



FACT SHEET

€25 million 4.25% ClearFlowPlus plc Unsecured 2033

Guaranteed by the Water Services Corporation

KEY DETAILS

Issuer:	ClearFlowPlus plc	Listing:	Green Bond List, Malta Stock Exchange
Amount Offered:	€25 million	Coupon:	4.25%
Offer Price:	100% (<i>par value of €100</i>)	Interest Payment Date:	Annually on 25 August (<i>with the first interest payment date being 25 August 2024</i>)
Status:	Unsecured & Guaranteed	Maturity Date:	25 August 2033
General Public Offer Period:	1 August to 18 August 2023 at 12:00 hrs (<i>or earlier in the case of over-subscription</i>)	Minimum Subscription Amount:	€5,000 <i>nominal (and in multiples of €100 thereafter)</i>

ABOUT CLEARFLOWPLUS & WATER SERVICES CORPORATION

ClearFlowPlus plc is a subsidiary of the Water Services Corporation (WSC, the Guarantor, or the Group). ClearFlowPlus plc prioritizes sustainability and promotes eco-friendly activities. One of its main focuses is the provision of water through industrial reverse osmosis systems for the hospitality sector. In addition, the Issuer also provides private and public water dispensers to make clean, safe drinking water more accessible to the public. Through the issuance of this bond, ClearFlowPlus is also acting as a finance vehicle for the Water Services Corporation.

The Water Services Corporation is the only public utility responsible for potable water and wastewater services in the Maltese Islands and employs around 1,100 persons. The Guarantor's principal activities are:

- **Water Production & Distribution:** WSC acquires, produces, distributes, and sells water for domestic, industrial, and commercial use.
- **Wastewater Collection and Treatment:** including the treatment and re-use of wastewater.
- **Renewable Energy Generation** using renewable energy sources.

The Guarantor also owns 50% of Automated Revenue Management Services Limited (ARMS), with Enemalta plc being the other 50% shareholder, which handles the automation of the management of the revenue, processing, and collection of bills of each its two shareholders.

USE OF PROCEEDS

The net proceeds from the bond issue will be used as follows:

- €6.0 million to finance new PV plants in various regions across Malta.
- €1.7 million to re-finance part of the costs incurred in connection with the development and commissioning of Hondoq ir-Rummien reverse osmosis plant in Gozo.
- €2.0 million to upgrade the air blowers and the aeration system within Ta' Barkat wastewater treatment plant.
- €7.9 million to finance investments in projects aimed to further reduce non-revenue water and improve billing efficiencies, in particular the costs in connection with the purchase and commissioning of the upgrade to the Water Services Corporation's Enterprise Resource Planning SAP system and the algorithmic software within such system.
- €7.4 million to upgrade the water distribution network and infrastructure.

RANKING OF THE BONDS

The Bonds will 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 and with all other unsecured and unsubordinated obligations of the Issuer. The bonds will be guaranteed in respect of both the interest and principal by the Guarantor.



RISK FACTORS

The Issuer and the Guarantor are subject to a number of risks pertaining to the nature of their business. Prospective investors are urged to read the 'Risk Factors' found in the Prospectus issued by ClearFlowPlus plc dated 20 July 2023. 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.

PLAN OF DISTRIBUTION

The bonds will be made available for subscription to all categories of investors. The issuer will allocate the bonds on the basis of the following policy:

- Each employee of the Issuer and Guarantor can apply for a fixed amount of €5,000 in nominal value, which is being reserved for this purpose (estimated at €5.4 million based on the number of eligible preferred applicants).
- The remaining amount, including any amounts not subscribed for by preferred applicants are being made available for subscription by the general public.

APPLICATION PROCEDURE

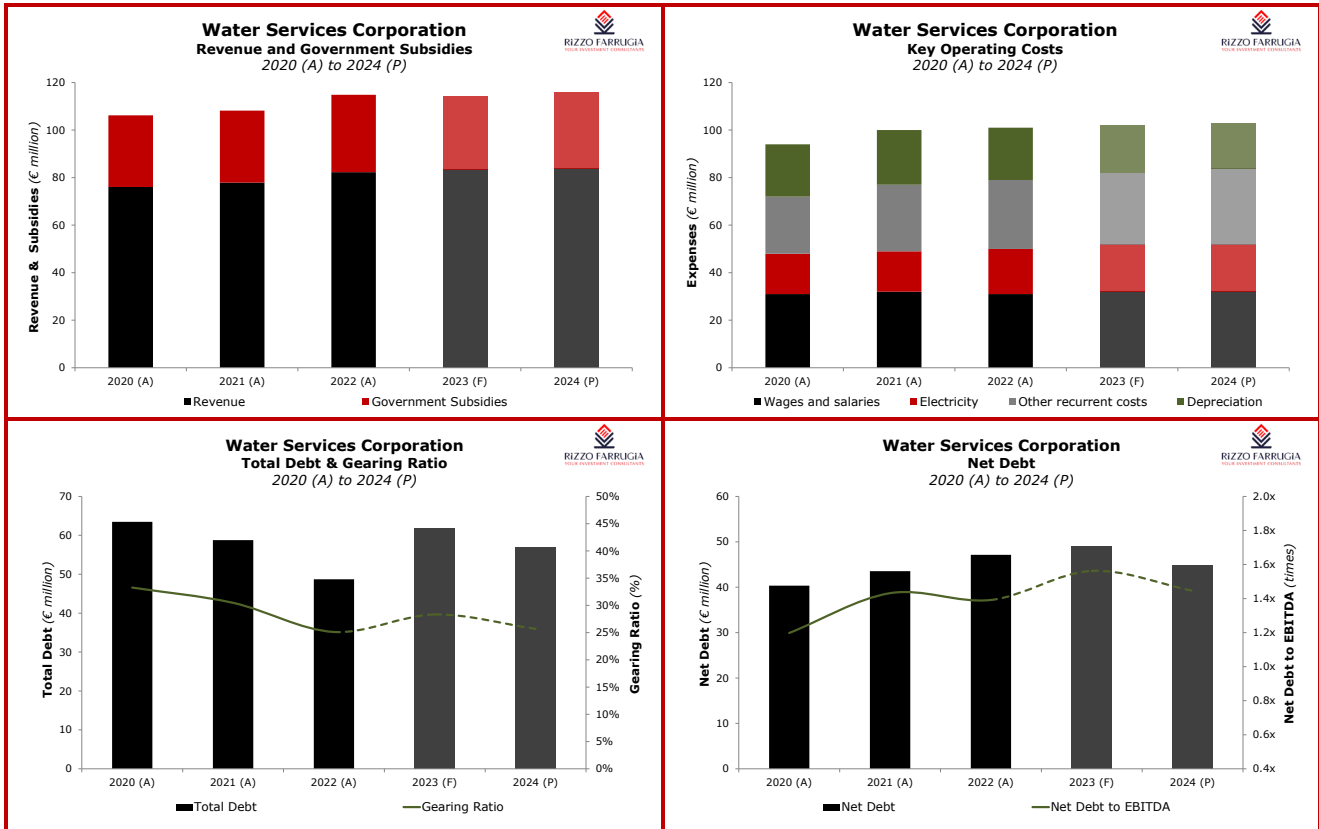
Investors interested in applying for these new bonds are kindly asked to complete an Application Form, together with a duly completed and signed 'Assessment & Confirmation Form'. **Applications must be for a minimum of €5,000 (nominal) and in multiples of €100 (nominal) thereafter.** The subscription period opens on Tuesday 1 August 2023 and closes on Friday 18 August at noon or earlier in the case of over-subscription.

Applications 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

Water Services Corporation Year Ending 31 December	2020(A)	2021(A)	2022(A)	2023(F)	2024(P)	
Revenue [€000]	76,053	77,921	82,300	83,563	83,807	
Government subsidies [€000]	30,139	30,257	32,530	30,759	32,309	
Net Operating Costs [€000]	(72,512)	(77,765)	(80,955)	(82,894)	(85,157)	
EBITDA [€000]	33,680	30,413	33,875	31,428	30,959	
Depreciation & Amortisation [€000]	(22,337)	(22,763)	(22,090)	(19,545)	(21,005)	
Operating Profit [€000]	11,343	7,650	11,785	11,883	9,954	
Net Finance (Costs)/Income [€000]	(348)	(204)	80	(827)	(1,303)	
Share of jointly controlled entity [€000]	53	76	64	0	0	
Profit before Tax [€000]	11,048	7,522	11,929	11,056	8,651	
Net Profit [€000]	10,882	7,375	11,522	11,056	8,651	
Net Cash From Operating Activities [€000]	35,867	32,761	29,841	23,398	23,707	
Net Cash Used In Investing Activities [€000]	(31,430)	(36,485)	(36,824)	(34,500)	(38,381)	
Net Cash From / (Used In) Financing Activities [€000]	876	(4,175)	(6,692)	22,215	14,225	
Total Debt [€000]	63,477	58,772	48,699	61,765	56,990	
Cash & Cash Equivalents [€000]	23,125	15,226	1,551	12,664	12,215	
Net Debt [€000]	40,352	43,546	47,148	49,101	44,775	
Total Assets [€000]	441,350	450,529	453,907	478,084	492,447	
Total Liabilities [€000]	314,030	316,390	308,674	321,796	327,509	
Total Equity [€000]	127,320	134,140	145,233	156,288	164,938	
Return on Equity [%]	(Net Profit / Average Equity)	8.55	5.64	8.25	7.33	5.39
Return on Assets [%]	(Net Profit / Average Assets)	2.47	1.65	2.55	2.37	1.78
Interest Cover [times]	(EBITDA / Net Finance Costs)	96.8	149.1	N.A.	38.0	23.8
Net Debt to EBITDA [times]	(Net Debt / EBITDA)	1.20	1.43	1.39	1.56	1.45
Net Debt to Equity [times]	(Net Debt / Total Equity)	0.32	0.32	0.32	0.31	0.27
Gearing Ratio [%]	(Total Debt / [Total Debt + Equity])	33.3	30.5	25.1	28.3	25.7
Net Debt to Invested Capital [%]	(Net Debt / Net Debt + Equity)	24.1	24.5	24.5	23.9	21.4
Debt to Asset Ratio [times]	(Total Debt / Total Assets)	0.14	0.13	0.11	0.13	0.12
Leverage Ratio [times]	(Total Assets / Total Equity)	3.47	3.36	3.13	3.06	2.99



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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