FINANCIAL ANALYSIS SUMMARY

UPDATE 2022

MIZZI ORGANISATION FINANCE plc

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 revised on 13 August 2021.

28 June 2022

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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IMPORTANT INFORMATION

Purpose of the Document

Mizzi Organisation Finance plc (the "**Company**", "**MOF**", or "**Issuer**") issued €45 million 3.65% 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 2019, 2020 and 2021, forecasts for financial year ending 31 December 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

CCL	Continental Cars Limited
IML	Industrial Motors Limited
MML	Muscats Motors Limited
NMS	Nissan Motor Sales Limited
MAS	Mizzi Automotive Services Limited
UAFL	United Acceptances Finance Limited
MZM	Mizzi Motors Limited
FY	Financial year
GSD	The General Soft Drinks Company Limited
GSDM	GSD Marketing Limited
AML	Arkadia Marketing Limited
AFL	Arkadia Foodstores Limited
CHL	Consolidated Holdings Limited
IELS	Institute of English Language Studies Limited
Legacy	Legacy Contractors Ltd
MOL	Mizzi Organisation 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, namely:

Continental Cars Limited (CCL)	Volkswagen Audi Cupra SEAT Porsche	• Offers also servicing of these vehicles • Offers parts for the vehicles
Industrial Motors Limited (IML)	Mitsubishi Suzuki Renault Trucks	• Offers also servicing of these vehicles • Offers parts for the vehicles

Muscat Motors Limited (MML)	BMW Mini Jaguar Landrover MG Motorrad	• MML is also the authorised repairer for Daihatsu • Offers servicing for the vehicles • Offers parts for the vehicles
Nissan Motor Sales Limited (NMS)	Nissan	• Offers also servicing of these vehicles • Offers parts for the vehicles
Mizzi Automotive Services Limited (MAS)	Any brand	• Panel beating and spray painting services on any model of cars (not limited to MO-represented brands)
Mizzi Lease Limited (MLL)	Any brand	• Offers private and corporate vehicle leasing services
United Acceptances Finance Limited (UAFL)	MO-represented brands only	• Provides car financing to MO automotive clients
Mizzi Motors Limited (MZM)		• Acts as the head office for the automotive sector
Mizzi EV Limited	Any brand	• 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. During 2021, according to the National Statistics Office of Malta, new passenger car registrations amounted to 12,877 (2020: 13,211), of which 5,250 (2020: 4,602) were new vehicles, with the balance being second hand imported cars.

According to management, MO has circa 30% 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 in 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, as well as coffee and energy drinks, GSDM also operates a series of vending machines across the Maltese Islands.

In August 2020, MO, 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. Indications are that this scheme will become operative later on in 2022, although no fixed date has been provided as yet since this is subject to the issuance of the relative legal notice.

This segment enjoys a strong presence in the local market for beverages.

Food and Fashion Retail Sector

This segment may be 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.* During the last quarter of FY2022, MO is expected to open a new store in Naxxar;
- the operations of *Is-Suq tal-Belt (ISTB)*, a food market in Valletta, Malta. This building operates as a food market, selling meat, groceries, delicatessen, fruit and vegetables as well as other food items at the lower level (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, within Malta's International Airport and in 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. This centre is currently closed for extensive refurbishment works and is set to open in the fourth quarter of FY2022.

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 COVID-19, the hotel achieved positive results and since re-opening following the lifting of restrictions and lockdowns, the Hotel is building a steady occupancy levels. MO entered into a joint venture agreement with another two nearby hotels to build and operate a lido in front of the hotels, which was opened in August 2021 and is known as Aqualuna.

Real Estate Sector

The real estate sector is one of the largest in terms of asset value of MO as it 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 €177 million (as per FY2021 financial statements).

The majority of the properties (whose value is €94 million) are used by the MO companies to house the various operations and these are:

- Muscats Motors showroom, Rue D'Argens Street, 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, Victoria, Gozo
- The Waterfront Hotel, Gzira, Malta
- Petrol station, Blata l-Bajda, 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 €83 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 7,166 sqm is partially (5,385 sqm) under promise of sale agreement (which has been recently extended until up to 22 November 2022) and is located along Mdina Road.

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, under-floor heating, air extractors, and power tools.

Other Business Interests

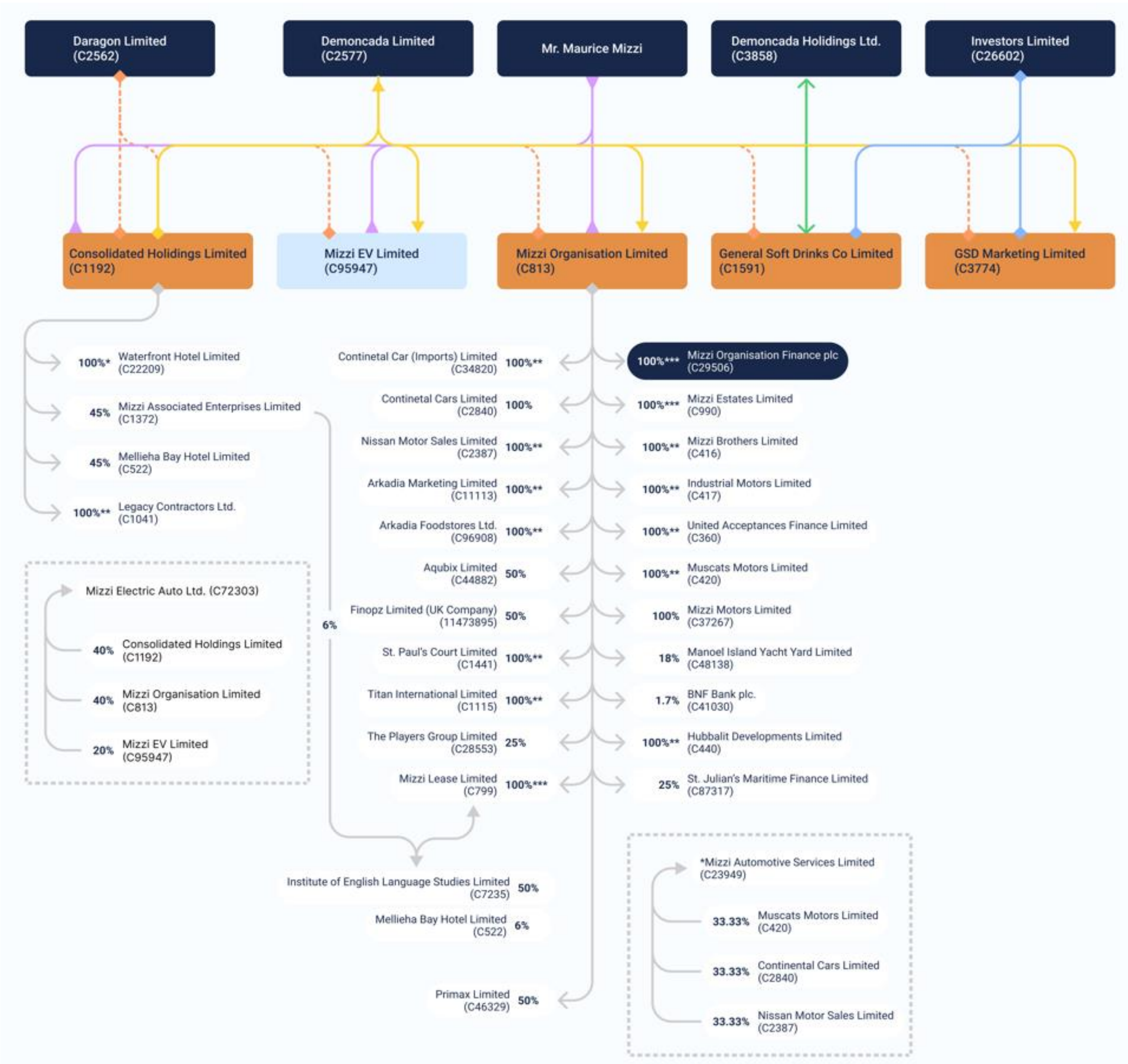
MO holds investment interests in companies with other third parties in a variety of sectors, including:

- The Players Group Limited (C 28553) – operating within the gaming sector. MO's investment (through MOL) is 25%. The objective of this company is to operate the National Lottery games in Malta. MO will exit this venture as the incumbent Maltco (in which The Players Group Limited has a 24% shareholding) failed to win the tender for the next 10 years of operation of the national lottery games.
- 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 yacht yards in the Mediterranean.
- Aqubix Limited (C 44882) and its sister FINOPZ Ltd (UK-registered) - operate within the IT sectors. MO holds 50% interest in both companies through MOL. These companies offer IT consultancy and related software services to regulated entities (in particular) related to know-your-customer/compliance 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 is expected to re-developed in due course.

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 Mizzi	Executive Director
Carmel J. Farrugia	Non-Executive, Independent Director
Kevin Rapinett	Non-Executive, Independent Director
Joseph Galea	Non-Executive, Independent Director

The Company Secretary is Dr Malcolm Falzon, 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 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 2019, 2020 and 2021 consisted of:

as at 31 December	*2019*	*2020*	*2021*
PPE	122,904,504	125,539,672	121,047,184
ROU Assets	22,414,778	20,663,614	18,020,812
Investment Property	67,904,930	71,460,661	83,235,179
Investment in Associates	21,893,784	20,648,780	20,311,741
	235,117,996	**238,312,727**	**242,614,916**
Inventories	33,699,477	28,831,245	30,919,404
	268,817,473	**267,143,972**	**273,534,320**
Trade and Other Receivables			
Non-current	19,560,710	18,601,916	18,068,015
Current	42,003,658	32,540,739	37,637,526
	330,381,841	**318,286,627**	**329,239,861**

An analysis of MO's assets is included in section 10 of this FAS.

6. MARKET OVERVIEW

THE TOURISM INDUSTRY

Tourism has inherently been one of the major pillars of the Maltese economy and its importance over recent years has intensified as tourism numbers grew significantly year after year, until the outbreak of the COVID-19 pandemic.

Over the years, various tourist operators (including those in the areas of accommodation, dining, transportation, and entertainment) expanded their business to cater for the growing influx of tourists that Malta was experiencing until 2019. As at December 2021, Malta had 213 active collective accommodation establishments with a net capacity of 17,468 bedrooms and 40,111 bed-places.[1]

The COVID-19 pandemic, however, had a significant negative impact on the tourism sector, which also directly impacted the Maltese economy due to its significant direct and indirect contributions to the country's gross domestic product. The tourism industry was predominantly hit as a result of travel restrictions (primarily in 2020 but also during 2021) as well as reduction in the demand for travelling.

The number of inbound tourist trips started to recover in 2021 and amounted to 968,136[2], an increase of 47% over the 658,567 tourists in 2020, albeit still substantially lower than the record of 2.8 million inbound tourist trips recorded in 2019.

The recovery of the sector continued during the first quarter of 2022, in which 235,295[3] inbound tourists visited the Maltese Islands. This is markedly higher than the 33,249 inbound tourists of the first quarter of 2021, but still significantly below the 370,216 visitors of the first quarter of 2020.

The outlook for the rest of the year is still uncertain and largely depends on how matters regarding the COVID-19 pandemic develops and the unfolding turbulence in respect of the Ukraine-Russia war.

THE 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. The latest European Commission

[1] *National Statistics Office, 2022, Collective Accommodation Establishments: Q4/2021, available from:*
https://nso.gov.mt/en/News_Releases/Documents/2022/02/News2022_033.pdf [Accessed 10 May 2022]
[2] *National Statistics Office, 2022, Inbound Tourism: December 2021, available from:*
https://nso.gov.mt/en/News_Releases/Documents/2022/02/News2022_019.pdf [Accessed 10 May 2022]
[3] *National Statistics Office, 2022, Inbound Tourism: March 2022, available from:*
https://nso.gov.mt/en/News_Releases/Documents/2022/05/News2022_080.pdf [Accessed 10 May 2022]

economic data shows that the Maltese economy rebounded strongly by 9.4% in 2021 and is expected to grow by a further 4.2% in 2022 and an additional 4.0% in 2023.[4]

Over the past years, the market conditions were also positively affected by the substantial growth in inbound tourism and increasing population of foreign nationals. This trend was halted on the onset of the Covid-19 global pandemic, but going forward, the gradual recovery in the tourism sector coupled with the forecasted economic growth should contribute for the market to resume the growth trend.

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.

The Automotive Industry

The stock of licenced motor vehicles on the local roads have been increasing by a compound annual growth rate ("**CAGR**") of 2.8% over the past five years. As at the end of March 2022, the stock of licenced motor vehicles in the Maltese Islands amounted to 414,669[5].

Over the past three years, the newly licenced vehicles (including all kind of vehicles) amounted to 27,797 in 2019, 19,480 in 2020, and 21,034 in 2021. During the first quarter of 2022, an additional 5,008 motor vehicles were licenced.

The most recent trend within the industry is the shift towards plug-in hybrid and electric vehicles. In October 2021, the Government of Malta increased the grants for newly purchased plug-in hybrid and electric vehicles by an additional €3,000 to €11,000, while an additional €1,000 is granted if the buyer opts for the scrappage of an older vehicle. The grants for the purchase of hybrid vehicles closed at the end of May 2022 as all funds available under such scheme were exhausted. This may have an adverse effect on the sale of additional hybrid vehicles going forward.

Under the EU's Recovery and Resilience Facility, Malta is expected to receive additional funds for further support of electric vehicle purchases and for the setup of the necessary electric vehicle public charging infrastructure on a national level.

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[4] *European Commission, Spring 2022 Economic Forecast, available from: https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2022-economic-forecast_en [Accessed 25 May 2022]*
[5] *National Statistics Office, 2022, Motor Vehicles: Q1/2022, available from: https://nso.gov.mt/en/News_Releases/Documents/2022/04/News2022_072.pdf [Accessed 13 May 2022]*

The Retail Sector

The consumer goods and fast-moving consumer good (FMCG) market as well as fashion retail outlets continuously adapts to evolving consumer demand and trends. Digital innovation, the COVID-19 pandemic, and an increased focus on sustainably sourced products 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, modernise shop experience and enhance brand awareness to attract and retain consumers while remaining competitive.

The Property Market

The construction and real estate industries have 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[6] shows that residential property prices in Malta (based on advertised prices) increased by 1.7% in 2020, and an additional 2.6% in 2021. The CBM Property Price Index also shows that property prices in Malta have increased by a CAGR of 5.56% per annum (in nominal terms) since 2000.

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[6] *Central Bank of Malta, 2022, Property Prices Index based on Advertised Prices, available from* *https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xls?rnd=20220509150955&revcount=2421* *[Accessed 9 May 2022]*

Commercial Property

Although commercial property is a very important sector of the local property market, available statistics are indeed limited. Nonetheless, the most recent data published by the Central Bank of Malta[7] indicates a rebound in the commercial property space following the dip experienced in 2020 with the onset of the COVID-19 pandemic which derails the sector's momentum in the previous three years. In fact, the number of commercial development permits (comprising permits related to agriculture, manufacturing, warehousing, retail, offices, tourism as well as restaurant and bars) increased to 1,705 permits in 2021 (compared to 1,557 in 2020) although this is still below the record levels of more than 2,000 commercial development permits granted in each of 2017, 2018 and 2019.

Furthermore, the outbreak of the pandemic is also leading to accelerated changes in the way companies operate. In fact, whilst employment figures have remained resilient throughout the pandemic and the government maintains its efforts to both support existing business and attract other companies to the island, new and innovative ways of working, such as remote working, are gaining popularity. Such trends may adversely impact demand for office space which in the meantime is growing in supply as new developments are completed.

Economic Results

Despite all the disruptions, primarily brought about by COVID-19, property remains an important contributor to the country's GDP. In fact, Gross Value Added ("GVA") of the construction sector increased by 5.8% to €528.1 million in 2021 compared to €499.2 million in the previous year. Similarly, the GVA related to real-estate activities expanded by 8.3% to €673.1 million. Over the same period, the percentage share of the construction sector and real estate activities to Malta's GVA remained relatively stable at 10.3% in 2021, compared to 10.4% in 2020[8].

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[7] *Central Bank of Malta, 2022, Development Permits for Commercial, Social and Other Purposes, available from https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/dev_permits.xls?rnd=20220509150955&revcount=6095 [Accessed 9 May 2022]*

[8] *National Statistics Office, 2022, Gross Domestic Product: 2021, available from: https://nso.gov.mt/en/News_Releases/Documents/2022/03/News2022_037.pdf [Accessed 9 May 2022]*

PART B FINANCIAL ANALYSIS

7. INTRODUCTION

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 2021 and an outlook for financial year 2022.

OPERATIONAL & COVID-19 UPDATES

The following are operational updates of the various segments of the MO companies, as impacted by the (after) effects of the COVID-19 pandemic, in particular, and other developments that shaped the performance of the relative segments during FY2021:

- ***Automotive*** – this sector registered a partial recovery from the effects of COVID-19 which adversely impacted the prior year's figures. The limitations of stock of vehicles, driven by a shortage of semi-conductors, however, led to a capping on opportunities to extend the performance of this segment.
- ***Beverage*** – following the pick up in tourism, the beverage segment of the group improved its performance, despite the increase in the distribution and selling costs.
- ***Food and Fashion Retail segment*** – the foodstores and ISTB, although being operative during the year, continued to be impacted by lower footfall, attributable in the main by the lower amount of tourist arrivals as well as the various restrictions imposed by the Health Authorities in respect of the COVID-19 pandemic. During the first quarter of FY2022, the Gozo complex closed down for extensive refurbishment.
- ***Hospitality*** – the tourism industry was one of the worst hit during the pandemic, and which affected a lot of other sectors (as has also been intimated above). The WFH was one of the hotels that was affected by the pandemic, and although it did not close completely, revenues generated therefrom were subdued during FY2020. In FY2021, however, there was a pick up in revenues from the hotel, which increased by nearly 82% when compared to FY2020.
- ***Mechanical and Engineering Contracting*** – this segment experienced a slowdown as certain capital projects by third parties were delayed in view of the pandemic.

- *Real Estate* – In FY2021, no discounts were granted to Group and other tenants, and the rental rates went back as per the contractual agreements. Tenancy at The Pangea property in St Julian's has been slow in terms of take up, also in line with what other suppliers of office space have been experiencing in Malta.

8. The Issuer's Financial Statements

Income Statement

	FY2019 (A) €'000	FY2020 (A) €'000	FY2021 (A) €'000	FY2022 (F) [updated] €'000
Net Interest Income	13	13	42	199
Administrative Expenses	(23)	(22)	(51)	(132)
(Loss) / Profit Before Tax	**(10)**	**(10)**	**(9)**	**66**
Tax Income	4	3	1	(23)
(Loss) / Profit for the Year	**(7)**	**(6)**	**(7)**	**43**

Statement of Financial Position

	FY2019 (A) €'000	FY2020 (A) €'000	FY2021 (A) €'000	FY2022 (F) [updated] €'000
Assets				
Property, Plant & equipment	0	0	10	5
Loans & Advances	400	370	44,470	44,470
Receivables	10	23	424	443
Cash & Cash Equivalents	21	11	399	220
Total Assets	**432**	**404**	**45,302**	**45,138**
Equity & Liabilities				
Capital & Reserves				
Share Capital	233	233	303	303
Accumulated Losses	(6)	(12)	(19)	24
Total Equity	**227**	**221**	**283**	**326**
Liabilities				
Bond	-	-	44,212	44,279
Payables	204	183	807	532
Total Liabilities	**204**	**183**	**45,019**	**44,811**
Total Equity and Liabilities	**432**	**404**	**45,302**	**45,138**

Statements of Cash Flows

	FY2019 (A) €'000	FY2020 (A) €'000	FY2021 (A) €'000	FY2022 (F) [updated] €'000
Net Cash used in Operating Activities	(4)	(41)	(38)	(179)
Net Cash from / (used in) Investing Activities	25	30	(44,115)	-
Net Cash from Financing Activities	-	-	44,541	-
Net Movements in Cash & Cash Equivalents	**21**	**(11)**	**388**	**(179)**
Cash & Cash Equivalents at the Beginning of the Year	1	21	11	399
Cash & Cash Equivalents at the End of the Year	**21**	**11**	**399**	**220**

Analysis FY2021

The objective of the Company is to serve as MO's finance company when MO raises funds through the capital market. During FY2021 the Company issued €45 million bonds and as such, its performance for the year consisted of a net interest margin as the funds were on-lent to associated companies, net of administrative fees and tax.

The statement of financial position included the Bonds issued (net of unamortised issue costs - as a liability) and on-lent to the associate companies within MO. Receivables included the interest accrued on the loans to these companies and yet to be received, while the payables included the interest accrued and due to bondholders.

The cash flows statement for FY2021 recognised the bond issue as net cash from financing activities and the outflow as investing activities as the amount was on-lent to generate the income to the Company.

Outlook FY2022

Similar to FY2021, the Company's activities will continue to be the receipt and payment of interest related to the funds on-lent to associated companies and Bonds, respectively, net of administrative expenses and tax. The Company is expected to return to profitability in FY2022 as its net interest is expected to sufficiently cover its operational expenses.

The statement of financial position is not expected to be any different, while the cash flows statement will only include the net cash used in operations for the year.

9. THE GUARANTORS' COMBINED INCOME STATEMENT

	FY2019 (A)	FY2020 (A)	FY2021 (A)	FY2022 (F) [updated]
	€'000	*€'000*	*€'000*	*€'000*
Revenue	175,247	139,686	153,131	180,439
Operating expenses	(169,471)	(144,167)	(150,017)	(175,988)
Gains from changes in FV of IP	454	3,754	10,419	-
Impairment charges on PPE	-	(4,954)	(2,000)	-
Other operating income	2,405	2,196	2,112	2,177
Operating Profit / (Loss)	**8,635**	**(3,485)**	**13,645**	**6,628**
Investment & other related income	182	289	110	-
Net Finance Costs	(3,976)	(3,855)	(3,974)	(4,353)
Share of profits of associates	14,378	456	526	179
Profit / (Loss) before Tax	**19,220**	**(6,596)**	**10,308**	**2,454**
Tax expense	(2,323)	(667)	(2,055)	(525)
Profit / (Loss) for the Year	**16,897**	**(7,262)**	**8,253**	**1,929**

Operating Profit / (Loss)	**8,635**	**(3,485)**	**13,645**	**6,628**
Adjustment for:				
Depreciation of PPE	7,592	8,042	7,416	8,218
Depreciation (ROU)	1,799	1,942	1,669	1,496
Amortisation	21	21	21	21
EBITDA	**18,047**	**6,520**	**22,752**	**16,363**

Note on Presentation of Income Statement

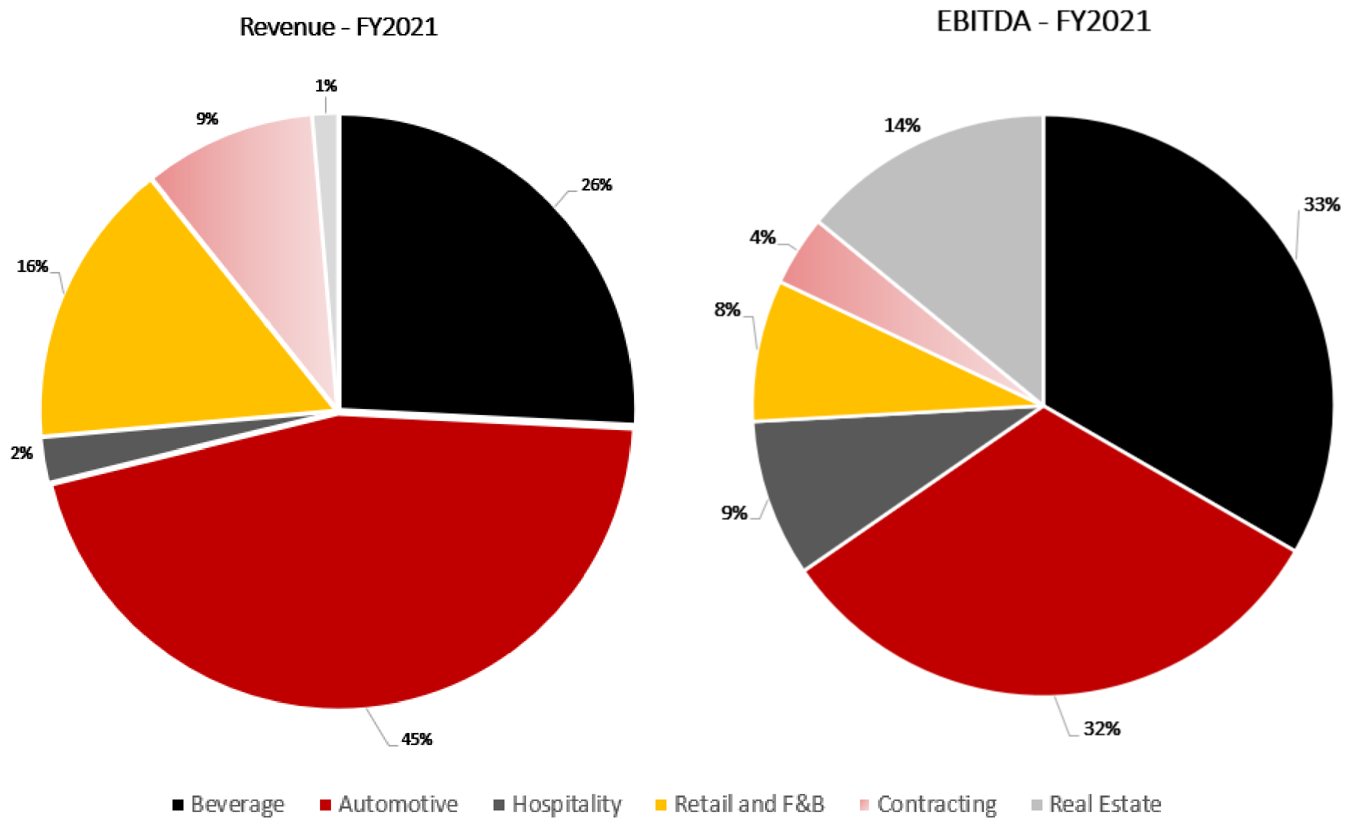
The income statement as presented above is in line with the published combined financial statements of Mizzi Organisation. This may vary slightly from the presentation of the income statement in the FAS appended to the Prospectus issued by MOF dated 24 September 2021. This approach was taken to ensure consistency in the comparative data over the years to follow.

ANALYSIS FY2021

Performance in FY2021 ameliorated, with revenues exceeding those of FY2020 by 9.6%. The contracting segment was the only segment which did not register growth in revenues in FY2021 when compared to the level generated in FY2020. The automotive segment came closest to the pre-pandemic levels, with revenues at just 2.8% lower than those of FY2019.

Over the years, the beverage and the automotive segments represented the two largest contributors to revenue, with the former being the largest EBITDA contributor by far (over 40%) to the combined results of MO. Nonetheless, given the more adverse impact of COVID-19 on the beverage division, the EBITDA contribution of both these segments was very similar in FY2021.

Revenue & EBITDA Contribution by Sector



The retail and F&B segment generated 16% of revenue in FY2021, however, its contribution to EBITDA was half as much in view of the general negative performance of Is-Suq Tal-Belt during the year. On the other hand, while hospitality generated only 2% of MO's revenue, the contribution to EBITDA was 9%, indicating the superior margins in the segment when compared to the others.

In terms of operating expenses (combining direct costs and costs related to operations including administrative as well as sales and marketing expenses), these came in higher in FY2021 in view of the improved revenue levels generated by various segments.

In addition, during FY2021, MO recognised a fair value gain on its investment property amounting to €10.4 million (FY2020: €3.8 million) in relation to revaluations of investment properties (IP) and profits on disposal of IP, while impairment charges on PPE amounted to €2 million for the year (FY2020: €5 million), relating to reductions in the carrying amounts of improvements made to MO's premises in order to reflect the amount recoverable to the related assets.

The Guarantors' combined operating results turned positive in FY2021 – to €13.6 million – which is a turnaround of approximately €17 million from the operating loss of FY2020 of €3.5 million. EBITDA (which is equivalent to the operating profit adjusted for operational depreciation and amortisation) came in at €22.8 million in FY2021 (in FY2020 this was €6.5 million).

Net finance costs came in marginally higher, at €4 million (FY2020: €3.9 million), although, the additional borrowings undertaken by the Issuer, as part of MO, was recognised during the fourth quarter of FY2021 and as such, the full year effect of the interest charge related to the additional borrowings will be recognised as from FY2022.

After accounting for a tax charge of €2.1 million (including a movement of €1.8 million in deferred tax), MO's combined profit after tax was €8.3 million (FY2020: net loss of €7.3 million).

Outlook FY2022

The increase in revenue in the revised estimates for FY2022 as opposed to the original forecast is mainly derived from expected improvements in the Beverage, Automotive and Hospitality segments. The estimates for FY2022 have been based on the assumption that there will be a further recovery in all the segments, with some segments expected to contribute equivalent to (and at times, more than) the revenue levels registered pre-COVID-19 pandemic. Linked to this is the assumption that tourism will recover too, as has been observed in the first few months of FY2022. Management has also noticed an increase in sales in the automotive sector in the first half of FY2022, although the availability of stock in this segment has recently been limited as a result of shortages in electronic components required in the production of motor vehicles, leading to some uncertainty in production levels to meet demand. Possibly these threats might ultimately affect the level of revenues that may be recognised from this segment in FY2022.

Operating profit margins are expected to marginally improve over those of FY2021 (when eliminating the fair value gain and impairment charge on PPE of FY2021, given that, although these are in the ordinary course of business and therefore may be expected, they cannot be forecasted at this point of the year). EBITDA is expected to be €16.4 million for FY2022. Net finance costs are expected to increase to €4.4 million, largely reflecting the full year interest of the bond issue, as total debt is not expected to increase by much during FY2022.

After accounting for a profit from associate companies of €0.2 million and a tax charge of €0.5 million, profit after tax for the year is expected be €1.9 million.

Variances Analysis – FY2021 and FY2022

Note: The figures below have been re-classified in line with the published combined financial statements of the Guarantors.

	FY2021 *€'000*	FY2021 (A) *€'000*	*Variance*	FY2022 *€'000*	FY2022 (updated) *€'000*	*Variance*
Revenue	144,476	153,131	*6.0%*	162,658	180,439	*10.9%*
Operating expenses	(147,259)	(150,017)	*1.9%*	(159,667)	(175,988)	*10.2%*
Gains from changes in FV of IP	896	10,419	*1062.9%*	725	-	*n/a*
Impairment charges on PPE		(2,000)	*n/a*	-	-	*n/a*
Other operating income	1,900	2,112	*11.2%*	2,000	2,177	*8.9%*
Operating Profit / (loss)	**13**	**13,645**	*104863.7%*	**5,716**	**6,628**	*16.0%*
Investment & other related income	-	110	*n/a*	-	-	*n/a*
Net Finance Costs	(3,204)	(3,974)	*24.0%*	(3,679)	(4,353)	*18.3%*
Share of profits of associates	-	526	*n/a*	-	179	*n/a*
Profit / (loss) before Tax	**(3,191)**	**10,308**	*-423.0%*	**2,037**	**2,454**	*20.5%*
Tax expense	(651)	(2,055)	*215.7%*	(436)	(525)	*20.4%*
Profit / (loss) for the Year	**(3,842)**	**8,253**	*-314.8%*	**1,601**	**1,929**	*20.5%*

Operating Profit / (Loss)	**13**	**13,645**		**5,716**	**6,628**	
Adjustment for:						
Depreciation of PPE	8,701	7,416	*-14.8%*	9,200	8,218	*-10.7%*
Depreciation (ROU)	1,837	1,669	*-9.1%*	1,496	1,496	*0.0%*
Amortisation	21	21	*0.0%*	21	21	*0.0%*
EBITDA	**10,572**	**22,752**	*115.2%*	**16,433**	**16,363**	*-0.4%*

The forecasts for FY2021 presented in the FAS published in connection with the bond issue was generally in line with the actual audited results with the exception of a few line items as detailed below:

(i) revenue generated was 6% higher than expected given better than expected performances across a number of business segments, particularly the automotive division;

(ii) the fair value gains in relation to revaluations of investment properties (IP) and profits on disposal of IP were not envisaged;

(iii) net finance costs were 24% higher than forecast largely due to the delay in receipt of proceeds, part of which were earmarked for repayment of certain bank borrowings, from the planned sale of the Qormi site (which is still subject to the extended promise of sale agreement pending planning permits); and

(iv) tax expense was materially higher than anticipated given the profit registered during the year under review in contrast to the anticipated loss.

The forecasts for FY2022 had been initially prepared in a situation of elevated uncertainty due to COVID-19 and thus management had taken a prudent and cautious approach in preparing the respective forecast. Nonetheless, the local economy has recovered in a faster way than anticipated as evidenced by the level of business activity recorded in the first few months of the year and especially after all pandemic restrictions were lifted by local health authorities. While remaining cautious in its forecasts in view of the new uncertainties of products shortages and inflation, management is now more optimistic and have thus revised the revenue forecast for FY2022 higher than that originall y forecast in the FAS published with the bond issue prospectus. Consequently, operating expenses have also been adjusted higher to reflect a higher level of business activity. As a result, the Group is now expected to register an operating profit of €6.6 million compared to the previous estimate of €5.7 million. Net finance costs are expected to be higher in view of the further delay in closing the sale of the Qormi site given that planning permits are still pending. Nonetheless, given the anticipated improvement in business activity, profitability for FY2022 is expected to be higher than originally anticipated.

10. The Guarantors' Combined Statement of Financial Position

	Actual FY2019 €'000	Actual FY2020 €'000	Actual FY2021 €'000	Updated Forecasts FY2022 €'000
Assets				
Non-Current Assets				
PPE (including Intangible Assets)	123,015	125,629	121,115	126,721
Right Of Use Assets	22,415	20,664	18,021	12,944
Investment Property (IP)	67,905	71,461	83,235	74,481
Investments in Associates	21,894	20,649	20,312	20,312
Loans & Advances	1,076	1,013	1,201	4,201
Financial Assets at FVOCI	4,638	3,740	3,337	3,337
Deferred Tax Assets	289	272	150	150
Trade & Other Receivables	18,716	18,602	18,068	20,470
Total Non-Current Assets	**259,947**	**262,029**	**265,439**	**262,615**
Current Assets				
Inventories	33,699	28,831	30,919	31,984
Trade and Receivables	42,849	32,541	37,638	43,461
Loans & Advances	-	63	66	66
Current Tax Assets	1,272	847	625	625
Financial Assets at FVPL	222	-	-	-
Cash & Cash Equivalents	12,482	9,703	28,574	5,868
	90,524	**71,984**	**97,823**	**82,005**
Assets Classified as HFS	3	3	3	3
Total Current Assets	**90,526**	**71,987**	**97,825**	**82,007**
Total Assets	**350,474**	**334,016**	**363,264**	**344,622**
Equity & Liabilities				
Capital & Reserves				
Share Capital	2,468	2,471	2,471	2,471
Capital Contribution Reserve	3,043	3,043	3,043	3,043
Revaluation Reserve	56,333	60,662	60,485	60,485
FV Gains & Other Reserves	26,877	28,721	36,139	36,139
Hedging Reserves	(537)	(504)	(278)	(278)
Retained Earnings	74,371	62,446	61,026	60,654
Total Equity	**162,556**	**156,839**	**162,886**	**162,514**
Non-Current Liabilities				
Trade & Other Payables	8	24	122	122
Borrowings	67,813	69,634	87,769	94,170
Amortised Bond Costs	-	-	-	-
Lease Liabilities	21,187	19,886	17,211	12,765
Deferred Tax Liabilities	12,292	13,232	14,944	14,006
Derivative Financial Instruments	826	776	428	428
Provisions for Liabilities & Charges	-	700	754	808
Total Non-Current Liabilities	**102,126**	**104,253**	**121,228**	**122,299**

Current Liabilities				
Trade and Other Payables	55,297	41,372	55,599	41,842
Current Tax Liabilities	95	59	770	994
Borrowings	29,054	30,120	21,178	15,006
Lease Liabilities	1,345	1,373	1,603	1,968
Total Current Liabilities	**85,792**	**72,924**	**79,150**	**59,810**
Total Liabilities	**187,918**	**177,177**	**200,378**	**182,108**
Total Equity and Liabilities	**350,474**	**334,016**	**363,264**	**344,622**

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)

	Actual **FY2019** *€'000*	Actual **FY2020** *€'000*	Actual **FY2021** *€'000*
Land, Buildings & Improvements	93,248	98,235	96,527
Plant, Machinery & Equipment	10,319	9,774	8,641
Furniture, Fittings & Office Equipment	9,492	8,565	7,389
Motor Vehicles	8,006	8,255	8,345
Assets in the course of constructions (incl. prepayments)	1,839	711	145
	122,904	**125,540**	**121,047**

The ROU Assets reflect the value of the properties leased from third parties by the MO companies and those under an emphyteutical grants on properties in Marsa (where GSD and GSDM operate from) and Valletta (home of the ISTB operation), as well as the properties from where the Arkadia and retail stores are operated (in St Julians, Naxxar, Birkirkara, Paola, Swatar, Qormi and Luqa Airport).

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 FY2021 the value of such investments was €20.3 million and consisted of:

Name	% shareholding	Carrying Amount (€000s) as at 31.12.2021
Mellieha Bay Hotel	51%	15,835
Finopz Limited	50%	2,096
Institute of English Language Studies Limited	50%	1,034
Mizzi Associated Enterprises Limited	51%	1,031
St Julian's Maritime Finance Limited	25%	621
Aquibix Limited	50%	173
The Players Group	25%	3

Trade and other receivables by the end of FY2021 stood at a total of €55.7 million (FY2021: €51.1 million), consisting mainly of hire purchase debtors within the automotive segment, and extended credit terms in the other segments, particularly to the beverage segment and contracting clients.

The main component of inventory comprises motor vehicles stock within the automotive segment and finished goods and raw materials related to the beverage segment. As at the end of FY2021 this stood at €30.9 million (FY2020: €28.8 million) reflecting also the pick-up in business expected by the various segments.

Cash balances (at bank and in hand) amounted to €28.6 million by the end of FY2021, which net of bank overdrafts and factored bills of exchange, amounted to €17.5 million (FY2020: €9.7 million and negative €9.3 million, respectively).

LIABILITIES

The increase in MO's liabilities between FY2020 and FY2021 amounted to €23.2 million and was due to increases in the level of borrowings (following the bond issue and net of bank loan repayments) and trade payables, in the main.

In terms of borrowings, MO's debt structure is composed of the following:

	Actual **FY2019** *€'000*	Actual **FY2020** *€'000*	Actual **FY2021** *€'000*	Updated Forecasts **FY2022** *€'000*
Current	29,054	30,120	21,178	15,006
Non-Current	67,813	69,634	43,557	49,891
Bond (amortised)	-	-	44,212	44,279
Total Debt	**96,867**	**99,754**	**108,947**	**109,176**
Less: Cash in hand	12,482	9,703	28,574	5,868
Net Debt	**84,385**	**90,052**	**80,373**	**103,307**

Total debt reached nearly €100 million by the end of FY2020, increasing further to €108.9 million by the end of FY2021, reflecting the additional borrowings that were taken through the bond issue. Meanwhile, as MO's cash position was higher at the end of FY2021 than that of FY2020 in view to the fact that part of the cash generated by the Bond issue was not yet disbursed by end of the year, net debt amounted to €80.4 million (FY2020: €90.1 million).

Equity Base

MO's equity improved from €156.8 million by the end of FY2020 to €162.9 million at the end of FY2021 on the back of improved performance, as has been explained in earlier parts of this Update FAS, including the fair value gain on PPE of €10.4 million. The equity component continued to fund nearly 50% of MO's total assets, which is considered to be a strong metric.

Outlook FY2022

Note: some figures making up the statement of financial position are dependent on cut-off dates. As such, the precise balances at the end of the year being forecasted is dependent on a number of variables, including performance of both the Guarantor's company components but also deliverables from external parties. The reader, as such, is cautioned that the figures presented as forecasts may be substantially different from the actual position on closing of the financial year because of these variables, particularly those outside the control of the MO companies. Management explained that in segments such as the automotive, the situation is very fluid as the availability of motor vehicles is very much dependent on the resolutions of the prevailing shortages of several electronic components which are causing delays of motor vehicle production across many car brands, including those represented by MO.

Total assets for FY2022 are expected to decline by €18.6 million. While the main components remained practically unchanged, there was a notable shift in investment property which is expected to decline from €83.2 million to €74.5 million, following the sale of the site in Qormi later this year. PPE is expected to increase to €126.7 million (net of depreciation) reflecting the development costs capitalised in relation to the *Hofra* and Arkadia projects. MO also expects there to be a build-up of trade and other receivables as operations start increase which is expected to lead to shifts in working capital.

In 2022 the Guarantors are expected to reduce their trade and other payables, resulting in a substantial reduction in cash balances which are expected to close at €5.9 million (FY2021: €28.6 million).

Equity composition is not expected to change materially, as are borrowing levels which are also expected to be at a similar level of that as at the end of FY2021.

11. The Guarantors' Combined Statement of Cash Flows

	Actual FY2019 €'000	Actual FY2020 €'000	Actual FY2021 €'000	Updated Forecasts FY2022 €'000
Net Cash from Operating Activities	14,004	13,373	18,999	6,855
Net Cash (used in) / from Investing Activities	2,233	(13,917)	(4,916)	(7,550)
Free Cash Flow	**16,237**	**(544)**	**14,083**	**(695)**
Net Cash from / (used in) Financing Activities	(6,356)	(1,841)	12,669	(16,327)
Net Movements in Cash & Cash Equivalents	**9,881**	**(2,385)**	**26,752**	**(17,022)**
Cash & Cash Equivalents at the Beginning of the Year	(16,791)	(6,910)	(9,295)	17,457
Cash & Cash Equivalents at the End of the Year*	**(6,910)**	**(9,295)**	**17,457**	**435**

**net of overdrafts and factored bills of exchange*

Analysis FY2021

As operations for the year gained momentum, FY2021 cash flows from operations stood at nearly €19 million. Investment activities at MO during FY2021 were limited to the purchase of PPE and investment property for a total of approximately €10 million (the material additions related to motor vehicles (€4.8 million), additions to assets in the course of construction (€1.4 million) and €3.3 million in investment property), which in the main consisted of the completion costs for the Pangea development.

Cash flows from financing activities of €12.7 million for the year consisted primarily of the cash generated from the bond, net of the refinanced bank facilities, lease payments and dividends paid.

Outlook FY2022

MO's net cash from operations for FY2022 are reflective of the performance of the Mizzi Organisation companies, adjusted for working capital movements, taxation and non-cash charges. While performance is expected to improve, cash flows from operations are affected by movements in working capital variables, and as such, the net cash flows from operations for FY2022 are expected to be lower than those of FY2021. The capital expenditure for the Arkadia and *Hofra* projects are expected to be the main drivers for the net cash used in investing activities. Meanwhile, the expected net cash outflow from financing activities is largely related to net repayments of bank borrowings amounting to €12 million as well as lease payments and dividend distributions.

12. Ratio Analysis

The following set of ratios have been computed from the Company's figures, both historical and projections.

Where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

	Actual **FY2019**	Actual **FY2020**	Actual **FY2021**	Updated Forecasts **FY2022**
EBITDA margin *(EBITDA / Revenue)*	9.5%	7.0%	9.4%	9.4%
Operating Profit (EBIT) margin* *(Operating Profit (EBIT) / Revenue)*	4.9%	n/a	8.9%	3.7%
Net Profit margin* *(Profit for the period / Revenue)*	9.6%	n/a	5.4%	1.1%
Return on Equity* *(Net Profit / Average Equity)*	10.9%	n/a	5.2%	1.2%
Return on Capital Employed* *(Net Profit / Average Capital Employed)*	6.6%	n/a	3.1%	0.7%
Return on Assets* *(Profit for the period / Average Assets)*	5.1%	n/a	2.4%	0.5%
Current Ratio *(Current Assets / Current Liabilities)*	1.1x	1.0x	1.2x	1.4x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.1x	0.1x	0.4x	0.1x
Interest Coverage ratio *(EBITDA / Net finance costs)*	4.2x	2.5x	3.6x	3.9x

	Actual FY2019	Actual FY2020	Actual FY2021	Updated Forecasts FY2022
Gearing Ratio *(Net debt / [Net Debt + Total Equity])*	34.2%	36.5%	33.0%	38.9%
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	37.3%	38.9%	40.1%	40.2%
Net Debt to EBIDTA *(Net Debt / EBIDTA)*	5.1x	9.2x	5.6x	6.1x

Source: Management information

* *The ratios for the three financial years ended 31 December 2021 take into account the fair value gains recorded in the respective years, the equivalent of which cannot be ascertained at this point for FY2022. Hence the ratios for FY2022 do not reflect any fair value gains or losses.*

Pursuant to the recovery during FY2021, performance ratios improved accordingly, with EBITDA margins getting quite close to those achieved in FY2019, pre-pandemic.

Solvency ratios were also superior to those of FY2020, as cash balances were higher than those at the end of the prior year.

Following the bond issue, MO's liquidity improved, also because by the end of FY2021, not all proceeds from the bond issue were utilised and as such, gearing remained strong.

Going forward during FY2022, while EBITDA margins are expected to improve even further, profitability ratios are assumed lower compared to those achieved in FY2021, because of the fair value gain of €10.4 million recognised in the said year, the equivalent of which cannot be ascertained at this point in the year. Gearing is expected to remain at acceptable levels in FY2022, despite the increase in net borrowings during the year. Similarly, solvency ratios are also expected to remain strong, better than those of FY2021 as MO reduces the amount of short-term trade payables, matched by an increase in trade receivables.

PART C COMPARATIVES

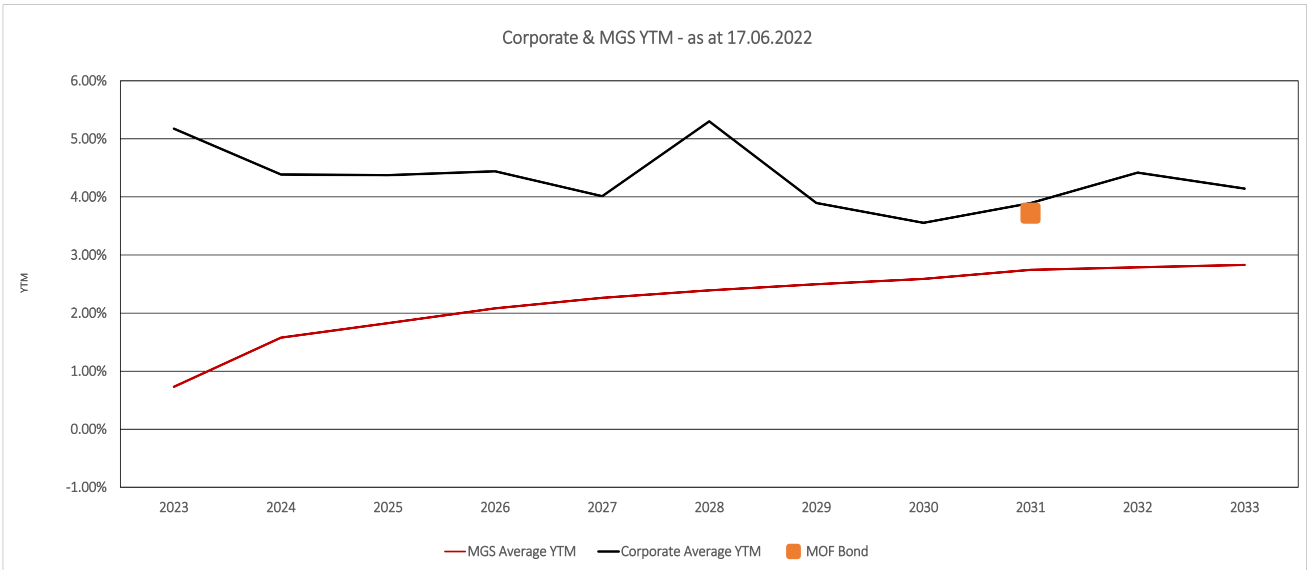
The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of 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 17.06.2022
4.00% Exalco Finance plc 2028 (Secured)	15.0	25.3%	3.6x	4.3x	3.99%
4.00% SP Finance plc 2029 (Secured)	12.0	48.5%	36.8x	0.5x	3.66%
3.75% Tum Finance plc 2029 (Secured) (Puttable)	20.0	37.2%	8.2x	3.9x	3.75%
3.65% Stivala Group Finance plc 2029 (Secured)	15.0	26.5%	33.6x	0.8x	3.49%
3.75% AX Group plc 2029	10.0	25.6%	7.0x	3.0x	3.52%
4.25% Mercury Projects Finance plc 2031 (Secured)	11.0	63.5%	191.4x	0.3x	4.25%
3.65% Mizzi Organisation Finance plc 2028-2031 (Unsecured)	**45.0**	**33.0%**	**5.6x**	**3.6x**	**3.72%**

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 17 June 2022. 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 17 June 2022.



PART E 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.