



FACT SHEET
€44 million 5.00% Mariner Finance plc
Unsecured Bonds 2032

KEY DETAILS

Issuer:	Mariner Finance plc	Listing:	Official List, Malta Stock Exchange
Amount Offered:	€44 million	Coupon:	5.00%
Offer Price*:	100% (par value of €100)	Interest Payment Frequency:	Annually on 16 December (with the first interest payment date being 16 December 2023)
Status:	Unsecured	Maturity Date:	16 December 2032
Offer Period:	28 November to 16 December 2022 at 12:00 (noon) or earlier as may be determined by the Issuer.	Minimum Subscription Amount:	€2,000 (nominal) and in multiples of €100 thereafter

*Holders of the existing '5.30% Mariner Finance plc unsecured bonds 2024' will benefit from a premium of 1.50% on the nominal value of the bonds (i.e €1.50 for every €100 nominal) when exchanging their current investment into the new bonds.

ABOUT MARINER FINANCE PLC

Mariner Finance plc (the "Group") is the holding company of SIA Baltic Container Terminal ("BCT"), which provides port and logistics services at the Riga Free Port No. 48 in Latvia under a concession expiring in 2047. The terminal has an annual container handling capacity of about 450,000 twenty-foot equivalent units ("TEUs") making it a leading terminal in the Baltic States as it handles over two thirds of all containerised cargo in Latvia. Indeed, quay-side operations relating to loading and unloading of containerised cargo generate the majority of BCT's revenue. Furthermore, BCT holds full ownership of the yards within the boundaries of the terminal, including 32,000 sqm of fully occupied warehousing facilities, with direct access to the rail and road networks and which are another important source of income for Mariner Finance.

The Group also owns a commercial and office building in Riga ("Merkela Property") consisting of 2,480 sqm of rentable space which are leased to four tenants. However, the income received from this property is immaterial in context of the size of the Group.

Mariner Finance has recently entered into an agreement with its majority shareholder – Mariner Capital Limited – to purchase the entire issued share capital of SIA Mariner Logistics for a consideration of €7.24 million, which is to be set-off against a receivable due by Mariner Capital to Mariner Finance. The transaction is expected to be concluded in Q1 2023. SIA Mariner Logistics has the right-of-use over a 60,000 sqm site located in the municipality of Mārupe, also in Riga ("Mārupe Land"), due to expire in June 2054. The site is strategically located in proximity of the Riga International Airport and the planned Rail Baltica¹ project. The Mārupe Land currently consists of:

- Commercial property ("Mārupe Property") totalling 31,549 sqm that is fully occupied with 14 tenants that have lease agreements due to expire between 2023 and 2028.
- A car park of circa 10,145 sqm.
- A vacant area of circa 19,080 sqm to be eventually developed into further logistics space.

USE OF PROCEEDS

The net proceeds from the bond issue, estimated at €43.1 million after issuance costs, will be used by the Group for the following purposes, in the amounts and order of priority set out below:

- €35.5 million for the refinancing of outstanding 5.30% Mariner Finance plc unsecured bonds through the exchange offer.
- €7.6 million for general corporate funding purposes.

PLAN OF DISTRIBUTION

Mariner Finance plc will allocate the bonds on the basis of the following policy:

- €35 million are reserved for subscriptions from holders of the existing '5.30% Mariner Finance plc unsecured bonds 2024' through an exchange offer at €101.50 for every 100% (nominal). The 1.5% premium on the nominal amount held shall be settled in cash within 30 days from admission to listing of the new bonds. No minimum subscription requirements apply for the exchange offer.
- €9 million (and any amount not subscribed through the exchange offer) are being made available for subscription by the general public and for existing bondholders who may also apply for excess amounts (cash top-ups).

¹ The Rail Baltica Global Project (www.railbaltica.org) will connect Riga International Airport to Riga City Centre and to other key cities in the Baltics.



RANKING OF THE BONDS

The bonds will 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 outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by law. Furthermore, third party security interests may be registered which will rank in priority to the bonds against the assets of the Issuer for so long as such security interests remain in effect. The bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

APPLICATION PROCEDURE

Holders of the existing '5.30% Mariner Finance plc unsecured bonds 2024' are kindly asked to complete **Application Form 'A' – Existing Bondholders** provided by Mariner Finance plc which must be returned to us by Friday 16 December 2022 at 12:00 hours (noon) together with a duly completed and signed 'Assessment & Confirmation Form'.

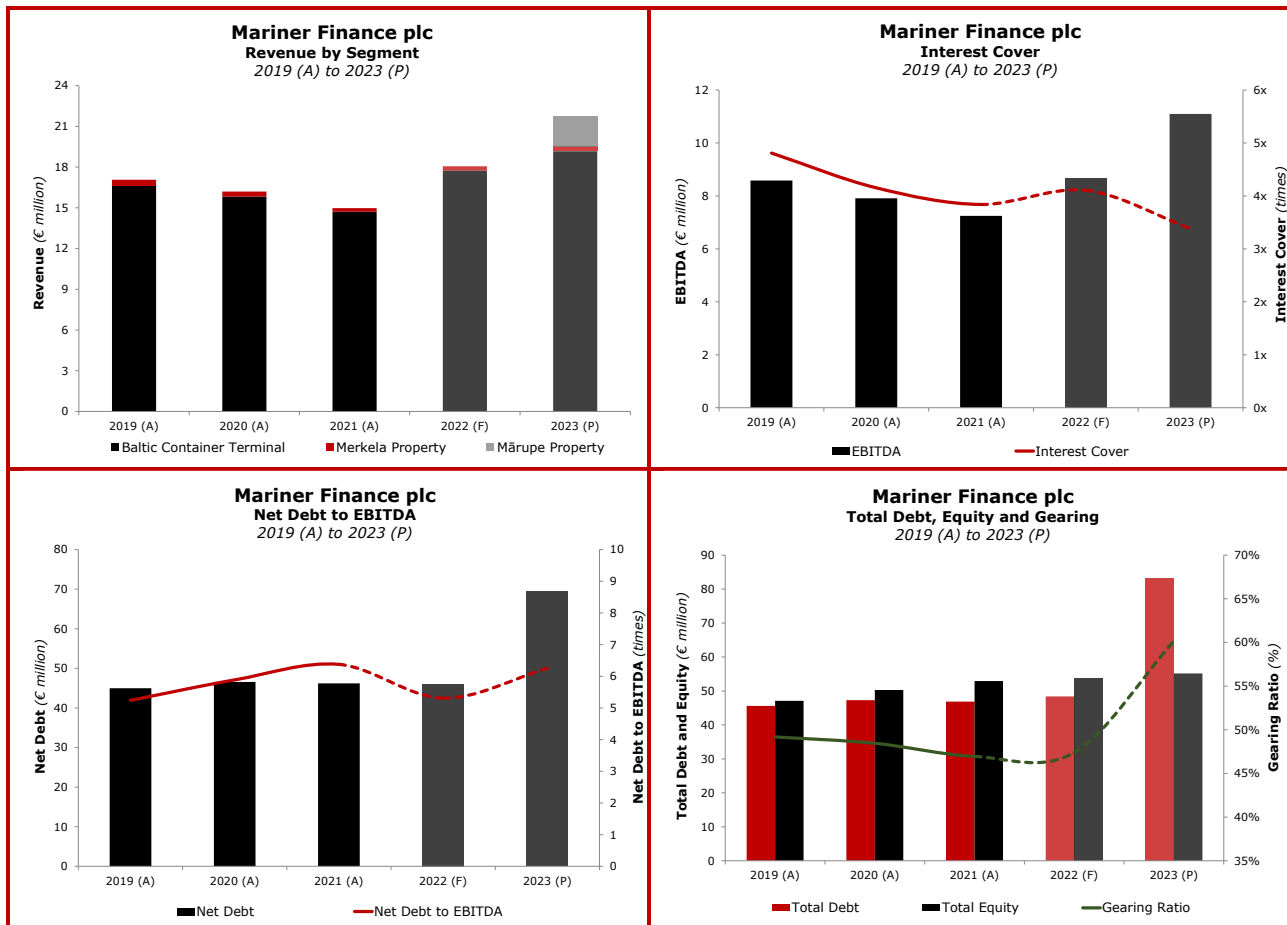
Prospective investors wishing to participate at the General Public Offer are kindly asked to complete **Application Form 'B' – General Public** provided by Mariner Finance plc which must be returned to us by Friday 16 December at 12:00 hours (noon) together with a duly completed and signed 'Assessment & Confirmation Form'. **Such applications must be for a minimum of €2,000 (nominal) and in multiples of €100 (nominal) thereafter.**

Applications of the General Public Offer as well as those of existing bondholders who elect to apply for additional amounts (cash top-ups) must be accompanied by the appropriate payment, either by cheque in EUR payable to 'Rizzo, Farrugia & Co (Stockbrokers) Ltd – Clients a/c' or credited into either one of our EUR denominated Clients' Accounts as detailed below:

	HSBC Bank Malta plc	Bank of Valletta plc
EUR A/C No	006 050041 004	400 135 62906
IBAN	MT46 MMEB 4406 0000 0000 0605 0041 004	MT18 VALL 2201 3000 0000 400 135 62906
SWIFT CODE	MMEB MTMT	VALL MTMT

KEY FINANCIAL HIGHLIGHTS & METRICS

Financial Year Ended 31 December	2019	2020	2021	2022	2023	
Mariner Finance plc	Actual	Actual	Actual	Forecast	Projection	
<i>Baltic Container Terminal [€000]</i>	16,614	15,832	14,717	17,744	19,164	
<i>Merkela Property [€000]</i>	456	368	261	316	347	
<i>Mārupe Property [€000]</i>	0	0	0	0	2,269	
Revenue [€000]	17,070	16,200	14,978	18,060	21,780	
Net Operating Expenses [€000]	(8,486)	(8,289)	(7,730)	(9,388)	(10,680)	
EBITDA [€000]	8,584	7,911	7,248	8,672	11,100	
Depreciation and Amortisation [€000]	(1,579)	(2,058)	(2,252)	(2,183)	(2,326)	
Operating Profit [€000]	7,005	5,853	4,996	6,489	8,774	
Loss on revaluation of investment property [€000]	0	(463)	(209)	0	0	
Net Finance Costs [€000]	(1,785)	(1,905)	(1,888)	(2,112)	(3,281)	
Net Profit [€000]	4,904	3,197	2,632	4,121	5,245	
Net Cash from Operating Activities [€000]	5,600	6,160	4,432	6,780	6,808	
Net Cash used in Investing Activities [€000]	(13,192)	(7,677)	(4,009)	(3,084)	(8,469)	
Net Cash from/(used in) Financing Activities [€000]	7,044	1,629	(510)	(1,984)	13,239	
<i>Debt Securities [€000]</i>	34,648	34,717	34,789	34,873	55,427	
<i>Bank and Other Borrowings [€000]</i>	8,364	5,576	5,763	7,922	19,164	
<i>Lease Liabilities [€000]</i>	2,584	7,001	6,304	5,604	8,721	
Total Debt [€000]	45,596	47,294	46,856	48,399	83,312	
Cash and Cash Equivalents [€000]	615	727	640	2,352	13,930	
Net Debt [€000]	44,981	46,567	46,216	46,047	69,382	
Total Assets [€000]	95,310	100,350	102,348	105,044	142,514	
Total Liabilities [€000]	48,210	50,053	49,418	51,328	87,357	
Total Equity [€000]	47,100	50,297	52,930	53,716	55,157	
EBITDA Margin [%]	(EBITDA / Revenue)	50.3	48.8	48.4	48.0	51.0
EBIT Margin [%]	(EBIT / Revenue)	41.0	36.1	33.4	35.9	40.3
Net Profit Margin [%]	(Net Profit / Revenue)	28.7	19.7	17.6	22.8	24.1
Return on Average Assets [%]	(Net Profit / Average Assets)	5.49	3.27	2.60	3.97	4.24
Return on Average Equity [%]	(Net Profit / Average Equity)	10.8	6.56	5.10	7.73	9.64
Interest Cover [times]	(EBITDA / Net Finance Costs)	4.81	4.15	3.84	4.11	3.38
Net Debt to EBITDA [times]	(Net Debt / EBITDA)	5.24	5.89	6.38	5.31	6.25
Net Debt to Equity [times]	(Net Debt / Total Equity)	0.96	0.93	0.87	0.86	1.26
Net Debt to Invested Capital [times]	(Net Debt / Net Debt + Equity)	48.8	48.1	46.6	46.2	55.7
Gearing Ratio [%]	(Total Debt / Total Debt + Equity)	49.2	48.5	47.0	47.4	60.2
Debt to Asset Ratio [times]	(Total Debt / Total Assets)	0.48	0.47	0.46	0.46	0.58
Leverage Ratio [times]	(Total Assets / Total Equity)	2.02	2.00	1.93	1.96	2.58



RISK FACTORS

Mariner Finance plc is subject to a number of risks pertaining to the nature of its business. Prospective investors are urged to read the 'Risk Factors' found in the Prospectus dated 21 November 2022. These are listed in Section 2 of the Registration Document and in Section 2 of the Securities Note. Prospective investors must also note that since the financial forecasts and the assumptions on which they are based relate to the future, they may be affected by unforeseen events. As such, the variation between forecasts, projections and actual results may be material.

Disclaimer

This Fact Sheet was prepared by Jonathan Falzon, Research Analyst at Rizzo, Farrugia & Co. (Stockbrokers) Ltd ("Rizzo Farrugia") and reviewed by Edward Rizzo, a Director at Rizzo Farrugia which is a member of the Malta Stock Exchange and licensed to conduct Investment Services business by the Malta Financial Services Authority.

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