they act in the capacity as borrowers or guarantors under the respective loan agreements. These covenants could limit the ability of the said companies to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Changes in banking risk appetite as a result of financial turmoil may decrease the willingness of banks to provide loans to companies and impact the terms thereof. As a result of the factors detailed herein, the Guarantors and, or their Subsidiaries may not be able to obtain the capital

and financing they require for the continued operation of their business and the completion of major projects, on commercially viable terms, or at all.

2.2.2 Business and Operational Risks

2.2.2.1 Risks relating to distribution and franchise agreements and relations with suppliers and agents

The Guarantors' operations, either directly or through their Subsidiaries, in the automotive, beverage, retail sector and mechanical and engineering contracting sectors are dependent on franchise, distributor and supply agreements entered into with international brand owners and manufacturers. The continued distribution of products is therefore largely contingent on the strength of the relationships with the existing franchisors, distributors and suppliers.

Some of the franchise and distributor agreements which certain companies within the Mizzi Organisation rely on for their operations may be terminated by notice and, or are due to terminate in the short term, albeit subject to renewal. There is no guarantee that the respective companies will manage to secure the necessary renewals of such agreements or that any renewal will be subject to the same terms and conditions. Furthermore, no assurances can be given that these companies will be able to identify, retain or add franchisees to their portfolio.

Should any of the franchise agreements be terminated, not be renewed, or be renewed on less favourable terms, the profitability and financial condition of the Guarantors may be adversely affected.

Any deterioration or change in relationships with franchisors, suppliers, manufacturers and, or foreign agents (as applicable) for any reason whatsoever could potentially have an adverse effect on the profitability of the respective operating company.

2.2.2.2 Risks relating to changes in consumer preferences and demand

The Guarantors' success, either directly or through their Subsidiaries, in the automotive, beverage, real estate, mechanical and engineering contracting, and retail sectors is dependent on their ability to manufacture and, or offer products that have a strong consumer appeal. Such sectors are susceptible to fluctuations in consumer trends because of changes in taste, consumer habits, general economic conditions, social trends, consumer attitude, consumer satisfaction and any other similar factors which are linked to consumer demand as further described below:

Automotive Sector: CCL, MML, IML and NMS (Subsidiaries of MOL) are the exclusive distributors in the territory of Malta of several brands of cars and vehicles (as the case so requires). The automotive business is dependent on automotive trends in the design, styling, technology, production, merchandising and pricing of products. The car models which the said Subsidiaries of MOL bring to market may not always reflect the prevailing market trends or customer needs at any given time, and the new models they launch may not be well received by the market or achieve the expected sales.

Beverage Sector: GSD and GSDM operate in the beverage sector as the authorised manufacturers and distributors of reputable brands of soft drinks as well as alcoholic and non-alcoholic drinks. The beverage sector is sensitive to consumers' attitude towards sugar, soft drinks and alcoholic beverages. Failure to introduce new brands, products or product extensions into the marketplace as current ones mature and to meet the changing preferences of consumers could prevent GSD and GSDM from gaining market share and achieving long-term profitability. Product lifecycles can vary, and consumer preferences and loyalties change over time. Consumer preferences also are affected by factors other than taste, such as health and nutrition considerations and obesity concerns, shifting consumer needs, changes in consumer lifestyles, increased consumer information and competitive product and pricing pressures. Sales of products relative to the beverage sector may be adversely affected by the negative publicity associated with these issues.

Retail Sector: AML (a Subsidiary of MOL) is authorised to sell retail products relating to a number of fashion brands and leases outlets for the purpose of selling the said branded products across various localities in Malta as well as in the Arkadia Commercial Centre. The retail sector is linked to local and international fashion trends and consumer demand is also connected to brand reputation and trust. The success of the styles and trends of the fashion brands offered by AML depends, to a large extent, on the preferences of consumers in a particular season and their perception of the brand. In AML's operation of the Arkadia Commercial Centre, the tenants that lease outlets within the mall are also affected by changing consumer trends and purchasing power of the consumers. If the tenants are unable to keep up with the changing trends, tenants may face financial difficulties which may result in them being unable to continue to lease the spaces forming part of the Arkadia Commercial Centre. This could, in turn, have a negative impact on the financial position of AML and subsequently, MOL as the holding company of AML.

AML also leases food stalls at *Is-Suq tal-Belt* in Valletta to third parties. Consumer demand for a particular cuisine may affect the performance of these outlets. Consumer demand for a particular cuisine may change depending on the season and other social factors independent of the will of AML. Any fluctuations in such demand may negatively affect the position of lessees which, as a consequence, may adversely impact the profitability of AML.

Real Estate: Several Subsidiaries of MOL, particularly Mizzi Estates, are involved in the development of both residential and commercial properties in Malta both for resale and rental purposes. These real estate projects are also subject to changing preferences of the style and location of immovable properties in Malta.

Mechanical and engineering contracting: The mechanical and engineering contracting sector of the Mizzi Organisation relies on the activities of Titan (a Subsidiary of MOL) and Legacy (a Subsidiary of CHL). Consumer preferences in the building services industry are largely driven by the technology implemented in the relevant products offered. Brand reputation, pricing, and the level of innovation in the technology implemented in a particular product are the factors that largely sway consumer preferences in this sector.

Hospitality Sector: WHL (a Subsidiary of CHL) operates within the hospitality sector (operator of the Waterfront Hotel located on the Sliema promenade, Malta). Consumer preferences in this sector are largely determined by brand image and reputation.

The Guarantors' and their Subsidiaries' success in their business operations is dependent on their ability to swiftly anticipate, capitalise and adapt to changes in consumer attitude and preferences. Should they fail to do so, they may experience a reduction in revenue which could have a material adverse effect on their operational results and financial condition as well as the group of companies within the Mizzi Organisation, which they form part of.

2.2.2.3 Risks relating to public relations and product quality issues

The product brands and brand images are key to the business of the Mizzi Organisation. The inability of the applicable Guarantors, their Subsidiaries, or their franchisors to maintain a positive brand image could have a material adverse effect on the relative company's results of operations. It cannot be predicted whether advertising, marketing and promotional programmes will have the desired impact on its products' branding and on consumer preferences. In addition, negative public relations, and product quality issues, whether real or perceived, or allegations of product contamination, even when false or unfounded, could tarnish the image and could cause consumers to choose other products. The relative companies could thus suffer a decrease in sales as a result of reduction in value of a particular brand. The brand image of the products offered by the Mizzi Organisation can also be adversely affected by unfavourable reports, studies and articles, litigation, or regulatory or other governmental action, whether involving a Guarantor's or Subsidiary's products or those of competitors. Furthermore, a serious event or circumstance may also prejudice ongoing business relationships with third parties, including franchisors and business partners.

2.2.2.4 Risks relating to competition

The Guarantors and their Subsidiaries face competition in all product categories and markets in which they operate:

Automotive Sector: the success of the automotive sector largely depends on the strength of the brands of the cars which CCL, MML, IML and NMS (Subsidiaries of MOL) are authorised to sell, the marketing strength of their competitors in Malta and consumer demand for alternative brands of cars which IML, CCL, MML and NMS are not authorised to distribute. These four companies face competition from other vehicle manufacturers and distributors in Malta, together with the importation of second-hand vehicles.

Beverage Sector: GSD and GSDM are major players in the Maltese beverage sector. They are also the importers of alcoholic and non-alcoholic beverages. The principal areas of competition are pricing, packaging, development of new products and flavours and marketing campaigns as well as consumer preference. Both GSD and GSDM's products compete with all liquid refreshments and with products of competitors. They also compete with companies that are smaller or primarily local in operation.

Hospitality Sector: WHL (a Subsidiary of CHL) competes with a wide range of facilities offering various types of lodging options and related services to the public. The competition includes several large and moderate sized hotel chains offering upper, mid and lower priced accommodation and includes independent hotels in each of these market segments. Many of WHL's current and potential competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial and other resources than WHL.

Retail Sector: AML (a Subsidiary of MOL) is authorised to sell, as franchisee or licensee, retail products relating to a number of fashion brands. In addition, AML operates *Is-Suq tal-Belt*, four Arkadia Foodstores and the Arkadia Commercial Centre.

AML operates in a highly competitive landscape in the retail sector in view of new shopping malls and supermarkets in various localities in Malta. The Maltese grocery industry in particular is highly competitive (including competition from budget retailers who offer certain food and retailing products and services on a low-cost model basis, premium retailers, and online entrants). If AML fails to deliver an effective, coherent and consistent strategy to respond to competitors and broader market changes or fails to adapt to technological developments to improve the customer experience as effectively as its competitors, it may lose market share and fail to improve and, or experience declining profitability which could have a material and adverse effect on AML's business, results of operations, and as a result, the financial condition and prospects of MOL, as holding company of AML.

Insofar as the operation of the Arkadia Commercial Centre and *Is-Suq tal-Belt* is concerned, AML is dependent on its ability to attract new lessees on favourable terms in order to receive a profitable price for each of the spaces which it leases. AML may find it difficult to attract lessees of the spaces of the shopping mall during periods when market rents are increasing or when general consumer activity is decreasing, or if there is strong competition for tenants from competing shopping centres and, or as a result of an increased availability of commercial premises for competitive prices.

Real Estate: Subsidiaries of MOL, particularly Mizzi Estates, are developers of real estate property for retention and resale as well as for rental purposes. Similar developments to those being made by these Subsidiaries may result in them being unable to sell and, or rent the said immovable properties at the expected prices.

Mechanical and Engineering Services: Titan (a Subsidiary of MOL) and Legacy (a Subsidiary of CHL) are major players in the mechanical and engineering sector. Should their competitors offer reduced and, or competitive pricing of the same or similar products sold by Titan and, or Legacy, this may result in a reduction of the revenue generated by Titan and, or Legacy.

Severe competition in the sectors within which the Guarantors and, or their Subsidiaries, operate and changes in economic and market conditions could adversely affect the business and operating results of the Guarantors, as direct result of their participation in the sector or through their Subsidiaries.

2.2.2.5 Risks relating to seasonality and dependance on tourism

The hospitality and food and beverage sectors are highly seasonal, with higher demand in the summer months which is attributable to an increased number of tourist arrivals in Malta and hotter temperatures. A fall in the number of tourist arrivals in Malta is likely to contribute towards a negative impact on the demand for the products offered by the Guarantors and their Subsidiaries as well as occupancy levels of the Waterfront Hotel, which is owned by WHL (a Subsidiary of CHL).

2.2.2.6 Risks relating to key senior management and other personnel

The growth and success of the Guarantors and their Subsidiaries is partially attributable to the efforts and abilities of their personnel, specifically the members of their executive management team and other key personnel, including executive, management, sales and project management personnel and upon their ability to attract, develop and retain such key personnel to manage and grow the business.

The inability of a Guarantor or any of its Subsidiaries to attract and, or retain highly skilled and qualified personnel with the necessary sector-specific experience and expertise could have an adverse effect on the respective company's operational results, business relationships with both partners and customers, and its ability to meet its strategic objectives. Moreover, if a member of the executive management team were to be unable or unwilling to continue in their present position, particularly if this member were to be lost to one of the Guarantors' or Subsidiaries' competitors, the Guarantors and, or their Subsidiaries (as the case so requires) might not be able to replace the said member within the short term, which could have a material adverse effect on the business, operational results and financial condition of the respective Guarantor or Subsidiary, and its ability to meet its strategic objectives.

2.2.2.7 Risks relating to the Guarantors' insurance policies

The Guarantors and their Subsidiaries have maintained insurance at levels which they have determined to be appropriate in light of the cost of cover and the risk profiles of the sectors in which they operate. However, it may

be difficult and may take time to recover losses from insurers, as and when necessary. A Guarantor or one of its Subsidiaries may not be able to recover the full amount from the insurer, including but not limited to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, *de minimis* liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licencing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto. No assurance can be given that a company's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities (including but not limited to governmental departments or authorities, planning authorities, health and safety authorities, environmental authorities, among others) may impact the ability to recoup losses under insurance coverage held by the respective Guarantor or its Subsidiary. Furthermore, the actions, or inactions of either their employees or other officials or that of contractors, outsourcing parties, or other third parties engaged by a Guarantor or one of its Subsidiaries from time to time, may affect their ability to successfully make a claim under their insurance policies.

2.2.2.8 Risks relating to the failure or interruption of the Guarantors' information technology infrastructure and risks relating to cybersecurity attacks

The Guarantors and their Subsidiaries rely on their information technology (IT) infrastructure for their proper functioning which is critical to the efficient operation and management of their business. Their IT infrastructure may become vulnerable to cyberattacks, computer viruses, worms and other malicious software programs, physical and electronic break-ins, sabotage and similar disruptions from unauthorised tampering with its computer systems. Such events may result in downtimes, transactional errors, processing inefficiencies, operational delays, other detrimental impacts on their operations or ability to provide products to their customers, the compromising of confidential or personal information, destruction or corruption of data, security breaches, other manipulation or improper use of their systems and networks, financial losses from remedial actions, loss of business or potential liability and, or damage to their reputation, any of which could have a material adverse effect on their cash flows, competitive position, financial condition or results of operations.

2.2.3 Legal, Regulatory and Compliance Risks

2.2.3.1 Risks relating to legal and regulatory changes, as well as new industry standards and practices

The operations of the Guarantors and their Subsidiaries are subject to regulatory requirements applicable to all sectors within which they operate including laws and regulations relating to health and safety, environmental, bribery and corruption, data privacy and information protection, financial, accounting and tax. Regulatory changes may require significant changes to the way the business operates and may inhibit a Guarantor's and its Subsidiary's strategy with respect to the markets in which the respective company operates, brand protection and use or transmission of customer data.

A Guarantor or one of its Subsidiaries may be unable to anticipate the implications of legal and regulatory changes in a given sector, which necessitate a re-evaluation of processes from both a fiscal and operational perspective. This may result in a loss of revenue for the respective sector and the profitability of a Guarantor directly or pursuant to the operations of a Subsidiary.

2.2.3.2 Risks relating to personal data protection and privacy laws

In the ordinary course of their business, the Guarantors and their Subsidiaries receive, process, transmit and store information relating to identifiable individuals ("**personal data**"). As a result, the Guarantors and their Subsidiaries are subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Guarantors and their Subsidiaries to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business practices and information security systems, policies, procedures and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures and practices implemented, or which may be implemented in the future, may not prevent the improper

disclosure of personal data by the Guarantors or their Subsidiaries. Unauthorised access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Guarantors and their Subsidiaries, cause loss of consumer confidence, subject them to regulatory enforcement actions (including fines), and result in private litigation against them, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of a Subsidiary and a Guarantor and its subsidiary.

2.2.3.3 Risks relating to health and safety

As AML (a Subsidiary of MOL) operates *Is-Suq tal-Belt* and sells food items at the food stores, adequate importance is given to maintaining compliance with international health and safety standards. Moreover, WHL (a Subsidiary of CHL) which operates the Waterfront Hotel must continuously ensure the safety of the hotel's guests in accordance with applicable standards and best practices. Failure to comply with such standards or practices could expose AML and, or WHL to third party claims which could in turn have a material adverse effect on their business and profitability.

Titan and Legacy perform several engineering and contracting works within sites which are at different levels of completion. Whilst all sites are expected to be in compliance with health and safety regulations, there still remains the risk of injuries both to staff of the companies and third party contractors working on site. These could potentially lead to claims against the companies by employees, sub-contractors or third parties.

With respect to hospitality and the food retail sectors, there is a constant need to protect the safety and security of the hotel guests or customers, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organised crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose AML or WHL (as the case so requires) and their brands to significant reputational damage.

2.2.4 Additional Risks Specific to Select Sectors

2.2.4.1 Additional risks specific to the automotive sector

2.2.4.1.1 Risks relating to credit services operations

UAFL (a Subsidiary of MOL) grants car loan facilities to its customers to facilitate the purchase of its vehicles. Credit service facilities granted to customers may result in a credit risk on its receivables. Credit risk is the risk of loss arising from a failure by a customer to meet the terms of any contract with UAFL's credit services operations. Credit losses are influenced by general business and economic conditions, including unemployment rates, bankruptcy filings and other factors that negatively affect household incomes, as well as contract terms, customer credit profiles and the new and used automotive market. Negative changes in general business, economic or market factors may have an additional adverse impact on UAFL's credit losses and future earnings and accordingly, the financial position of MOL as the holding company of UAFL.

2.2.4.1.2 Risks relating to demand for used car imports

The importation of used cars in Malta is likely to have a negative effect on the sale of new cars in Malta and consequently the success of the Subsidiaries operating in the automotive sector (the Subsidiaries of MOL). The importation of used cars is subject to changes in foreign fiscal legislation and economic circumstances as well as local schemes and incentives. Although the Maltese Government has introduced schemes (including the scheme pertaining to the refund of part of the purchase price of new electric car vehicles and plug-in hybrids as well as scrappage schemes which benefit consumers from a reduced purchase price on condition that their used vehicle is scrapped), used car imports may be attractive to consumers in view of the cheaper prices at which they are sold on the local market.

An increase in demand of used car imports may result in a reduction in the sale of the vehicles sold by the respective Subsidiaries and consequently, their profitability. Accordingly, since MOL is the holding company of these Subsidiaries, a reduction in their profitability may in turn, negatively impact the financial condition of MOL.

2.2.4.1.3 Risks relating to the cyclicity of the automotive industry

In the automotive business, sales to consumers are cyclical and subject to changes in the general condition of the economy, the readiness of consumers to buy and their ability to obtain financing, as well as the possible introduction

of measures by governments to stimulate or reduce demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry could have a material adverse effect on the business of an automotive Subsidiary and as a result the prospects of MOL, as the holding company of the automotive Subsidiaries.

Some of the Subsidiaries of MOL offer hire purchase arrangements and finance packages to customers purchasing vehicles from the automotive arm of the Mizzi Organisation. Given the involvement of several Subsidiaries in the automotive sector and the extent of the services provided by the different Subsidiaries, the success of one Subsidiary may be dependent on the performance of another Subsidiary (also operating in the automotive sector). Accordingly, should the operations of a Subsidiary experience a slowdown for whatever reason, this may have a negative impact on the financial condition of other Subsidiaries of MOL which provide complimentary services, which in turn may have an adverse effect on the financial condition of MOL, in its capacity as holding company of the automotive Subsidiaries.

2.2.4.2 Additional risks specific to the beverage sector

2.2.4.2.1 Risks relating to manufacturing

The cost of manufacturing beverages is dependent, amongst other reasons, on the cost of inputs such as concentrate, sugar, PET and energy. Substantial increases in the prices of raw materials, to the extent that they cannot be recouped through increases in the prices of finished beverage products, would increase GSD's operating costs and could reduce profits. Moreover, if GSD is unable to secure sufficient ingredients or raw materials and other key supplies, it might not be able to satisfy demand on a short-term basis. This would negatively impact the sales of GSDM should GSD be unable to satisfy demand in a timely manner.

2.2.4.2.2 Risks relating to the dependence on plant, equipment, machinery and other components

GSD depends on key pieces of plant, equipment, machinery and components for the purposes of its activities in the beverage sector. Should plant, equipment, machinery or any component succumb to a material fault or breakdown this could result in a reduction or halt in the supply chain, particularly where the necessary replacement is not readily available. Accordingly, this may prevent both GSD and GSDM from meeting their contractual commitments which can result in an adverse impact on their business, operational results and prospects.

2.2.4.3 Additional risks specific to the hospitality sector

2.2.4.3.1 Risks relating to events that adversely impact domestic or international travel

The room rates and occupancy levels of the Waterfront Hotel (as well as any other hotels which they may operate in the future) could be adversely impacted by events that reduce domestic or international travel, such as actual or threatened acts of terrorism or war, political or civil unrest, epidemics or threats thereof, travel-related accidents or industrial action, natural disasters or other local factors impacting specific countries, cities or individual hotels, as well as increased transportation and fuel costs. A decrease in the demand for hotel rooms as a result of such events may have an adverse impact on WHL's operations and financial results. In addition, inadequate planning, preparation, response, or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss, and consequently impact the reputation of the Waterfront Hotel, owned by WHL (a Subsidiary of CHL).

2.2.4.3.2 Risks relating to the failure of reservation systems

WHL (a Subsidiary of CHL) relies upon the resilience of its reservation system and other key technology platforms and is exposed to risks that could cause the failure of these systems. The value of WHL is partly derived from its ability to drive reservations through the hotel's reservation system and technology platforms which are highly integrated with internal processes and linked to multiple sales channels, including WHL's own website, call centre, third-party intermediaries and travel agents. Lack of resilience and operational availability of these systems provided by WHL, or third-party technology providers could lead to prolonged service disruption and might result in significant business interruption, impact the guest booking experience and subsequently adversely impact the revenues and reputation of WHL as the owner of the Waterfront Hotel.

2.2.4.4 Additional risks specific to the real estate sector

The Guarantors and their Subsidiaries, namely Mizzi Estates (a Subsidiary of MOL) have an extensive and varied portfolio of immovable properties and also develop properties both for retention and resale as well as for rental purposes. The Guarantors and their Subsidiaries operating within the real estate sector are thus susceptible to risks which are

intrinsic to the real estate sector. The local property market may be negatively affected by a number of factors such as political developments, government regulations, changes in planning or tax laws, interest rate changes, inflation, the availability of financing and the profits which different investments may provide. These factors are likely to cause property prices to change and an increase in supply and, or a reduction in demand in the property market to which the respective companies are exposed, could negatively impact their financial performance which in turn could negatively impact the financial performance of the Guarantors, as their holding companies.

2.2.4.4.1 Risks relating to property development

As at the date of this Prospectus, Mizzi Estates (a Subsidiary of MOL) is in the final development stages of the PANGEA Office Block in St Julian's, Malta. Other Subsidiaries of MOL have plans to carry out further property development projects, including the Hofra Project, which shall be completed by IML.

Property development projects are subject to a number of specific execution risks, including the risk of cost overruns, the risk of rental or sales transactions not being effected at the prices and within the timeframes envisaged, the risk of insufficiency or lack of availability of resources to complete projects in the manner and within the timeframes envisaged, as well as delays or refusals in obtaining all necessary zoning, land use, building, development, modifications, occupancy and other required permits and authorisations. Property development projects are also exposed to risks relating to general industry trends, including changes to market conditions such as the oversupply of similar properties and a reduction in demand thereof, changes to laws, rules and regulations which may impact the property development sector as well as high levels of activity in the property development sector which may place a strain on the availability of human and other capital resources required to undertake and complete developments.

In addition to the foregoing, there can be no assurance that a company's health and safety policies and practices will prove effective in ensuring health and safety on its property development sites, which non-effectiveness may expose the relative Guarantor or Subsidiary to liability for damages, as well as to the risk of adverse publicity.

If such risks were to materialise this could have a negative effect on the revenue generation, financial performance and financial position of the Guarantor or Subsidiary executing the project.

2.2.4.4.2 Risks relating to the engagement and, or involvement of third parties in connection with the development of immovable property and counterparty risks

Certain companies within the Mizzi Organisation rely on third-party service providers such as architects, engineers, health & safety experts, building contractors and suppliers for the construction and completion of each of their developments. Pursuant to their respective projects, Mizzi Estates, IML and AML (all Subsidiaries of MOL) plan to engage and, or involve third parties for the execution thereof. Such commercial relationships give rise to counter-party risks in those instances where such third parties do not perform in line with the respective company's expectations and in accordance with its contractual obligations. If these risks were to materialise, this will result in development delays in completion which could have an adverse impact on the business, financial condition, results of operations and prospects of the company executing the development, especially as a result of its inability to sell the units by a certain date. Accordingly, this could have a material adverse impact on the cash flows and revenue generation of the company executing the development and where this company is a Subsidiary (such as IML, Mizzi Estates and AML), the cash flows and revenue generation of the Guarantor, as holding company.

2.2.4.4.3 Risks relating to the rental income of the Guarantors' commercial property

Several Subsidiaries, particularly Mizzi Estates and AML (both Subsidiaries of MOL), lease the property they own to third parties. The revenue generated through these activities is dependent on the lease agreements with lessees and accordingly, the lessees' fulfilment of obligations under such agreements. There can be no assurance that a lessee shall be able to continuously meet its obligations throughout the term. The performance of such obligations may be negatively impacted as a result of several reasons which are beyond the Subsidiaries' control, including the insolvency and lack of liquidity of the lessee.

Moreover, these Subsidiaries are also susceptible to the risk that lessees may terminate (prior to the lease expiration date) or elect not to renew their lease agreements and, in such instances, there is no guarantee that new lessees will be willing to lease the properties in question and, or that the lease agreements will be concluded on equally favourable terms.

The failure to maintain a good relationship with existing lessees, to renew lease agreements or enter into new lease agreements with new lessees on similar or more favourable terms, could have a material adverse effect on the

Subsidiaries' profitability in the real estate sector and its operational results as a whole.

2.2.4.4.4 Risks relating to the selling of property

The Mizzi Organisation may from time to time seek to dispose of real estate assets, to generate additional capital for investment, to improve its cashflows or because an asset may be underperforming financial targets or be deemed suitable for disposal. There can be no assurance that real estate assets in the Mizzi Organisation's portfolio will be transferred and disposed of at their carrying value or estimated value. It may be difficult to dispose of the Mizzi Organisation's properties at their carrying values on account of: (a) market conditions; (b) the size or value of the overall portfolio; (c) the specialised nature of the properties in question; (d) specific local market conditions; (e) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (f) other local or international economic factors influencing the Mizzi Organisation's operations or assets. It may also prove necessary to dispose of properties at values which the respective directors consider are reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to satisfy other commercial demands of the Mizzi Organisation and deliver the long-term strategic objectives.

2.2.4.4.5 Risks relating to property valuations

The valuation of property is intrinsically subjective and based on several assumptions at a given point in time. From time to time, the property-owning companies within the Mizzi Organisation seek valuations of their property portfolio from experts. In providing a market value of the respective properties, certain assumptions are taken, which ultimately may cause the actual values to be materially different from any future values that may be expressed, implied or anticipated on the basis of historical trends as reality may not match the assumptions. For this reason, the Mizzi Organisation may purchase and, or may have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or expected market conditions which may fluctuate from time to time. There can be no assurance that such property valuations will reflect actual market values.

2.2.4.5 Additional risks relating to the mechanical and engineering contracting sector

The mechanical and engineering contracting sector depends on the success of the construction industry. Should there be a decrease in property development and, or trends of refurbishment, the demand for mechanical and engineering products and the size of the projects which Mizzi Organisation, [through the Subsidiaries Legacy (a Subsidiary of CHL) and Titan (a Subsidiary of MOL)] is engaged to carry out may be negatively affected.

3. Identity of Directors, Advisers and Auditors

3.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following persons:

Name	Designation	Date of Appointment
Joseph M. Galea ID Card: 0127756M	Independent Non-Executive Director	19 August 2021
Carmel J. Farrugia ID Card: 745557M	Independent Non-Executive Director	14 October 2010
Brian R. Mizzi ID Card: 942846M	Executive Director	28 March 2002
Kenneth C. Mizzi ID Card: 807248M	Executive Director	28 March 2002
Maurice F. Mizzi ID Card: 84036M	Executive Director	28 March 2002
Kevin Rapinett ID Card: 284669M	Independent Non-Executive Director	19 August 2021

The chairman of the Board of Directors is Andrew Manduca (ID card: 221954M). The business address of the chairman and Directors is the same as that of the Issuer.

The *curriculum vitae* of each the Directors are set out in section 9.5 below.

3.2 Directors of the Guarantors

3.2.1 Directors of MOL

As at the date of this Registration Document, the board of directors of MOL is composed of the following persons:

Name	Designation	Date of Appointment
Brian R. Mizzi ID Card: 942846M	Executive Director	28 December 1971
Kenneth C. Mizzi ID Card: 807248M	Executive Director	15 September 1976
Maurice F. Mizzi ID Card: 84036M	Executive Director	7 April 1967
Angele Calleja ID Card: 407357M	Executive Director	1 July 2018
Christopher Mizzi ID Card: 307564M	Executive Director	1 July 2018
Ian Mizzi ID Card: 287560M	Executive Director	1 July 2018
Veronica Mizzi ID Card: 317852M	Executive Director	1 July 2018

The business address of the directors of MOL is the same as that of MOL.

The *curriculum vitae* of each the directors of MOL are set out in section 9.5 below.

3.2.2 Directors of CHL

As at the date of this Registration Document, the board of directors of CHL is composed of the following persons:

Name	Designation	Date of Appointment
Brian R. Mizzi ID Card: 942846M	Executive Director	28 December 1971
Kenneth C. Mizzi ID Card: 807248M	Executive Director	1 July 2017
Maurice F. Mizzi ID Card: 84036M	Executive Director	26 July 1968
Angele Calleja ID Card: 407357M	Executive Director	1 January 2018
Christopher Mizzi ID Card: 307564M	Executive Director	1 July 2018
Ian Mizzi ID Card: 287560M	Executive Director	1 July 2017
Veronica Mizzi ID Card: 317852M	Executive Director	28 December 1971

The business address of the directors of CHL is the same as that of CHL.

The *curriculum vitae* of each the directors of CHL are set out in section 9.5 below.

3.2.3 Directors of GSD

As at the date of this Registration Document, the board of directors of GSD is composed of the following persons:

Name	Designation	Date of Appointment
Brian R. Mizzi ID Card: 942846M	Executive Director	20 May 1970
Kenneth C. Mizzi ID Card: 807248M	Executive Director	1 December 2014
Maurice F. Mizzi ID Card: 84036M	Executive Director	6 May 1969

The business address of the directors of GSD is the same as that of GSD.

The *curriculum vitae* of each the directors of GSD are set out in section 9.5 below.

3.2.4 Directors of GSDM

As at the date of this Registration Document, the board of directors of GSDM is composed of the following persons:

Name	Designation	Date of Appointment
Brian R. Mizzi ID Card: 942846M	Executive Director	1 December 2014
Kenneth C. Mizzi ID Card: 807248M	Executive Director	1 December 2014
Maurice F. Mizzi ID Card: 84036M	Executive Director	5 September 1977

The business address of the directors of GSDM is the same as that of GSDM.

The *curriculum vitae* of each the directors of GSDM are set out in section 9.5 below.

3.3 Company Secretary of the Issuer and the Guarantors

Mr Kevin Caruana (ID Card: 20073M) is the secretary of the Issuer and of each of the Guarantors.

3.4 Responsibility and Authorisation Statement

The Directors of the Issuer are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Registration Document has been approved by the Malta Financial Services Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Malta Financial Services Authority has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer and, or the Bonds.

3.5 Advisers

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Legal Advisers to the Issuer and Guarantors

Name: **Camilleri Preziosi**
Address: Level 3, Valletta Buildings, South Street,
Valletta VLT 1103, Malta

Financial Advisers

Name: **PricewaterhouseCoopers**
Address: 78, Triq il-Mithna,
Qormi QRM 3101, Malta

Sponsor and Manager

Name: **Rizzo, Farrugia & Co (Stockbrokers) Ltd**
Address: Airways House, Fourth Floor, High Street,
Sliema SLM 1551, Malta

3.6 Auditors of the Issuer and the Guarantors

Name: **PricewaterhouseCoopers**
Address: 78, Triq il-Mithna,
Qormi QRM 3101, Malta

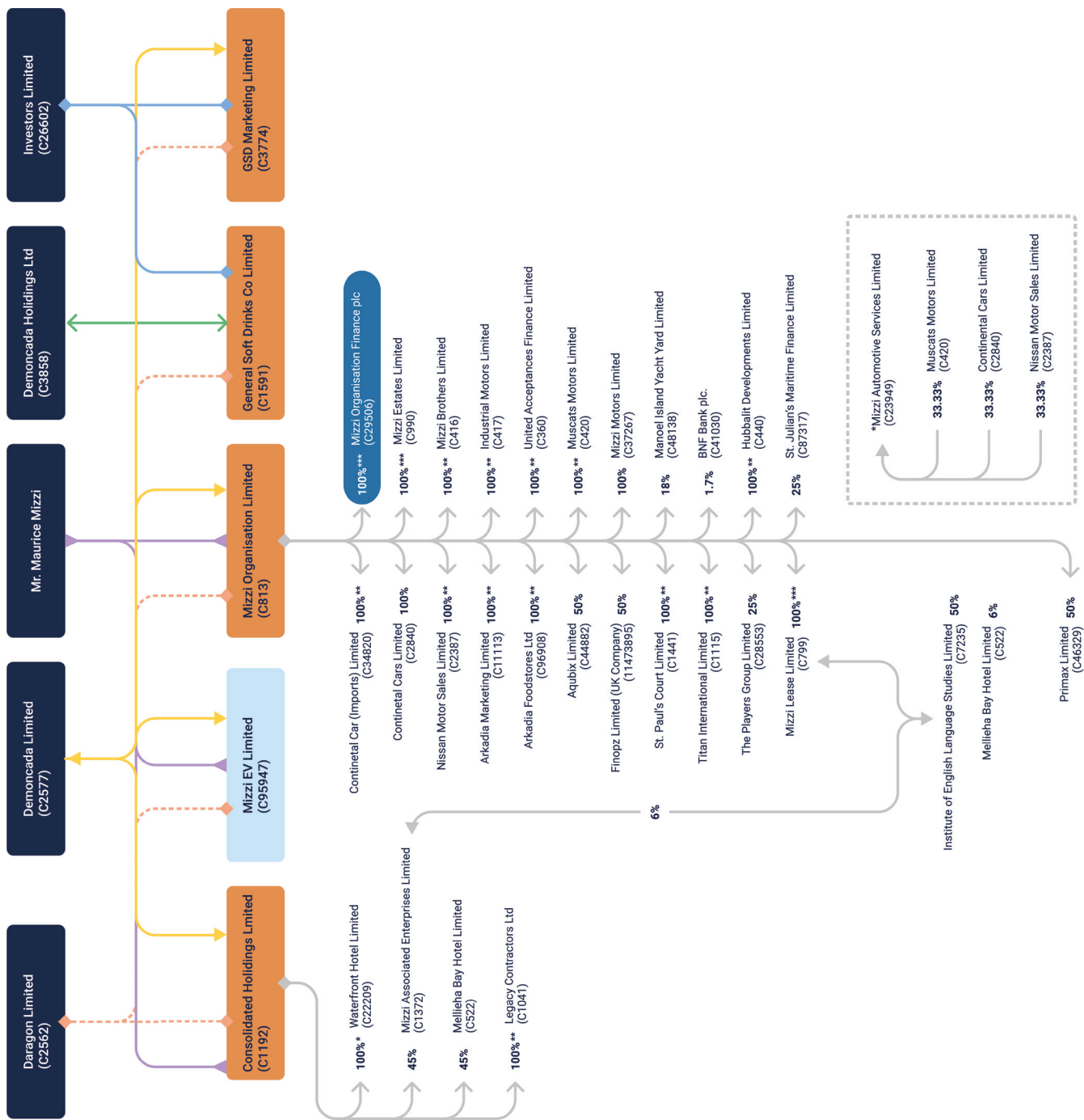
The annual statutory financial statements of the Issuer and the Guarantors for the financial years ended 2018, 2019 and 2020 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) and a practicing certificate to act as auditors. The Accountancy Board registration number of PricewaterhouseCoopers is AB/26/84/38.

4. Information about the Issuer and the Guarantors

4.1 Organisational Structure of the Mizzi Organisation

The Issuer and the Guarantors form part of Mizzi Organisation which has a trading history stemming back to 1919. The Mizzi Organisation is a conglomerate of business units spanning a broad portfolio of business interests and industry sectors including automotive, hospitality, beverage, fashion and food retail, mechanical and engineering and real estate. Together with other partners, Mizzi Organisation is also involved in IT, gaming, yacht financing activities, yacht leasing and educational tourism. As at the date of this Registration Document, Mizzi Organisation, employs just over 1,200 people. The Mizzi Organisation's vision is to pursue its role as a multi-disciplined conglomerate of companies with a wide range of business activities allowing it to benefit from the advantages of diversification. The Mizzi Organisation's philosophy is that the management and strategic processes therein should be geared to follow the main economic drivers of the Mizzi Organisation's core business segments. In this context, MOL acts as the bridge between the different operations of the Mizzi Organisation. It provides centralised corporate services to the other members of the Mizzi Organisation, including strategic planning on an organisation-wide basis, treasury, management, overall management control, internal audit, human resource management, quality control, public relations, and IT support. In this respect, MOL incurs all relevant costs in supporting its head office function and recharges them according to the companies forming part of the Mizzi Organisation.

The Guarantors are the parent companies of several operational Subsidiaries. The organisational structure of the Mizzi Organisation as at the date of this Registration Document is illustrated in the diagram hereunder:



Legend:

* Save for one share held by MOL (in the case of WHL) and for two shares held by MOL (in the case of GSD)

** Save for one share held by Mizzi Lease

*** Save for one share held by CHL

4.2 History and Development of the Issuer

Full legal and commercial name of the Issuer	Mizzi Organisation Finance p.l.c.
Registered address	Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta
Place of registration and domicile	Malta
Company registration number	C 29506
Legal Entity Identifier ('LEI')	485100SI6M5QXXM00H23
Date of registration	28 March 2002
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 2596 9000
Email	info@mofplc.com
Website	www.mofplc.com

Unless otherwise incorporated by reference herein, the information on the Issuer's website does not form part of this Prospectus.

4.3 History and Development of the Guarantors

4.3.1 MOL

MOL forms part of the Mizzi Organisation and operates in the automotive, real estate and fashion and food retail sectors.

Full legal and commercial name of MOL	Mizzi Organisation Limited
Registered address	Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta
Place of registration and domicile	Malta
Company registration number	C 813
Legal Entity Identifier ('LEI')	2138003UBN3OWKRV7Q78
Date of registration	7 April 1967
Legal form	MOL is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 2596 9000
Email	info@mizzi.com.mt
Website	www.mizziorganisation.com

4.3.2 CHL

CHL forms part of the Mizzi Organisation and operates in the hospitality sector.

Full legal and commercial name of CHL	Consolidated Holdings Limited
Registered address	Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta
Place of registration and domicile	Malta
Company registration number	C 1192

Legal Entity Identifier ('LEI')	485100SLWFPDEVPL9J42
Date of registration	26 July 1968
Legal form	CHL is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 2596 9000
Email	info@mizzi.com.mt
Website	www.mizziorganisation.com

4.3.3 GSD

GSD forms part of the Mizzi Organisation and operates in the beverage sector.

Full legal and commercial name of GSD	The General Soft Drinks Company Limited
Registered address	Marsa Industrial Estate, Marsa MRS 3000, Malta
Place of registration and domicile	Malta
Company registration number	C 1591
Legal Entity Identifier ('LEI')	213800LU4WKKSGLD5M41
Date of registration	6 May 1969
Legal form	GSD is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 2229 1000
Email	info@gsd.mizzi.com.mt
Website	www.gsd.com.mt

4.3.4 GSDM

GSDM forms part of the Mizzi Organisation and is involved in the beverage sector.

Full legal and commercial name of GSDM	GSD Marketing Limited
Registered address	Marsa Industrial Estate, Marsa MRS 3000, Malta
Place of registration and domicile	Malta
Company registration number	C 3774
Legal Entity Identifier ('LEI')	485100R03X666K6N8869
Date of registration	5 September 1977
Legal form	GSDM is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 2229 1000
Email	info@gsd.mizzi.com.mt
Website	www.gsd.com.mt

5. Business Overview

5.1 The Issuer

5.1.1 Principal Activities

The Issuer is a subsidiary of MOL. The Issuer does not carry out any trading activities of its own and its sole purpose is that of raising funds in the capital markets for the purposes of on-lending the said funds to companies forming part of the Mizzi Organisation. In view of the financing activities of the Issuer, it is economically dependent on the operational results, the financial position, and the financial performance of its borrower companies. The Issuer has entered into a conditional loan agreement with MOL, pursuant to which it undertook to grant MOL a loan in an amount equivalent to the proceeds to be received from the Bond Issue. Further details of the said loan are contained in section 4.1 of the Securities Note.

5.2 The Guarantors

5.2.1 Principal Activities

The core business activities of the Mizzi Organisation comprise the following sectors:

- i. automotive;
- ii. beverage;
- iii. food and fashion retail;
- iv. hospitality, tourism, and leisure;
- v. real estate; and
- vi. mechanical and engineering contracting.

MOL and its Subsidiaries operate in multiple sectors including the automotive, food and fashion retail, real estate and mechanical and engineering contracting services. CHL and its Subsidiaries operate principally within the hospitality sector whilst GSD and GSDM operate exclusively within the beverage sector. MOL is designated as the finance company of the Mizzi Organisation, performing a treasury function therein and is the borrower under a number of bank facilities, the funds of which are on-lent by MOL to entities forming part of the Mizzi Organisation for their business activities. As at the date of this Registration Document, MOL has loans in place with various companies within the Mizzi Organisation in an amount of €38.4 million.

The activities of the Guarantors in each sector are described further below.

5.2.1.1 The Automotive Sector

The Mizzi Organisation has been operating within the automotive business since the 1920's initially forming a business relationship with FIAT® and importing vehicles produced by Morris Motors Limited – UK, thereafter. As at the date of this Registration Document, the automotive segment of the Mizzi Organisation is divided into the following two distinct business units:

- **Retail and servicing as well as the leasing of motor vehicles and sale of spare parts:** This segment comprises the representation, distribution, and servicing of multiple motor vehicle brands through its import and the leasing of motor vehicles to corporate and private customers. In this segment of the automotive sector, the Mizzi Organisation also sells spare parts of the motor vehicle brands it imports.
- **Financing of motor vehicles:** This segment comprises the financing of motor vehicles purchased by individual customers through hire purchase schemes of individual import companies.

Nine companies are involved in the automotive division of the Mizzi Organisation as follows:

i. CCL: CCL is the authorised distributor in Malta of the international world-renowned car brands Volkswagen®, Audi®, SEAT® Cupra® and Porsche®. It also carries out car servicing activities for cars purchased with these brands. CCL operates from property owned by Mizzi Estates in Ta' Xbiex, Malta which houses modern showrooms, a spare parts operation and extensive servicing facilities.

ii. IML: IML is the authorised distributor in Malta of the international brands Mitsubishi®, Suzuki® and Renault Trucks®. In addition to services associated with the sale of these vehicles, IML also performs car servicing activities and provides vehicle parts for the brands it represents. IML operates from a showroom located on a site it owns in Blata l-Bajda.

iii. MML: MML is one of the oldest car distributorships in Malta having been in operation since 1947. It is the authorised distributor of vehicles representing the BMW®, MINI®, Jaguar®, Landrover®, MG® and Motorrad® brands and is the authorised repairer for Daihatsu®. MML also offers car servicing activities and provides vehicle parts for the brands it represents. MML operates from property owned by Mizzi Estates in Gzira, consisting of showrooms, offices, spare parts workshops, servicing and mechanical repair facilities.

iv. NMS: NMS has been the official distributor of the Japanese brand Nissan® since the 1960's. In addition to this activity, NMS provides car servicing activities to Nissan® branded cars in accordance with Nissan® standards and sells Nissan® vehicle parts. The company operates from a showroom in Blata l-Bajda, owned by Mizzi Estates.

v. MAS: MAS principally provides panel beating and spray-painting services on cars with the objective of restoring the vehicles to their original condition and manufacturer standards. The said services are provided on vehicle brands represented by the Mizzi Organisation's automotive companies as well as other brands. MAS also imports oils and lubricants for the sale thereof to third parties operating within the automotive industry as well as other industries.

vi. Mizzi Lease: Mizzi Lease offers vehicle lease packages to private and corporate clients. The fleet of cars which are offered for lease include vehicles which are imported by the Mizzi Organisation as well as vehicles which are imported by third parties. The fleet of vehicles available for lease consists of approximately 400 vehicles. Mizzi Lease also rents out a commercial property it owns in Gzira, Malta to third party companies. A portion of the revenue generated by Mizzi Lease emanates from lease payments from these companies.

vii. UAFL: UAFL represents the car finance arm of the Mizzi Organisation. This company finances hire-purchase sales effected by Mizzi Organisation's car companies. The income of the Mizzi Organisation from this activity comprises interest and other finance income from managing these credit facilities. Through UAFL, Mizzi Organisation implemented a one-stop shop service by providing their customers with both the vehicles and car services they require whilst simultaneously catering for their financing requirements. This also ensures that the operational companies manage their cash flows better by securing funds upon the sale of goods and services in relation to transactions financed through hire purchase arrangements granted by UAFL.

UAFL has put in place a stringent framework on controls in relation to credit management and adopts strict credit ratings criteria with respect to acceptance and monitoring of hire purchase exposures. This also gives rise to more efficient centralised monitoring of customer accounts in view of the extensive experience accumulated by UAFL. Over the years, UAFL has contributed positively to the Mizzi Organisation's results.

UAFL is also the owner of the John's Garage located in Qormi, however, it does not carry out any operations from this property. For this reason, this property represents a store of dormant value to be realized upon its sale and, or development for letting purposes.

viii. MZM: MZM is responsible for the back-end operations relating to all the companies operating in the automotive sector of the Mizzi Organisation and accordingly acts as the head office for this sector.

ix. Mizzi EV: Mizzi EV was established for the purpose of selling electric vehicles in Malta. The strategy of Mizzi EV is to source new brands of electric vehicles. As at the date of this Registration Document, no firm commitments have been established with any international manufacturers of electric vehicles for the sale thereof in Malta.

Over the years the automotive sector in Malta has become highly competitive with a wider range of new motor vehicle franchises and models imported at competitive prices. In addition, the second-hand car import market has grown substantially. During 2020, there were 13,212 (2019: 18,889) new passenger vehicles registered, of which 4,602 (2019: 7,698) were new vehicles with the remaining being second-hand cars imported from outside of Malta. The automotive division of the Mizzi Organisation represents 29% (2019: 27%) of the newly registered passenger vehicles (*Source of information: National Statistics Office, Report dated 23 February 2021*).

As a direct result of Brexit, from 1 January 2021, levies started being imposed on the importation of second-hand cars from the United Kingdom, which until that time, was the largest source of import of second-hand cars to Malta. This has helped the new car market to regain its competitive edge.

The Mizzi Organisation has a positive track record with respect to securing its automotive distribution agreements. Although in line with international industry practice the distribution agreements with foreign principals have termination dates, these agreements have consistently been renewed by their foreign principals. With the consistent level of sales achieved and the quality of service provided to customers, the Mizzi Organisation's automotive subsidiary companies are confident of the continued renewal of their franchises. The Mizzi Organisation's automotive sector offers a wide

range of services which extend beyond the import, distribution and sale of vehicles for leasing purposes, VRT, financing, servicing and the maintenance of the vehicles forming part of the Mizzi brand. For this reason, the Mizzi Organisation manages to offer a one-stop shop for all automotive needs pursuant to the variety of services provided.

Market positioning

The Mizzi Organisation's automotive arm currently holds an estimated 29% of the Maltese new car market share, by the value of cars sold. In the financial year ended 31 December 2020, the automotive arm contributed €58.9 million (FY2019: €71.4million) which in 2020 equated to 42% (FY2019: 41%) of the revenue of the Mizzi Organisation.

Effect of COVID-19 on the automotive division

COVID-19 negatively impacted the automotive sector both from a global perspective as well as from a local standpoint. During Q1 and Q2 2020, revenue from all the automotive companies experienced a severe slowdown. Throughout the pandemic the local market experienced a significant drop in car sales as a result of the ensuing uncertainty. The continued slowdown, or resurgence, of this market remains subject to significant uncertainty.

Although showrooms were never subject to a forced closure, the impact was material, leading to loss of sales and profitability. Management introduced a number of initiatives aimed at reducing general overheads. The Mizzi Organisation also made use of available Government aide, such as the deferral of VAT and tax payments, wage supplements and quarantine leave supplements. It is envisaged that the sale of motor vehicles and parts and other ancillary services will start to increase steadily in the latter part of 2021, however, will still not reach pre-COVID-19 levels of business. Due to the projected decrease in turnover, a negative impact is also expected on cashflows.

Notwithstanding the projected outlook, management has negotiated new favourable credit term arrangements with Mizzi Organisation's main suppliers. The Mizzi Organisation has also obtained financing for its working capital requirements which is guaranteed by the Malta Development Bank. Both such initiatives are intended to mitigate the negative effects of COVID-19 on the automotive sector.

5.2.1.2 Beverage Sector

The beverage-related operations of the Mizzi Organisation are performed through GSD and GSDM, which have a trading history in the beverage sector spanning back to the 1970's. Through its beverage arm, the Mizzi Organisation has established itself as a leader in the beverage sector in Malta and performs a multitude of activities, principally the manufacturing and importation of beverages across the Maltese Islands.

GSD produces and packages mineral water and soft drinks for distribution in Malta. For such purpose, it relies on bottler agreements with the owners of the trademarks of the beverages to carry out its activities as an authorised bottler of the relevant brands. The company carries out its operations from a facility located within a site in Marsa measuring 33,393 square metres, which site was granted to GSD by Malta Enterprise under title of temporary emphyteusis. The facility comprises four major blocks, including the administration, stores, production and a warehousing block, with a ring-road surrounding the whole area. The design incorporates energy-saving measures, including utilisation of natural light, building insulation and wastewater minimisation processes. The facility's energy usage is monitored through a building management system which controls the air-conditioning, ventilation and lighting. The system ensures that all utilities are used efficiently and effectively. In addition, rainwater is collected in underground reservoirs then used for washing distribution trucks, toilet facilities, landscaping irrigation and road washing. The stores are located below the production hall and house all the raw materials. This set-up allows easy and efficient transport of materials from the store to the production hall.

GSDM distributes the drinks manufactured by GSD, as well as imported renowned alcoholic and non-alcoholic beverages, such as juices, coffee and carbonated drinks. In carrying out this activity, GSDM must abide by the terms and obligations of its distribution agreement with its franchisees. GSDM also operates a vending machine operation across the Maltese islands whereby it provides offices, factories, public places, educational institutions and service organisations with comprehensive solutions for the provision of cold and hot drinks and confectionery food items. The vending machines are equipped with the latest technology and the operation is in itself certified by international quality and management system standards in accordance with ISO 9000 for quality, ISO 14000 for environmental safety, OHSAS 18000 for health and safety and FSSC 22000 for food safety. GSDM's vending operations also comprise the servicing and maintenance of the machines.

The Mizzi Organisation is conscious of its environmental responsibilities and the impact of the manufacturing of

beverages in plastic bottling. In light of these objectives, BCRS Malta Limited (C 96013, “**BCRS**”) was established on the 11 August 2020 by the Malta Beverage Producers Association (Registration No: LPA 126), Malta Beverage Importers Association (Registration No: LPA 127) and Malta Beverage Retailers Association (Registration No: LPA 128). Both GSD and GSDM are members of the Malta Beverage Producers Association. BCRS is the licensed operator of Malta’s Beverage Container Refund Scheme. Managed on a not-for-profit basis, BCRS is investing in privately funded infrastructure for the collection of single-use beverage containers, rendering producers and consumers jointly responsible for the recycling of beverage container waste, towards a higher national effort in recycling and litter reduction.

The Mizzi Organisation is determined to ensure the long-term success and viability of BCRS from its outset and considers this to be a key environmental initiative that will improve national waste recycling performance, in line with the European Commission’s long-term recycling targets.

Market positioning and outlook

The Mizzi Organisation’s beverage arm currently enjoys a strong presence within the Maltese beverage market. It is the second highest contributor to the Mizzi Organisation’s revenues (after the automotive division), and the most profitable sector of the Mizzi Organisation. In the financial year ended 31 December 2020, the beverage arm of the Mizzi Organisation contributed €37.4 million (FY2019: €46.8 million) which is representative of 26% of the revenue of the Mizzi Organisation (FY2019: 26%).

Effect of COVID-19 on the beverage division

Insofar as the beverage sector is concerned, the COVID-19 pandemic impacted the level of attendance at restaurants, food outlets and entertainment venues due to restrictions on social distancing and the forced closure of the said outlets at such times when the outbreak in Malta was heightened, having a direct effect on the “immediate consumption” channel within the sector. For this reason, the distribution of beverages experienced a decline over the course of the financial years 2020 and 2021, decreasing by approximately 9% and 6% respectively, when compared to 2019.

Since the beverage sector is heavily reliant on the tourism and hospitality industry, the significant decrease in tourist arrivals resulted in a considerable downturn in the revenue of GSD and GSDM and ultimately on the profitability of the Mizzi Organisation. GSD and GSDM acted swiftly by virtue of the implementation of various cost-cutting measures to counteract the extent of the impact. Management of the beverage division also implemented stricter credit management and closely monitored the inventory levels. The beverage division also availed itself from Government schemes including the wage supplement scheme, quarantine leave assistance and the deferral of tax payments. The beverage sector also secured a bank loan for working capital purposes guaranteed by the Malta Development Bank.

5.2.1.3 Food and Fashion Retail Sector

The Mizzi Organisation has been involved in the retail sector for several years and has a diversified involvement in its retail operations. Its principal activities in this sector are:

- The operations of the “Arkadia” chain of food stores, located in Malta and Gozo.
- The operations of *Is-Suq tal-Belt*, a food market in Valletta, Malta.
- The operation of fashion outlets as the franchisee of internationally renowned fashion brands.
- The operation of the Arkadia Commercial Centre in Gozo.

During FY2020, the revenue generated by this segment of Mizzi Organisation amounted to €21.7 million (FY2019: €31.5 million), that is 15.5% of the Mizzi Organisation revenue in FY2020 (18% in FY2019).

Arkadia food stores and the Arkadia Commercial Centre

As at the date of this Registration Document, the Mizzi Organisation currently operates four food stores which form part of the “Arkadia” chain, all of which are operated by AML. These consist of (i) a food store located within the Arkadia Commercial Centre; (ii) a food store located within *Is-Suq tal-Belt*, Valletta; (iii) a third food store located within the Portomaso Complex, St. Julian’s; and (iv) a fourth store named “Arkadia FoodExpress” located in Swatar, Malta. Recently, the Mizzi Organisation formed a subsidiary, AFL, with the intention of spinning off the entire food store operation to this company, the business activities of which will solely relate to the food retail business.

AML owns the Arkadia Commercial Centre and leases the spaces forming part of the said Centre to third parties for the sale of retail products, clothing, household goods and related items. Accordingly, AML receives rental payments

in the course of its business from its concessionaires and, or lessors. Once the food store business is transferred to AFL, the latter will lease the food store located at Arkadia Commercial Centre and the food store located in *Is-Suq tal-Belt* from AML for AFL to operate the said food stores.

The strategy of the Mizzi Organisation in this sector is to continue to seek potential sites for the expansion of the foodstore business and to create a franchise model for existing third-party owned food stores to form part of the Arkadia chain.

Arkadia Food Stores

The Arkadia food stores are located in various locations in Malta and provide varied and high quality products. The Arkadia Foodstore mission statement for grocery shopping is quality, choice, and value. A description of each of the food stores is set out below:

i. Arkadia Food Store in Portomaso, St. Julian's: This food store commenced operations in 2003 and forms part of the "Portomaso" complex, located within walking distance from the Hilton Malta hotel. The food store consists of *circa* 1,300 square metres on one floor and offers up to two hours of free parking to patrons of the food store. In view of the fact that St. Julian's and its surrounding areas are popular with visitors within the summer months, the target customers are tourists staying within these areas as well as locals living in these localities.

ii. Arkadia Food Store in Victoria, Gozo: This food store forms part of the "Arkadia Commercial Centre", a prominent shopping mall in Gozo which opened to the public in 1998. The Arkadia food store is found at the basement level of the Arkadia Commercial Centre and consists of *circa* 600 square metres of space for grocery shoppers. There are currently no dedicated parking facilities in view of the civil works at the adjacent school that commenced in 2019. The Group is working on different options to provide parking facilities to its patrons of the Arkadia Commercial Centre, which is considered crucial for footfall and the success of this operations in view of the busy and central street in which this food store is located. The target clientele of this food store includes both Gozitan locals and Maltese visitors as well as shoppers at the Arkadia Commercial Centre who treat the Arkadia Commercial Centre as their one-stop shop for retail products and food items.

iii. Arkadia Food Store in Swatar (Arkadia FoodExpress): The Arkadia supermarket in Swatar opened its doors in 2015 as the convenience version of the Arkadia food stores. The food store consists of approximately 330 square metres on one floor and was designed with objective of facilitating customer movement for a more natural and quick flow of customers. Its central location close to the Birkirkara by-pass secures a healthy footfall of local clientele seeking to grocery shop in an efficient manner, with the possibility of choosing food products from a multitude of brands. Earlier this year, this foodstore was transferred from AML to AFL.

iv. Arkadia Food Store in Valletta (*Is-Suq tal-Belt*, food market): The Arkadia supermarket in Valletta opened its doors in 2018. This supermarket, which is centrally located in the capital city of Malta on Merchants Street, is situated in the basement level of *Is-Suq tal-Belt* and consists of approximately 425 square metres of supermarket space. The food market's target clients are principally tourists and Valletta residents.

The layout of all the food stores was designed to enable a more natural flow of people, with plenty of room in an airy, relaxed environment. For this reason, the design focus was on wide aisles with clearly defined signs and appropriate lighting to help customers easily locate grocery products. The Mizzi Organisation is also cognisant of increased preference for online shopping during the COVID-19 pandemic. For this reason, the operation launched its first online ordering portal in Q1 2021. AML invested in a robust website and promoted online shopping with fast delivery of food products to all locations in Malta and Gozo. The Mizzi Organisation intends to retain this online portal for the long-term and will continue to invest to improve its customers' online experience.

The Mizzi Organisation operates all food sections of its food stores other than certain specialist activities within the supermarkets which are sub-contracted to third-party operators. These include, amongst others, the butcher shops, delicatessen counters, fruit and vegetable counters, ready-made meal counters and fish sections. Management of the food division believes that such areas within a supermarket require the attention of specialist and experienced operators with known reputation in their markets.

The overall commercial strategy is for the supermarkets to carry a wide range of brands aimed at catering for different tastes and means of customers. The Arkadia food stores are renowned for stocking high-quality and unique produce supplied by third party producers and brand owners. To this end, although Mizzi Organisation competes with budget

supermarket retailers, the target clients of the Arkadia food stores are not the same as its competitors which sell low-cost or discounted food items.

The Arkadia Commercial Centre and Retail Outlets

The Arkadia Commercial Centre is one of the leading shopping complexes in Gozo. It is situated in a prime location, offering a variety of retail products which extend beyond the food store operations. It opened its doors in 1998 and comprises a four-floor shopping mall that includes a department store housing leading fashion and homeware brands, as well as an Arkadia food store in the basement. The Arkadia Commercial Centre operations entail the lease of spaces to third party retailers as well as the operation of the Mizzi Organisation's brands which it is authorised to distribute as franchisee (Waitrose®, Piazza Italia®, Orsay®, Parfois® and Venchi®). The Arkadia Commercial Centre has an open plan layout consisting of circa 3,900 square metres of shopping space over three of the four floors. The open plan layout of the Arkadia Commercial Centre is intended to enable customers to swiftly move between spaces displaying different retail fashion brands. AML intends to carry out an extensive refurbishment of the Arkadia Commercial Centre in Q1 2022. Sub-contractors are being engaged for such purpose. The expected cost of the refurbishment is in the region of €3.4 million, part of which will be funded through the proceeds of the Bond Issue and part from its own funds. Further information on the refurbishment is set out in section 6.2 of this Registration Document.

The Mizzi Organisation is continually seeking to secure other premises in prime shopping areas to pursue the expansion and consolidation of its retail operations, achieving further economies of scale and enhancing its return from this segment. It is the authorised franchisee of the fashion brands Piazza Italia®, Orsay® and Parfois®. In such capacity it is authorised to sell the said branded fashion clothing and accessories from stores located in prime locations in Valletta, Paola, Sliema and Gozo.

Is-Suq tal-Belt, Valletta Food Market

Over the course of 2016, AML was granted an emphyteutical concession to operate *Is-Suq tal-Belt* located in the capital city of Malta, in Merchants Street, Valletta. *Is-Suq tal-Belt* was historically a food market for the sale of fruit, vegetables, and other food items. This indoor market was built in the 1860s under British rule. Although a few businesses still operated within the market prior to the concession granted to AML, it was for the most part neglected over the years. By virtue of the emphyteutic deed entered into, AML undertook to regenerate the old market with the objective of turning it into a central hub of activity. To this end, AML invested an amount of €18 million to regenerate *Is-Suq tal-Belt* into a food market consisting of an Arkadia food store (at level -1), an international food court (at level 0), a mixed use floor (at level 1) and a bar/restaurant (at level 2). Work commenced over the course of 2016 and was completed in December 2017. *Is-Suq tal-Belt* opened its doors to the public in January 2018.

AML generates its revenues from the food court by virtue of the lease of the spaces to third party restaurant operators. The majority of the lease agreements are based on both a fixed rent as well as a lease payment based on the revenue generated by the relevant stall operator. In 2019, *Is-Suq tal-Belt* saw footfall exceeding 1.4 million people, which decreased to 0.6 million in 2020 due to the COVID-19 pandemic. The food market on level -1 is operated by AML, the terrace bar is leased to a third-party restaurant operator and the upper levels also serve as a venue for cultural initiatives such as exhibitions and live bands.

Market positioning

The Mizzi Organisation's food and fashion retail arm currently has a good presence in the food retail segment and shares a part of the fashion retail market. In the financial year ended 31 December 2020, the fashion and food retail segment of the Mizzi Organisation contributed €21.7 million, that is 15% of the total turnover of the Mizzi Organisation. Despite not being one of the leaders in the food and fashion retail sector, the Mizzi Organisation believes that the Arkadia brands provide an adequate and alternative shopping experience.

Effect of COVID-19 on the food and fashion retail sector

Turnover and financial results attributable to the food store, retail and food & beverage sectors within the Mizzi Organisation were particularly impacted by COVID-19 pandemic in view of the forced closure of retail and catering business outlets.

Whilst the local food retail market was not negatively impacted by the COVID-19 pandemic, the majority of the food stores forming part of the Arkadia chain experienced a decrease in customers and revenue. This, particularly, with

regard to the food stores at *Is-Suq tal-Belt* and Portomaso since both St. Julian's and Valletta are prominent tourist locations. Accordingly, a reduction in tourist arrivals in Malta resulting from the COVID-19 pandemic, resulted in a decrease in customers at both stores. Furthermore, the food store at the Arkadia Commercial Centre also experienced a reduction in customers since, during certain periods of the pandemic, travel to Gozo decreased and at times was completely disallowed by the Government of Malta.

In respect of *Is-Suq tal-Belt* operation, the company implemented interim agreements with its tenants whereby certain waivers and discounts were given with respect to chargeable rent, common area management charges and marketing charges. Where this was not possible due to financial difficulties of certain few tenants, management commenced talks to have such tenants replaced. In addition to the foregoing, the decline in footfall in Valletta since March 2020 amplified the negative effect on the operations of *Is-Suq tal-Belt* even further. The decline in footfall was a result of a decrease in tourism, social distancing measures and office-workers shifting to work-from-home arrangements. Although it is expected for revenue generation to increase in the immediate future, there can be no certainty as to the performance of *Is-Suq tal-Belt* operation should the effects of the COVID-19 pandemic continue to subsist.

The fashion retail sector also experienced a downturn in revenues in view of the forced closure of retail outlets during certain periods throughout the COVID-19 pandemic. It is expected that the fashion portfolio will continue to be impacted by the loss of footfall and currently undefined limitations on stock availability from franchisors. Management intends to continuously communicate with franchisors and monitor the situation.

5.2.1.4 Hospitality

The principal component of the hospitality arm of the Mizzi Organisation is the operation of the Waterfront Hotel in Sliema. The Mizzi Organisation is also active in smaller segments of the tourism and leisure industry as detailed and described below.

The Waterfront Hotel

WHL, a subsidiary of CHL, is the owner and operator of the Waterfront Hotel.

The Mizzi Organisation's main operation in the hospitality sector is the operation of The Waterfront Hotel, a 165-room hotel located in a prominent location along Sliema's sea-front promenade and a ferry-ride distance away from Valletta. Complementing its 165 rooms, the Waterfront Hotel also boasts of lido facilities, an indoor pool, a fitness centre, a restaurant and a lobby bar. Between November 2016 and June 2017, the hotel was closed for major renovation and extension works costing in the region of €8.5 million. As a result of the renovation works, the hotel commanded a higher average room rate as well as increased room capacity of 165 newly refurbished rooms. Following this investment, the hotel had continued to achieve positive results until the COVID-19 pandemic completely paralysed its operations for several months from March 2020 due to closures imposed by the Government of Malta and restrictions on global travel. The hotel has since been reopened and is expected to revert to the performance levels it experienced in 2019 by the year 2024. This is however dependent on the success of Malta's tourism industry throughout the pandemic and beyond.

Prior to the steep decline in guests from March 2020, the quality of the hotel's finishes, its location, the level of service provided and the reputation established by the hotel contributed significantly to it securing a constant high level of occupancy, registering a yearly average occupancy rate of just over 80%.

In 2016, WHL entered into a joint venture agreement with two other partners to build and operate a lido called the "Aqualuna Lido", located on the seafront promenade in the Strand, Sliema opposite the Waterfront Hotel. Further information on this development is set out in section 6.1. The lido opened its doors on 1 August 2021.

Market positioning

The Mizzi Organisation's hospitality and tourism arm is an important pillar for the Mizzi Organisation, which was adversely affected by the COVID-19 pandemic. In the financial year ended 31 December 2020, the hospitality arm of the Mizzi Organisation contributed to 1.5% (FY2019: 3.9%) of the revenue of the Mizzi Organisation. This particular sector experienced a significant downturn in sales pursuant to the implications of the COVID-19 pandemic, however, a rebound is expected over the course of 2023/2024, in line with the expected recovery of the tourism industry.

In order to mitigate certain effects of the COVID-19 pandemic, management cut down any excess costs and in order to retain as many employees as possible, certain measures were implemented whereby several staff members were redeployed to different areas of the hotel. Furthermore, local banks granted moratoriums on the facilities in place which together with existing capital of WHL, allowed the company to navigate through the more dire periods of the pandemic.

Effect of COVID-19 on the hospitality sector

The tourism industry was the most severely hit during the entire COVID-19 pandemic. The country saw an instant drop in tourism numbers in view of the various travel restrictions imposed by governments and, or health authorities across the globe, which had a direct impact on the demand for hotel accommodation across all hotels in Malta and Gozo. In this respect, the tourism industry registered a 70% decrease in tourist nights in 2020, when compared to 2019, approximately 18% higher than the reported EU average in 2020 (*Source of information: Eurostat, 2020*).

The Waterfront Hotel did not close its doors during the pandemic. Aside from it continuing to operate as a hotel, it offered accommodation to persons that required accommodation separate from family members during the pandemic. This was done at negligible rates which acted as cost recovery rates. WHL also benefited from schemes issued by the Government of Malta intended to assist the tourism industry during the pandemic.

With the COVID-19 vaccination roll-out, both locally and abroad, and with the easing of restrictions on travelling by European countries, the management of The Waterfront Hotel believes that a gradual increase in business may be expected as from the end of 2021, when compared to the corresponding period in the last year. Management continuously monitors costs and takes all the necessary measures to mitigate the risks associated with the COVID-19 pandemic and the adverse impacts it has had on the tourism industry.

5.2.1.5 Mechanical and Engineering Contracting

The Mizzi Organisation's presence in the contracting sector over the last fifty years is attributable to Titan. Recently the company also started operations through a second company, Legacy. This segment comprises: -

- mechanical and electrical engineering contracts, including installation of industrial and domestic air-conditioning systems and lifts; and
- importation, wholesaling, retailing and installation of electrical components, solar water heating, under-floor heating, air extractors and power tools.

Titan is the representative in Malta of brands such as Haier®, Otis®, Hitachi®, Hikoki®, Cooper and Hunter®, Carrier®, Stulz® and Doppler® amongst others.

The overall commercial strategy of the Mizzi Organisation in this sector is to continue to seek additional brands for distribution in Malta, and eventually consolidate premises.

Market positioning

The Mizzi Organisation's mechanical and engineering contracting holds a strong presence in the mechanical engineering industry in Malta. In the financial year ended 31 December 2020, this arm of the Mizzi Organisation contributed to 12.7% (FY2019: 9.8%) of the revenue, that is €17.9 million (FY2019: €17.1 million) in absolute terms.

Effect of COVID-19 on the mechanical and engineering contracting sector

During COVID-19, Titan had access to schemes pertaining to the deferral in the payment of employee taxes, national insurance contributions, provisional tax and VAT. Titan continued to operate on commissioned projects and its outlet in San Gwann remained open. Its main office in Msida at the "Lyric" also remained operational during the pandemic. Titan experienced a slow-down in the latter months of 2020 and first six months of 2021, as a direct consequence of the general slowdown in new local capital projects involving mechanical engineering.

This sector also experienced a decrease in sales and services for domestic systems such as air conditioning systems due to a reluctance of individuals to allow third parties into their private residences during certain periods of the COVID-19 pandemic.

5.2.1.6 Real Estate Sector

The Mizzi Organisation has always been very active in the real estate sector. Over the years, the Mizzi Organisation has accumulated a significant portfolio of assets located in prime areas. The Mizzi Organisation's strategy was always that of owning prime sites from which it conducts its business activities. The immovable properties owned by the Mizzi Organisation are valued at approximately €165 million and either used in the Mizzi Organisation's operations, rented to third parties or retained by the Mizzi Organisation for resale purposes.

The following are the principal immovable properties used by the Mizzi Organisation for its own operations and for investment purposes:

i. Land and buildings used by the Mizzi Organisation for its own operations:

The companies forming part of the Mizzi Organisation operate from premises owned by the Mizzi Organisation. The net book value of these properties amounts to approximately €102 million and these comprise:

- Muscats Motors showroom, Rue D'Argens Street, Gzira
- Continental Cars showroom, Testaferrata/Princess Margaret Street Ta' Xbiex
- Industrial Motors showroom, Antonio Bosio Street, Msida
- Nissan showroom, National Road, Blata l-Bajda
- GSD Factory, Marsa
- The Arkadia Commercial Centre
- The Waterfront Hotel, Gzira
- Petrol station, Blata l-Bajda
- Garage formerly known as "John's Garage", Qormi
- Tital offices and stores, Antonio Bosio Street, Msida.

In recent years, the Mizzi Organisation refurbished all of its showrooms. The Nissan® showroom situated in Blata l-Bajda was refurbished in 2015. The Volkswagen®, Audi®, and Porsche® showrooms were refurbished between the 2018 and 2020. The last ongoing refurbishment project within the automotive sector consists of the refurbishments of the SEAT® showroom, which is expected to be completed by Q4 2021.

ii. Investment properties

The Mizzi Organisation also holds a significant portfolio of investment properties having a carrying amount, stated at fair value, of €63 million as at 31 December 2020. This portfolio includes large prime sites in Qormi (premises vacated by GSD), Blata l-Bajda, Mellieha, St. Julian's, Bugibba, Sliema and Gzira. These properties, which are surplus to the Mizzi Organisation's operational requirements, are leased to third parties or are earmarked for potential resale or for future redevelopment once the necessary plans and permits are finalised and funding is in place. The properties earmarked for resale currently constitute a dormant store of value. As at the date of this Registration Document, the Mizzi Organisation is in the process of selling one of its investment properties. Mizzi Estates Limited entered into a promise of sale agreement dated 22 February 2018 pursuant to which it undertook to sell and transfer a site measuring 5,385 square metres in Mdina Road, Qormi for commercial purposes. The sale is expected to be completed between Q4 2021 and Q1 2022.

A number of the properties are rented to third parties including, Mizzi House in Blata l-Bajda and a section of Muscats Motors Building in Gzira (both commercial properties) as well as residential properties in Bugibba, Swieqi, Naxxar, Sliema and Ta' Xbiex. The site in Blata l-Bajda, situated in a prominent and strategic location, is earmarked for the Hofra Project as described in section 6.2 of this Registration Document. As part of its strategy in the real estate sector, the Mizzi Organisation continuously monitors the demand for commercial and residential properties in the locations in which it holds its immovable properties and earmarks sites and properties for development (as opposed to resale) as it sees fit in the context of the economic circumstances.

The Mizzi Organisation is currently in the process of completing an office block in St. Julian's, further details of which are set out in section 6.1 of this Registration Document.

5.2.1.7 Other Business Interests

The Mizzi Organisation holds investment interests in companies with third parties. These include:

i. The Players Group Limited (C 28553) (operates within the gaming sector)

MOL, through The Players Group Limited, holds a 25% equity interest in Maltco Lotteries Limited (C 32326). Maltco Lotteries Limited (C 32326) was set up in 2004 and has the exclusive licence to operate all National Lottery games in Malta. This company is currently operating most of the games which previously fell under the responsibility of the Departments of Public Lotto and include the Super 5 lottery, U*Bet, the Lotto, horseracing betting and instant lotteries (Scratchers). It offers its services through an extensive network of lotto booths situated throughout the Maltese Islands. The exclusive licence is valid until 2023.

ii. St. Julians Maritime Finance Limited (C 87317) (operates within the marine sector)

MOL holds a 25% interest in St. Julians Maritime Finance Limited. Malta has become the flag of choice for owners of large yachts in Europe and the Mediterranean. Although service providers of the marine industry provide the full

range of services including registration, insurance, crewing, maintenance, and repair as well as financing services. MOL, through St. Julians Maritime Finance Limited, offers a one-stop-shop for yacht services. It provides both “asset backed finance” and registration and corporate structure services. This allows owners to acquire and use their yachts in a more efficient and economical manner. St. Julians Maritime Finance Limited provides finance leasing arrangements to clients.

iii. Manoel Island Yacht Yard Limited (C 48138) (operates within the marine sector)

MOL also holds an 18% interest in the Manoel Island Yacht Yard Limited. Manoel Island Yacht Yard (“**MIYY**”) is one of the oldest established yacht repair yards in the Mediterranean. The steady flow of demanding clientele has made the yacht yard evolve and meet its clients’ specialised demands. Throughout the years, MIYY enjoyed a good reputation for its commitment, reliability and workmanship.

iv. Aquibix Limited (C 44882) and its sister FINOPZ Ltd (operate within the IT sectors)

The Mizzi Organisation holds a 50% equity interest in Aquibix Limited (C 44882) and its sister FINOPZ Ltd, a company registered in the United Kingdom (with company registration number 11473895). These companies provide IT consultancy including bespoke software solution development, web application development and system integration. An integral part of these operations is the KYCP (Know Your Customer Portal) system which has become the key driver behind these two companies. The system which is being onboarded by major international banks and financial institutions addresses compliance challenges through automation. All the aspects, workflows, processes and alerts that are usually handled on a manual basis are fully automated.

v. Institute of English Language Studies Limited (C 7235) (operates within the hospitality and educational sectors)

Through Mizzi Lease’s shareholding in the Institute of English Language Studies Limited (50% shareholding), the Mizzi Organisation’s hospitality activities also extend to English language teaching, which is a lucrative component of the local hospitality and tourism sector. IELTS owns and operates an English language school in Matthew Pulis Street, Tigne (in Sliema) and the Days Inn Hotel in Cathedral Street, Sliema, which target foreigners interested in learning English. The language school offers packages to its students which vary in price depending on the nature of the services requested as well as the length of the courses opted for.

vi. Mellieha Bay Hotel Limited (C 522)

The Mizzi Organisation also has a 51% share of the Mellieha Bay Hotel. As at the date of this Registration Document, Mellieha Bay Hotel has applied to relevant planning authorities for the re-development of the hotel. The decision of the said permits is expected to be taken between Q1 2022 and Q2 2022. The Mizzi Organisation is still quantifying the extent of the investment to be undertaken, with more concrete estimates expected in Q4 2021.

6. Ongoing and Future Projects

6.1 Ongoing Projects

The Mizzi Organisation is currently in the process of completing the following projects related to the hospitality and the real estate sectors:

i. Development of a lido on the Sliema promenade

WHL, together with ST Hotels Ltd (C 78678), Marketing and Consultancy Limited (C 8171) and Kennedy Nova Ltd (C 57729) formed the company Sliema Creek Lido Limited (C 87108) for the purposes of constructing a lido. The company was granted a 65-year emphyteutical concession by the Government of Malta on the site over which the lido was developed. The lido, representing approximately 47% of the total project area, is spread across 1,047 square metres. It caters for approximately 200 sunbeds at any one time. Once in operation, the two restaurants will have a total of 150 indoor covers and will benefit from an external area on the sun deck that can be used as a seating area. The promenade area adjacent to the project has been re-paved and embellished following construction. The entire project has a footprint of 2,476 square metres. The lido is intended to be used all year round, since the pool will be heated in winter and the restaurants forming part of the lido (the operation of which will be leased to third parties) will also be open all year round. Management of WHL considered the development of the lido as an important investment which will give the hotel guests of the Waterfront Hotel added value and access to outdoor pool facilities.

WHL’s investment in this project was approximately €1.6 million and was financed through bank financing.

Works were commenced in 2020 and finalised in Q3 of 2021. The lido was opened to the public on 1 August 2021.

ii. Pangea Office Block, St. Julian's

The Mizzi Organisation is in the final stages of developing a seven-storey office block in St. George's Road, St. Julian's ("Pangea") which includes commercial space at ground floor. The office block has been designed with contemporary interiors and advanced technological features. The project is intended to be completed by Q4 2021 and will be leased to third parties. The total investment of the afore-mentioned project is expected to be in the region of €5.5 million.

6.2 New Projects

Mizzi Organisation is always seeking to expand its footprint in existing sectors to maintain its competitive position. As at the date of this Registration Document, Mizzi Organisation is committed to completing the following projects:

i. The Hofra Project

IML owns a vacant excavated site consisting of 3,281 square metres adjacent to its showroom in Blata l-Bajda. The Mizzi Organisation shall be developing this land into a petrol station (phase 1), underground facilities to be occupied by the automotive division of the Mizzi Organisation and a showroom on level 0 to be used by companies forming part of the automotive division (phases 2 and 3). The ground floor of the site will be developed into a drive-through restaurant to be leased to a third-party operator. Phase 1 of the project is expected to be completed in Q4 Of 2022 whereas phases 2 and 3 are expected to be completed by Q4 2024.

The development costs of phase 1 of the project are expected to be in the region of €2.9 million. Part of phase 1 was financed through an intragroup loan facility between MOL and IML in the amount of €2.7 million while €0.2 million were deposits already paid directly by IML.

The development costs of phases 2 and 3 of the project are expected to be in the region of €8.6 million. In order to finance phase 2 and 3 of the project, the Mizzi Organisation intends to raise €4.3 million in value from the sale of immovable property. The properties earmarked for sale are dormant properties which are currently used as storage. The remaining balance required to complete the phases 2 and 3 of the project (approximately €4.3 million) will be financed from part of the proceeds received from this Bond Issue. The amount of €0.7 million will be utilised to partially repay the intra-group loan facility between MOL and IML to be used by IML for Phase 1 of the Hofra Project.

ii. The Arkadia Refurbishment

Mizzi Organisation will be investing approximately €5 million in the refurbishment of the Arkadia Commercial Centre and its two main flagship food stores (one at the Arkadia Commercial Centre and the other at Portomaso, St. Julian's). The refurbishment in Gozo will entail the gutting of the entire premises for the purposes of completing the entire re-modelling and modernising of the premises. By virtue of the refurbishment, the premises will be afforded a contemporary design and a minor extension of the retail footprint. No construction works shall be carried out pursuant to this refurbishment. Rather, the project shall entail, *inter alia*, the replacement of the current mechanical and electrical equipment and the conversion of the underground floors into parking facilities for the benefit of clients visiting the shopping complex.

7. Funding Structure and Solvency

There are no recent events particular to the Issuer or the Guarantors which are to a material extent relevant to an evaluation of their respective solvency. The Directors are not aware of any material change in the Issuer's or Guarantors' borrowing and funding structure since the end of the latest financial year ending 31 December 2020.

The Directors expect the Issuer's and the Guarantors' working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the Mizzi Organisation's operations; (ii) external bank credit and loan facilities; and (iii) the proceeds from the Bonds. In addition to the foregoing, the Mizzi Organisation intends on embarking on a de-leverage strategy predominantly through the sale of non-core immovable properties it owns and through this Bond Issue will undergo a refinancing exercise of the bank loans and debt of the Mizzi Organisation.

The Mizzi Organisation holds a portfolio of immovable properties, including investment property and property plant and equipment (buildings), which, in total, has a net book value of approximately €165 million. Some of the key properties owned or held under title of emphyteusis by the Mizzi Organisation are set out below:

Property	Location	Owner	Use
Muscat Motors showroom, garage and offices	Gzira, Malta	Mizzi Estates	Showrooms used for the operations of MML and offices leased to third parties and to companies forming part of the Mizzi Organisation
Arkadia Commercial Centre	Victoria, Gozo	AML	Used for the operations of AML
The Waterfront Hotel	Sliema, Malta	WHL	Used for the operations of WHL
Former GSD factory	Qormi, Malta	Mizzi Estates	Vacant and subject to a promise of sale agreement
Continental Cars showroom, garage, and offices	Ta' Xbiex, Malta	Mizzi Estates	Showrooms and offices used for the operations of CCL
Aquarine apartment blocks	Bugibba, Malta	Mizzi Estates	Showrooms and offices used for the operations of CCL
Site having 3,280 square metres of usable footprint	Blata l-Bajda, Malta	IML	Vacant and will be developed through Bond proceeds and sale of properties
Mizzi House	Blata l-Bajda, Malta	Mizzi Estates Limited	Lease to third parties
Nissan garages and showroom	Blata l-Bajda, Malta	Mizzi Estates Limited	Showrooms and offices used for the operations of NMS
Petrol station	Blata l-Bajda, Malta	MOL	Used for the operations of IML
Pangea office block	St. Julian's, Malta	Mizzi Estates	Under development and construction. The said property is to be leased to third parties
Site in Triq it-Torri l-Ahmar, is-Sdieri, Marfa, Mellieha having a usable footprint of 8,600 square metres.	Mellieha, Malta	Hubbalit Developments Limited	Vacant
Corner site between Testaferrata Street and Princess Margaret Street, Gzira	Ta' Xbiex, Malta	Mizzi Estates Limited	Partially used for CCL operations and partially leased to third parties
John's Garage	Qormi, Malta	UAFL	Vacant
"The Lyric" (offices and stores)	Msida, Malta	Mizzi Estates Limited	Leased to companies forming part of the Mizzi Organisation as stores and offices
Industrial Motors showroom and garage	Ta' Xbiex, Malta	Mizzi Estates Limited	Showrooms and offices used for the operations of IML
Other properties of a residential or commercial nature of an individual value of less than €2 million	Various	Companies forming part of the Mizzi Organisation	Various

8. Trend Information

As detailed in section 5.1 of this Registration Document, the Issuer's purpose is limited to raising capital for the financing of the operations of other companies within the Mizzi Organisation, including the Guarantors. Accordingly, at the time of publication of this Registration Document, the Issuer considers that its future performance is intimately related to the performance of other companies within the Mizzi Organisation, specifically those companies (and by extension their Subsidiaries) which have borrowed funds from the Issuer.

Since the Issuer is dependent on the business prospects of other companies forming part of the Mizzi Organisation and thus the Mizzi Organisation as a whole, the trend information relating to the Mizzi Organisation has a material effect on the financial position and performance of the Issuer.

The Mizzi Organisation benefits from a wide diversification in its business operations. The following are the key trends in the global and local market affecting the industries in which the Mizzi Organisation operates.

Beverage Sector¹

The European beverage segment experienced an overall decrease in revenue in 2020, mainly arising from the COVID-19 pandemic's impact on the hospitality industry and subsequently revenue from immediate consumption.

¹ Sources: Statista, 2020; IBISWorld Industry Report Global Soft Drink & Bottled Water Manufacturing August 2019; GLOBAL FUNCTIONAL BEVERAGE MARKET (2020-2025), Mordor Intelligence 2020; EUROPE PLANT-BASED FOOD AND BEVERAGES MARKET (2020-2025), Mordor Intelligence 2020; Coronavirus (COVID-19) Case Study: Impact on Food and Beverage Innovation, GlobalData May 2020

One of the key trends in the beverage sector is emerging prior to the onset of the pandemic was the shift to healthier beverages resulting in a change in consumer preferences, the rise of the functional beverage industry and environmental consciousness:

a. *Changes in consumer preferences:* Increased awareness regarding the harms caused by sugary, excessive calorie intake and alcoholic beverages has shifted consumer demands over recent years and is expected to subsist in future years. Other trends include a rise in the functional beverage industry and a heightened emphasis on environmental consciousness and sustainability measures.

b. *Rise of the functional beverage industry:* Functional beverages refer to non-alcoholic drinks containing non-traditional ingredients targeted at the health-conscious market. The forecasted CAGR of the industry is of approximately 6.96% per annum (FY2020-2025) with sports drinks being the leaders of the market segment, valued at USD 39.28 billion in 2019.

c. *Environmental consciousness:* Corporate responsibility is having an increasingly critical role in determining an organisation's performance and value. A company's use of recyclable packaging materials and its sustainable waste management practices will continue to increase in importance, as consumers become more conscious of brand ownership and values.

In addition to the above, the pandemic brought about further changes in trends in the beverage industry, including: (i) new flavour experimentation caused by self-isolation and growth of ready-to-drink cocktails; and (ii) comfort and indulgence trend fuelled by the pandemic as home consumption of alcoholic beverage increased.

Hospitality Sector²

COVID-19 significantly impacted the tourism industry, both locally and internationally through lockdowns and travel restrictions, leading to a drop in consumer demand. Tourist nights in collective accommodation in Malta decreased from 9.9 million in 2019 to 2.9 million in 2020, a drop of 70.3%. In comparison, the European Union experienced a drop of 52.1% in tourist nights. The decline in tourist nights in Malta in 2020 resulted from the decrease in non-resident tourists with a 74.6% decrease in non-residents tourist nights. On the other hand, Malta unlike the EU average, experienced an increase of 15.2% in resident tourist nights driven by lower hotel prices and the government vouchers initiative.

According to statements released by the Malta Tourism Authority, pre-COVID-19 tourist bed nights are expected to be reached by 2025, whilst the majority of hoteliers believe this could be reached by 2023. The recovery of this industry is dependent on several factors including the re-establishment of Malta's flight connectivity routes and enhanced competition with other countries offering a similar holiday experience. Moreover, the recovery of the industry is also dependent on the effectiveness of government economic policy and the public health response as the situation develops.

Food Retail Sector³

Key considerations which are expected to affect the operations and dynamics of the food retail industry include:

i. *Economic and political uncertainty:* Economic and political uncertainty has impacted the local market especially due to the uncertainty in the Mediterranean and North African region. To Malta's benefit, this is believed to have contributed to the increase in tourist arrivals in recent years, resulting in an increase in food consumption during such period;

ii. *Advancements in technology:* Competition has led companies to undertake significant investments in technology with a view to improving economies of scale in the production of goods and changes in trends in the delivery of goods, particularly during the pandemic;

iii. *Target consumers:* A key target market are consumers aged between 20 and 35. These consumers pursue more online services such as online sale of food.

iv. *Health awareness:* Consumers are becoming increasingly conscious about their health and there is a growing demand for low-calorie, natural, and organic products.

² Strategy for Malta's Tourism Sector for the period 2021-2030 issued by MTA (25/01/2021); Eurostat, 2020; National Statistics Office – Malta (News release, 24 February 2021); Skift Research (September 2020)

³ Navigating the New Reality: Retail and consumer Strategy&, 2020

Fashion Retail Sector⁴

During 2020, spend on clothing and footwear was suppressed due to the pandemic resulting in significant decrease in sales. The market outlook indicates an expectation of gradual recovery in the global retail apparel market characterised by higher online clothing and footwear sales as the market moves increasingly towards e-commerce fashion.

Automotive Sector⁵

The automotive sector is experiencing a shift towards electric and hybrid electric vehicles. This is being driven by increased environmental consciousness and regulatory pressure on ending the manufacturing of the combustion engine.

Over the period 2018 to 2020, the battery electric vehicle and plug-in hybrid electric vehicle registrations in the EU have experienced CAGR⁶ of 130% per annum and 155%, respectively. In comparison, electric and hybrid vehicles in Malta have increased by a CAGR of 44% per annum and 54% per annum respectively. As a result, the market share for electric vehicles has amassed to 10.5% as at 2020 in the EU. From the local perspective, electric vehicles account for only 1.72% of the total registered passenger cars in Malta. However, a steady increase in hybrid electric vehicles has been witnessed. The development of new car models and charging port models is expected to further incentivise the demand for electric and hybrid electric vehicles over internal combustion engine vehicles, in line with EU policy and objectives.

Mechanical and Engineering Contracting⁷

Mizzi Organisation's mechanical and engineering contracting sector consists of specialised construction activities. The mechanical and engineering industry is highly correlated to the commercial office space industry and therefore the trends in the use of space have been used as a surrogate for the trends in the mechanical and engineering industry. Other trends include the construction of hotels, retail malls, entertainment establishments and new mixed-use developments.

Whilst those projects already in progress are likely to be completed, new projects may be put on hold or cancelled until the circumstances brought about by the COVID-19 pandemic stabilise.

Real Estate Sector⁸

The supply of office space as evidenced by the quantity of office permits and their relative size, has increased over recent years. As large new office space projects enter the market, it is believed that Malta has now reached a point of over-supply of office space and downscaling or repurposing of planned office space still in the pipeline has already been observed in the local market. Moreover, the construction industry continues to experience escalating cost pressures and intensified competition in the local market.

The COVID-19 pandemic has resulted in the realisations of many inefficiencies in the commute to work and the cost savings experienced during mandatory quarantines and the shift towards working from home have highlighted an area of economic respite.

There has been no material adverse change in the prospects of the Issuer and the Guarantors since 31 December 2020 (being the date of their last published audited financial statements).

4 Navigating the New Reality: Retail and consumer Strategy, 2020

5 Eurostat, 2020; National Statistics Office- Malta, 27 April 2021; Times of Malta, Article dated 18 July 2021 entitled "EU proposal will effectively ban non-electric cars from 2035"

6 Compounded annual growth rate

7 As observed from the Planning Authority website

8 As observed from the Planning Authority website

9. Administrative, Management and Supervisory Bodies

9.1 The Board of Directors of the Issuer

The Board of Directors of the Issuer consists of six Directors who are entrusted with the overall direction, administration, and management of the Mizzi Organisation and which currently consists of three executive Directors and three non-executive Directors.

As at the date of this Registration Document, the Board of Directors is constituted of the names which appear under section 3.1 of this Registration Document.

9.2 Executive Directors

The executive Directors of the Issuer form part of the Issuer's executive team, entrusted with the day-to-day management of the Mizzi Organisation. The individuals occupying such office are also directors or officers of other companies forming part of the Mizzi Organisation. The executive Directors are supported in this role by several consultants and key management and benefit from the know-how gained by members and officers of the Mizzi Organisation.

The executive Directors of the Issuer are Mr Brian R. Mizzi, Mr Kenneth C. Mizzi and Mr Maurice F. Mizzi.

9.3 Non-Executive Directors

The non-executive Directors' main functions are to monitor the operations and performance of the executive Directors, as well as to review any proposals tabled by the executive Directors, bringing to the Board the added value of independent judgment.

The non-executive Directors are Kevin Rapinett, Joseph M. Galea and Carmel J. Farrugia.

9.4 The Board of Directors of the Guarantors

As at the date of this Registration Document, the board of directors of the Guarantors is constituted of the names which appear under section 3.2 of this Registration Document.

9.5 Curriculum Vitae of Directors of the Issuer and the Guarantors

Mr Brian R. Mizzi (Executive Director of the Issuer; director of MOL, CHL, GSD and GSDM, Guarantors)

Mr Brian Mizzi was born in 1946 and educated at St. Edward's College, Malta. He studied in London with the then firm of accountants, Turquand Youngs from 1965 to 1970. Brian Mizzi's career within the Mizzi Organisation spans over forty years of active service. In 1971, Brian Mizzi returned to Malta from London where he assumed directorships of several Mizzi Organisation companies including GSD, GSDM, IML, and NMS.

He subsequently set up Festa Ltd (now Mizzi Lease) as part of Mizzi Organisation's venture into the tourism sector. In the late 1990s, he was assigned the responsibility of developing the Arkadia Commercial Centre. Under his managing directorship the "Arkadia" brand grew into a major fashion and food store retailer, with presence in several prominent destinations in Malta. He has also been actively involved in the beverage sector since the business was acquired by the Mizzi Organisation.

He currently serves as an executive director for MOL, CHL, GSD and GSDM. Mr Brian Mizzi is also currently an executive director of The Waterfront Hotel Limited, a director of IELS, director for AquaLuna Lido Ltd (C 95143), Sliema Creek Lido Limited (C 87108), Plaza Centres p.l.c. (C 564) and the chairman of Mellieha Bay Hotel Limited (C 522).

Mr Kenneth C. Mizzi (Executive Director of the Issuer; director of MOL, CHL, GSD and GSDM, Guarantors)

Mr Kenneth Mizzi was born in 1948 and is a qualified Chartered Accountant. After working with Touche Ross (today known as Deloitte) in London, he returned to Malta and joined the Mizzi Organisation in 1971. Over the years he has served as a director on the Board of the Malta Development Corporation (1978-1980) and a number of other parastatal companies. He also served as director on the board of Mid-Med Bank Limited (now HSBC Bank Malta p.l.c.) and later on (1992-1995) of HSBC Bank Malta p.l.c.. He is also executive director of SAK Limited (C 3240), the franchisee and retailer of The Body Shop® products in Malta, as well as executive director of MML and a non-executive director of BNF Bank plc (C 41030).

Mr Maurice F. Mizzi (Executive Director of the Issuer; director of MOL, CHL, GSD and GSDM, Guarantors)

Mr Maurice F. Mizzi was born in 1936 and was educated at St. Aloysius College, Malta and read law at the University of Malta where he obtained a Diploma of Legal Procurator. He joined the Mizzi Organisation in 1957 and was appointed on the board of a number of Mizzi Organisation companies. He is currently managing director of CCL and Titan. In the past, Mr Mizzi has held a number of chairmanships for the Government of Malta including Mediterranean Film Studios (1984-1990) and the Malta Development Corporation (1997-1998). He also served as a director on the board of Plaza Centres P.L.C. (C 564), Allcom Limited (which has since been struck off), Technical & Management Services Limited (which has since been struck off, C 24793), Datatrak Holdings p.l.c. (which has since been struck off) Datatrak Systems Limited (which has since been struck off), Datastream Limited (which has since been struck off), and Go p.l.c. (C 22334). He is currently also director of Mizzi Associated Enterprises Limited (C 1372), Mellieha Bay Hotel Limited (C 522) and BNF Bank p.l.c. (C 41030).

Mr Carmel J. Farrugia (Non-Executive Director of the Issuer)

Mr Carmel J. Farrugia has been a non-executive Director of the Issuer since October 2010. He is currently the chairman of the audit committee of MOL. Mr Farrugia worked in the banking sector for 35 years and sat on various boards and committees within the HSBC Malta Group. Before his retirement, in December 2009, he held the post of head global banking & markets and was a senior executive director of HSBC Bank Malta p.l.c. (C 3177). Mr Farrugia serves as chairman and director of a number of other public companies registered in Malta, namely, VLTAVA Fund SICAV p.l.c. (SV 23), Plaza Centres p.l.c. (C 564), CC Funds SICAV p.l.c. (SV 186).

Mr Joseph M. Galea (Non-Executive Director of the Issuer)

Joseph M. Galea (FCCA FIA FMIT CPA) is a qualified accountant and currently works as a freelance management and financial consultant. Over the years Mr Galea held various managerial positions with top local companies. He spent the first twenty years of his career with the US multinational group Blue Bell/VF acting as chief accountant of the Maltese operation. He then moved to Coopers & Lybrand (now PwC) as a VAT specialist. After a brief spell with the FXB Group of Companies, in 1999 he joined the Corinthia Group as chief financial officer where for twenty years he was primarily responsible for the financial accounting and reporting, budgeting, forecasting, cash flow management, tax matters, and the Corinthia Group's relationships with auditors and banks. Mr Galea was also heavily involved in the Corinthia Group's public offerings (both equity and debt) and participated at meetings of the audit committees of the Corinthia Group's mother company, International Hotel Investments p.l.c. (C 26136), and Corinthia Finance p.l.c. (C 25104). He also formed part of several professional councils including, amongst others, those of the Malta Institute of Accountants and the Malta Institute of Taxation. Mr Galea is currently also a non-executive director on a number of boards of local and foreign-owned companies.

Kevin Rapinett (Non-Executive Director of the Issuer)

Mr Kevin Rapinett enjoyed a rewarding career of 33 years in the banking and finance industry. He occupied senior positions at HSBC Bank Malta ranging from head of global markets and investment banking, managing director and stockbroker of HSBC Stockbrokers (Malta) Ltd and head of wholesale credit risk and deputy chief risk officer. In 2012, Kevin was appointed as head of corporate banking during which time he was also seconded to HSBC Commercial Banking in London. In March 2020, Mr Rapinett was appointed group chief executive officer of the Halmann Vella Group. He currently sits on the Council of the Malta Chamber of Commerce, Enterprise and Industry and is a non-executive director of M&Z (Marketing) Limited (C 23061). He previously served as non-executive director of MedservRegis p.l.c. (C 28847).

Ms Angele Calleja (Director of MOL and CHL, Guarantors)

Ms Calleja was educated at The Convent of the Sacred Heart, Malta. She then furthered her studies at the Institute Miramonte - Montreux, Switzerland. On finishing her studies, she joined the family business in the automotive division. Subsequently, she spent six years in Italy managing the franchise shop 'The Body Shop®', in Como, Italy following which she took up the management position for running the head franchise outlet in Rome.

She has been actively involved in the Mizzi Organisation since the 1990s'. She is currently a member of the board of directors of MOL and is also a director of Titan, AML, Mizzi Estates (as an alternate director) and Maltco Lotteries Limited (C 32326).

Mr Christopher Mizzi (Director of MOL and CHL, Guarantors)

Mr Chris Mizzi graduated with a BA from Luther College in the US in 1987. Following his graduation, Mr Chris Mizzi returned to Malta and began his career with the Mizzi Organisation in the tourism industry. Here, he was instrumental in capitalising on the Mizzi Organisation's assets, in a sector that had already reached maturity. Mr Mizzi has been particularly active in the real estate sector since the 1990's and is currently the executive director of Mizzi Estates.

In 2010, he represented the MOL's interest in the composition of a consortium that bid for the privatisation of the Malta Shipyards – a consortium that was later successful in acquiring the rights to operate the Manoel Island Yacht Yard. Mr Mizzi has an active role in the yard's operations and is instrumental in setting out its strategic direction and developments both locally and abroad. He is also a member of the MOL board of directors.

Mr Ian Mizzi (Director of MOL and CHL, Guarantors)

Mr Ian Mizzi was born in 1960 and attended St. Edward's College and De La Salle College, Malta. He then furthered his studies at Luther College, Decorah, Iowa, USA where he majored in Business Administration and Computer Science. Subsequently, he obtained an MBA with distinction in e-business from the University of Grenoble in France. In the interim, he was responsible for the running of GSD until 1998, at which time he joined the MOL corporate office as an executive director. Mr Mizzi has held various posts within the Malta Trade Fair Corporation including the presidency between 2002 and 2004, as well as posts within the Malta Federation of Industry, prior to its merger with the Malta Chamber of Commerce. In 2007, Mr Mizzi assumed managing directorships of IML and NMS and is also a member of the MOL board of directors. In 2008, Mr Mizzi was appointed non-resident Maltese Ambassador to the Kingdom of Morocco.

Ms Veronica Mizzi (Director of MOL and CHL, Guarantors)

Ms Veronica Mizzi was born in 1952 and attended the Convent of the Sacred Heart, Malta. She then attended finishing school at St. Dorothy's Convent in Fribourg, Switzerland where she studied French and secretarial studies. After she majored in French, she furthered her studies in the French, German and Italian languages in Switzerland and Germany. In 1983, Ms Mizzi set up a The Body Shop® franchise in Como, Italy. She is currently a director on the MOL board of directors and an alternate director on the board of directors of Mizzi Estates. She also sits on various 'ad hoc' committees in connection with the Mizzi Organisation. Ms Mizzi is also on the fund-raising committee of Din I-Art Helwa, Malta.

9.6 Management Structure

The Issuer is a finance company incorporated under the laws of Malta. The business of the Issuer is managed by its Board of Directors and does not separately employ any senior management. The Directors believe that the present organisational structures are adequate for the current activities of the Issuer. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The overall management of each Guarantor is entrusted to its board of directors who are the persons responsible for establishing the strategy of each Guarantor and their operating Subsidiaries, including the responsibility for the appointment of all executive officers and other key members of management. The board of directors of each Guarantor are supported by a number of executive staff, the most senior of which are detailed in sections 9.7 and 9.8 of this Registration Document.

9.7 Senior Management

Name	Position
Nicky Camilleri	Chief Financial Officer of the Mizzi Organisation
Maria Micallef	Chief Executive Officer, Beverage Division and WHL
Maurizio Micallef	Chief Operating Officer, Automotive Division
David Shone	General Manager, AML
Matthew Caruana Smith	General Manager, <i>Is-Suq tal-Belt</i>
Steve Azzopardi	General Manager, Titan

Charmaine Camilleri	General Manager, WHL
Kevin Muscat	General Manager, Mizzi Estates
Daniel Aquilina	Financial Controller, the Issuer
Giancarlo Millo	Group Chief Internal Auditor

9.8 Curriculum Vitae of Senior Management

Nicky Camilleri (Chief Financial Officer of the Mizzi Organisation)

Born in 1978, Mr. Nicky Camilleri has been a Fellow of the Association of Certified Chartered Accountants and the Malta Institute of Accountants since 2004 and obtained the CPA Warrant in 2006. Mr Nicky Camilleri has held a number of senior finance positions both locally and overseas. He commenced his career as Financial Controller for Dhalia Real Estate in 2003, following which he re-located to Libya to act as chief financial officer of Palm City Residences (Member of Corinthia Group). In 2010, Mr Camilleri was appointed chief financial officer of Premier Capital p.l.c. (C 36522), the franchisor for Mc Donald's in Malta, Baltics and Greece.

In 2014 Mr Camilleri was appointed chief financial officer of the Mizzi Organisation. During his career with the Mizzi Organisation, Mr Camilleri was involved in obtaining major funding for different projects, responsible for the Mizzi Organisation's financial reporting, budgeting, cash flow, tax and over the years conducted a number of business refinancing projects.

Maria Micallef (Chief Executive Officer of GSD, GSDM and WHL)

Ms Maria Micallef is a chemist by profession and holds a BSc from the University of Malta and an MBA from the Maastricht School of Management. She joined GSD at the age of 20. Her career started in the quality assurance department, following which she progressed to production manager and subsequently to operations managers and then, by age 28, was promoted to general manager. Ms Micallef also had the opportunity to serve as a board member on the European Technical Committee of The Coca Cola Company for five years. Between 2009 and 2017, she was appointed chief operating officer for a number of Mizzi Organisation companies, covering hospitality, catering, food and fashion retail, manufacturing and distribution. In March 2018, she was appointed chief executive officer of GSD and WHL. Throughout her career with the Mizzi Organisation, Ms Micallef has spearheaded a number of capital projects, namely, the design and build of the current GSD factory in Marsa, the refurbishment of IELTS school premises and Days Inn Hotel in Sliema, the extension and refurbishment of the Waterfront Hotel, the restoration and re-conceptualisation of *Is-Suq tal-Belt* and most recently, the land reclamation project of the Aqualuna Lido. Since July 2008, she has also been the executive director at IELTS. Ms Micallef served as a director on a number of boards, including that of First United Insurance Brokers Limited (C 22502) as well as that of Air Malta p.l.c. (C 2685), of which she was appointed chairperson between 2014 and 2017.

Maurizio Micallef (Chief Operating Officer, automotive division of the Mizzi Organisation)

Mr Maurizio Micallef is a certified public accountant and Fellow of the Malta Institute of Accountants. His qualifications include a Bachelor of Commerce and a Bachelor of Accountancy (Hons.) from the University of Malta. He also holds a Diploma in computing and information systems from the University of Oxford and a diploma in taxation from the Malta Institute of Taxation.

Mr Micallef has more than 15 years' experience in the automotive industry. Before joining the Mizzi Organisation, he worked for PricewaterhouseCoopers where he held various audit and consulting roles. In 2005 he joined the Mizzi Organisation in the role of financial controller of the automotive division. In 2008 he was promoted to head of finance, becoming responsible for all the finance functions, of the automotive companies including managing the financing and leasing companies. In 2011 he also became responsible for the centralised administration departments which included HR, training, quality and IT. In 2017 he was appointed chief operating officer of the automotive division, managing yearly revenues exceeding €60 million with a staff complement of more than 200 employees.

David Shone (General Manager of AML)

Mr David Shone re-joined AML as general manager, responsible for all business sectors (food, fashion and the Arkadia Commercial Centre) in August 2018, after having previously occupied the position of retail operations manager from 2010 to mid-2014. He moved to Malta in 1992 after serving with the British Army in the corps of Royal Electrical and

Mechanical Engineers (REME) and developed his career locally, ultimately holding management positions at renowned engineering/manufacturing companies such as Methode Electronics Malta Ltd (C 664) (Head of Quality Support) and Merit Precision Tools Limited (C 10445) / Merit Malta Limited (C 58901, General Manager). In 2010 he switched his career to retail after the opportunity presented itself at “Arkadia”.

Matthew Caruana Smith (General Manager of Is-Suq tal-Belt, Valletta Food Market)

Mr Matthew Caruana Smith started his career in a four-star hotel in St Julian’s, Hotel Juliani. He worked in different positions at the hotel which also led him to be part of the opening of another outlet within the same hotel. As a result of his ongoing experience, he joined the Institute of Tourism Studies and enrolled himself in a course with a focus on operations management. He joined the Hilton Malta and during his tenure, he moved into various positions encompassing most of the hotel operations. He ended his career at the Hilton Malta as a bar manager leading a staff complement of 100 employees and having six operational outlets. He continued to advance his career as an operations manager at Xara Palace Relais and Chateaux (a five-star boutique hotel), as a director of food and beverage at The Phoenicia (a five-star hotel) and as a general manager in a company focusing on property and real estate management (Valletta Boutique Living). At present, he holds a general manager position at the iconic Valletta Food Market (*Is-Suq tal-Belt*) within the Mizzi Organisation. During his career, he continued to further improve his academic background by achieving a middle management diploma from the Malta Tourism Authority and an MSc in leadership and organisational behaviour from Dublin City University.

Steve Azzopardi (General Manager of Titan)

Mr Steve Azzopardi joined Titan in 2006, heading the contracts department as contracts manager. In 2010 he was appointed general manager of Titan, responsible for spearheading Titan’s strategic growth, including a wide spectrum of activities ranging from overseeing key operations, providing technical, expertise and delivering projects, to contract negotiations, financial management of projects and mentoring, guidance and leadership of staff.

With a career path spanning 25 years, Steve has worked with renowned players in the building services, engineering, and construction industries, holding pivotal and senior roles involving project management, technical design, business development and strategy implementation in commercial, retail, hospitality, healthcare and industrial sectors.

Mr Steve Azzopardi is a graduate of University of Reading with a BSc (Hons.) degree in construction management and is RICS (Royal Institute of Chartered Surveyors) accredited in quantity surveying.

Charmaine Camilleri (General Manager of The Waterfront Hotel)

Ms Charmaine Camilleri holds a master’s degree in international hospitality and in 2019 successfully completed a training programme at Cornell University (New York, USA) specifically aimed for general managers in hospitality. Her experience in the hospitality industry spans over a career of 25 years. She started building her experience at the Westin Dragonara Resort (part of Starwood Hotels), following which she formed part of the team at Hilton Malta. During her seven years at Hilton Malta, she embarked on a career path in sales and marketing, being appointed marketing manager for the hotel. In 2011, Ms Camilleri joined Mizzi Organisation as the events & marketing manager of the Waterfront Hotel and was instrumental in launching the hotel’s outside catering arm – Season’s Catering. She progressed to hotel manager and was promoted to general manager of the hotel in 2019. Ms Camilleri has overseen the €9 million refurbishment and extension project carried out at the Waterfront Hotel between 2017 and 2018. She has recently led the re-branding exercise for the hotel and led her team in strengthening the hotel’s revenue management procedures. Through her dedication and leadership, the Waterfront Hotel has been awarded numerous Trip Advisor awards and in 2019 was awarded the Green Mobility Award from the Malta Tourism Authority.

Kevin Muscat (General Manager, Mizzi Estates)

Mr Kevin Muscat is a warranted professional holding a bachelor’s degree in mechanical engineering from the University of Malta, which he obtained in 2006. He later pursued a master’s degree in environmental management and an MSc in integrated science and technology, which he jointly read at the University of Malta and James Madison University, USA in 2009.

Mr Muscat then began his career in the building services sector with a local company. There, his primary role was to oversee the execution of fire safety and security projects for clients operating in the oil and gas industry in North Africa.

In 2010, Mr Muscat joined Vassallo Builders Group where he took on the role of Environmental Engineer and shortly after as group technical manager. There he was trusted with the management and supervision of medium-to-large-

scale construction and engineering projects, as well as the management and operation of the group's property portfolio.

Mr Muscat joined Mizzi Estates as a general manager in 2018. His wealth of experience in the construction and real estate sectors coupled with his technical expertise and commercial skills, have set him in good stead in leading a multidisciplinary team of professionals delivering best-of-class properties and managing a leasing operation comprising a wide portfolio of residential and commercial properties. Over the past 3 years, Mizzi Estates has undertaken key projects, amongst which the construction of a block of 31 apartments in Bugibba as well as Pangea – a highly-finished, luxury office block in the heart of St. Julian's. In addition, Mizzi Estates has spearheaded a series of refurbishment and upgrading projects - primarily showrooms leased to Mizzi Organisation's automotive division.

Daniel Aquilina (Financial Controller of Mizzi Organisation)

Mr Daniel Aquilina is a certified public accountant. He was born in 1976 and has completed his studies at the University of Malta in 2000 where he obtained a B.A. (Hons) degree in accountancy. After terminating his studies, he was employed with KPMG within the assurance department. He then moved on to his accounting career and worked with Thomas Smith Group and subsequently with Alpine Group, always occupying senior positions within the accounting departments. In 2009, he joined the Mizzi Organisation head office team filling the post of corporate finance manager. He is responsible for the consolidated group management accounting function, whilst he is also the Financial Controller the Issuer. Over the years employed with the Mizzi Organisation, he has also assisted various companies forming part of the group in business feasibility analysis and has been responsible for various accounting related tasks and projects.

Giancarlo Millo (Chief Internal Auditor of the Mizzi Organisation)

Mr Giancarlo Millo is the chief internal auditor of the Mizzi Organisation. He joined in 2017 to set up and lead a value adding internal audit and advisory function for the Mizzi Organisation, which reports to the Board of Directors through the Audit Committee and liaises with the external auditors and regulators. The primary responsibility of the internal audit function is to provide stakeholders with reasonable assurance on the effectiveness of corporate governance, risk management and internal controls as applied across the Mizzi Organisation, and to recommend the necessary enhancements. Mr Millo previously held the post of deputy group head internal audit at FIMBank p.l.c. (C 17003), also responsible for IT assurance and advisory services. This was preceded by management accounting and financial auditing positions with KPMG and Portman International respectively, thus achieving over 25 years' experience across various industries. He is also a past board member of the ISACA Malta Chapter, serving successively in the posts of secretary, vice president and president. Mr Millo is a certified internal auditor and warranted accountant, also holding the CISA and CRISC certifications and an MBA (Finance) degree. He regularly delivers talks on internal audit subjects.

9.9 Conflicts Of Interest

Mr Brian R. Mizzi, Mr Kenneth C. Mizzi and Mr Maurice F. Mizzi, all Directors of the Issuer, are also directors of a number of the Guarantors. Such directorships are disclosed in section 3.2 of this Registration Document. In addition to the foregoing, the directors of the Issuer and the Guarantor hold shares directly or indirectly in the companies forming part of the Mizzi Organisation.

Other than as stated above, the Directors and the directors of the Guarantors do not have any conflicts of interest or potential conflicts of interest between their duties and their private interests.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled according to law. The presence of an audit committee has the task to ensure that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The presence of independent non-executive directors on the board of the Issuer aims to minimise the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the Memorandum and Articles of Association of the Issuer, in the event that a Director has a personal material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director is not entitled to vote on any decisions taken in connection therewith. This ensures that any director sitting on the boards of the Guarantors and the Issuer is precluded of using his vote on any decisions involving a contract or arrangement between the Guarantors and the Issuer.

9.10 Board Practices

9.10.1 Audit committee

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees

the conduct of the internal and external audit and acts to facilitate communication between the Board, management and the internal and external auditors. The external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in its responsibilities in dealing with issues of risk, control and governance and associated assurance of the Issuer. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

Briefly, the Audit Committee is expected to deal with and advise the Board of Directors on:

- a. its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- b. maintaining communications on such matters between the Board, management and the external auditors; and
- c. preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

All Directors sitting on the Audit Committee are independent non-executive directors. Audit Committee members are appointed for a period of one year, which is automatically renewed for a further one-year period, unless terminated earlier by the Board.

Carmel J. Farrugia and Joseph M. Galea are independent non-executive directors who are competent in accounting and, or auditing matters in terms of the Capital Markets Rules. The chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Carmel J. Farrugia occupies the post of chairman of the Audit Committee.

Pursuant to its terms of reference, the Audit Committee's remit covers the Issuer and each of the Guarantors.

9.10.2 Compliance with the Code of Corporate Governance

Prior to the present Prospectus, the Issuer was not regulated by the Capital Markets Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "**Code**"). As a consequence of the Bond Issue, in accordance with the terms of the Capital Markets Rules, the Issuer is required to comply with the provisions of the Code. The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

Going forward, in view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, in line with the "comply or explain" philosophy of the Code, explaining the reasons for non-compliance, if any.

As at the date of this Registration Document, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 7 (Evaluation of the Board's Performance): The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board itself (half of which is composed by independent non-executive Directors), the Issuer's shareholders, the market and all of the rules and regulations to which the Issuer is subject as a company with its securities listed on a regulated market.

Principle 8 (Committees): The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular, the Issuer does not believe it is necessary to establish a

nomination committee as appointments to the Board are determined by the shareholders of the Issuer in accordance with the appointment process set out in the Issuer's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principle 9 (Relations with Shareholders and with the Market): currently there is no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholders via the office of the company secretary.

10. Major Shareholders

10.1 The Issuer

As at the date of this Registration Document, the majority of the issued share capital of the Issuer is held by MOL, which in turn is held by Daragon Limited (C 2562), Demoncada Limited (C 2577) and Mr Maurice F. Mizzi (each holding approximately 33.3%).

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

10.2 The Guarantors

There is no single shareholder which controls any of the Guarantors. The issued share capital of the Guarantors is held as follows:

MOL

The issued share capital of MOL is held by Daragon Limited (C 2562), Demoncada Limited (C 2577) and Mr Maurice F. Mizzi in equal proportions (each holding approximately 33.3%).

CHL

The issued share capital of CHL is held by Daragon Limited (C 2562), Demoncada Limited (C 2577) and Mr Maurice F. Mizzi in equal proportions (each holding approximately 33.3%).

GSD

The majority of the issued share capital of GSD is held by Daragon Limited (C 2562), Demoncada Holdings Ltd (C 3858), Investors Limited (C 26602) in equal shares between them. MOL has a minority interest in GSD.

GSDM

The issued share capital of GSDM is held by Daragon Limited (C 2562), Demoncada Limited (C 2577) and Investors Limited (C 26602) in equal shares between them.

To the best of the Guarantors' knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the respective Guarantor

11. Financial Information Concerning the Issuer's and the Guarantors' Assets and Liabilities, Financial Position and Profits and Losses

11.1 Historical Financial Information

The financial information pertaining to the Issuer and the Guarantors relate to the financial period from 31 December 2018, 31 December 2019 and 31 December 2020. The historical financial information of the Issuer for the three financial periods ended 31 December 2018, 31 December 2019 and 31 December 2020 as audited by PricewaterhouseCoopers is set out in the annual financial statements of the relative companies.

The audited financial information of the Issuer and the Guarantors is available for review on the Issuer's website and

is available for inspection as detailed in section 16 of this Registration Document. The audited financial information is incorporated by reference in this Registration Document.

There has been no significant change in the financial position of the Issuer and each of the Guarantors since 31 December 2020 (being the date of the last financial period for which financial information has been published).

11.2 Operating and Financial Review

The financial statements for the financial years ended 31 December 2018, 2019 and 2020 and the audit reports thereon are set out in the audited financial statements of the Issuer and the Guarantors for the respective financial years, all of which are incorporated by reference in this Registration Document. Set out below are condensed extracts from the said stand-alone financial statements for such years. The figures have been rounded to the nearest thousand.

11.2.1 The Issuer – Extract historical financial information: 2018-2020

i. Income Statement

Mizzi Organisation Finance Statement of Financial Performance	FY2018 €000s	FY2019 €000s	FY2020 €000s
Interest income	13	13	13
Administrative expenses	(23)	(23)	(22)
Loss before tax	(10)	(10)	(10)
Tax income	8	4	3
Loss for the year	(2)	(7)	(6)

The table above summarises the financial performance of the Issuer in the period 2018-2020. The Issuer was largely a dormant company throughout the period, previously serving the function of finance company of the Mizzi Organisation for the previous bond issue in 2009. The Issuer ceased its operations upon the bond redemption in 2016.

Interest income generated by the Issuer of approximately €13k p.a. relates to loans receivable from its parent company (MOL). In the period FY2018-FY2020, the Issuer incurred administrative expenses of approximately €23k p.a., mainly comprising of directors' fees, recharged salaries from the parent company (MOL) and other administrative expenses.

The Issuer recognised a loss of €6k in FY2020 (FY2018: €2k) after allowing for tax income of €3k (FY2018: €8k), representing losses surrendered for Mizzi Organisation tax relief purposes.

ii. Statement of Financial Position

Mizzi Organisation Finance Statement of Financial Position	FY2018 €000s	FY2019 €000s	FY2020 €000s
ASSETS			
Current Assets			
Loans and advances	425	400	370
Receivables	21	10	23
Cash and cash equivalents	1	21	11
Total current assets	447	432	404
Total assets	447	432	404

EQUITY AND LIABILITIES			
Equity			
Share Capital	233	233	233
(Accumulated losses) / retained earnings	1	(6)	(12)
Total equity	234	227	221
Current liabilities			
Payables	213	204	183
Total current liabilities	213	204	183
Total liabilities	213	204	183
Total equity and liabilities	447	432	404

The principal component of the Issuer's assets comprises loans to the parent company, amounting to approximately €0.4 million as at 31 December 2020. The loan is subject to a fixed interest of 3.15% p.a. The Issuer's cash and cash equivalents as at 31 December 2020, stand at €11k, with main cash movements comprising payments to bondholders and repayments of loans which were granted to the parent company.

The Issuer's payables as at 31 December primarily comprise (i) bonds and interest payable to bondholders, €0.2 million, representing the face value of the redeemed bonds and interest thereon, which have not yet been claimed by the respective bondholders upon redemption in 2016, notwithstanding efforts by management to conclude this transaction. These amounts represent the estate of deceased bond holders which have not yet been devolved to heirs as at the date of the legal document; and (ii) amounts due to related parties and other payables and accruals.

iii. Statement of Cash Flows

Mizzi Organisation Finance Statement of Cash Flows	FY2018 €000s	FY2019 €000s	FY2020 €000s
Cash flow from operating activities			
Interest received	7	23	-
Bonds and interest paid to bondholders	(41)	-	(31)
Cash paid to service providers	(25)	(32)	(13)
Tax refund	8	5	3
Net cash used in operating activities	(52)	(4)	(41)
Cash flows from investing activities			
Repayment of loans to parent company	-	25	30
Net cash generated from investing activities	-	25	30
Net movement in cash and cash equivalents	(52)	21	(11)
Cash and cash equivalents at beginning of year	52	1	21
Cash and cash equivalents at end of year	1	21	11

The Issuer's operating cash flows mainly comprise (i) bonds and outstanding interest redeemed by heirs of bondholders from the Issuer's previous bond issue; and (ii) payments to service providers. In this respect, the Issuer's net cash flows used in operating activities amounted to €96k throughout the period FY2018-FY2020. As a result of the Issuer's relatively dormant state in the period analysed, cash flows from investing activities mainly represent loan repayments from its parent company MOL.

11.2.2 Mizzi Organisation– Extract combined historical financial information: 2018-2020

i. Combined Income Statement and Statement of Comprehensive Income

Mizzi Organisation Combined Income & Comprehensive Income	FY2018 €000s	FY2019 €000s	FY2020 €000s
Revenue	175,017	175,247	139,686
Cost of Sales	(127,384)	(127,101)	(104,974)
Gross profit	47,633	48,146	34,712
Selling and other direct expenses	(24,870)	(23,742)	(21,780)
Administrative expenses	(16,930)	(18,826)	(15,137)
Other operating income	1,679	1,632	1,937
Operating EBIT*	7,512	7,211	(268)
Movement in provisions for bad debts and write-offs	83	(275)	(2,429)
Property fair value movements and gains on disposal	395	1,700	4,165
Property impairment loss	-	-	(4,954)
EBIT	7,990	8,635	(3,485)
Share of profits of associates	1,716	14,378	456
Investment and other related income	126	182	289
Finance income	90	89	81
Finance costs	(3,462)	(4,064)	(3,937)
Profit / (loss) before tax	6,460	19,220	(6,596)
Tax	(1,032)	(2,323)	(667)
Net profit / (loss) for the year	5,429	16,897	(7,262)
Other comprehensive income:			
Revaluation surplus on land and buildings	-	-	4,629
Movement in deferred tax liability	(47)	(19)	13
Losses from changes in FV of financial assets at FVOCI	(162)	(23)	(132)
Redemption of capitalised ground rents	(233)	-	-
Cash flow hedges, net of deferred tax	22	(31)	33
Total comprehensive income for the year	5,009	16,825	(2,720)
Operating EBIT	7,512	7,211	(268)
Depreciation & amortisation	7,126	9,412	10,005
EBITDA**	14,638	16,623	9,737
EBITDA margin ***	8.4%	9.5%	7.0%

*Operating EBIT is defined as the Group's Reported EBIT prior to any income/expenses not directly attributed to the Group's day-to-day operations such as property revolutions and impairments, and movements in receivable provisions

**Earnings before interest, tax, depreciation and amortisation ('EBITDA') is derived by adding back depreciation and amortisation expenses to Operation EBIT

***EBITDA margin is calculated as the Group's EBITDA divided by the Group's combined revenue

The table above summarises the Mizzi Organisation combined statement of comprehensive income for the last three financial years ended 31 December 2018, 2019 and 2020.

Mizzi Organisation's revenue remained fairly stable at approximately €175 million in FY2018 and FY2019, decreasing to approximately €139.7 million (*circa* -20%) in FY20 primarily as a result of the impact of the COVID-19 pandemic on the Mizzi Organisation's operations. As a result, the Mizzi Organisation reported an EBITDA of *circa*. €9.7 million in FY20, which decreased from the approximately €16.6 million reported in FY2019.

The increase in the provision for bad debts and credit loss allowances in FY2020 is mainly due to a slowdown in receipts from debtors further to the effects of COVID-19.

In FY2020, Mizzi Organisation recognised fair value movements and gains on disposal of property amounting to approximately €4.2 million, which were largely offset by impairment charges of approximately €5 million on other Mizzi Organisation investments.

Share of profits of associates in FY2019 (€14.4 million) represent income mainly from the disposal of the Mizzi Organisation's investments in Kemmuna Limited (C 15344) and First United Insurance Brokers Limited (C 22502). In FY20, share of profits from associates decreased to €0.5 million (from a normalised position of €1.7 million in FY2018) as a result of the temporary closure of the Mellieha Bay Hotel for redevelopment.

Mizzi Organisation's effective tax rate amounted to 19% and 13.7% in FY2018 and FY2019 respectively, representing the availability and utilisation of Investment Tax Credits. The tax expense in FY2020 reflects tax on profits principally generated by the beverage, automotive and real estate segments.

Net profit for the year after tax increased from €5.4 million in FY2018 to €16.9 million in FY2019 but contracted to a reported net loss of €7.3 million in FY2020. The reduction in net profit for the year in FY2020 is primarily due to a flow through of the reduction in revenue generated by Mizzi Organisation as a result of the impact of COVID-19.

The major item in Other Comprehensive Income includes the revaluation surplus of the Arkadia Commercial Centre (€4.6million) and the related movements in deferred tax liabilities recognised in FY2020. This resulted in Mizzi Organisation reporting a total comprehensive loss in FY2020 to €2.7 million.

EBITDA by business segment

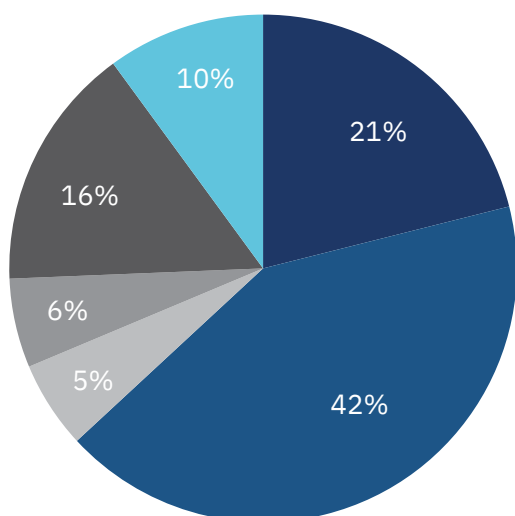
A split of Mizzi Organisation total EBITDA by business segment is set out in the table below:

EBITDA by business segment	FY2018 €000s	FY2019 €000s	FY2020 €000s
Beverage	6,855	7,579	4,980
Automotive	2,555	3,800	2,890
Hospitality	2,771	2,811	214
Fashion & Food Retail	773	1,004	742
Contracting	1,441	1,024	855
Real estate	1,954	1,813	1,553
Head Office costs*	(1,611)	(1,768)	(1,884)
Other income / (expenses)	(99)	361	387
Total EBITDA	14,638	16,623	9,737

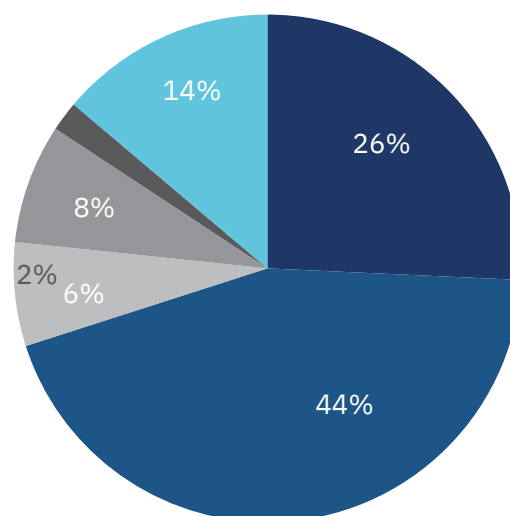
**In order to present an operating EBITDA by segment the element of HO costs are excluded from the EBITDA of each segment presented in the table above*

In general, Mizzi Organisation's EBITDA has improved in FY2019 and FY2020 as a result of the adoption of IFRS16 – Leases as of 1 January 2019, where lease expenses are capitalised as a right-of-use asset and depreciated accordingly. The charts below highlight the composition of Mizzi Organisation's EBITDA (before HO costs), by business operating segment in FY2019 and FY2020:

% Share of Unconsolidated EBITDA pre HO costs by Segment (FY2019)



% Share of Unconsolidated EBITDA pre HO costs by Segment (FY2020)



■ Automotive ■ Beverage ■ Food & Fashion Retail ■ Contracting ■ Hospitality ■ Real Estate

EBITDA (before HO costs) generated by the beverage segment accounts for approximately 44% of Mizzi Organisation’s EBITDA (before HO costs) in FY2020, which is largely in line with trends prior to the COVID-19 pandemic. In FY2019, prior to the pandemic, EBITDA (before HO costs) increased by 10.5%, primarily as a result of increased revenue through growth driven by imported products.

The automotive segment generated approximately 26% of Mizzi Organisation’s EBITDA in FY2020, slightly above the trends recorded in FY2018 and FY2019, mainly as a result of the pricing of motor vehicles. Movements in EBITDA generated by the automotive segments is predominantly driven by revenue from the sale of automotive vehicles, which Management notes that is correlated to the demand for the car models launched by brands (represented by Mizzi Organisation) over time. The automotive financing business contributes approximately 40% of the segment’s EBITDA, with the retail, servicing and leasing business accounting for the rest of the segment’s profitability.

Following refurbishment of the Waterfront Hotel in recent years, the Hospitality segment generated approximately 16% of Mizzi Organisation’s EBITDA (before head office costs) in FY2019. As a result of the severe disruption in the tourism industry experienced in 2020, this segment only contributed approximately 2% of Mizzi Organisation’s EBITDA (before head office costs) in FY2020.

The retail and F&B segment currently contributes approximately 6% of Mizzi Organisation’s EBITDA (before head office costs) in FY2020, which is a fairly consistent share throughout the historical period under review between FY2018 and FY2020. Excluding the impact of IFRS16 on the segment’s EBITDA, Mizzi Organisation’s reported a decrease in the sector’s profitability between FY2018 and FY2019, as a result of (i) losses incurred in the initial year of Mizzi Organisation’s operation of *Is-Suq tal-Belt* and (ii) loss of market share in the sector’s food stores and fashion brands. In FY2020, in an effort to mitigate further losses generated by the COVID-19 pandemic, the segment restructured its *Is-Suq tal-Belt* operations resulting in no further losses over FY2019.

The contracting and real estate segments have generated an average of approximately 6% and approximately 12%, respectively, of Mizzi Organisation’s EBITDA (before head office costs) throughout the period under consideration. Both these segments were relatively undisturbed in FY20 by the COVID-19 pandemic. Management notes a declining trend in contribution margins of Mizzi Organisation’s contracting operations, attributed to increasingly competitive pricing in the industry, negatively impacting the sector’s EBITDA.

ii. Combined Statement of Financial Position

Mizzi Organisation Finance Statement of Financial Performance	FY2018 €000s	FY2019 €000s	FY2020 €000s
ASSETS			
Non Current Assets			
Property, plant & equipment	121,767	122,905	125,540
Right-of-use assets	-	22,415	20,664
Investment property	59,948	67,905	71,461
Intangible assets	132	111	89
Investments in associates	22,837	21,894	20,649
Loans and advances	576	1,076	1,013
Financial assets at FVOCI	4,661	4,638	3,740
Deferred tax assets	273	289	272
Trade and other receivables	16,772	18,716	18,602
Total non-current assets	226,965	259,947	262,029
Current assets			
Inventories	30,616	33,702	28,834
Trade and other receivables	42,040	42,849	32,541
Loans and advances	200	-	63
Current tax assets	1,012	1,272	847
Financial assets at FVPL	1,206	222	-
Cash and cash equivalents	5,554	12,482	9,703
Total current assets	80,628	90,526	71,987
Total assets	307,594	350,474	334,016
EQUITY AND LIABILITIES			
Equity			
Share capital	2,468	2,468	2,471
Capital contribution reserve	3,043	3,043	3,043
Revaluation reserves	56,525	56,333	60,662
Fair value gains and other reserves	27,488	26,877	28,721
Hedging reserve	(506)	(537)	(504)
Retained earnings	58,858	74,371	62,446
Total equity	147,876	162,556	156,839
Non current liabilities			
Trade and other payables	9	8	724
Borrowing	70,742	67,813	69,634
Lease liabilities	-	21,187	19,886
Deferred tax liabilities	12,295	12,292	13,232
Derivative financial instruments	779	826	776
Total non-current liabilities	83,825	102,126	104,253
Current liabilities			
Trade and other payables	44,177	55,297	41,372
Current tax liabilities	480	95	59
Borrowing	31,235	29,054	30,120
Lease liabilities	-	1,345	1,373
Total current liabilities	75,893	85,792	72,924
Total liabilities	159,718	187,918	177,177
Total equity and liabilities	307,594	350,474	334,016

Mizzi Organisation's combined statement of financial position as at 31 December 2020 reports total assets of approximately €334 million, increasing by €26 million on the position reported as at 31 December 2018. The increase is mainly representative of the (i) recognition of right-of-use assets as at 1 January 2018 through the implementation of IFRS16, amounting to approximately €21 million as at 31 December 2020; and (ii) purchase of new property and revaluation of Mizzi Organisation's investment property throughout the period.

Other assets held by Mizzi Organisation include (i) current and non-current trade and other receivables of approximately €51 million as at 31 December 2020, comprising hire purchase debtors within the Automotive segment, extended credit terms in the Beverage segment and contract balances arising in the Contracting segment as a result of IFRS15; and (ii) inventories of approximately €29 million, held in relation to the motor vehicles stock (Automotive segment) and finished goods and raw material within the Beverage segment.

Total equity reported no significant movements between 31 December 2018 and 31 December 2020, mainly fluctuating in line with Mizzi Organisation's reported profitability throughout the period. Total liabilities increased by approximately €17 million from FY2018, mainly as a result of the recognition of lease liabilities as at 1 January 2018.

Other movements in liabilities include a reduction in trade and other payables to approximately €41 million as at 31 December 2020, from approximately €55 million as at 31 December 2019. The decrease is mainly attributed to the settlement of outstanding capital payables on Mizzi Organisation's ongoing investment projects (c. €5 million) and a decrease in activity attributed to the COVID-19 pandemic leading to lower accruals of trade payables (approximately €7 million).

Total borrowings as at 31 December 2020 amount to approximately €100 million, comprising (i) circa €71 million bank loans obtained to support Mizzi Organisation's capital investments; (ii) approximately €8 million Malta Development Bank guaranteed loans drawn down to mitigate working capital deficiencies arising throughout the COVID-19 pandemic; and (iii) approximately €21 million general working capital facilities utilised across the business segments and to finance the automotive segment's hire purchase activities.

iii. Combined Statement of Cash Flows

Mizzi Organisation Combined Statement of Cash Flows	FY2018 €000s	FY2019 €000s	FY2020 €000s	Total FY2018 - 2020 €000s
Cash flows from operating activities				
EBITDA	14,638	16,623	9,737	40,998
Adjustments for:				
Non-cash post employee benefit expense	-	-	700	700
Other	-	-	269	269
Working capital movements	(5,413)	1,280	3,632	(500)
Cash flows from operating activities	9,225	17,903	14,338	41,466
Tax paid	(1,168)	(2,939)	139	(3,968)
Net cash generated from operating activities	8,058	14,964	14,477	37,499
Cash flows from investing activities				
Proceeds from disposal of PPE and assets held for sale	3,127	1,605	1,868	6,599
Purchase of PPE and intangible assets	(12,683)	(11,387)	(11,698)	(35,768)
Purchase of investment property (net of disposals)	(9,463)	(1,780)	(5,073)	(16,316)
Net proceeds / (payments / advanced) for investments in associates	(64)	12,759	(1)	12,694
Net proceeds / (payments) for financial assets	389	1,037	987	2,413
Net cash generated from / (used in) investing activities	(18,694)	2,233	(13,917)	(30,378)

Cash flows from financing activities

Net proceeds / (repayments) from bank borrowing	10,382	(2,211)	4,271	12,442
Net proceeds / (repayments) for associates / related parties borrowings	(1,319)	21	(985)	(2,282)
Principle payments of lease liabilities	-	(2,066)	(2,093)	(4,159)
Net interest received / (paid)	(3,358)	(3,307)	(3,134)	(9,798)
Dividends paid	2,937	2,347	1,992	7,276
Dividends received	(2,100)	(2,100)	(3,000)	(7,200)
Proceeds from issuance of share capital	-	-	3	3
Net cash generated from / (used in) financing activities	6,543	(7,316)	(2,946)	(3,719)
Net movement in cash and cash equivalents	(4,094)	9,881	(2,386)	3,402
Cash and cash equivalents at the beginning of the year	(12,697)	(16,791)	(6,909)	(12,697)
Cash and cash equivalents at the end of the year (excl. Bank OD)	(16,791)	(6,909)	(9,295)	(9,295)

Mizzi Organisation's combined cash flow statements indicate that net cash generated from operations during the period FY2018 to FY2020 totalled approximately €37.5 million. These mainly comprised cash flows from operating activities of approximately €41.5 million, net of tax payments of approximately €4.0 million.

Net cash used in investing activities amounted to approximately €30.4 million during the period, comprising capital expenditure outflows (€52 million) net of proceeds from disposals of PPE and other investments (€21.4 million). Notable investments during the period include (i) the acquisition of John's Garage (Qormi) in FY2018 for €3.6million; (ii) the completion of works on *Is-Suq tal-Belt* amounting to €15 million; (iii) the construction of a warehouse extension for the Beverage sector during FY2019 and FY2020 amounting to approximately €4.5 million; (iv) the purchase of a petrol station in Blata l-Bajda to consolidate Mizzi Organisation's property footprint in the area (€5 million); and (v) the completion of multiple real estate development projects, particularly a residential block in Bugibba and an office block in St. Julians. Net proceeds from investments in associates of €12.7 million were mainly related to the disposal of shares held in Kemmuna Limited in FY2019 through which Mizzi Organisation generated net cash of €13.9 million.

Net cash movement from financing activities resulted in a total net outflow of approximately €3.7 million during the period. Principal movements included the net proceeds from bank borrowings of approximately €12.4 million and net interest paid of approximately €9.8 million. Main movements in bank borrowings comprise (i) the drawdown of €10.4 million loans to finance Mizzi Organisation's investment in *Is-Suq tal-Belt* in FY18; and (ii) the increase in bank borrowings during FY2020 related to the drawdown of €8.0 million of COVID-19 loans which are guaranteed by the Malta Development Bank.

Mizzi Organisation reported net negative closing cash balances of approximately €9.3 million as at 31 December 2020, comprising approximately €16.5 million overdraft balance, €2.4 million in bills of exchange factored out to bank, netted by approximately €9.7 million cash balances.

11.2.3 Mizzi Organisation – Capital Resources: FY2018-FY2020

The following table sets out the combined capital resources employed within Mizzi Organisation during the three year period under review:

Mizzi Organisation Combined Statement of Indebtedness	FY2018 €000s	FY2019 €000s	FY2020 €000s
Cash	5,554	12,482	9,703
Cash equivalents	(22,345)	(19,392)	(18,998)
Other financial assets	3,562	2,333	1,497
Liquidity [A]	(13,229)	(4,577)	(7,798)
Current financial debt	187	187	155
Current portion of non-current financial debt	7,277	8,027	10,510
Current portion of non-current lease liabilities	-	1,345	1,373
Current non-interest bearing debt	1,614	1,635	612
Current financial indebtedness [B]	9,077	11,194	12,650
Net current financial indebtedness [C=B-A]	22,306	15,771	20,448
Non-current financial debt	70,742	67,813	69,634
Non-current lease liabilities	-	21,187	19,886
Non-current financial indebtedness [D]	70,742	89,000	89,521
Total financial indebtedness [C+D]	93,048	104,771	109,969

As at 31 December 2020, Mizzi Organisation reported total financial indebtedness of €109.7 million. Mizzi Organisation's liquidity is reported at a deficit of €7.8 million as at 31 December 2020, comprising (i) €9.7 million cash balances; (ii) bank overdraft facilities and bills of exchange facilities, the latter utilised to finance the Mizzi Organisation's hire purchase debtors within the automotive division) of €19 million; and (iii) other financial assets of €1.5 million representative of liquid investments on the Malta Stock Exchange.

Mizzi Organisation's current financial indebtedness is reported at €12.6 million as at 31 December 2020, comprising (i) €0.2 million (current financial debt) redeemed bonds and interest thereon, which have not been claimed by the respective bond holders upon redemption in 2016, i.e. the estate of deceased bond holders which have not yet been devolved to heirs as at the date of this report; (ii) €10.5 million loan repayments on bank borrowings due in the next year; (iii) €1.4 million current lease liabilities and (iv) €0.6 million loans from associates and related parties which do not bear interest.

Mizzi Organisation reports non-current financial indebtedness of €89.5 million, mainly comprising loan repayments on bank borrowings due after 31 December 2021.

Mizzi Organisation's financial indebtedness is reported prior to hire purchase debtors, which are utilised to secure and fund commitments arising on outstanding bills of exchange facilities.

Sanctioned bank facilities utilised by Mizzi Organisation are regulated by financial covenants imposed on the Mizzi Organisation's gearing structure and debt servicing capabilities, comprising:

- Mizzi Organisation's external debt/equity ratio is to be kept at a maximum of 100%; and
- Mizzi Organisation's debt service coverage, defined as operating cash flows less maintenance capital expenditure, tax outflows and proposed dividends, divided by annual debt commitments, should not fall below 1.1x.

Mizzi Organisation has not breached, and is in no substantial risk to breach, the above covenants. In light of the disruption caused by the COVID-19 pandemic, and the ongoing impact on the economy, Mizzi Organisation is in continuous discussions with the respective financial institutions to limit the risk of any potential breach.

Financial covenants are also imposed on MOL as the principal debtor to some of Mizzi Organisation's sanctioned bank facilities, comprising (i) restrictions on the company's gearing structure and (ii) ensuring that the company's EBITDA is sufficient to cover aggregate loan repayments, interest, dividends and capital expenditure (net of disposals). As the holding company of the Mizzi Organisation, MOL derives its income from recharges to its subsidiaries, dividend and interest income on intra-group loans. In this respect, the company has not breached, and is in no substantial risk to breach the imposed covenants, given that any intra-group agreements (in relation to MOL's income) are negotiated in a manner where the income generated is sufficient to cover MOL's commitments.

11.3 Cross-reference list pertaining to audited financial statements

The table below provides a cross-reference list to key sections of the Issuer's audited financial statements for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020.

Relevant Sections	Page Numbers		
	Financial year ending 31 December 2018	Financial year ending 31 December 2019	Financial year ending 31 December 2020
Independent auditor's report	4-7	5-8	5-9
Statement of financial position	8	9	10
Statement of comprehensive income	9	10	11
Statement of changes in equity	10	11	12
Statement of cash flows	11	12	13
Notes to financial statements	12-23	13-24	14-23

The table below provides a cross-reference list to key sections of the combined audited financial statements of Mizzi Organisation for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020.

Relevant Sections	Page Numbers		
	Financial year ending 31 December 2018	Financial year ending 31 December 2019	Financial year ending 31 December 2020
Independent auditor's report	1-3	1-3	1-3
Statement of financial position	4-5	4-5	4-5
Income Statements	6	6	6
Statement of changes in equity	8-9	8-9	8-9
Statement of cash flows	10	10	10
Notes to financial statements	11-105	11-95	11-95

The table below provides a cross-reference list to key sections of MOL's audited financial statements for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020.

Relevant Sections	Page Numbers		
	Financial year ending 31 December 2018	Financial year ending 31 December 2019	Financial year ending 31 December 2020
Independent auditor's report	5-8	5-8	7-11
Statement of financial position	9-10	9-10	12-13
Income Statements	11	11	14
Statement of comprehensive income	12	12	15
Statement of changes in equity	13-16	13-15	16-19
Statement of cash flows	17	16	20
Notes to financial statements	18-117	17-63	21-102

The table below provides a cross-reference list to key sections of CHL's audited financial statements for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020.

Relevant Sections	Page Numbers		
	Financial year ending 31 December 2018	Financial year ending 31 December 2019	Financial year ending 31 December 2020
Independent auditor's report	5-8	6-9	4-8
Statement of financial position	9-10	10-11	9-10
Income Statements	11	12	11
Statement of comprehensive income	12	13	12
Statement of changes in equity	13-16	14-17	13-14
Statement of cash flows	17	18	15
Notes to financial statements	18-117	19-106	16-59

The table below provides a cross-reference list to key sections of GSD's audited financial statements for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020.

Relevant Sections	Page Numbers		
	Financial year ending 31 December 2018	Financial year ending 31 December 2019	Financial year ending 31 December 2020
Independent auditor's report	4-7	6-9	5-9
Statement of financial position	8-9	10-11	10-11
Statement of comprehensive income	10	12	12
Statement of changes in equity	11	13	13
Statement of cash flows	12	14	14
Notes to financial statements	13-45	15-51	15-49

The table below provides a cross-reference list to key sections of GSDM's audited financial statements for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020.

Relevant Sections	Page Numbers		
	Financial year ending 31 December 2018	Financial year ending 31 December 2019	Financial year ending 31 December 2020
Independent auditor's report	3-6	5-8	4-8
Statement of financial position	7	9-10	9-10
Statement of comprehensive income	8	11	11
Statement of changes in equity	9	12	12
Statement of cash flows	10	13	13
Notes to financial statements	11-36	14-43	14-41

12. Legal and Arbitration Proceedings

Save as disclosed hereunder with specific reference to GSD, the Board of Directors of the Issuer is not aware of any governmental, legal or arbitration proceedings (whether pending or threatened) which may have (or have had in the recent past) significant effects on the Issuer's and, or the Guarantors' financial position or profitability, or provide an appropriate negative statement.

GSD is currently party to arbitration proceedings in which a local building contractor engaged to carry out certain construction and finishing works at the GSD factory is claiming that it is owed the sum of *circa* €1.8 million in unpaid dues, plus interest. GSD is disputing this claim in the said arbitration proceedings which, as at the date hereof, are ongoing.

GSD is also party to a claim for damages brought by a former local distributor of a foreign alcoholic beverage distributed by GSD. In a garnishee order filed on 25 August 2021, the claimant company sought to secure the sum of €1.0 million by way of the garnishee order, such amount being allegedly representative of damages suffered by the claimant as a result of GSD's alleged actions. In response to such garnishee order, GSD has deposited the amount claimed in Court and proceeded to file a counter-warrant, which was duly upheld by the Court, resulting in the revocation of the said garnishee order. GSD expects that soon after the date of publication of this Registration Document, it will be served with notice of commencement of legal proceedings in pursuance of the claim to which the said garnishee order relates, at which point GSD will take the steps necessary to defend itself against such claim.

From a group perspective, taking the Mizzi Organisation as a whole, the Board of Directors of the Issuer does not consider the above claims to be significant in terms of both financial position and profitability.

13. Additional Information

13.1 Share Capital

13.1.1 Share Capital of the Issuer

As at the date of this Registration Document, the issued share capital of the Issuer is €302,818.54 divided into 1,300 shares of a nominal value of €232.937339 each, fully paid-up.

In terms of the Issuer's Memorandum and Articles of Association, none of the capital shall be issued in such a way as would effectively alter the control of the Issuer without the prior approval of the Issuer in a general meeting.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application has been filed for the shares of the Issuer to be quoted on the Malta Stock Exchange.

There is no capital of the Issuer, which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

13.1.2 Share Capital of the Guarantors

All of the Guarantors are private companies established under the Act and none of their share capital is admitted to listing or trading on an exchange.

There is no capital of any Guarantor, which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Company is to be put under option.

The issued share capital of the Guarantors is set out below:

Guarantor	Issued share capital
MOL	€1,597,018.13 divided into 685,600 Ordinary Shares having a nominal value of €2.329373 each, fully paid-up
CHL	€746,796.98, divided into 320,600 Ordinary Shares having a nominal value of €2.329373 each, fully paid-up
GSD	€116,468.65 divided into 50,000 Ordinary Shares having a nominal value of €2.329373 each, fully paid-up
GSDM	€2,334.03 divided into 1,002 Ordinary Shares with a nominal value of €2.329373 each, fully paid-up

14. Memorandum and Articles of Association

14.1 The Issuer

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 3 of the Memorandum of Association. These objects include:

- a. To carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the companies forming part of the Mizzi Organisation whether in Malta or overseas;
- b. To borrow and raise money for the purpose of its business and to secure the repayment of the money borrowed by hypothecation or other charge upon the whole or part of the movable and immovable assets or property of the Issuer present and future;
- c. To invest the capital and other moneys of the company in the purchase or subscription of any stocks, equity securities, debentures, bonds or other securities; and
- d. To issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

14.2 The Guarantors

MOL

The memorandum and articles of association of MOL are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which MOL is established is set out in clause 3.1 of the memorandum of association. These objects include:

- a. to purchase or otherwise acquire, hold and deal, solely for and on behalf of the company, in any shares, debentures, stocks, bonds, scrip, or other securities not involving unlimited liability issued by any company or association or any supreme, municipal, local or other authority whether in Malta or any overseas country or place;
- b. to arrange, solely for and on behalf of the company, some or all of the investments of the company in convenient or selected units or groups to sell or otherwise turn to account any interest or interests in any such units or groups upon such terms and conditions as shall be thought fit, to enter into, execute and carry into effect any trust deed, or trust deeds, either revocable or irrevocable and to arrange and do all acts, deeds and things necessary for or convenient for rendering any certificates or other documents of title issued by the company marketable on any stock exchange and obtaining official quotations therefor; and
- c. to subscribe and pay for, on such terms and conditions as may be thought fit, any such shares, debentures, bonds, scrip or other securities.

CHL

The memorandum and articles of association of CHL are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which CHL is established is set out in clause 2(a) of the memorandum of Association. These objects include:

- a. to purchase or otherwise acquire, hold and deal in any shares, debentures, stocks, bonds, scrip, or other securities not involving unlimited liability issued by any company or association or any supreme, municipal, local or other authority whether in Malta or any overseas country or place;
- b. to arrange some or all of the investments of the company in convenient or selected units or groups to sell or otherwise turn to account any interest or interests in any such units or groups upon such terms and conditions as shall be thought fit, to enter into, execute and carry into effect any trust deed, or trust deeds, either revocable or irrevocable and to arrange and do all acts, deeds and things necessary for or convenient for rendering any certificates or other documents of title issued by the company marketable on any stock exchange and obtaining official quotations therefor; and
- c. to subscribe and pay for, on such terms and conditions as may be thought fit, any such shares, debentures, bonds, scrip or other securities.

GSD

The memorandum and articles of association of GSD are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which GSD is established is set out in clause 3 of the memorandum of association. These objects include:

- a. to produce, bottle, can and package any beverages, soft drinks, dietetic products and foodstuff in general;
- b. to sell, distribute and otherwise deal in good referred to in sub-clause (a) above in so far as such goods are produced, bottled, canned and packaged by the company; and
- c. to purchase, take on lease or in exchange, hire sell or otherwise acquire or dispose of any immovable or movable property for the purpose of attaining the objects of the company or any of them.

GSDM

The memorandum and articles of association of GSDM are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which GSDM is established is set out in clause 3 of the memorandum of association. These objects include:

- a. to carry on the business of importers and distributors of alcoholic spirits, non-alcoholic beverages, wines, table and mineral waters, cigars, cigarettes and tobacco merchants;
- b. to provide equipment and services relating to transport and distribution of all types of merchandise including all kind of beverages, edible and consumable items including handling of the said goods and merchandise both for the local market and overseas; and
- c. to carry on the business of hotel, restaurant, café, roadhouse, club auto-court, motel and holiday camp; to fix up and furnish any property or properties for the purpose of letting, hiring or selling the same whether furnished or unfurnished to visitors, guests, tenants or purchasers (whether as single rooms, double rooms, suites, chalets, villas, houses, bungalows or otherwise) and to provide all things necessary for their entertainment and enjoyment both on land and at sea; to buy and sell to any person, import, export, produce, manufacture or otherwise deal in food, food products, meat, groceries, fish, fruits, confectionary, wines and spirits, beer alcoholic and non-alcoholic beverages, tobacco, druggist supplies, cosmetics, linen, clothing, furniture and furnishings and all other articles required in the said business or businesses.

15. Material Contracts

Neither the Issuer, the Guarantors nor any of the other companies forming part of the Mizzi Organisation is party to any contract not being a contract entered into in the respective company's ordinary course of business, which could result in any member of the Mizzi Organisation being under an obligation or entitlement that is material to the Mizzi Organisation as at the date of this Registration Document.

16. Documents Available for Inspection

For the duration of the Registration Document, the following documents are available for inspection at the registered address of the Issuer:

- a. the audited financial statements of the Issuer for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020;
- b. the audited financial statements of: (i) GSD; (ii) GSDM; (iii) MOL; and (iv) CHL, for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020;
- c. the combined audited financial statements of Mizzi Organisation for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020;
- d. the Financial Analysis Summary, prepared by the Sponsor and dated 24 September 2021; and
- e. the memorandum and articles of association of the Issuer and each Guarantor.

These documents are also available for inspection in electronic form on the Issuer's website.

Securities Note

Dated 24 September 2021

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.

This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

in respect of an issue of up to

€45,000,000 3.65% unsecured bonds 2028-2031

of a nominal value of €100 per bond, issued and redeemable at par by



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH COMPANY REGISTRATION NUMBER C 29506

with the joint and several guarantee of

Mizzi Organisation Limited (C 813); Consolidated Holdings Limited (C 1192); The General Soft Drinks Company Limited (C 1591); and GSD Marketing Limited (C 3774)

ISIN: - MT0000211228

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTES AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

THESE SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

Sponsor & Manager



Registrar



Legal Counsel



APPROVED BY BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Maurice F. Mizzi", is written over a horizontal line.

Maurice F. Mizzi

A handwritten signature in black ink, appearing to read "Carmel J. Farrugia", is written over a horizontal line.

Carmel J. Farrugia

signing in their own capacity as directors of the Issuer and on behalf of each of Brian R. Mizzi, Kenneth C. Mizzi, Kevin Rapinett and Joseph M. Galea as their duly appointed agents.

Important Information

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY MIZZI ORGANISATION FINANCE P.L.C. (THE “ISSUER”) OF UP TO €45,000,000 UNSECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR, AND BEARING INTEREST AT THE RATE OF 3.65% PER ANNUM, PAYABLE ANNUALLY ON 15 OCTOBER OF EACH YEAR UNTIL THE REDEMPTION DATE (THE “BONDS”). THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE OR A DESIGNATED EARLY REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND SUBSCRIBED FOR BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS OR A DESIGNATED EARLY REDEMPTION DATE (AS APPLICABLE), UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THE PROSPECTUS IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO UPDATE THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA).

STATEMENTS MADE IN THIS PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING “ADVISERS” IN SECTION 3.5 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES.

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1. Definitions

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Admission	admission of the Bonds to the Official List and to trading on the main market for listed securities of the MSE becoming effective in accordance with the Capital Markets Rules and the MSE Bye- Laws;
Applicant/s	a person or persons who subscribes for the Bonds;
Application/s	the application to subscribe for Bonds made by a Preferred Applicant by completing an Application Form and delivering same to any Authorised Financial Intermediary during the Offer Period;
Application Form	the Application Form to be completed by a Preferred Applicant, a specimen of which is contained in Annex I to this Securities Note;
Appropriateness Test	shall have the meaning set out in section 7.2 of this Securities Note;
Authorised Financial Intermediary/ies	the licensed stockbrokers and financial intermediaries listed in Annex III to this Securities Note;
Bond Issue Price	€100 per Bond;
Bondholder	a holder of Bonds from time to time, as evidenced by an electronic entry in the register of Bonds held by the CSD;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Civil Code	means the Civil Code (Cap. 16 of the laws of Malta);
CSD	the Central Securities Depository of the Malta Stock Exchange having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Designated Early Redemption Dates	any date falling between 15 October 2028 and 14 October 2031, at the sole option of the Issuer, on which the Issuer shall be entitled to prepay all or part of the principal amount of the Bonds and all interests accrued up to the date of prepayment, by giving not less than 30 days' notice to the Bondholders and the term " Early Redemption " shall be construed accordingly;
Guarantee	the joint and several guarantee, dated 7 September 2021 granted by the Guarantors as security for the punctual performance of the Issuer's payment obligations under the Bond Issue. A copy of the Guarantee is appended to the Securities Note as Annex II hereto;

Interest Payment Date	15 October of each year between and including each of the years 2022 and 2031 (or in the event of Early Redemption at the option of the Issuer, 15 October of each year between and including each of the years 2022 and the relevant Designated Early Redemption Date), provided that if any such day is not a Business Day such Interest Payment Date shall be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements as further detailed in section 7.6 of this Securities Note;
Intermediaries' Offer Date	14:00 hours on 8 October 2021;
Issue Date	the 22 October 2021;
MIFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast);
Mizzi Organisation Directors	the directors of any of the companies forming part of the Mizzi Organisation, as at the date of this Securities Note;
Mizzi Organisation Employees	individuals employed by any of the companies forming part of the Mizzi Organisation who began such employment prior to 1 January 2021;
Mizzi Organisation Shareholders	the shareholders of any of the companies forming part of the Mizzi Organisation, appearing on the relative register of members as at the date of this Securities Note;
MSE Bye-Laws	the bye-laws issued by the MSE;
Offer Period	the period between 08:30 hours on 4 October 2021 and 14:00 hours on 8 October 2021 during which the Bonds will be available for subscription by Preferred Applicants;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
PAFI/s	<p>each of:</p> <p>(a) Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 2833, having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta; and</p> <p>(b) Rizzo, Farrugia & Co (Stockbrokers) Ltd, a private limited liability company registered under the laws of Malta, with company registration number C 13102, having its registered office at Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta,</p> <p>being the two Authorised Financial Intermediaries, which have executed a Placement Agreement;</p>

Placement Agreement/s	the placement agreements entered into between the Issuer and the PAFIs, as further detailed in section 7.5 of this Securities Note;
Placement Date	14:00 hours on 8 October 2021;
Preferred Applicants	collectively, the Mizzi Organisation Shareholders, the Mizzi Organisation Employees and the Mizzi Organisation Directors;
Redemption Date	15 October 2031 or a Designated Early Redemption Date, whichever is the earlier;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Suitability Test	shall have the meaning assigned to it in section 7.2 of this Securities Note; and
Terms and Conditions	the terms and conditions of the Bonds set out in sections 5 and 7 of this Securities Note.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- d. all references in this Registration Document to “*Malta*” shall be construed as defined in article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Securities Note.

2. Risk Factors

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS. ACCORDINGLY, PROSPECTIVE INVESTORS

SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-Looking Statements

This Securities Note contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s and, or the Mizzi Organisation’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Mizzi Organisation’s actual results of operations, financial condition, liquidity, and the development of its business may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, and, or liquidity of the Issuer and, or the Mizzi Organisation are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled “*Risk Factors*” in the Registration Document, for a review of the factors that could affect the Issuer’s performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

2.2 Risks Relating to the Bonds

2.2.1 Risks Relating to the Bonds

2.2.1.1 Suitability of the Bonds

Debt instruments which may be redeemed by an issuer prior to their maturity date are considered as having an embedded call option, with the price of the bonds taking these components into account. The Bonds may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of this early redemption component, the Bonds are complex financial instruments for the purposes of MIFID II. Accordingly, the Bonds are only suitable for investors who have the knowledge and experience to understand the risks related to the Bonds. An investor must consult with an independent investment adviser before investing in the Bonds.

In particular, investors should consult with an independent investment adviser with a view to ascertaining that each prospective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits, and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor’s currency and that the Bonds meet the investment objectives of the prospective investor;
- c. understands thoroughly the terms of the Bonds; and
- d. is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. An informed investment

decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds, and the inherent risks associated with the Mizzi Organisation's business. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

2.2.1.2 The Bonds are redeemable at the option of the Issuer

Any or all of the Bonds may be redeemed by the Issuer on a Designated Early Redemption Date. Once the Bonds are redeemed, the relevant Bondholders shall no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed on a Designated Early Redemption Date, Bondholders would not receive the same return on investment that it would have received if they were redeemed on the Redemption Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds.

2.2.1.3 No prior market for the Bonds

Prior to the Bond Issue and Admission, there has been no public market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in section 2 of the Registration Document.

2.2.1.4 Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on several factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control.

The emergence of the COVID-19 pandemic in Q1 2020 has manifested in a highly volatile economy with the magnitude of the downturn in terms of depth and duration particularly uncertain across the globe. The exact nature of the risks that the individual companies forming part of the Mizzi Organisation face and the manner and the extent to which they will ultimately impact the respective company and the Mizzi Organisation as a whole is difficult to predict and to guard against in the light of: (i) the uncertainty as to the duration and depth of the impact of the COVID-19 pandemic; (ii) the difficulties in predicting whether recoveries will be sustained and at what rate; and (iii) the fact that the risks are totally or to a large extent outside the control of the relative company. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Bonds at all.

2.2.1.5 Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer vis-à-vis the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a delisting, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

2.2.1.6 Status of the Bonds

The Bonds constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. This means that any secured or privileged debts of the Issuer shall always rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency, whether in full or in part.

2.2.1.7 Interest rate

The Bonds shall carry a fixed interest rate. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate

bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

2.2.1.8 Currency of reference

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Bonds (Euro) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

2.2.1.9 Changes in law

The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

2.2.1.10 Continuing obligations

After the Bonds are admitted to trading on the Official List of the MSE, the Issuer must remain in compliance with certain requirements. The Malta Financial Services Authority has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the Malta Financial Services Authority may discontinue the listing of the Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations or discontinuations described above, could have a material adverse effect on the liquidity and value of the Bonds.

2.2.1.11 Amendments to, or waivers of, the Terms and Conditions of the Bonds

In the event that the Issuer wishes to amend or waive any of the Terms and Conditions of the Bonds it may call a meeting of Bondholders in accordance with the provisions of section 5.14 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Furthermore, each Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' meeting duly convened and held, to amend or waive the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in: the amount payable by the Guarantors under the Guarantee; the term and, or frequency of such payments; the Events of Default specified in section 5.11 of this Securities Note; and, or any other term which may otherwise increase the exposure of the Guarantors to the enforcement of the Guarantee. Were any of the Guarantors to exercise such right of veto, the proposed amendment to or waiver of the Terms and Conditions of the Bonds would not be put into effect.

2.2.2 Risks Relating to the Guarantee

2.2.2.1 Risks relating to the business of the Guarantors

The risk factors contained in section 2 of the Registration Document apply to the business of the Guarantors. If any of the risks mentioned in section 2 of the Registration Document were to materialise, they would have a material adverse effect on the ability of each of the Guarantors to satisfy their obligations under the Guarantee.

2.2.2.2 Risks relating to the Guarantee

The Bonds are being guaranteed by the Guarantors on a joint and several basis. Accordingly, the Bondholders shall be entitled to request any or all of the Guarantors to pay both the interest due and the principal amount under the said Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Issuer.

The strength of the undertakings given under the Guarantee is dependent upon and directly linked to the financial position and solvency of the individual Guarantors.

2.2.2.3 Status of the Guarantee

The payment obligations of each of the Guarantors under the Guarantee shall, save for such obligations which are mandatorily preferred at law, at all times rank at least equally with all their respective present and future unsecured and unsubordinated obligations. This means that any secured or privileged debts of the Guarantors shall rank at all

times ahead of the obligations of the Guarantors under the Guarantee, as a result of which the Bondholders may not be able to recover their investment in the case of insolvency of any of the Guarantors, whether in full or in part, following the enforcement of the Guarantee.

3. Persons Responsible & Consent for Use

3.1 Persons Responsible

This document includes information given in compliance with the Prospectus Regulation for the purpose of providing prospective investors with information on the Bonds. All Directors, whose names appear under the sub-heading “*Directors of the Issuer*” under the heading “*Identity of Directors, Advisers and Auditors*” in section 3 of the Registration Document, accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors of the Issuer take sole responsibility for all such representations and statements. Neither the Sponsor nor the advisers of the Issuer make any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in the Prospectus.

3.2 Consent for Use of Prospectus

Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries:

For the purposes of any subscription for Bonds in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by any Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through the Authorised Financial Intermediaries;
- ii. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and
- iii. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor, the Manager and Registrar or any of their respective advisers take any responsibility for any of the actions of any Authorised Financial Intermediary, including its compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of the Bonds.

Other than as set out above, neither the Issuer nor any of the advisers to the Issuer has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstance. Any such unauthorised offers are not made on behalf of the Issuer and neither the Issuer nor any of the Issuer’s advisers has any responsibility or liability for the actions of any person making such offers.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or any of its advisers. The Issuer does not accept responsibility for any information not contained in this Prospectus.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice.

In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall provide investors with information on the terms and conditions of the resale, placement, or other offering at the time such is made.

Any resale, placement, or other offering of Bonds to an investor by an Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it shall be the responsibility of the respective Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information.

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement, or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement, or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note shall be made available through a company announcement which shall also be made available on the Issuer's website: www.mofplc.com

4. Essential Information

4.1 Reasons for the Issue and Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €44 million, shall be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- i. approximately €25 million of the net bond proceeds from the Bonds shall be used to part refinance existing bank debt of the Mizzi Organisation as detailed hereunder:
 - a. the amount of approximately €16.7 million shall be used to refinance bank debt of MOL, specifically, facilities made available by HSBC Bank Malta p.l.c for the purpose of, *inter alia*, meeting financing requirements of the Mizzi Organisation; and
 - b. the amount of approximately €8.3 million shall be used to refinance bank debt of AML, specifically, facilities made available by Bank of Valletta p.l.c for the purpose of, *inter alia*, financing capital expenditure and works relating to *Is-Suq tal-Belt* and settling current trade creditor balances;
- ii. approximately €5 million shall be used for the partial financing of the Hofra Project as detailed hereunder:
 - a. the amount of €4.3 million shall be used to part finance phase 2 and phase 3 of the Hofra Project (details of which are set out in section 6.2 of the Registration Document); and
 - b. the amount of €0.7 million shall be used to part finance the repayment of an intra-group loan agreement advanced by MOL to IML for the purposes of part financing phase 1 of the Hofra Project;
- iii. approximately €3 million shall be used for the partial financing of the Arkadia Refurbishment Refurbishment (details of which are set out in section 6.2 of the Registration Document); and
- iv. approximately €11 million, together with any residual amounts not utilised for the purposes identified in paragraphs (i) – (iii) above, shall be utilised for general corporate funding purposes of the Mizzi Organisation.

In the event that the Bond Issue is not fully taken up, the Issuer shall issue Bonds up to the amount subscribed for and the proceeds from the Placement Agreements shall be used for the purpose set out in (i) above, and any excess shall be applied in part settlement of the purposes set out in (ii) - (iv) above, in the order of priority indicated above.

The Issuer shall lend the net proceeds of the Bonds to MOL, in its capacity as the finance company of the Mizzi Organisation (the "**Principal Loan**") which shall subsequently on-lend such proceeds to companies forming part of the Mizzi Organisation for the purposes described above (the "**Secondary Loan Agreements**"). The Principal Loan and each of the Secondary Loan Agreements shall be subject to the payment of interest at 4.3% per annum.

The Principal Loan and the Secondary Loan Agreements are conditional upon, *inter alia*, the issue and allotment of the Bonds, which in turn is conditional upon the Bonds being admitted to the Official List.

In the event that this condition is not satisfied, the Issuer shall, through the Registrar and, or the Authorised Financial Intermediaries (as applicable), return the proceeds of the Bond Issue to the Bondholders.

4.2 Funding from Other Sources

The Arkadia Refurbishment

AML requires approximately €3.5 million to fund the Arkadia Refurbishment. Following the receipt of the net proceeds of the Bonds, the Issuer shall lend the amount of €3 million to MOL which shall in turn lend the said amount to AML for the purposes of the Arkadia Refurbishment. Details of the said loans are contained in section 4.1 of this Securities Note.

The remaining €0.5 million required for the completion of the Arkadia Refurbishment shall be funded through future cash flows generated by AML.

Should the Bond Issue not be subscribed in full, then (i) the entire project shall be funded through future cash flows of AML, or in part by other sources of funding from within or outside the Mizzi Organisation, or (ii) be aborted in whole or in part.

The Hofra Project

IML requires approximately €11.5 million to develop and complete the Hofra Project. Following the receipt of the net proceeds of the Bonds, the Issuer shall lend the amount of €5 million to MOL which shall in turn lend €4.3 million to IML for the purposes of completing the Hofra Project and €0.7 million to IML for the repayment of an intra-group loan advanced by MOL to IML to part-finance phase 1 of the Hofra Project. Details of the said loans are contained in section 4.1 of this Securities Note.

The remaining €6.5 million required for the completion of the Hofra Project shall be funded as follows:

- €2.2 million will be financed from Mizzi Organisation’s own funds, by virtue of an intra-group loan between IML and one or more companies forming part of the Mizzi Organisation; and
- €4.3 million will be financed from the sale of immovable property owned by Mizzi Organisation.

Should the Bond Issue not be subscribed in full, then either (i) the amounts required to complete the Hofra Project through Mizzi Organisation’s own funds and, or from the sale of immovable property of the Mizzi Organisation shall be increased accordingly; or (ii) the Hofra Project will be aborted in whole or in part.

4.3 Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €1,000,000 in the aggregate. There is no particular order of priority with respect to such expenses.

The expenses pertaining to the Bond Issue shall be deducted entirely from the proceeds of the Bonds Issue and accordingly, shall be borne exclusively by the Issuer.

4.4 Issue Statistics

Amount:	up to €45,000,000;
Form:	the Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
ISIN:	MT0000211228;

Minimum amount per subscription:	minimum of €5,000 and multiples of €100 thereafter, applicable to subscriptions by Authorised Financial Intermediaries through the Intermediaries' Offer and Applications submitted by Preferred Applicants;
Minimum amount per Placement Agreement:	minimum of €10,000 and multiples of €100 thereafter, applicable to each Placement Agreement and to each underlying Applicant applying for the Bonds through PAFIs in terms of Placement Agreements;
Redemption Date:	15 October 2031 or on the Designated Early Redemption Date;
Designated Early Redemption Date:	any date falling between 15 October 2028 and 14 October 2031, at the sole option of the Issuer, on which the Issuer shall be entitled to prepay all or part of the principal amount of the Bonds and all interests accrued up to the date of prepayment, by giving not less than 30 days' notice to the Bondholders and the term " Early Redemption " shall be construed accordingly;
Plan of Distribution:	the Bonds are open for subscription by all categories of investors;
Bond Issue Price:	at par (€100 per Bond);
Status of the Bonds and the Guarantee:	the Bonds shall constitute the general, direct, unsecured, and unconditional obligations of the Issue and shall always rank <i>pari passu</i> and without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations;
Guarantee	the joint and several guarantee dated 7 September 2021 granted by the Guarantors as security for the punctual performance of the Issuer's payment obligations under the Bond Issue;
Status of the Guarantee:	the Guarantee shall constitute a direct, and unconditional obligation of the Guarantors;
Listing:	the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Placement Agreements:	the agreements by and between the Issuer and each of the PAFIs in respect of the amount of the Bond Issue reserved for subscription by the PAFIs for their own account or on behalf of their clients;
Intermediaries' Offer:	the subscription agreements entered into between the Issuer and Authorised Financial Intermediaries in respect of the amount of the Bond Issue reserved for subscription by Authorised Financial Intermediaries together with any amount reserved for, but not taken up by Preferred Applicants, for their own account or on behalf of their clients;
Offer Period:	08:30 hours on 4 October 2021 to 14:00 hours on 8 October 2021, both days included, during which Preferred Applicants may subscribe for Bonds;
Interest:	3.65% per annum;

Interest Payment Date/s:	annually on 15 October as from 15 October 2022 (the first interest payment date);
Governing Law of Bonds:	the Bonds are governed by and shall be construed in accordance with Maltese law; and
Jurisdiction:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.5 Interest of Natural and Legal Persons Involved in the Bond Issue

Save for the subscription for the Bonds by Authorised Financial Intermediaries and the commissions payable thereto, and any fees payable in connection with the Bond Issue to the advisers listed in section 3 of the Registration Document, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

5. Information Concerning the Securities to be Issued and Admitted to Trading

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

5.1 General

The principal terms of the Bonds are set out below:

- 5.1.1** Each Bond forms part of a duly authorised issue of 3.65% Bonds 2028-2031 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €45,000,000. The Issue Date of the Bonds is expected to be 22 October 2021. The Bond Issue is guaranteed by the Guarantors.
- 5.1.2** The currency of the Bonds is Euro (€).
- 5.1.3** The Bonds are expected to be listed on the Official List by 22 October 2021 and dealing can be expected to commence thereafter.
- 5.1.4** Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN MT0000211228.
- 5.1.5** Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date or a Designated Early Redemption Date.
- 5.1.6** The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Companies Act, and the Prospectus Regulation.
- 5.1.7** The minimum subscription amount of Bonds that can be subscribed for by Preferred Applicants during the Offer Period and by Authorised Financial Intermediaries through the Intermediaries' Offer is €5,000 and in multiples of €100 thereafter.
- 5.1.8** Applications under a Placement Agreement per underlying Applicant are for a minimum amount of €10,000 per Applicant and in multiples of €100 thereafter.
- 5.1.9** Preferred Applicants may obtain the Application Form from the Issuer's office as from 29 September 2021.
- 5.1.10** In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.

- 5.1.11** The Bond Issue is not underwritten.
- 5.1.12** In view of the early redemption component, the Bonds are complex financial instruments for the purposes of MIFID II. Accordingly, the Bonds may only be suitable for investors who have the knowledge and experience to understand the risk related to this type of financial instrument.
- 5.1.13** There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with the ranking specified in section 5.2 hereunder.
- 5.1.14** All Applications shall be subject to the terms and conditions of the Bond Issue as set out in section 7 hereunder, the terms of which shall form an integral part hereof.

5.2 Ranking of the Bonds and the Guarantee

The Bonds shall constitute the general, direct, unsecured, and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations.

Each of the Guarantors have unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds. The Guarantee constitutes a direct, unconditional, and unsecured obligation of the Guarantors. The payment obligations of the Guarantors under the Guarantee shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all their respective present and future unsecured and unsubordinated obligations.

5.3 The Guarantors and the Guarantee

The Bonds are guaranteed by the Guarantors on a joint and several basis. Accordingly, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to demand payment from any or all the Guarantors without having to first take action against the Issuer.

Each Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' Meeting duly convened and held, to amend or waive the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in:

- i. the amount payable by the Guarantors under the Guarantee;
- ii. the term and, or frequency of such payments;
- iii. the Events of Default specified in section 5.11 of this Securities Note; and, or
- iv. any other term which may otherwise increase the exposure of the Guarantors to the enforcement of the Guarantee.

Were any of the Guarantors to exercise such right of veto, the proposed amendment to or waiver of the Terms and Conditions of the Bonds would not be put into effect.

Information on the Guarantors is contained in sections 4.3 and 5.2 of the Registration Document and a copy of the Guarantee is included in Annex II to this Securities Note.

5.4 Rights Attaching to the Bonds

This Securities Note in its entirety contains the terms and conditions of issue of the Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the repayment of capital;
- ii. the payment of interest;
- iii. the benefit of the Guarantee;
- iv. to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the

Bonds; and

v. enjoy all such other rights attached to the Bonds emanating from this Prospectus.

5.5 Interest

The Bonds shall bear interest from and including 15 October 2021 at the rate of 3.65% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be effected on 15 October 2022 (covering the period 15 October 2021 to 14 October 2022). Any Interest Payment Date which falls on a day other than a Business Day shall be carried over to the next following day that is a Business Day.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

5.6 The Limits of the Validity of Claims

In terms of article 2156 of the Civil Code, the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

5.7 Yield

The gross yield calculated on the basis of the interest on the Bonds, the Bond Issue Price and the Redemption Value of the Bonds is 3.65% per annum.

5.8 Registration, Form, Denomination and Title

Certificates shall not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There shall be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

The CSD shall issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

The Bonds shall be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds shall be subscribed for a minimum of €5,000 per individual Bondholder (and in the case of Applications under Placement Agreements for a minimum of €10,000). Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client (during the Offer Period and for subscriptions through the Intermediaries' Offer) and €10,000 for Applications submitted under the Placement Agreements.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*" in section 5.12 of this Securities Note.

5.9 Payments

Payment of the principal amount of Bonds shall be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date or a Designated Early Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Redemption Date or a Designated Early Redemption Date, as applicable. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed, and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond shall be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be affected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

5.10 Redemption and Purchase

Unless previously purchased and cancelled, the Bonds shall be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date or, earlier, on a Designated Early Redemption Date.

Subject to the provisions of this section, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

5.11 Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with any accrued interest, if any of the following events (“**Events of Default**”) shall occur:

- i. the Issuer fails to pay interest under the Bonds on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof shall have been given to the Issuer by any Bondholder;
- ii. the Issuer fails to pay the principal amount of the Bonds when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder;
- iii. the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Prospectus and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by a Bondholder;
- iv. a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or any of the Guarantors;
- v. an order is made, or an effective resolution is passed for winding up of the Issuer or any of the Guarantors;
- vi. in terms of article 214(5) of the Act, a court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn, or discharged within one month;

vii. the Issuer or any of the Guarantors, stops payment of its debts or ceases or threatens to cease to carry on its business and such position is sustained for 60 days after written notice thereof shall have been given to the Issuer and, or a Guarantor (as applicable) by any Bondholder;

viii. the Issuer or any of the Guarantors are unable to pay their debts within the meaning of article 214(5) of the Act, or any statutory modification or re-enactment thereof and such position is sustained for 60 days after written notice thereof shall have been given to the Issuer and, or a Guarantor (as applicable) by any Bondholder;

ix. the Issuer or any of the Guarantors substantially change the object or nature of business as currently carried on;

x. any material indebtedness of the Issuer or any of the Guarantors is not paid when due or becomes due and payable or any creditor of the Issuer or a Guarantor (as the case may be) becomes entitled to declare any such material indebtedness due and payable prior to the date when it would otherwise have become due or any guarantee or indemnity of the Issuer or any of the Guarantors in respect of indebtedness is not honoured when due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000;

xi. the Issuer or any of the Guarantors repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and, or the Guarantee; or

xii. it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder or for any of the Guarantors to perform all or any of their respective obligations under the Guarantee.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the Event of Default, which shall have happened as aforesaid.

5.12 Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (as duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

The Issuer shall not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

5.13 Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities or upon such terms as the Issuer may determine at the time of their issue.

5.14 Meetings of Bondholders

5.14.1 The Bondholders' meeting represents the supreme authority of the Bondholders in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds.

- 5.14.2** Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' meeting. Save as otherwise stated in section 5.14.12 below, resolutions passed at Bondholders' meetings shall be binding upon all Bondholders and prevail for all the Bonds.
- 5.14.3** The Issuer may from time-to-time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions, including any change to a material term of the issuance of the Bonds or the Prospectus.
- 5.14.4** A meeting of the Bondholders may also be convened on the requisition of a Bondholder or Bondholders holding in aggregate, at the date of the deposit of the requisition, not less than 75% in aggregate nominal value of Bonds then outstanding, which requisition shall state the objects of the meeting and shall be signed by the requisitioning Bondholder/s and deposited at the registered office of the Issuer. The Issuer must then proceed duly to convene a meeting of Bondholders within 21 days from the date of the deposit of the requisition that complies with the requirements of this section.
- 5.14.5** A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. The said notice shall also be sent to each of the Guarantors where the subject of the meeting relates to an amendment to, or waiver of, the Terms and Conditions of the Bonds.
- 5.14.6** Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolutions taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 5.14.7** The amendment or waiver of any of the Terms and Conditions may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 5.14.8** A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time, and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- 5.14.9** Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.14.10** Once a quorum is declared present by the chairman of the meeting, the Bondholders' meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

- 5.14.11** The voting process shall be managed by the company secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer.
- 5.14.12** The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal, provided that in the event that the amendment or waiver in question may give rise to changes in:
- i. the amount payable by the Guarantors under the Guarantee;
 - ii. the term and, or frequency of such payments;
 - iii. the Events of Default; and, or
 - iv. any other term which may otherwise increase the exposure of the Guarantor to the enforcement of the Guarantee, then each Guarantor has the right to veto the decision by the Bondholders to amend or waive the Terms and Conditions of the Bonds.
- Were any of the Guarantors to exercise such right of veto, the proposed amendment or waiver to the Terms and Conditions of the Bonds would not be put into effect.
- 5.14.13** Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

5.15 Authorisations and Approvals

The Directors authorised the Bond Issue pursuant to a board of Directors' resolution passed on 9 September 2021. The Guarantee being given by the Guarantors in respect of the Bonds has been authorised by a resolution of the board of directors of: (i) MOL dated 7 September 2021; (ii) GSD dated 7 September 2021; (iii) GSDM dated 7 September 2021; and (iv) CHL dated 7 September 2021.

The Malta Financial Services Authority approved the Bonds as eligible to listing on the Official List of the MSE pursuant to the Capital Markets Rules by virtue of a letter dated 24 September 2021.

5.16 Notices

Notices to be addressed to Bondholders individually shall be mailed at their registered address and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

5.17 Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit, or proceedings against the Issuer and, or any of the Guarantors arising out of or in connection with the Bond and, or the Prospectus shall be brought exclusively before the Maltese courts.

6. Taxation

6.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

6.2 Malta Tax on Interest

Since interest is payable in respect of the Bonds which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “**recipient**” in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta, hereinafter the “**Income Tax Act**”), interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of 15%, (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient’s tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Revenue the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer shall also render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest shall be paid gross and such person shall be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

6.3 Exchange of Information

In terms of applicable Maltese legislation, the Issuer and, or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU, 2015/2376, 2016/881 and 2016/2258) provides for the implementation of the Common Reporting Standard (“**CRS**”) into Maltese legislation. The CRS has been proposed by the OECD as a new global standard for the automatic exchange of financial account information between tax authorities in participating jurisdictions. CRS has been transposed into Maltese legislation by virtue of the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 (“**CRS Legislation**”). Malta based financial institutions (“**FIs**”) (defined as such for the purposes of CRS) are obliged to identify and report to the Maltese tax authorities financial accounts held by a “Reportable Person” (as defined under the CRS Legislation), and certain entities with one or more Controlling Persons, as defined under the CRS Legislation, which is classified as a Reportable Person. Financial information relating to Bonds and the holders of the Bonds may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

In particular with respect to CRS, the following information will be reported annually by the FIs to the Maltese

competent authority in respect of each reportable account maintained by the FIs: (i) the name, address, jurisdiction of tax residence, tax identification number (TIN) and date and place of birth (in the case of an individual); (ii) the account number (or functional equivalent in the absence of an account number); (iii) the account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account; (iv) the total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

The Maltese tax authorities shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority on annual basis, any relevant information that may fall to be classified as reportable, and vice versa.

Foreign Tax Compliance Act (“**FATCA**”) has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order (Subsidiary Legislation 123.156) (“**FATCA Legislation**”). Under the FATCA Legislation, FIs in Malta (defined as such for the purposes of FATCA) are obliged to identify and report financial accounts held by Specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Maltese tax authorities. The Maltese government and the government of the U.S. shall annually exchange the information obtained pursuant to the Order on an automatic basis. Non-compliance may result in a punitive 30% withholding tax on distributions captured by FATCA. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

In particular, FIs reserve the right to store, use, process, disclose and report any required information including all current and historical data related to the past and, or present accounts held by Reportable Persons, including, but not limited to, the name, address, date of birth, place of birth and U.S. tax identification number, the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Maltese competent authority.

FIs reserve the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and CRS and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, FIs may take such action as it thinks fit, including without limitation, the closure of the financial account.

6.4 Maltese Taxation on Capital Gains on Transfer of the Bonds

As the Bonds do not fall within the definition of “*securities*” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, to the extent that the Bonds are held as capital assets by the Bondholders, no tax on capital gains is chargeable in respect of transfer of the Bonds.

6.5 Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable, *inter alia*, on the transfer *inter vivos* or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta) since the Bonds constitute financial instruments of a quoted company (as defined in such act), redemptions and transfers of the Bonds should, in any case, be exempt from duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE TAX LEGISLATION OF THE INVESTOR’S MEMBER STATE AND OF THE ISSUER’S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME

RECEIVED FROM THE SECURITIES. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. Terms and Conditions of the Bond Issue

7.1 Expected Timetable of the Bond Issue

1. Application Forms available to Preferred Applicants from the Issuer's office	29 September 2021
2. Offer Period for Preferred Applicants	4 October 2021 to 8 October 2021, both days included
3. Placement Date	8 October 2021
4. Intermediaries' Offer Date	8 October 2021
5. Commencement of interest on the Bonds	15 October 2021
6. Announcement of basis of acceptance	15 October 2021
7. Refunds of unallocated monies (if any) and dispatch of allotment letters	22 October 2021
8. Expected date of admission of the securities to listing	22 October 2021
9. Expected date of commencement of trading in the securities	25 October 2021

7.2 Terms and Conditions of the Bonds

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Applicant on the other.

- 7.2.1** The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE by no later than 22 October 2021. In the event that the said condition is not satisfied within 15 Business Days from the closing of the Offer Period, the Intermediaries' Offer Date and the Placement Date, any Application monies will be returned without interest by direct credit into the Applicant's bank account.
- 7.2.2** Applications by Preferred Applicants may be submitted by latest 14:00 hours on 8 October 2021.
- 7.2.3** By submitting an Application, the Applicant is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, as applicable, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- 7.2.4** The contract created by the Issuer's acceptance of an Application filed by an Applicant shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of

Association of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.

- 7.2.5** If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a “**decision maker**”) such as an individual that holds a power of attorney to trade on the Applicant’s account or applications under a discretionary account, details of the decision maker need to be made available.
- 7.2.6** In the case of joint Applicants, reference to the Applicant in this Securities Note is a reference to each of the joint Applicants, and liability therefore is joint and several. The first person, as designated in the respective MSE account number quoted by the Applicant or the first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders designated in the MSE account number quoted by the Applicant or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- 7.2.7** In the case of corporate Applicants or Applicants having separate legal personality, it shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such Applicant is, or are, in fact duly authorised. Applications by corporate Applicants have to include a valid legal entity identifier (LEI) which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 7.2.8** In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds (which shall be due to the bare owner).
- 7.2.9** Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 7.2.10** It shall not be incumbent on the Registrar to verify the signatory/ies on any Application Form submitted.
- 7.2.11** Preferred Applicants may subscribe for Bonds by submitting an Application Form to any of the Authorised Financial Intermediaries by not later than 14:00 hours on 8 October 2021, together with payment of the full price of the Bonds applied for.
- 7.2.12** In the event that a cheque accompanying an Application is not honoured on its first presentation, the Authorised Financial Intermediary and, or the Issuer acting through the Registrar reserve the right to invalidate the relative Application Form.
- 7.2.13** In the event that a Preferred Applicant applying for Bonds during the Offer Period, has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Preferred Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Preferred Applicant’s sole risk. The Issuer shall not be responsible for any charges, loss or

delay arising in connection with such direct credit transfer.

- 7.2.14** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 (“**GDPR**”), as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- 7.2.15** It shall be incumbent on the respective Authorised Financial Intermediary or PAFI to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 (“**MiFIR**”), as well as applicable MFSA Rules for investment services providers.
- 7.2.16** No person receiving a copy of the Prospectus or any form of Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person, or such form of Application could lawfully be used without contravention of any registration or other legal requirements.
- 7.2.17** Applicants who are resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax and legal advisers) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy themselves as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 7.2.18** The Bonds have not been, and will not be, registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 7.2.19** Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and, or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
- 7.2.20** The Bonds will be issued in multiples of €100.
- 7.2.21** The minimum subscription amount of Bonds that can be subscribed for by Preferred Applicants during the Offer Period and subscriptions by Authorised Financial Intermediaries pursuant to the Intermediaries’ Offer is €5,000 and in multiples of €100 thereafter.
- 7.2.22** Applications under a Placement Agreement per underlying Applicant are for a minimum amount of €10,000 per Applicant, and in multiples of €100 thereafter.
- 7.2.23** By no later than five Business Days following the closing of the Offer Period, the Intermediaries’ Offer Date and the Placement Date, the Issuer shall announce the result of the Bond Issue and shall determine the basis of acceptance of applications and allocation policy to be adopted. The announcement of the result of the Bond Issue shall be made through a company announcement which shall also be made available on the Issuer’s website.

7.2.24

By completing and delivering an Application, the Applicant:

- i. accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds applied for by the Applicant (or any smaller amount of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Application Form and the Memorandum and Articles of Association of the Issuer;
- ii. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- iii. warrants that the information submitted by the Applicant is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant in accordance with the above. In the event of a discrepancy between the personal details appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- iv. acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act (Cap. 586 of the laws of Malta) and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
- v. authorises the Issuer (or its service providers, including the CSD and, or the Registrar) and, or the relevant Authorised Financial Intermediary or PAFI, as applicable, to process the personal data that the Applicant provides in the respective form of Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the Malta Stock Exchange. The requests must be signed by the Applicant to whom the personal data relates;
- vi. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, each of the Guarantors or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- vii. agrees that any refund of unallocated Application monies to Preferred Applicants, without interest, will be paid by direct credit, at the Preferred Applicant's own risk, to the bank account as indicated in the Application Form. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- viii. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary, PAFI or by the Issuer acting through the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary, the PAFI or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the

Registrar of such late payment in respect of the Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds (other than return of such late payment);

- ix. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- x. agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which may be requested in connection with the Application;
- xi. agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- xii. warrants that, where an Applicant submits an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit your power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- xiii. warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent/s or legal guardian/s of the minor;
- xiv. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds and, or his/her Application;
- xv. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- xvi. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “**United States**”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- xvii. agrees that the advisers to the Bond Issue (listed in section 3.5 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;
- xviii. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant’s own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as designated in the respective MSE account specified on the form of Application; and
- xix. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

7.2.25 Applications are to be lodged with any of the Authorised Financial Intermediaries. Authorised Financial Intermediaries shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and based on the results of such test, be satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, such Authorised Financial Intermediary shall also be required to conduct a Suitability Test in respect of the Applicant and based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

For the purpose of this Securities Note, the term “**Appropriateness Test**” means the test conducted by any licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Bonds, for the purpose of such licensed financial intermediary determining (after collecting the necessary information) whether the investment service or the Bonds are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the licensed financial intermediary shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee’s knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Bonds or investment service offered or demanded, in accordance with the Conduct of Business Rulebook issued by the MFSA (the “**CBR**”). In the event that the licensed financial intermediary considers, on the basis of the test conducted, that the transfer of Bonds is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary shall reject the prospective Applicant’s request to subscribe for or acquire Bonds, irrespective of whether the Applicant or transferee is warned that the investment in the Bonds is not appropriate for the Applicant or transferee.

For the purpose of this Securities Note, the term “**Suitability Test**” means the process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Bonds obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Bonds that are considered suitable for him/her, in accordance with the CBR. The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria: a) it meets the investment objectives of the Applicant or prospective transferee in question; b) it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and c) it is such that the Applicant or prospective transferee has the necessary experience and knowledge in order to understand.

7.3 Plan of Distribution and Allotment

The Bond Issue is open for subscription to all categories of investors as follows:

- i. an amount of €25 million in nominal value of the Bonds has been reserved for the PAFIs which have entered into Placement Agreements with the Issuer (as further detailed in section 7.5 below);
- ii. an amount of up to €5 million in nominal value of the Bonds shall be reserved for Preferred Applicants during the Offer Period; and
- iii. the remaining balance of €15 million in nominal value of the Bonds and any balance which is not subscribed for by Preferred Applicants in terms of (ii) above, shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries’ Offer (as further detailed in section 7.6 below).

Applications shall not be accepted by Authorised Financial Intermediaries unless, based on the results of such Appropriateness Test, the Authorised Financial Intermediary is satisfied that an investment in the Bonds is appropriate for the Applicant. To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, such Authorised Financial Intermediary shall also be required to conduct a Suitability Test in respect of the Applicant and based on the results of such test, must be satisfied that an investment in the Bonds is considered suitable for the Applicant. The allocation of the Bonds is subject to the allocation policy of the

Issuer set out in section 7.8 of this Securities Note.

Subscriptions may be made through any of the Authorised Financial Intermediaries. It is expected that an allotment letter will be dispatched to Applicants within five Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid. aforesaid. Should any refunds of application monies be due to Preferred Applicants submitting Application Forms and, or Authorised Financial Intermediaries submitting subscription agreements, these shall be effected in the manner specified in section 7.8 of this Securities Note.

Dealing in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

7.4 Application Form and Method for Payment

Preferred Applicants may subscribe for Bonds by submitting an Application Form to any Authorised Financial Intermediary by latest 14:00 hours on 8 October 2021. Application Forms must be accompanied by the full payment due for the Bonds applied for. A specimen of the Application Form can be found in Annex II to this Securities Note.

Pursuant to the Placement Agreements as described in more detail in section 7.5 below, PAFIs (either in their own name or in the name of underlying clients) must provide details of Applicants representing the amount they have been allocated in terms of the respective Placement Agreement by completing a data file as provided by the Registrar by latest 14:00 hours on 8 October 2021, accompanied by full payment.

Pursuant to the subscription agreements submitted by Authorised Financial Intermediaries in connection with the Intermediaries' Offer as described in more detail in section 7.6 below, Authorised Financial Intermediaries (either in their own name or in the name of underlying clients) must provide details of Applicants representing the amount they have been allocated in terms of the respective subscription agreement, by completing a data file as provided by the Registrar by latest 12:00 hours on 12 October 2021.

7.5 Placement Agreement

The Issuer has entered into Placement Agreements with PAFIs whereby the Issuer bound itself to allocate a total amount of €25 million in nominal value of Bonds to such PAFIs, which in turn bound themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Bonds, subject to:

- i. the Prospectus being approved by the Malta Financial Services Authority; and
- ii. the Bonds being admitted to trading on the Official List.

In terms of the Placement Agreements, the PAFIs may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:

- i. distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- ii. by completing a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 14:00 hours on 8 October 2021 being the Placement Date.

PAFIs must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

7.6 Intermediaries' Offer

The Issuer has reserved €15 million in Bonds together with any balance of Bonds not subscribed for by Preferred Applicants in terms of section 7.3(ii) above (together, the "**Subscription Amount**"), for subscription by Authorised Financial Intermediaries pursuant to an Intermediaries' Offer. In this regard, the Issuer shall enter into subscription agreements with Authorised Financial Intermediaries whereby it shall bind itself to allocate the Subscription Amount.

The subscription agreements shall be subject to the terms and conditions of the Prospectus and are conditional on the Bonds being admitted to trading on the Official List. Moreover, the subscription agreements shall become binding on each of the Issuer and the respective Authorised Financial Intermediaries upon delivery, provided that the Authorised Financial Intermediaries would have paid the Registrar all subscription proceeds in cleared funds by the

Intermediaries' Offer Date.

The minimum which each Authorised Financial Intermediary may apply for in terms of the applicable subscription agreement is €5,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by 14:00 hours on 8 October 2021 (the Intermediaries' Offer Date). The Issuer through the Registrar shall communicate the amount allocated under each subscription agreement by 14:00 hours on 11 October 2021.

In terms of the subscription agreements, Authorised Financial Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers and shall in addition be entitled to either:

- a. distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- b. complete a data file representing the amount they have been allocated in terms of the respective subscription agreement as provided by the Registrar by 12:00 hours on 12 October 2021.

The Issuer undertakes to allocate to each of the Authorised Financial Intermediaries subscribing for Bonds pursuant to the Intermediaries' Offer, a minimum allocation of €2 million in Bonds, subject to increase in case of subscription by the Preferred Applicants for less than €5 million in Bonds or by any of the Authorised Financial Intermediaries for less than €2 million in Bonds, as further explained in section 7.8 below.

7.7 Pricing

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

7.8 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. the amount of €25 million in nominal value of Bonds has been reserved for, and shall be allocated to, the PAFIs in accordance with Placement Agreements, details of which can be found in section 7.5 of this Securities Note;
- ii. the amount of up to €5 million in nominal value of Bonds has been reserved for allocation to Preferred Applicants; and
- iii. the remaining balance of €15 million in nominal value of the Bonds, together with any of the Bonds reserved for, and not taken up by, Preferred Applicants in terms of (ii) above, shall be allocated to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, as further detailed in section 7.6 of this Securities Note. The Issuer undertakes to allocate to each of the Authorised Financial Intermediaries subscribing for Bonds pursuant to the Intermediaries' Offer, a minimum allocation of €2 million in Bonds, subject to increase in case of subscription by the Preferred Applicants for less than €5 million in Bonds or by any of the Authorised Financial Intermediaries for less than €2 million in Bonds, as further explained below.

Should Applications submitted by Preferred Applicants exceed the reserved portion indicated in point (ii) above and the Authorised Financial Intermediaries participating in the Intermediaries' Offer collectively subscribe for less than the total minimum guaranteed allocation of €15 million, the unsatisfied excess amount reserved for subscription by Authorised Financial Intermediaries shall be allocated to the Preferred Applicants on a *pro rata* basis based on the excess applied for by the respective Preferred Applicants.

Should Applications submitted by Preferred Applicants exceed the reserved portion indicated in point (ii) above and the Authorised Financial Intermediaries participating in the Intermediaries' Offer collectively subscribe for more than the total minimum guaranteed allocation of €15 million, the unsatisfied excess amounts, both in terms of Applications submitted by Preferred Applicants and subscription agreements submitted by Authorised Financial Intermediaries, will be returned by direct credit transfer to the account number indicated on the respective Application Form or subscription agreement, as applicable, within five Business Days following the announcement of basis of acceptance.

Should Applications submitted by Preferred Applicants be less than the reserved portion indicated in point (ii) above, or should any of the Authorised Financial Intermediaries participating in the Intermediaries' Offer subscribe for less than the minimum guaranteed allocation of €2 million reserved for each participating Authorised Financial Intermediary,

then the unutilised balance shall, in either case, be allocated on a *pro rata* basis to the Authorised Financial Intermediaries participating in the Intermediaries' Offer and subscribing for more than the €2 million reserved for each of such participating Authorised Financial Intermediaries, such allocation amongst the respective intermediaries to be commensurate to the extent of the excess subscribed for.

For the purpose of determining whether the €2 million allocation per Authorised Financial Intermediary participating in the Intermediaries' Offer (as referred to in point (iii) above) has been reached, any Applications received by Preferred Applicants shall not be taken into account, as such Applications shall be attributable solely to the allocation reserved to Preferred Applicants (as referred to in point (ii) above).

The Issuer shall announce the result of the Bond Issue by not later than 15 October 2021.

7.9 Admission to Trading

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Official List with effect from 22 October 2021 and trading can be expected to commence thereafter.

7.10 Additional Information

Save for the financial analysis summary set out as Annex IV, the Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor does not have any material interest in the Issuer or the Guarantors. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The business address of the Sponsor is Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta.

ANNEX I – SPECIMEN APPLICATION FORM



**MIZZI ORGANISATION FINANCE P.L.C.
€45,000,000 3.65% UNSECURED BONDS 2028 - 2031
APPLICATION FORM 'A' - PREFERRED APPLICANTS**

This Application Form is not transferable and entitles you to subscribe for the Mizzi Organisation Finance p.l.c. 3.65% Unsecured Bonds 2028 - 2031 as either: (i) a shareholder of any of the companies forming part of the Mizzi Organisation ("Mizzi Organisation Shareholders"); or (ii) a person employed by any of the companies forming part of the Mizzi Organisation who began such employment prior to 1 January 2021 ("Mizzi Organisation Employees"); or (iii) a director of any of the companies forming part of the Mizzi Organisation ("Mizzi Organisation Directors"); together referred to as "Preferred Applicants". Please read the notes overleaf before completing this Application Form and Mark 'X' where applicable.

APPLICANT (see notes 2 to 5)

A Non-Resident Body Corporate/Body of Persons

B TITLE (Mr/Mrs/Ms/...) FULL NAME AND SURNAME / REGISTERED NAME

MSE A/C NO. (mandatory)	I.D. CARD / PASSPORT / COMPANY REG. NO.	DOCUMENT TYPE	COUNTRY OF ISSUE
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)	DATE OF BIRTH	NATIONALITY	MOBILE NO.

PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)

C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH
	NATIONALITY	

D DECISION MAKER (see note 6) (to be completed ONLY if applicable)

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH
	NATIONALITY	

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH
	NATIONALITY	

E I/WE APPLY TO PURCHASE AND ACQUIRE (see note 7):

AMOUNT IN FIGURES €	AMOUNT IN WORDS
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Mizzi Organisation Finance p.l.c. 3.65% Unsecured Bonds 2028 - 2031 (the "Bonds") (minimum subscription of €5,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 24 September 2021 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus. (See note 9)

F RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see note 8) (to be completed ONLY if the Applicant is a resident of Malta)

I/We elect to receive interest NET of FWT. I/We elect to receive interest GROSS (i.e. without FWT.)

G NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 9) (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH

NOT resident in Malta but resident in the European Union NOT resident in Malta and NOT resident in the European Union

H INTEREST, REFUND AND REDEMPTION MANDATE (see note 10 & 11) (completion of this panel is MANDATORY)

BANK	IBAN
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I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.

I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.

Signature/s of Applicant/s _____ Date _____
(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER
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Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 24 September 2021 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bonds contained in section 7.2 of the Securities Note dated 24 September 2021 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
3. Preferred Applicants are to insert the required personal details in Panel B including MSE account number which is mandatory. If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels B and C but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 5 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. **Failure to include a valid LEI code, will result in the Application being rejected by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
5. **PREFERRED APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
6. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to sign on behalf of the Applicant or in the case of applications under a discretionary account, details of the decision maker need to be included in Panel D.
7. Applications must be for a minimum subscription of €5,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
8. Only Preferred Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross.

In terms of section 6.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

9. Non-residents of Malta should note that payment of interest to individuals and certain entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of notes 8 and 9 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

10. Interest, refund and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
11. The Offer Period will open at 08:30 hours on 4 October 2021 and will close at 14:00 hours on 8 October 2021. Application for Bonds may be lodged with any of the Authorised Financial Intermediaries listed in Annex I of the Securities Note during normal office hours. **Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.** If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel H.
12. By completing and delivering an Application Form you (as the Preferred Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Preferred Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.

ANNEX II – THE GUARANTEE

To All Bondholders:

Re: GUARANTEE AND INDEMNITY

Date: 7th September 2021

Reference is made to the issue of up to €45 million 3.65% unsecured Bonds 2028-2031 to be issued by Mizzi Organisation Finance p.l.c., a public company registered in Malta bearing company registration number C 29506 (the “**Issuer**”) pursuant to and subject to the terms and conditions contained in the Securities Note forming part of the Prospectus (as defined hereunder) (the “**Bonds**”).

1. Interpretation

In this Guarantee, unless the context otherwise requires:

- a. capitalised or defined terms used in this Guarantee shall have the same meaning as that set out in the Prospectus; and
- b. “writing” or “in writing” shall mean any method of visual representation and shall include facsimile transmissions, telexes, and other such electronic methods.

2. Definitions

For the purposes of this Guarantee, the following capitalised terms shall have the meaning below:

- a. “**Indebtedness**” means all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability; and
- b. “**Guarantors**” means, collectively, (i) Mizzi Organisation Limited, a company registered in Malta bearing company registration number C 813; (ii) Consolidated Holdings Limited a company registered in Malta bearing company registration number C 1192; The General Soft Drinks Company Limited, a company registered in Malta bearing company registration number C 1591; and (iv) GSD Marketing Limited, a company registered in Malta bearing company registration number C 3774 and each a “Guarantor”; and
- c. “**Prospectus**” means the prospectus to be dated 24 September 2021 pursuant to which the Issuer shall offer the Bonds to the public.

3. Terms Of The Guarantee

3.1 Covenant to Pay

- 3.1.1** For the purposes of the Guarantee, each of the Guarantors, as primary obligors, hereby jointly and severally with the Issuer, irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantors jointly and severally undertake to pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the address or facsimile or other numbers as are stated below in clause 2.11 as the same may be changed by company announcement issued by the Issuer from time to time.
- 3.1.2** Such payment shall be made in the currency in force in Malta at the time the payment falls due.
- 3.1.3** All payments shall be made to Bondholders without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to a Guarantor by the Issuer.

This Guarantee shall apply to all of the Bonds in accordance with the terms of the Securities Note.

3.2 Guarantor as Joint and Several Surety

Each Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3 Maximum Liability

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantors to the Bondholders under this Guarantee shall be up to and shall not be in excess of €45,000,000, apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantors, which shall be additional to the maximum sum herein stated.

3.4 Continuing and Unconditional Liability

The liability of each Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer or any of the Guarantors; or
- b. the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or
- c. any change in the name, style, constitution, any amalgamation, or reconstruction of either the Issuer or a Guarantor;
- d. Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer or any other person liable; or
- e. any event, act or omission that might operate to exonerate a Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5 Indemnity

As a separate and alternative stipulation, each Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer, but which is for any reason (whether or not now known or becoming known to the Issuer, any of the Guarantors or any Bondholder) not recoverable from a Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

3.6 Representations and Warranties

3.6.1 Each Guarantor represents and warrants: -

- i. that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- ii. that it has power to grant this Guarantee and that this Guarantee is duly authorised, and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- iii. that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- iv. that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of

its property is bound;

v. that this Guarantee shall not result in or cause the creation or imposition of or oblige a Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;

vi. that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €5 million and nor is it threatened with any such procedures;

vii. that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its other existing and future unsecured obligations, except for any debts for the time being preferred by law;

viii. that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;

ix. that all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts; and

x. that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, each Guarantor shall hold true, good, and valid all the representations and warranties given under this clause.

3.7 Deposit and Production of the Guarantee

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of each Guarantor have been discharged in full, and until such time, each Guarantor acknowledges the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

3.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, each Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

3.9 Benefit of the Guarantee and No Assignment

This Guarantee is to be immediately binding upon each Guarantor for the benefit of the Bondholders. Each Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

3.10 Amendments

Each Guarantor has the power to veto any changes to the terms and conditions of the Bonds which are issued with the benefit of its Guarantee.

3.11 Notices

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by facsimile, at the time of transmission of the facsimile, provided that in the case of a change in the details of specified below, a company announcement by the Issuer to this effect shall constitute sufficient and proper notice to the Bondholders for the purposes of this clause.

For the purposes of this Guarantee, the proper addresses and facsimile numbers of the Guarantors are:

i. Mizzi Organisation Limited

Address: Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407, Malta

Contact Person: Kevin Caruana

Tel. No.: +356 25969503

ii. Consolidated Holdings Limited

Address: Mizzi Organisation Corporate Office, Testaferrata Street, Ta' Xbiex XBX 1407

Contact Person: Kevin Caruana

Tel. No.: +356 25969503

iii. The General Soft Drinks Company Limited

Address: Marsa Industrial Estate, Marsa MRS3000, Malta

Contact Person: Kevin Caruana

Tel. No.: +356 25969503

iv. GSD Marketing Limited

Address: Marsa Industrial Estate, Marsa MRS3000, Malta

Contact Person: Kevin Caruana

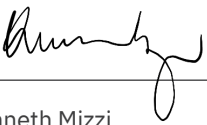
Tel. No.: +356 25969503

3.12 Governing Law and Jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese Law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance, or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

SIGNATURES PAGE



Mr Kenneth Mizzi




Mr Brian Mizzi



Mr Maurice Mizzi

Each duly authorised, for and on behalf of
Mizzi Organisation Limited



Mr Kenneth Mizzi

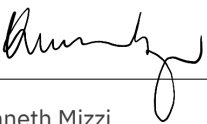


Mr Brian Mizzi



Mr Maurice Mizzi

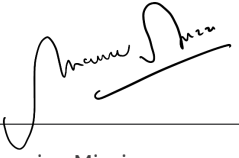
Each duly authorised, for and on behalf of
Consolidated Holdings Limited



Mr Kenneth Mizzi

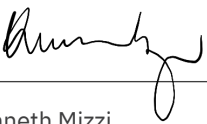


Mr Brian Mizzi



Mr Maurice Mizzi

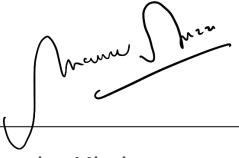
Each duly authorised, for and on behalf of
The General Soft Drinks Company Limited



Mr Kenneth Mizzi



Mr Brian Mizzi



Mr Maurice Mizzi

Each duly authorised, for and on behalf of
GSD Marketing Limited

ANNEX III – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp St Venera SVR 1011	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	21220002
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	21224410
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, St Marta Street, Victoria, Gozo VCT 2550	22587000
MZ Investment Services Ltd	61, St. Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000



Rizzo, Farrugia & Co (Stockbrokers) Ltd
Airways House, Fourth Floor, High Street, Sliema SM1551, Malta
T. +356 22583000 E. info@rizzofarrugia.com W. www.rizzofarrugia.com

The Board of Directors

Mizzi Organisation Finance plc

Mizzi Organisation Corporate Office,
Testaferrata Street,
Ta' Xbiex XBX 1407,
Malta

24 September 2021

Dear Sirs,

Mizzi Organisation Finance plc – Financial Analysis Summary (the “Analysis”)

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

The purpose of the Analysis is that of summarising key financial data appertaining to Mizzi Organisation Finance plc (a public limited liability company registered under the laws of Malta bearing company registration number C 29506) (the “**Company**” or “**Issuer**”) and of each of Mizzi Organisation Limited (C 813), Consolidated Holdings Limited (C 1192), The General Soft Drinks Company Limited (C 1591) and GSD Marketing Limited (C 3774), as guarantors for the bond issue (the “**Guarantors**”). The data is derived from various sources or is based on our own computations and analysis of the following:

- a. Historic financial data for the three years ended 31 December 2018 to 2020 has been extracted from both the Issuer’s and the combined Guarantors’ audited statutory financial statements for the three years in question, as and when appropriate.
- b. The forecast data for the financial years ending 31 December 2021 and 2022 have been provided by management of the Issuer and/or the Guarantors, as applicable.
- c. Our commentary on the results of the Issuer and the Guarantors and on the respective financial position is based on the explanations provided by the Issuer and/or the Guarantors, as applicable.
- d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.
- e. Relevant financial data in respect of competitors as analysed in part D has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

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

Yours sincerely,

Vincent E Rizzo

Director

FINANCIAL ANALYSIS SUMMARY

2021



Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as amended.

24 September 2021



Table of Contents

IMPORTANT INFORMATION

LIST OF ABBREVIATIONS

PART A BUSINESS & MARKET OVERVIEW UPDATE

PART B FINANCIAL ANALYSIS

PART C COMPARATIVES

PART D GLOSSARY

IMPORTANT INFORMATION

Purpose of the Document

Mizzi Organisation Finance plc (the “**Company**”, “**MOF**”, or “**Issuer**”) is issuing up to €45 million 3.65% UNSECURED bonds 2028-2031, pursuant to a prospectus dated 24 September 2021 (the “**Bond Issue**”). In terms of the MFSA Listing Policies dated 5 March 2013 (as revised on 13 August 2021), bond issues targeting the retail market with a minimum subscription level of less than €50,000 have to include a Financial Analysis Summary (the “**FAS**”) which is to be appended to the Prospectus and which needs to be updated on an annual basis.

Sources of Information

The information that is presented has been collated from a number of sources, including the Company’s and the combined Guarantors’ (known as ‘Mizzi Organisation’) audited financial statements for the years ended 31 December 2018, 2019 and 2020, forecasts for financial years ending 31 December 2021 and 2022, as well as information from management.

Forecasts included in this document have been prepared and approved for publication by the directors of the Company and, or the Guarantors, as applicable, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Abbreviations

AFL	Arkadia Foodstores Limited
AML	Arkadia Marketing Limited
CCL	Continental Cars Limited
CHL	Consolidated Holdings Limited
FY	Financial year
GSD	The General Soft Drinks Company Limited
IELS	Institute of English Language Studies Limited
IML	Industrial Motors Limited
ISTB	Is-Suq tal-Belt
Legacy	Legacy Contractors Ltd
MAS	Mizzi Automotive Services Limited
MML	Muscats Motors Limited
MOL	Mizzi Organisation Limited
MZM	Mizzi Motors Limited
NMS	Nissan Motor Sales Limited
UAFL	United Acceptances Finance Limited
WHL	Waterfront Hotel Limited

Part A Business and Market Overview Update

1. Introduction

Mizzi Organisation Finance plc (“**MOF**”, the “**Issuer**”, or the “**Company**”) is a finance vehicle. It forms part of Mizzi Organisation (“**MO**”), a conglomerate of companies which although not considered as a group in accounting terms in view of their diverse shareholding by members of the Mizzi family, they operate as one group of companies with interest in six main areas:

- a. Automotive
- b. Beverage
- c. Food and fashion retail
- d. Hospitality
- e. Real estate
- f. Contracting

2. Business Overview

Automotive Sector

The automotive sector has been one of the first sectors that the Mizzi Organisation started operations in, with operations dating back to 1920. This segment is divided in two:

- a. Retail, leasing and servicing of motor vehicles and spare parts
- b. Financing of motor vehicles bought from Mizzi Organisation

There are nine companies that operate in this segment, which apart from the sale of the brand of vehicles listed below, also offer additional services, namely:

Continental Cars Limited (CCL)	Volkswagen Audi Cupra SEAT Porsche	<ul style="list-style-type: none"> • Offers also servicing of these vehicles • Offers parts for the vehicles
Industrial Motors Limited (IML)	Mitsubishi Suzuki Renault Trucks	<ul style="list-style-type: none"> • Offers also servicing of these vehicles • Offers parts for the vehicles
Muscat Motors Limited (MML)	BMW Mini Jaguar Landrover MG Motorrad	<ul style="list-style-type: none"> • MML is also the authorised repairer for Daihatsu • Offers servicing for the vehicles • Offers parts for the vehicles
Nissan Motor Sales Limited (NMS)	Nissan	<ul style="list-style-type: none"> • Offers also servicing of these vehicles • Offers parts for the vehicles
Mizzi Automotive Services Limited (MAS)	Any brand	<ul style="list-style-type: none"> • Panel beating and spray painting services on any model of cars (not limited to MO-represented brands)
Mizzi Lease Limited (MLL)	Any brand	<ul style="list-style-type: none"> • Offers private and corporate vehicle leasing services
United Acceptances Finance Limited (UAFL)	MO-represented brands only	<ul style="list-style-type: none"> • Provides car financing to MO automotive clients
Mizzi Motors Limited (MZM)		<ul style="list-style-type: none"> • Acts as the head office for the automotive sector
Mizzi EV	Any brand	<ul style="list-style-type: none"> • Leasing of Electric and PHEV cars

Over the years, the Maltese automotive sector has been characterised by second-hand imports which competed directly with the franchised brands of MO. According to the National Statistics Office of Malta, new passenger car registrations in 2020 amounted to 13,212 (2019: 18,889), of which 4,602 (2019: 7,689) were new vehicles, with the balance being second hand imported cars.

According to management, MO has a 29% market share of new cars registered in Malta. Furthermore, this sector is one of the largest contributors to MO's revenue and EBITDA, as explained further in section 9 of this report.

Beverage Sector

The beverage sector is the other segment that provides a healthy contribution to the revenue and EBITDA of MO. This segment has a history that dates back to the 1970s. The companies that operate this segment are GSD and GSDM (two of the Guarantors of the Bonds). GSD produces and packages soft drinks and mineral water for distribution (by GSDM) in Malta. The bottling of branded beverages represented by the companies are subject to bottling agreements, some of which having been in place for over 40 years. Bottling is done in a facility located in Marsa measuring 33,393 sqm, which is built over land owned by Malta Enterprise and subject to emphyteutic rights.

Apart from distribution of the bottled and/or imported alcoholic and non-alcoholic beverage brands, GSDM also operates a series of vending machines across the Maltese Islands.

In August 2020, GSD and GSDM, along with other beverage producers in Malta, set up BCRS Malta Limited, a company that was incorporated with the aim of introducing a beverage container refund scheme in Malta. Such scheme is being introduced in order to manage waste of single-use plastic packaging.

This segment enjoys a strong presence in the local market for beverages.

Food and Fashion Retail Sector

This segment is divided in four operations:

- The operations of the "Arkadia" chain of food stores, located in Malta and Gozo. This chain is made up of four foodstores located at the Portomaso complex, at the Arkadia Commercial Centre in Victoria Gozo, within the *Is-Suq tal-Belt in Valletta* and a FoodExpress store in Swatar;
- The operations of *Is-Suq tal-Belt (ISTB)*, a food market in Valletta, Malta. This building operates as a food market, in the lower level that sell, meat, groceries, delicatessen, fruit and vegetables as well as other food items, similar to what the ISTB used to be before it was refurbished by MO; a food court with a number of food operators on level 0; a mixed-use space on level 1; and a restaurant on level 2. The operation of ISTB commenced in 2018 and is subject to emphyteutic rights;
- The operation of fashion outlets as the franchisee of internationally renowned fashion brands. It is the authorised franchisee of Piazza Italia®, Orsay® and Parfois®. In such capacity it is authorised to sell the said branded fashion clothing and accessories from stores located in prime locations, in Valletta, Paola, Sliema, and Gozo; and
- The operation of the Arkadia Commercial Centre in Gozo which comprises a shopping complex situated in a prime area in Victoria that houses a number of fashion and other retail and food outlets. Some fashion outlets are operated by MO for the franchised brands.

Hospitality Sector

The principal operation in the sector is the Waterfront Hotel in Sliema. The hotel features 165 rooms, while offering amenities including lido facilities, indoor pool, fitness centre, restaurant and a lobby bar. The hotel was closed between November 2016 and June 2017 for major extension and refurbishment works, with an investment of around €8.5 million. Until the time that the COVID-19 pandemic created havoc globally as from March 2020, the hotel achieved positive results and since re-opening following the lifting of restrictions and lockdowns, it has seen an encouraging gradual recovery in occupancy levels. WHL entered into a joint venture agreement with another two nearby hotels to build and operate a lido in front of the hotels. This was opened in August 2021 and is known as the Aqualuna Lido.

Real Estate Sector

The real estate sector is one of the largest in terms of asset value of MO. Mizzi Organisation has been active in the real estate sector over the years, accumulating a significant property portfolio primarily located in prime areas. The value of this portfolio is €165 million (as per FY2020 financial statements).

The majority of the properties are used by MO companies and these are (whose value is €102 million):

- Muscats Motors showroom, Rue D'Argens, Gzira, Malta
- Continental Cars showroom, Testaferrata/Princess Margaret Street Ta' Xbiex, Malta
- Industrial Motors showroom, Antonio Bosio Street, Msida, Malta
- Nissan showroom, National Road, Blata l-Bajda, Malta
- GSD Factory, Marsa, Malta
- The Arkadia Commercial Centre, Gozo

- The Waterfront Hotel, Sliema, Malta
- Petrol station, Blata l-Bajda, Malta
- Garage formerly known as “John’s Garage”, Qormi, Malta
- Titan Offices & Stores, Antonio Bosio Street, Msida, Malta

In addition to the above, MO holds another portfolio of properties which are classified as investment properties. These have a carrying amount of approximately €63 million, located in prime areas in Qormi (ex-GSD premises), Blata l-Bajda, Mellieha, St Julian’s, Bugibba, Sliema and Gzira. The site in Qormi consisting of a total area of 7,166sqm is partially (5,385sqm) under promise of sale agreement, and is located along Mdina Road. The contract of sale is expected to be concluded between Q4 2021 and Q1 2022.

Contracting Sector

This sector is operated through Titan International Ltd and Legacy Contractors Ltd which offer:

- mechanical and electrical engineering contracts, including installation of industrial and domestic air-conditioning systems and lifts; and
- importation, wholesaling, retailing and installation of electrical components, solar water heating, under-floor heating, air extractors, and power tools.

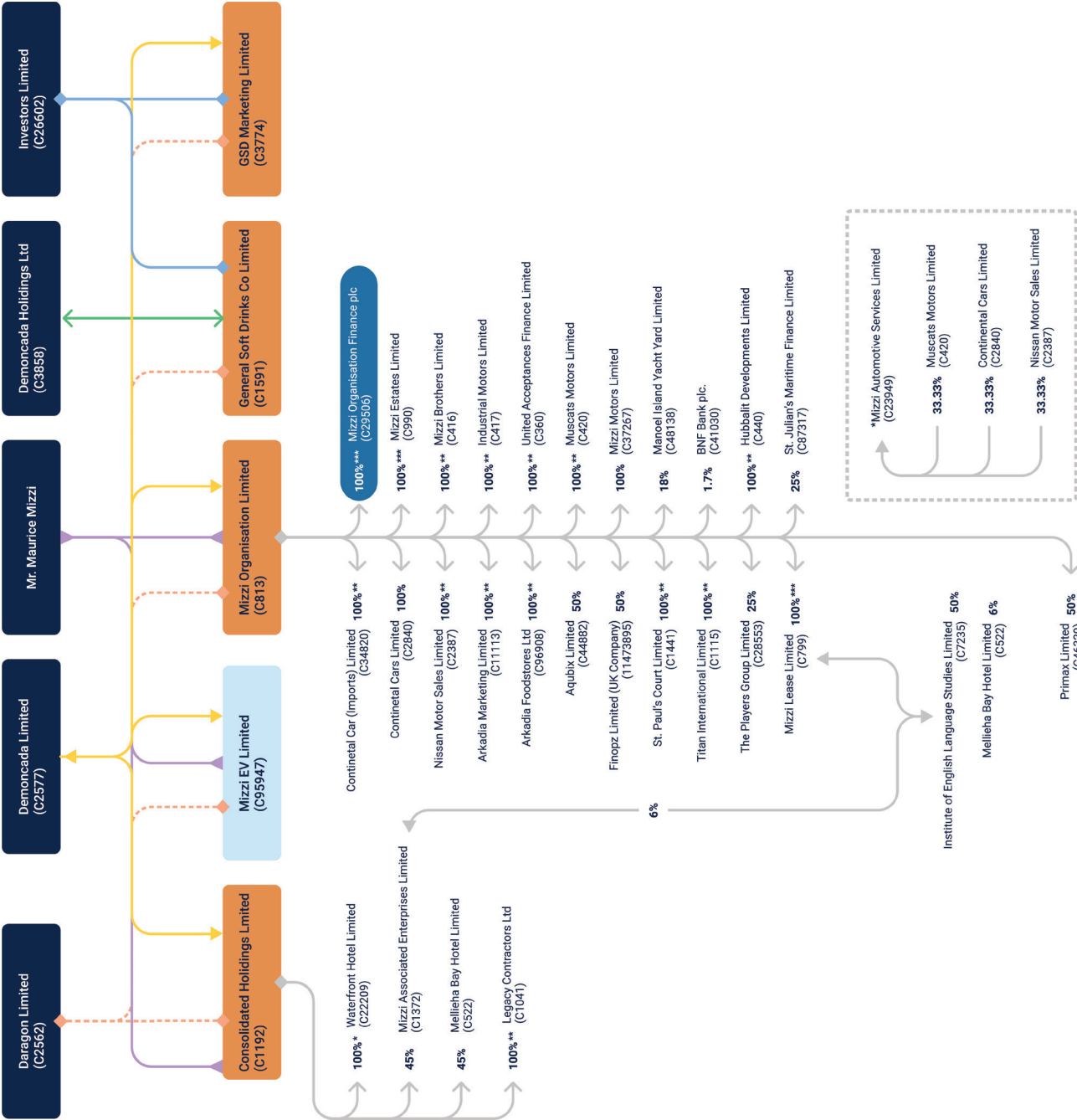
Other Business Interests

MO holds investment interests in companies with other third parties in a variety of sectors, including:

- The Players Group Limited (C 28553) – operating within the gaming sector. MO’s investment (through MOL) is 25%. The company is the operator of the National Lottery games in Malta.
- St Julian’s Maritime Finance Limited (C 87317) – operates within the finance sector. MO holds a 25% interest (through MOL) in this company, which offers a one-stop shop for yacht-related financing services, including asset-backed financing, registration and corporate structure services, as well as finance lease arrangements.
- Manoel Island Yacht Yard Limited (C 48138, MIYY) – operates within the marine sector. MO holds 18% interest in MIYY through MOL. MIYY offers yacht repairs and is one of the oldest established yards in the Mediterranean.
- Aquibix Limited (C 44882, 50% ownership) and its sister FINOPZ Ltd (UK-registered, also 50%) - operate within the IT sectors. These companies offer IT consultancy and related software services to regulated entities (in particular related to know-your-customer requirements).
- Institute of English Language Studies Limited (C 7235) - operates within the hospitality and educational sectors. MO has a 50% shareholding in this company, which offers English language teaching to non-English students, offering packages tailored to the requirements of the students.
- Mellieha Bay Hotel Limited (C 522, MBH) – operates in the hospitality sector. MO holds a 51% share in MBH. The hotel is currently closed and there is an application with the Planning Authority for the re-development of the hotel.

3. Group Structure

The below organisation chart shows the main companies that form part of the Mizzi Organisation (“MO”), including the Issuer and the Guarantors.



Legend:

- * Save for one share held by MOL (in the case of WHL) and for two shares held by MOL (in the case of GSD)
- ** Save for one share held by Mizzi Lease
- *** Save for one share held by CHL

4. Corporate Governance and Management

Board of Directors – The Issuer

The Company's board of directors as at the date of this document comprises the following:

Brian R. Mizzi	Executive Director
Kenneth C. Mizzi	Executive Director
Maurice F. Mizzi	Executive Director
Carmel J. Farrugia	Non-Executive, Independent Director
Kevin Rapinett	Non-Executive, Independent Director
Joseph M. Galea	Non-Executive, Independent Director

The Company Secretary is Kevin Caruana, while Andrew Manduca occupies the role of Chairman to the Board (holding a casting vote).

Board of Directors – The Guarantors

The Guarantors' respective boards of directors as at the date of this document comprise the following:

		CHL	GSD	GSDM	MOL
Brian R. Mizzi	Executive Director	✓	✓	✓	✓
Maurice F. Mizzi	Executive Director	✓	✓	✓	✓
Kenneth C. Mizzi	Executive Director	✓	✓	✓	✓
Angele Calleja	Executive Director	✓			✓
Christopher Mizzi	Executive Director	✓			✓
Ian Mizzi	Executive Director	✓			✓
Veronica Mizzi	Executive Director	✓			✓

Kevin Caruana is the company secretary of all the Guarantors.

Senior Management

The following is the senior management team within MO:

Nicky Camilleri	CFO of MO Group
Maurizio Micallef	COO – Automotive Division of MO
Maria Micallef	CEO – Beverage Division & WHL
David Shone	GM of AML
Matthew Caruana Smith	GM of Suq tal-Belt
Steve Azzopardi	GM of Titan
Charmaine Camilleri	GM of WHL
Kevin Muscat	GM of Mizzi Estates
Giancarlo Millo	Chief Internal Auditor of MO
Daniel Aquilina	Financial Controller of MOF

5. Major Assets

The Issuer is a special purpose vehicle set up to act as a financing company of MO entities through capital market issues. MOF currently does not have any substantial assets.

MO's major assets include a property portfolio that is used for the operations of the various entities forming part of the organisation, investment in associates, inventories and a balance of trade and other receivables, which as at the respective year ends of 2018, 2019 and 2020 consisted of:

<i>as at 31 December</i>	2018	2019	2020
	€'000	€'000	€'000
PPE	121,899	123,015	125,629
ROU Assets*	-	22,415	20,664
Investment Property	59,948	67,905	71,461
Investment in Associates	22,837	21,894	20,649
	204,684	235,229	238,402
Inventories	30,613	33,699	28,831
	235,297	268,928	267,233
Trade and Other Receivables			
Non-current	16,772	18,716	18,602
Current	42,040	42,849	32,541
	294,108	330,492	318,376

**ROU Assets – the recognition of ROU assets in the combined statement of financial position for MO as from 01 January 2019 on adoption of IFRS 16 - Leases*

An analysis of MO's assets is included in section 10 of this FAS.

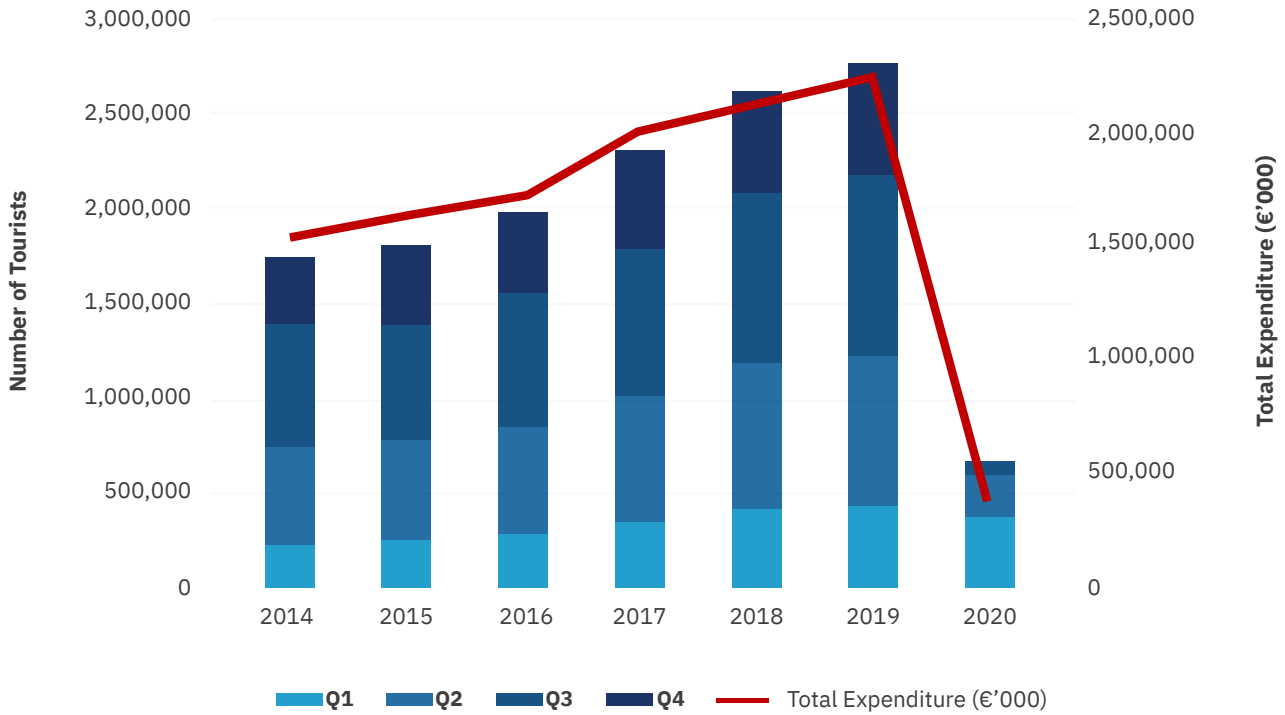
6. Market Overview

Tourism & Hospitality Industry

Tourism has traditionally been one of the major pillars of the Maltese economy. 2020 was bound to be another strong year for tourism as evidenced by the superior performance registered during the first two months of the year. However, the outbreak of COVID-19 in March 2020 materially disrupted this economic sector in view of the various travel restrictions imposed by various governments and/or health authorities around the world.

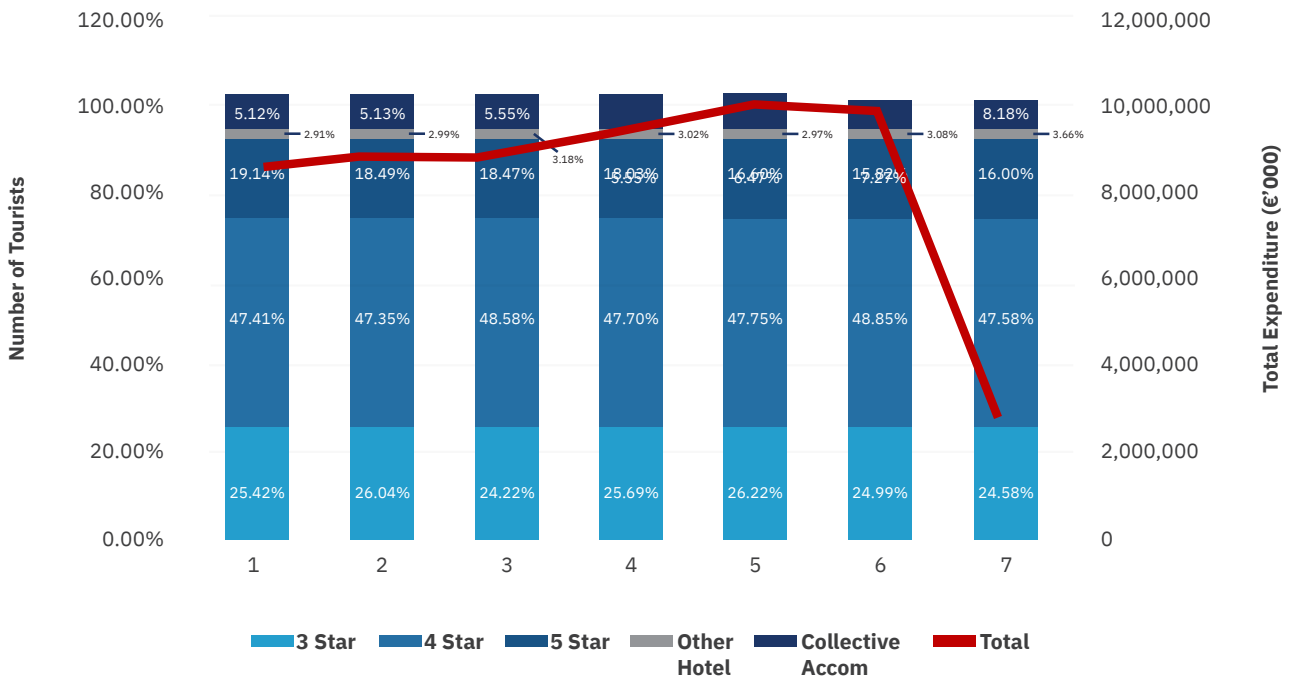
In contrast to the growth that has been consecutively achieved in prior years, during 2020 Malta welcomed just 0.66 million tourists representing a 76.1% drop from the previous year's figure of 2.75 million tourists. Likewise, expenditure also sharply contracted to a fresh multi-year low of €0.46 billion compared to the more than €2.2 billion registered in FY2019.

Tourism Indicators



Source: NSO, Rizzo Farrugia Analysis

Demand in Collective Accommodation Tourist Nights



Source: NSO, Rizzo Farrugia Analysis

Beverage Industry

The overall growth experienced in the food and beverage market in Malta has been driven by the growth in Maltese GDP as the population became more affluent. Following a considerable decline of 7.8% in 2020, the Maltese economy is envisaged to rebound by 5.6% this year and expand by a further 5.8% in 2022.¹ As such, by the end of 2022, the Maltese GDP is set to exceed pre-pandemic levels.

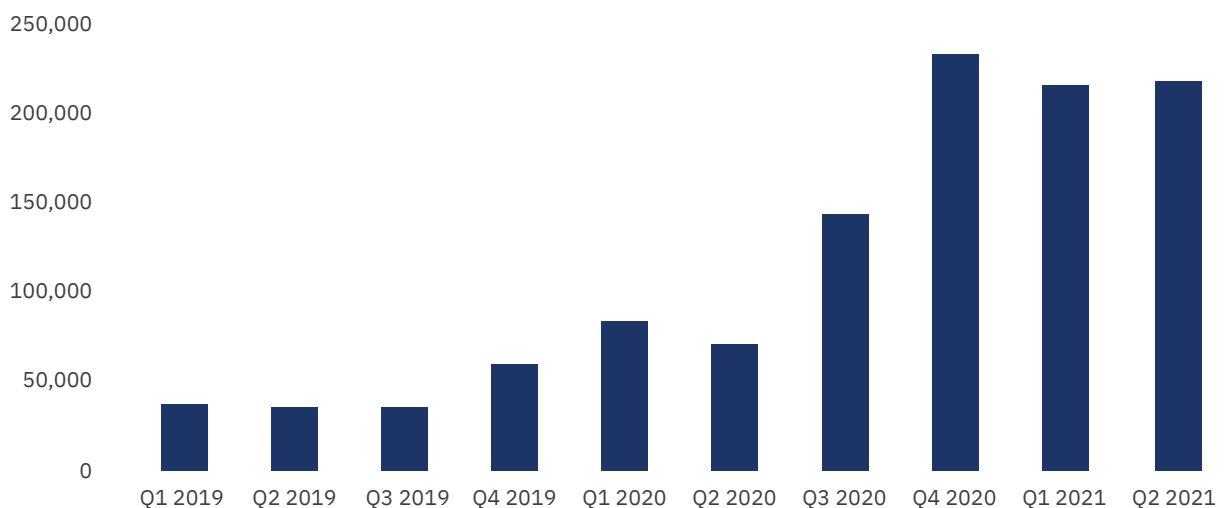
During the pandemic, the beverage industry experienced a shift in trends, such as new flavour experimentation caused by self-isolation, a bigger demand in ready-to-drink cocktails, the demand for home consumption of beverages, particularly alcoholic, increased, while there was a shift in the purchasing trends towards e-commerce.

The shift towards healthier beverages continues to mould the trends in this sector. Awareness of the harms caused by sugary beverages has shifted consumer demands over the recent years, and this trend is expected to subsist in the future years. Environmental consciousness also plays a key role in the shift in trends, as producers are seeking to make the packaging for their beverages using recyclable material and embark on waste management practices.

Automotive Industry

The trends in the automotive industry have been characterised by a considerable shift towards the hybrid and electric vehicles. The EU has set a target of 30 million electric cars by 2030² as it aims to steer Member States away from fossil-based transportation means. In fact, Europe experienced a compounded annual growth rate (CAGR) of electric and/or hybrid vehicle registrations of 130% and 155%, respectively.

No. of Plug-In Hybrid Vehicle Registrations in the EU



Source: <https://www.statista.com/statistics/1022099/number-of-hybrid-electric-vehicle-registrations-in-the-eu/>

Food Retail Industry

The consumer goods and fast-moving consumer good (FMCG) market continuously adapts to evolving consumer demand and trends. Digital innovation, the COVID-19 pandemic, and an increased focus on sustainable and healthy habits have been just some of the biggest influences on the consumer goods market in recent years. Digitalisation has put the customer in the drivers' seat and has enabled comparison and scrutinising of products on the spot. Building a loyal consumer base in this highly competitive market means that consumer goods companies must optimise their marketing strategies and brand awareness in order to attract and retain consumers while remaining competitive.

The pandemic altered how consumers shop and became a huge market disruptor; cleaning products, shelf-stable food and beverages, and toilet paper became hard to come by within days in some regions on the outset of the pandemic. Similar to other industries, the role of sustainability and waste management is having a growing impact on the consumer goods market; there is an increasing demand for more sustainably and ethically produced products across the whole consumer goods spectrum.

¹ European Commission, *European Economic Forecast Summer 2021*, July 2021

² <https://www.reuters.com/article/us-climate-change-eu-transport-idUSKBN28E2KM>

Fashion industry

Shopping malls and fashion retail outlets lost their lure during the pandemic, as they were considered as part of the non-essentials and had to remain closed during the various lockdowns across Europe. Consumers sought online sales for clothing and footwear purchases, although the demand was lower, characterised by the lockdowns and cancellation of social events, work-from-home and other factors that lower the demand for fashion products.

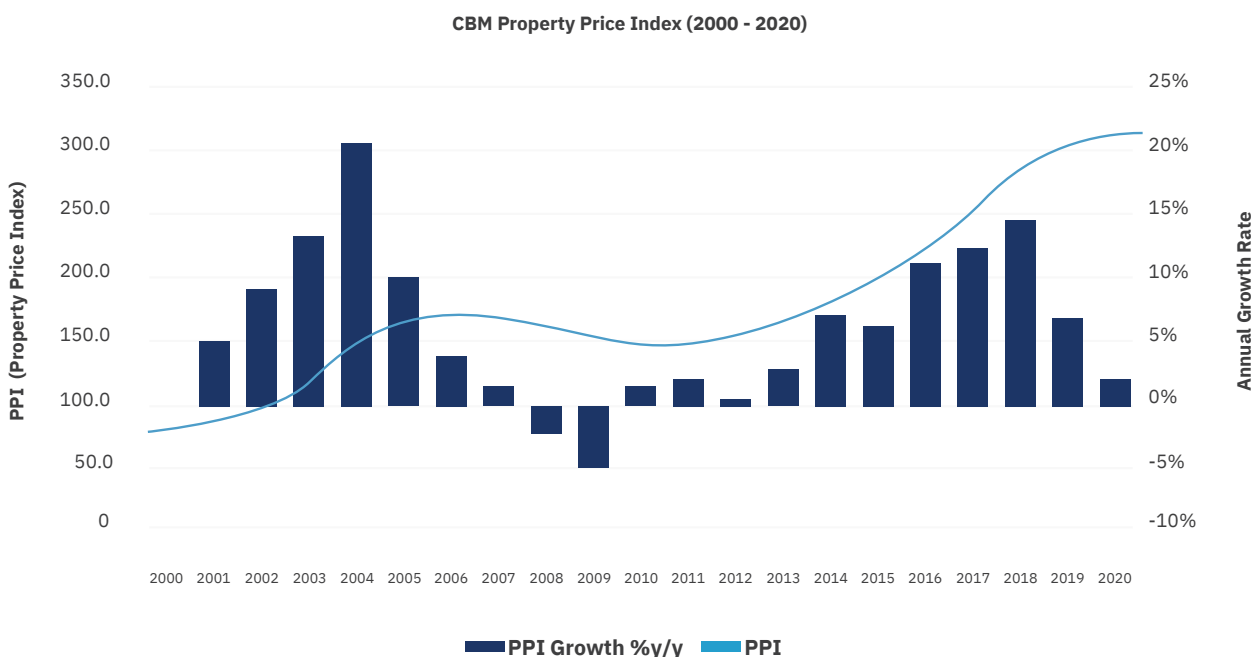
As lockdowns eased, people started heading back to offices and social events and gatherings started picking up, Fashion outlets (those that remained operational) started seeing a return of their customers. Nevertheless, city centre shopping malls that benefitted from tourist footfall are still struggling with their performance as tourism has not yet recovered to pre- COVID-19 levels in view of the new surges in active cases, as well as the current restrictive travelling requirements.

Real Estate & Construction Industry

The construction and real estate industry has traditionally been a key driver of growth for the local economy. Moreover, the positive correlation between the performances of the local economy and the construction and real estate industry has been particularly evident in recent years. These have been mainly fuelled by favourable local and external macroeconomic dynamics as well as various initiatives (including fiscal incentives) by the Government of Malta aimed at boosting the overall level of public and private investment, regenerate business/retail and consumer confidence, and increase the participation and relocation of numerous foreigners and foreign companies opting to reside and do business in Malta.

The outbreak of COVID-19 disrupted the momentum that was building in the local economy as all sectors were adversely affected. The construction and real estate industry was no exception although the data indicated that the industry has been relatively resilient.

The most recent data issued by the Central Bank of Malta shows that residential property prices in Malta (based on advertised prices) increased by 1.7% in 2020 over the previous year. This led the CBM Property Price Index, which tracks movements in the advertised prices of the major types of residential property, to reach a new all-time high of 303.6 points as at the end of 2020 compared to 298.7 points as at the end of 2019.



Source: Central Bank of Malta

Sources Used for the Market Overview:

<https://www.fooddrinkeurope.eu/wp-content/uploads/2021/02/FoodDrinkEurope-Data-Trends-2020-digital.pdf>
<https://www.statista.com/markets/415/consumer-goods-fmcg/>
<https://www.reuters.com/article/us-retail-europe-analysis-idUSKCN24S0D7>

Part B Financial Analysis

7. Introduction to Part B

Historical Financial Information

The following sections provide an overview of the historic financial information of the Company and the Guarantors (combined) over the past three financial periods ending 31 December 2020 and an outlook for financial years 2021 and 2022. Any figures may be subject to rounding.

COVID-19 Update

FY2020 was not a normal year for any business operation around the globe. Disruptions, lockdowns and restrictions affected companies in a variety of ways, and the operations and performance of the companies within MO were also impacted, the extent of which was dependent on the sector that they operated in, as summarised hereunder:

- **Automotive** – this sector was not subject to a forced lockdown, however, there was considerable loss of sales and profitability. Cost containment and government schemes were effective in the management of the impact of COVID-19 on this sector. Management expects this sector to gradually start recovering in the latter part of 2021, although not to pre-COVID-19 levels as yet.
- **Beverage** – COVID-19 restrictions resulted in the cancelling of all social events and the closure of restaurants, pubs and bars, and led to lower (to none) tourist arrivals – all of which had an effect on MO’s beverage companies’ performance. Costs management and government schemes were also required in this sector in order to minimise the impact of the pandemic on the performance of these companies.
- **Food and fashion retail segment** – this segment was also impacted by the pandemic, following forced closure of all non-essentials (which included fashion stores). The foodstores and ISTB, although they were not forced to close, were impacted by lower footfall, attributable in the main by the lower amount of tourist arrivals. In addition, rentals from tenants at ISTB and the Arkadia Commercial Centre had to be renegotiated during the pandemic, which negatively affected further the performance of this segment.
- **Hospitality** – the tourism industry was the one worst hit during the pandemic, and which affected many other sectors (as has also been intimated above). While the WFH did not close and MO offered the hotel as accommodation for persons that required separate accommodation from their family members in view of quarantine requirements, the returns generated from the hotel were not comparable to “normal” pre-COVID-19 periods.
- **Mechanical and Engineering Contracting** – while the COVID-19 restrictions did not necessitate the closure of this segment’s outlets, the commissioning of new projects was delayed, slowed down or shelved. In terms of domestic demand, there was a general reluctance to allow third parties in private residencies, and this area was also impacted by the pandemic.
- **Real Estate** – impact on this segment due to COVID-19 was limited to the slow take up of space within the Pangea office building in St Julian’s, while Mizzi Estates offered some discounts on the rents payable by MO companies operating within the automotive segment.

8. The Issuer's Financial Statements

Income Statement

	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Net Interest Income	13	13	13	68	270
Administrative Expenses	(23)	(23)	(22)	(72)	(106)
Loss Before Tax	(10)	(10)	(10)	(4)	164
Tax Income	8	4	3	-	(58)
Loss for the Year	(2)	(7)	(6)	(4)	106

Statement of Financial Position

	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Assets					
Loans & Advances	425	400	370	44,420	44,420
Receivables	21	10	23	-	-
Cash & Cash Equivalents	1	21	11	517	703
Total Assets	447	432	404	44,937	45,123
Equity & Liabilities					
Capital & Reserves					
Share Capital	233	233	233	303	303
Accumulated Losses	1	(6)	(12)	(17)	90
Total Equity	234	227	221	287	393
Liabilities					
Bond	-	-	-	44,069	44,149
Payables	213	204	183	581	581
Total Liabilities	213	204	183	44,650	44,730
Total Equity and Liabilities	447	432	404	44,937	45,123

Statements of Cash Flows

	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Net Cash Used in Operating Activities	(52)	(4)	(41)	436	187
Net Cash from Investing Activities	-	25	30	(44,050)	-
Net Cash from Financing Activities	-	-	-	44,120	-
Net Movements in Cash & Cash Equivalents	(52)	21	(11)	506	187
Cash & Cash Equivalents at the Beginning of the Year	52	1	21	11	517
Cash & Cash Equivalents at the End of the Year	1	21	11	517	704

Historic Analysis (FY2018 – FY2020)

The Company has been dormant for the historic financial period covered in this report (FY2018 to FY2020). The objective of the Company is to serve as MO's finance company when MO raises funds through the capital market. It was the issuer of €30 million bonds in 2009 (ISIN: MT0000211210), which bonds were redeemed in 2016.

Outlook FY2021 and FY2022

In FY2021, the Company will serve as the issuer of the Bonds, thereby recognising the bonds as liabilities in its balance sheet. The funds will be on-lent to MOL (part of which will be on-lent to other MO companies) which will be recognised as a receivable going forward.

The bonds will accrue interest payable to bondholders at the rate of 3.65% per annum. The loans to MO will attract an interest in excess of the payable 3.65% coupon, which margin would be used to cover the amortisation of bond costs and administrative fees.

9. The Guarantors' Combined Income Statement

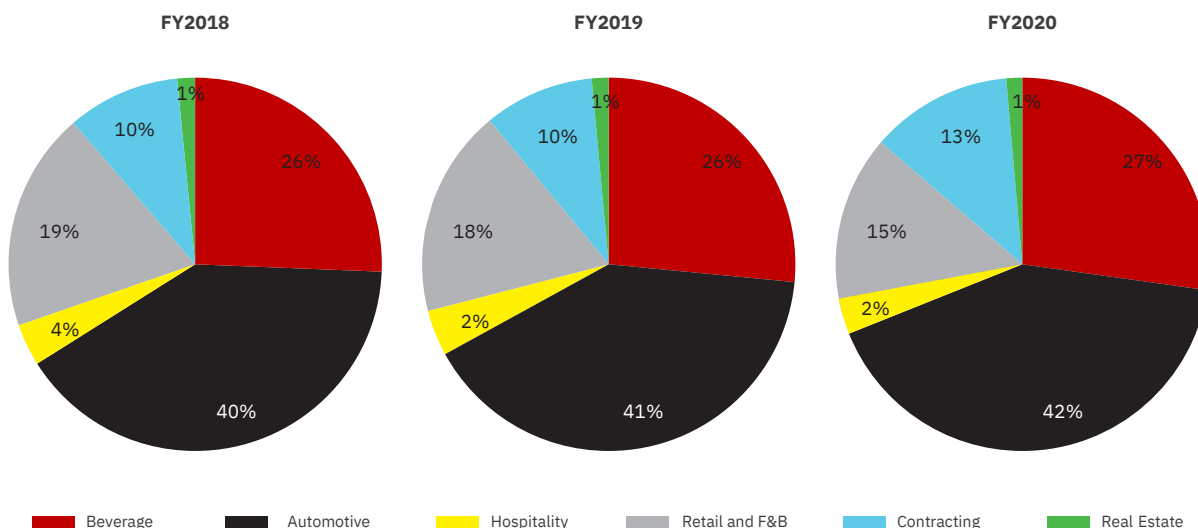
	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Revenue	175,017	175,247	139,686	144,476	162,658
Operating Expenses	160,379	158,624	129,949	134,314	146,133
EBITDA	14,638	16,623	9,737	10,162	16,525
Depreciation of PPE	7,105	7,592	8,042	8,701	9,200
Depreciation (ROU)	-	1,799	1,942	1,837	1,496
Amortisation	21	21	21	21	21
<i>One-Off Adjustments</i>					
Gains from Changes in FV of IP	-	(454)	(3,754)	(896)	(725)
Impairment Charges on PPE	-	-	4,954	-	-
Profit on disposal of PPE and assets held for sale	(395)	(473)	(412)	-	-
Other gains from disposal of property	-	(773)	-	-	-
Bad Debts	19	19	146	340	351
Movement in Credit Loss Allowances	(102)	256	2,283	146	466
EBIT	7,990	8,635	(3,485)	13	5,716
Share of Profits from Associates	1,716	14,378	456	-	-
Investment and Other Related Income	126	182	289	-	-
Net Finance Costs	(3,372)	(3,976)	(3,855)	(3,204)	(3,679)
Profit / (loss) before Tax	6,460	19,220	(6,596)	(3,191)	2,037
Taxation	(1,032)	(2,323)	(667)	(651)	(436)
Profit / (loss) after Tax	5,429	16,897	(7,262)	(3,842)	1,601

Historic Analysis (FY2018 – FY2020)

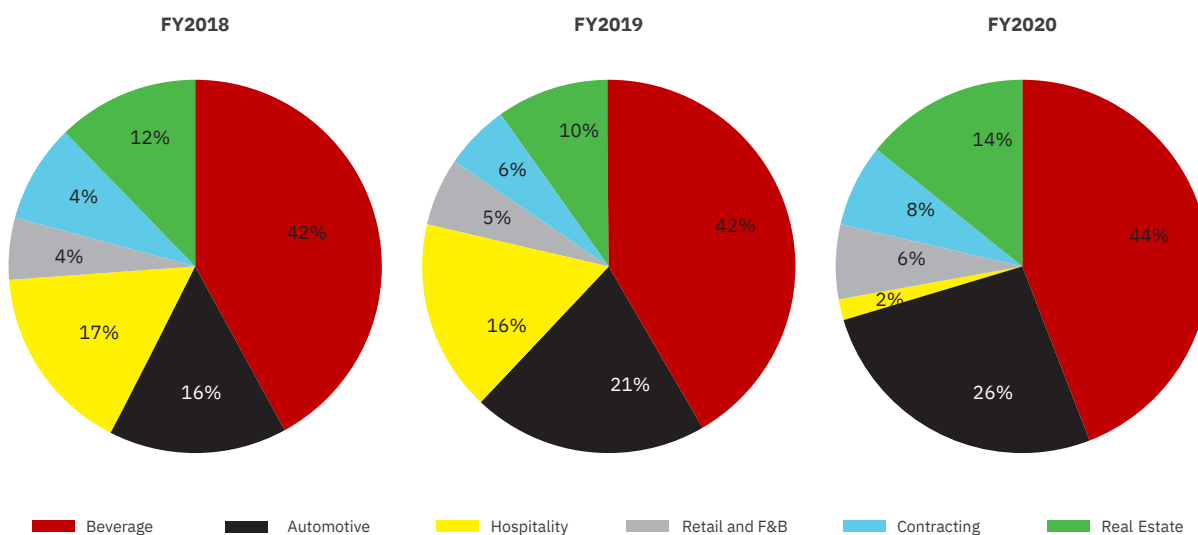
Revenue in FY2018 and FY2019 was fairly stable at approximately €175 million in both years, decreasing by 20% to €139.7 million in FY2020 as a result of the effects of the pandemic, as explained in further detail in section 7 above. EBITDA in FY2020 also took a hit to €9.7 million, from the €16.6 million reported in FY2019 (FY2018: €14.6 million).

Over the years, the Beverage and the Automotive segments represented the two largest contributors to Revenue, with the former being the biggest EBITDA contributor to the combined results of MO over the years under review.

Revenue Contribution by Sector



EBITDA Contribution by Sector



Meanwhile, although the Retail and F&B segment generated between 15% (FY2020) and 19% (FY2018) of revenue, the contribution of this segment to EBITDA is quite low in view of the general negative performance of ISTB over the period.

MO's combined income statement for FY2020 includes a number of one-off entries affecting the performance of the conglomerate. The €3.8 million fair value gain recognised in FY2020 was due to the gain realised through the sale of a property, although this was completely net off by an impairment charge necessary on other MO investments of nearly €5 million. The increase in credit loss allowances provided for in FY2020 related to increases in provisions of outstanding debtors as per IFRS 9 – *Financial Instruments*, mainly due to changes in credit terms brought along by the COVID-19 pandemic.

Following depreciation and amortisation charges of €9.4 million, earnings before interest and tax (EBIT) came in negative in FY2020 at €3.5 million. In earlier years, EBIT stood at €8 million in FY2018 (which excluded the depreciation of the ROU assets as IFRS 16 did not apply until 1 January 2019) and €8.6 million in FY2019. MO's finance costs were around the €4 million level, in line with earlier years, while share of profits from associate companies of MO was just €0.5 million in FY2020 when compared to the €1.7 million in FY2018 and €14.4 million in FY2019 – the FY2019 figure included the net income from the disposal of Kemmuna Limited and First United Insurance Brokers Limited.

After accounting for taxation, which take into account investment tax credits available for MO, profit after tax in FY2018 and FY2019 was €5.4 million and €16.9 million, respectively, while for FY2020, MO registered a loss of €7.3 million.

Outlook FY2021 & FY2022

The projections for FY2021 and FY2022 have been based on the assumption that a slow recovery from the full impact of COVID-19 on the Guarantors' combined performance would start from the second part of FY2021 as most of the restrictions are lifted and tourism figures start building up again.

As a result, given also that during FY2021 MO was still offering credit extensions to clients that have been mostly affected by the pandemic, the performance for FY2021 is expected to be negative yet again, albeit to a lesser extent when compared to FY2020, at €3.8 million loss for the year.

In FY2022, MO's performance is expected to return a positive result, although still not at the levels of pre-COVID-19. Revenue is expected to recover to €162.7 million (FY2021: €144.5 million) and as a result, such improved turnover levels are expected to yield an increase in EBITDA to €16.5 million in FY2022 (FY2021: €10.2 million), which is anticipated to result in a profit after tax of €1.6 million, barring any one-off adjustments.

10. The Guarantors' Combined Statement of Financial Position

	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Assets					
Non-Current Assets					
PPE (including Intangible Assets)	121,899	123,015	125,629	129,049	132,809
ROU Assets	-	22,415	20,664	12,639	12,944
Investment Property (IP)	59,948	67,905	71,461	66,172	58,578
Investments in Associates	22,837	21,894	20,649	20,649	20,649
Loans & Advances	576	1,076	1,013	1,013	4,347
Financial Assets at FVOCI	4,661	4,638	3,740	3,740	3,740
Deferred Tax Assets	273	289	272	272	272
Trade & Other Receivables	16,772	18,716	18,602	19,569	20,883
Total Non-Current Assets	226,965	259,947	262,029	253,103	254,221
Current Assets					
Inventories	30,613	33,699	28,831	28,346	30,003
Trade and Receivables	42,040	42,849	32,541	26,365*	28,593*
Loans & Advances	200	-	63	63	63
Current Tax Assets	1,012	1,272	847	847	847
Financial Assets at FVPL	1,206	222	-	-	-
Cash & Cash Equivalents	5,554	12,482	9,703	26,017	16,520
	80,625	90,524	71,985	81,638	76,026
Assets Classified as HFS	4	3	3	3	3
Total Current Assets	80,628	90,526	71,988	81,640	76,028
Total Assets	307,594	350,474	334,016	334,743	330,249

Equity & Liabilities**Capital & Reserves**

Share Capital	2,468	2,468	2,471	2,471	2,471
Capital Contribution Reserve	3,043	3,043	3,043	3,043	3,043
Revaluation Reserve	56,525	56,333	60,662	60,662	60,662
FV Gains & Other Reserves	27,488	26,877	28,721	28,721	28,721
Hedging Reserves	(506)	(537)	(504)	(504)	(504)
Retained Earnings	58,858	74,371	62,446	57,106	57,506
Total Equity	147,876	162,556	156,839	151,499	151,899

Non-Current Liabilities

Trade & Other Payables	9	8	24	24	24
Borrowings	70,742	67,813	69,634	40,322	31,138
Amortised Bond Costs	-	-	-	44,069	44,149
Lease Liabilities	-	21,187	19,886	12,482	12,765
Deferred Tax Liabilities	12,295	12,292	13,232	12,717	11,958
Derivative Financial Instruments	779	826	776	776	776
Provisions for Liabilities & Charges	-	-	700	700	700
Total Non-Current Liabilities	83,825	102,126	104,253	111,091	101,511

Current Liabilities

Trade and Other Payables	44,177	55,297	41,372	36,245	35,276
Current Tax Liabilities	480	95	59	59	59
Borrowings	31,235	29,054	30,120	34,094	39,537
Lease Liabilities	-	1,345	1,373	1,755	1,968
Total Current Liabilities	75,893	85,792	72,924	72,154	76,840

Total Liabilities	159,718	187,918	177,177	183,244	178,351
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Total Equity and Liabilities	307,594	350,474	334,016	334,743	330,250
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*Current trade receivables for FY2021 and FY2022 only comprise trade receivables, amounts receivable from hire purchase debtors, contract assets, amounts owed by associates and amounts owed by third parties, with other receivable balances netted off against current trade payables in the respective line item. The level of current trade and other receivables at the end of the two projected financial periods may differ as a result of such reclassifications between reported historical information and Projected Financial Information.

Assets

As highlighted in section 5 of this report, the majority of the assets of MO consist of a property portfolio consisting of properties that are used in operations (PPE), investment property (employed to generate an income therefrom) and rights over property used in the operations of MO entities (ROU assets).

Property, Plant and Equipment (PPE)

	FY2018	FY2019	FY2020
	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Land, Buildings & Improvements	93,568	93,248	98,235
Plant, Machinery & Equipment	11,104	10,319	9,774
Furniture, Fittings & Office Equipment	9,541	9,492	8,565
Motor Vehicles	7,273	8,006	8,255
Assets in the Course of Constructions (incl Prepayments)	281	1,839	711
	121,767	122,905	125,540

The ROU Assets reflect the value of the properties leased from third parties by the MO companies and those under an emphyteutic grants on properties in Marsa (where GSD and GSDM operate from) and Valletta (home of the ISTB operation).

MO's investment in associates include those companies on which MO has significant influence but not control. Such investments are accounted for using the equity method and as at the end of FY2020 the value of such investments was €20.6 million and consisted of:

Name	Principal Activity	% of shares held (FY2020)	Carrying amount (€'000s)
Mellieha Bay Hotel Limited	Ownership and operation of hotel	51%	16,976
Finopz Limited	To deliver IT solutions and create and sell IT products	50%	1,848
Institute of English Language Studies Limited	English language school	50%	1,254
Mizzi Associated Enterprises Limited	Property ownership and development for trading and rental	51%	1,088
St. Julian's Maritime Finance Limited	The provision of lease contracts involving motor and sailing yachts and other maritime vessels	25%	630
Aqubix Limited	To deliver IT solutions and create and sell IT products	50%	9
The Players Group Limited	Holding of an investment in Maltco Lotteries Ltd	25%	4

While the percentage holdings in the associates did not vary from FY2018 to FY2020, in FY2019 MO disposed of its shareholding in Kemmuna Limited and FirstUnited Insurance Brokers Ltd, which generated a gain on sale of €12.9 million, and in the second quarter of FY2018, formed the joint venture owning St Julian's Maritime Finance Limited.

Total trade and other receivables by the end of FY2020 stood at a total of €51.1 million, consisting mainly of hire purchase debtors within the automotive segment, extended credit terms in the beverage segment and contract balances in terms of IFRS 15 – Contracts. The decline in the balances of outstanding receivables when compared to

the previous periods is reflective of the lower turnover in FY2020 due to the pandemic.

Inventory comprises of motor vehicles stock within the automotive segment and finished goods and raw materials related to the beverage segment. At end of FY2020 this stood at €28.8 million (FY2019: €33.7 million; FY2018: €30.6 million).

The cash and equivalents balance was boosted in FY2019 due to the disposal of associate investments (as explained earlier) and at the end of FY2020, MO had a cash buffer of €9.7 million.

Liabilities

MO's liabilities increased by €28.2 million between FY2018 and FY2019, reflecting, amongst others, the lease liability recognised on balance sheet in terms of IFRS 16 – Leases as from 1 January 2019. This went down by €10.7 million between FY2019 and FY2020, which in the main attributable to the settlement of outstanding capital payables on MO's ongoing investment projects and lower trade payables as the effect of a slowdown in activity led to lower accrual of trade balances due.

In terms of borrowings, MO's debt structure is composed of the following:

Borrowings	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Current	31,235	29,054	30,120	34,094	39,537
Non-Current	70,742	67,813	69,634	40,322	31,138
Bond (amortised)	-	-	-	44,069	44,149
Total Debt	101,977	96,867	99,754	118,485	114,824
Cash	5,554	12,482	9,703	26,017	16,520
Net Debt	96,424	84,385	90,052	92,468	98,304

Total debt reached nearly €100 million by the end of FY2020, reflecting the drawdown of approximately €8 million of Malta Development Bank guaranteed loans that were introduced to assist companies in Malta with working capital deficiencies in view of the COVID-19 pandemic. €71 million of the loans were obtained by MO to support the conglomerate's various investments over the years.

Equity Base

MO's equity stood at €156.8 million by the end of FY2020, half of which being made of up fair value and revaluation reserves accumulated over the years. €62.4 million related to retained earnings, the decrease year-on-year from FY2019 reflecting the negative performance of MO in FY2020 due to the pandemic as discussed in earlier parts of this report. Nevertheless, equity funds nearly 50% of MO's total assets.

Outlook FY2021 & FY2022

FY2021's statement of financial position is expected to include the bonds forming part of MO's borrowings. Approximately €25 million of the bonds will be applied towards the refinancing of existing bank borrowings outstanding, and as such, the €45 million will not all be absorbed by MO as borrowings. The balance will be directed towards MO's capital expenditures (approximately €8 million), primarily the project referred to as "Il-Hofra Project" and the refurbishment of the Arkadia Commercial Centre and Foodstores, while the remaining balance will be applied by MO towards additional general corporate funding requirements and will be utilised as and when such requirements arise and, or fall due.

11. The Guarantors' Combined Statement of Cash Flows

	FY2018	FY2019	FY2020	FY2021	FY2022
	€'000	€'000	€'000	€'000	€'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Projection</i>
Net Cash from Operating Activities	7,640	14,004	13,373	6,342	5,194
Net Cash (used in) / from Investing Activities	(18,697)	2,233	(13,917)	(7,263)	(4,662)
Net Cash from / (used in) Financing Activities	6,963	(6,356)	(1,841)	17,235	(10,030)
Net Movements in Cash & Cash Equivalents	(4,094)	9,881	(2,385)	16,314	(9,498)
Cash & Cash Equivalents at the Beginning of the Year	(12,697)	(16,791)	(6,910)	(9,295)	7,019
Cash & Cash Equivalents at the End of the Year	(16,791)	(6,910)	(9,295)	7,019	(2,479)

Historic Analysis (FY2018 – FY2020)

Although revenue in FY2018 and FY2019 remained practically unchanged, the increase in trade receivables in FY2018, as well as the adjustments related to IFRS 16 – Leases in FY2019 and a decline in the receivables balances during the same year, led to a material difference between the net cash generated from operating activities between FY2018 and FY2019. FY2020 cash flows from operations were positively impacted by government-driven schemes that were aimed at assisting local companies which were negatively impacted by COVID-19.

In terms of cashflows used and, or generated from investing activities, in FY2018, MO used €22 million to acquire of John's Garage in Qormi, the emphyteutic rights over the ISTB in Valletta, as well as the capital expenditure carried out therein; a property in Gzira adjacent to the Continental Cars showroom and the Aquarine property in Bugibba. In FY2019, this was lower, at €14.2 million, consisting of the construction of a warehouse extension of GSD, the continued development of the Aquarine property and initial works on the development of the Pangea property in St Julian's. Capital expenditure in FY2020 stood at €18.9 million and included the continuation of the development of the GSD warehousing extension; purchases of office and motor vehicles as well as the purchase of the petrol station site at Blata l-Bajda.

Cash flows relating to financing activities include the borrowings (net of repayments) taken up by MO throughout the years under review. In FY2018, MO's borrowings were significantly impacted by the drawdown of a loan related to the ISTB. In FY2019, the level of borrowings slowed down and repayments were higher than the drawdowns, while in FY2020, borrowings increased again, primarily with the drawdown of the Malta Development Bank guaranteed loans that were extended to companies that were most effected by COVID-19 pandemic.

Outlook FY2021 & FY2022

MO's net cash from operations are reflective of the performance of the Mizzi Organisation companies, adjusted for working capital movements, taxation and non-cash charges.

FY2021 will be characterised by the bond issue, which will refinance approximately €25 million of existing debt within MO. Net of drawdowns of new loans taken during the earlier part of the year, loan servicing and lease payments, resulted in a net inflow of €17.2 million. In FY2022, MO is expected to repay a further €8.2 million of bank borrowings, extend funds to an associate to the tune of €3.3 million, settle lease payments (€1.8 million) and pay a dividend of €1.2 million. Such outflows are netted by an assumed inflow of €4.5 million from factored bills of exchange.

In terms of cash flows related to investment activities, MO will be diverting €13.9 million towards the purchase of PPE in FY2021 and €13.6 million in FY2022 – these amounts relate to €5 million recurring capital expenditure per annum; €4.8 million towards the IML project in Blata l-Bajda; €3.3 million for the refurbishment of the Arkadia Commercial Centre (Gozo); €2 million towards the refurbishment of the Arkadia Foodstores in Gozo and Portomaso; €2 million investments in new Arkadia foodstores convenience outlets; and completion of ongoing investments in the Beverage and Hospitality Segment. A further €2.8 million will be used to complete investment property in FY2021, which relates to the Pangea Office Block in St. Julian's. Sales of investment property are also expected to generate €9.5 million and €9.0 million in the two years under review, respectively – these sales relate to the ex-GSD sites in Qormi, garages and apartments.

12. Ratio Analysis

The following set of ratios have been computed from the Company's figures, both historical and projections.

Note: where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

	FY2018	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Forecast	Projection
EBITDA margin	8.4%	9.5%	7.0%	7.0%	10.2%
<i>(EBITDA / Revenue)</i>					
Operating Profit (EBIT) margin	4.6%	4.9%	n/a	0.0%	3.5%
<i>(Operating Profit (EBIT) / Revenue)</i>					
Net Profit margin	3.1%	9.6%	n/a	n/a	1.0%
<i>(Profit for the period / Revenue)</i>					
Return on Equity	3.7%	10.9%	n/a	n/a	1.1%
<i>(Net Profit / Average Equity)</i>					
Return on Capital Employed	2.2%	6.6%	n/a	n/a	0.7%
<i>(Net Profit / Average Capital Employed)</i>					
Return on Assets	1.8%	5.1%	n/a	n/a	0.5%
<i>(Profit for the period / Average Assets)</i>					
Current Ratio	1.1x	1.1x	1.0x	1.1x	1.0x
<i>(Current Assets / Current Liabilities)</i>					
Cash Ratio	0.1x	0.1x	0.1x	0.4x	0.2x
<i>(Cash & cash equivalents / Current Liabilities)</i>					
Interest Coverage ratio	4.3x	4.2x	2.5x	3.2x	4.5x
<i>(EBITDA / Net finance costs)</i>					
Gearing Ratio	39.5%	34.2%	37.5%	37.9%	39.3%
<i>(Net debt / [Net Debt + Total Equity])</i>					
Gearing Ratio (2)	40.8%	37.3%	38.9%	43.9%	43.0%
<i>[Total debt / (Total Debt plus Total Equity)]</i>					
Net Debt to EBITDA	6.6x	5.1x	9.2x	9.1x	5.9x
<i>(Net Debt / EBITDA)</i>					

Source: Management information

As MO's performance took a hit in FY2020 due to the pandemic, following two years of profitability, the group's ratios are not reportable. The projections for FY2021 and FY2022 included in this report have been based on a recovery in FY2022, with EBITDA margins being comparable to pre-COVID-19 figures, as explained in earlier parts of this FAS.

MO's liquidity is tight and is not expected to improve during the next two years, due to the recovery from COVID-19 across all sectors of the Group, coupled with the temporary closure of some retail operations due to refurbishments. MO's interest costs have been well covered in earlier years and this metric is expected to remain substantially strong over the periods FY2021 and FY2022. Similarly, despite the high level of borrowings in absolute terms, these are well covered by a strong equity base, resulting in gearing levels below the 40% mark (on a net basis) in the historic periods covered, and this is expected to be the case also in the next couple of years. MO's net debt to EBITDA is also considered to be adequate, peaking in FY2020 and FY2021 and expected to reduce to 5.9 times by the end of FY2022 as EBITDA improves even further.

Part C Comparatives

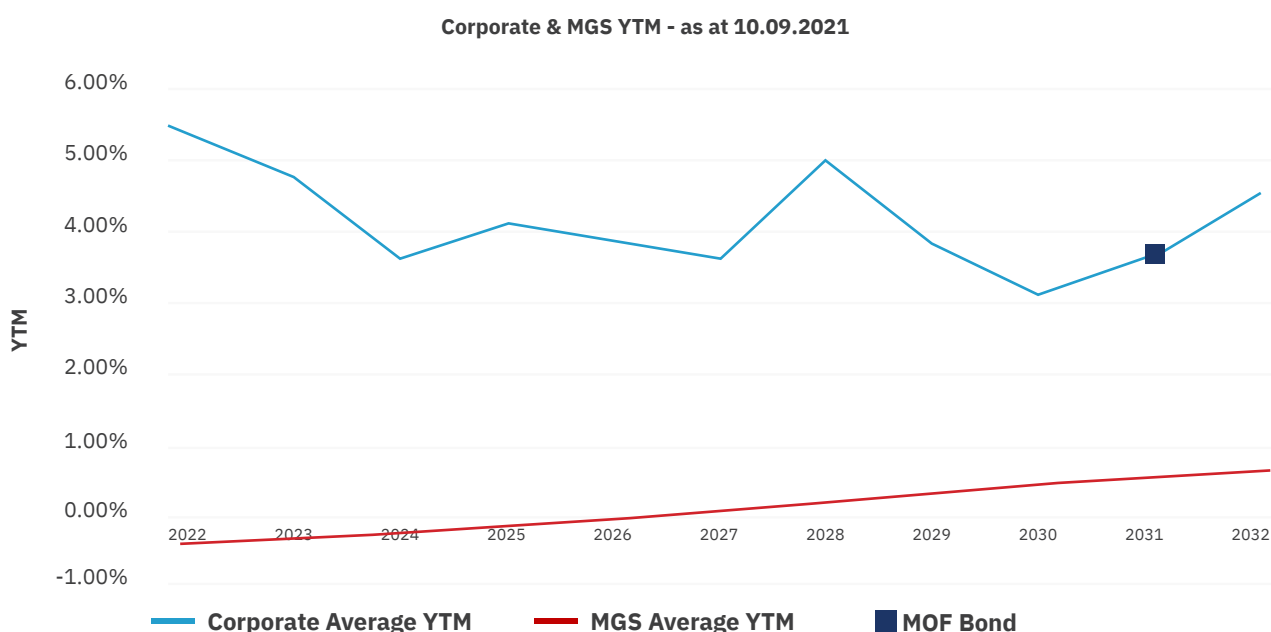
The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

Bond Details	Amounts Outstanding (€'millions)	Gearing*	Net Debt to EBITDA	Interest Cover	YTM as at 10.09.2021
4.00% Exalco Finance plc 2028 (Secured)	15.0	29.6%	4.47x	4.05x	3.66%
3.65% Stivala Group Finance plc 2029 (Secured)	15.0	26.3%	11.4x	2.30x	3.20%
4.00% SP Finance plc 2029 (Secured)	12.0	46.0%	139.7x	0.12x	3.25%
3.75% Tum Finance plc 2029 (Secured) (Puttable)	20.0	35.4%	2.74x	9.01x	3.52%
4.5% Endo Finance plc 2029 (Unsecured)	13.5	54.2%	4.34x	4.20x	4.66%
3.65% Stivala Group Finance plc 2029 (Secured)	15.0	26.3%	11.4x	2.30x	3.20%
3.75% AX Group plc 2029	10.0	25.5%	28.3x	0.76x	3.19%
4.25% Mercury Projects Finance plc 2031 (Secured)	11.0	57.1%	1.06x	34.08x	3.74%
3.65% Mizzi Organisation Finance plc 2028-2031 (Unsecured)	45.0	36.5%	9.2x	2.5x	3.65%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 10 September 2021. Ratio workings and financial information quoted have been based on the respective issuers' unadjusted published financial data (or their guarantors, where and as applicable)

*Gearing - (Net Debt/ Net Debt + Total Equity)

The following shows the average yield to maturity of listed corporate bonds and MGS covering an eleven year period, and how the Company's bond priced at 3.65% compares to such average yields. All the yields presented hereunder are as at 10 September 2021.



At 3.65%, the Company's bonds are priced 51 basis points above the equivalent average corporate bonds YTM for 2031 maturities and at a 327 basis points premium over the average MGS YTM for 2031 maturities.

Part D Glossary

Income Statement Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
EBIT	Earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.

Equity

Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Profitability Ratios

EBITDA Margin

EBITDA as a percentage of total revenue.

Operating Profit Margin

Operating profit margin is operating profit achieved during the financial year expressed 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.

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

This is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio

The current ratio is a financial ratio that measures whether 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.

Cash Ratio

Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio

This is calculated by dividing a company's EBITDA of one period by the company's net finance costs 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.

Net Debt to EBITDA

This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.