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The Board of Directors
Mizzi Organisation Finance plc
Mizzi Organisation Corporate Office,
Testaferrata Street,
Ta' Xbiex XBX 1407,
Malta

28 June 2023

Dear Sirs,

Mizzi Organisation Finance plc – Financial Analysis Summary (the **"Update FAS"**)

In accordance with your instructions and in line with the requirements of the Malta Financial Services Authority Listing Policies, we have compiled the Update FAS set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Update FAS 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 2020 to 2022 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 year ending 31 December 2023 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 Update FAS 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 Update FAS is meant to assist potential investors by summarising the more important financial data of the Company and the Guarantor. The Update FAS does not contain all data that is relevant to potential investors and is meant to complement, and not replace, financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the securities of the Company 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 Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Vincent E Rizzo
Director

FINANCIAL ANALYSIS SUMMARY

UPDATE 2023

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 2023

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 2020, 2021 and 2022, forecasts for financial year ending 31 December 2023, 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.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

24 September 2021 (appended to the prospectus of the Bond Issue)

28 June 2022

Abbreviations

AACP	All About Car Parts Limited
AFL	Arkadia Foodstores Limited
AML	Arkadia Marketing Limited
ARL	Arkadia Retail Limited
CCL	Continental Cars Limited
CHL	Consolidated Holdings Limited
FY	Financial year
GSD	The General Soft Drinks Company Limited
GSDM	GSD Marketing Limited
IELS	Institute of English Language Studies Limited
IML	Industrial Motors Limited
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 & Developments

Automotive Sector

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 mainly 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	• MML is also the authorised repairer for Daihatsu

	Jaguar Land Rover MG Motorrad	• 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 2022, according to the National Statistics Office of Malta, new passenger car registrations amounted to 12,328 (2021: 12,877), of which 6,429 (2021: 5,250) were new vehicles, with the balance being second hand imported cars.

According to management, MO has *circa* 26% 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. 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 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 was introduced in order to manage waste of single-use plastic packaging. The scheme became operative in November 2022.

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. During 2022, this chain consisted 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.* MO opened a new store in Naxxar in May 2023;
- 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 emphyteutical 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 closed its doors in January 2022 for extensive refurbishment works and re-opened for business in November 2022.

Hospitality Sector

The principal operation in the sector is The Waterfront Hotel in Sliema. The hotel features 165 rooms, offering amenities including lido facilities, indoor pool, fitness centre, restaurant and a lobby bar. 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 €196 million (as per FY2022 financial statements).

Properties classified under property, plant and equipment with a net book value as at 31 December 2022 of €88 million are used by the MO companies to house the various operations namely:

- 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 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 property. These have a carrying amount of approximately €108 million and are located in prime areas in Qormi (ex-GSD premises), Blata l-Bajda, Mellieha, St Julian's, Bugibba, Sliema and Gzira. The promise of sale of the site in Qormi (which was originally for 78% of the property) has been extended to cover 100% thereof and was extended also in terms of time into 2023. As at 31 December 2022, investment property also includes the Arkadia Commercial Centre in Gozo at a net book value of €20.7 million which was previously classified under property, plant and equipment.

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.

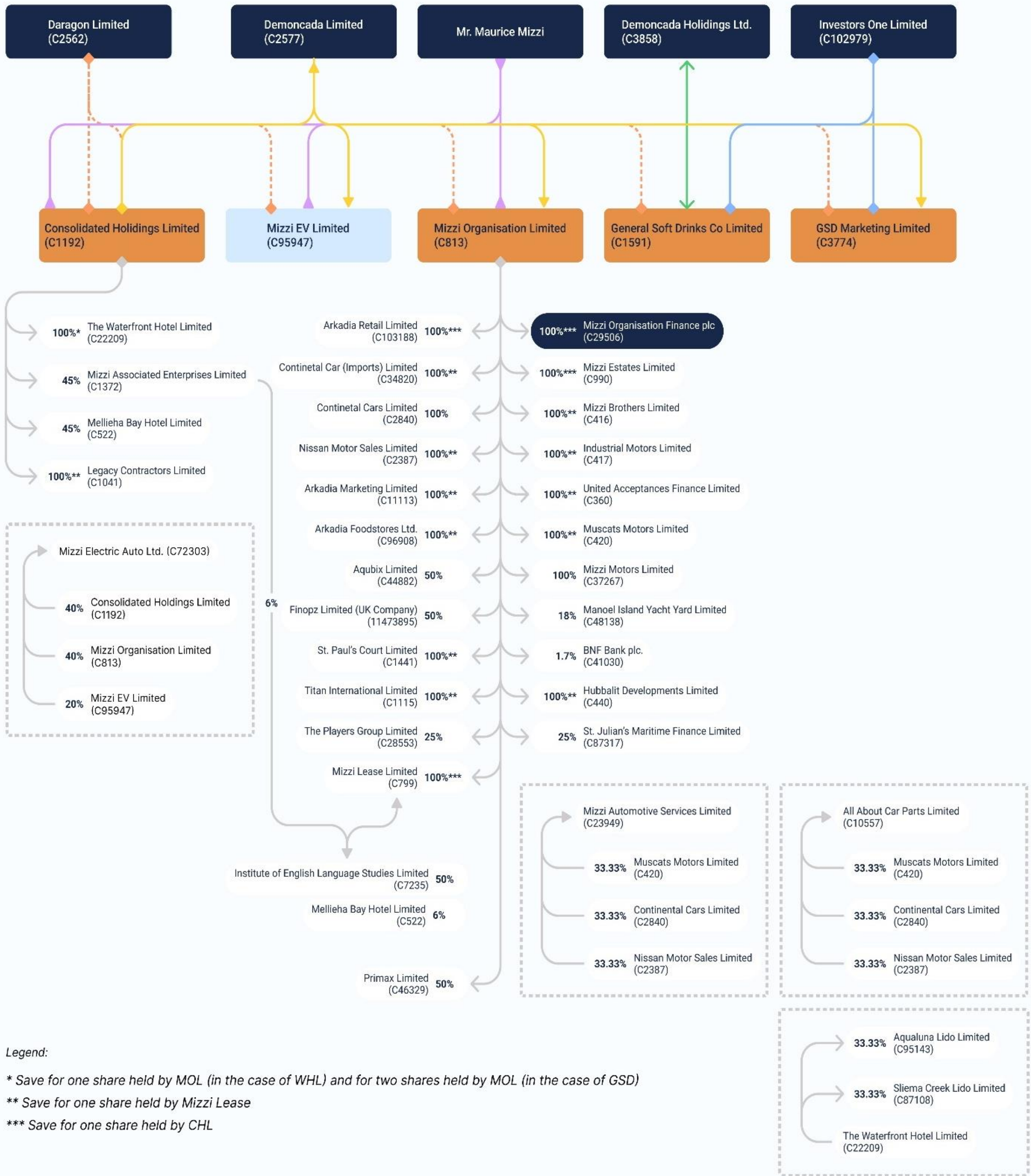
- Institute of English Language Studies Limited (C 7235) - operates within the hospitality and educational sectors. MO has a 50% shareholding in this company, which offers English language teaching to non-English students, offering packages tailored to the requirements of the students.

- 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 be re-developed in due course.

- Aqualuna Lido Limited (C 95143) and Sliema Creek Lido Limited (C 87108) – operate in the hospitality sector. The Waterfront Hotel Limited holds 33.3% in both companies which operate the lido situated across the road from the hotel in Gzira.

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 Dr Malcolm Falzon.

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	✓			✓
Maria Micallef	Executive Director		✓	✓	
Taryn Camilleri de Marco	Non-Executive Director		✓	✓	
Elisa H. Krantz	Non-Executive Director		✓	✓	
Andrew Manduca[#]	Non-Executive Director		✓	✓	
Simon Mizzi	Non-Executive Director		✓	✓	

Kevin Caruana is the company secretary of all the Guarantors.

[#] On 27 June 2023, the Company announced that Andrew Manduca will retire on 30 June 2023 and will be replaced by Prof Andrew Muscat (also effective from 30 June 2023).

Senior Management

The following is the senior management team within MO:

Daniel Aquilina	CFO of MO Group *(appointed on 15 May 2023)**
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
Kevin Muscat	GM of Mizzi Estates
Giancarlo Millo	Chief Internal Auditor of MO

**Until 14 May 2023, Nicky Camilleri occupied the post of CFO of the Group.*

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 2020, 2021 and 2022 consisted of:

as at 31 December	*2020*	*2021*	*2022*
Property, Plant and Equipment	125,539,672	121,047,184	111,731,981
Right-of-use Assets	20,663,614	18,020,812	22,919,120
Investment Property	71,460,661	83,235,179	107,836,007
Investment in Associates	20,648,780	20,311,741	20,039,812
	238,312,727	**242,614,916**	**262,526,920**
Inventories	28,831,245	30,919,404	37,137,988
	267,143,972	**273,534,320**	**299,664,908**
Trade and Other Receivables			
Non-current	18,601,916	18,068,015	19,559,347
Current	32,540,739	37,637,526	36,100,772
	318,286,627	**329,239,861**	**355,325,027**

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

6. Market Overview & Recent Developments

The Tourism Sector

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. As at December 2022, Malta had 251 active collective accommodation establishments with a net capacity of 18,227 bedrooms and 41,809 bed-places.[1]

While the COVID-19 pandemic 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 as travel restrictions made travelling, at times, impossible.

The number of inbound tourist trips started to recover in 2021 and amounted to 968,136[2], and increased to 2.3 million by the end of 2022, albeit still lower than the record of 2.8 million inbound tourist trips recorded in 2019. Such trend extended into the first few months of 2023, where during the first quarter, 443,062[3] are estimated to have travelled to Malta on holiday, nearly double as much the 235,295 inbound tourists recorded for the first quarter of 2022[4].

The main driver of the Group's tourism operator is within Consolidated Holdings Limited – The Waterfront Hotel Limited. During FY2022, the revenue recorded by the hotel company was up 78% over that of FY2021, as COVID-19 restrictions eased completely as from April 2022, and tourism started to increase both in terms of demand from travellers but also in relation to the availability of flights in and out of Malta.

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 Central Bank of Malta economic data shows that the Maltese economy is expected to grow at a slower pace in each of the next three years to 2025, at 3.7%, 3.6% and 3.5%, respectively (2022: 6.8%)[5].

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[1] *National Statistics Office, 2022, Collective Accommodation Establishments: Q4/2021, available from: https://nso.gov.mt/collective-accommodation-establishments-q4-2022 / [Accessed 16 May 2023]*
[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, 2023; Inbound Tourism: March 2023, available from: https://nso.gov.mt/inbound-tourism-march-2023/ [Accessed 16 May 2023]
[4] *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]*
[5] https://www.centralbankmalta.org/economic-projections

As tourism continues to pick up following the lifting of all the restrictions related to COVID-19, this is expected to affect positively the demand for food and beverages.

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 companies within the Group that operate within this segment are GSD and GSDM.

The Automotive Industry

The stock of licenced motor vehicles on the local roads has been increasing by an average of 20 motor vehicles per day during the first quarter of 2023. As at the end of March 2023, the stock of licenced motor vehicles in the Maltese Islands amounted to 426,720[6].

Over the past three years, the newly licenced vehicles (including all kind of vehicles) amounted to 19,480 in 2020, 21,034 in 2021 and 23,016 in 2022.

The most recent trend within the industry is the shift towards plug-in hybrid and electric vehicles. In May 2022, the Government of Malta ceased the grants for newly purchased plug-in hybrid while it continued to support the grants on fully electric vehicles up to a maximum of €12,000. An additional €1,000 is granted if the buyer opts for the scrappage of an older vehicle.

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.

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

[6] *National Statistics Office, 2023, Motor Vehicles: Q1/2023, available from: https://nso.gov.mt/motor-vehicles-q1-2023/ [Accessed 21 June 2023]*

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. In fact, whilst prices dipped in 2020, they rebounded in 2021.

Moreover, the most recent data issued by the Central Bank of Malta[7] shows that residential property prices in Malta (based on advertised prices) maintained an upward trend in 2022 to close the year at record highs.

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[8] indicates a continued recovery in the commercial property space following the dip experienced in 2020 with the onset of the COVID-19 pandemic which derailed the sector's momentum built 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 1,920 permits in 2022 (compared to 1,705 in 2021 and 1,557 in 2020) thereby moving

[7] *Central Bank of Malta, 2023, Property Prices Index based on Advertised Prices, available from https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xls?rnd=20230505104133&revcount=2130 [Accessed 5 May 2023]*

[8] *Central Bank of Malta, 2023, Development Permits for Commercial, Social and Other Purposes, available from https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/dev_permits.xls?rnd=20230505104133&revcount=5246 [Accessed 5 May 2023]*

closer to the record levels of more than 2,000 commercial development permits granted in each of 2017, 2018 and 2019.

Economic Results

Despite all the disruptions, brought about by COVID-19, the Ukraine – Russia war and the inflationary pressures experienced in the past few months, property remains an important contributor to the country's GDP. In fact, Gross Value Added ("GVA") of the construction sector stood at €560.1 million in 2021 compared to €499.2 million in the previous year. Similarly, the GVA related to real-estate activities expanded to €672.8 million. Over the same period, the combined percentage share of the construction sector and real estate activities to Malta's GVA remained relatively stable at 10.2% in 2021, compared to 10.4% in 2020, but down from 11.6% in 2000[9].

[9] *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 2023]*

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 2022 and an outlook for financial year 2023.

8. The Issuer's Financial Statements

Income Statement

	Actual **FY2020 (A)** *€'000*	Actual **FY2021 (A)** *€'000*	Actual **FY2022 (A)** *€'000*	Forecasts **FY2023 (F)** *€'000*
Net Interest Income	13	42	198	206
Administrative Expenses	(22)	(51)	(141)	(143)
Profit/(Loss) Before Tax	**(10)**	**(9)**	**57**	**62**
Tax (Expense)/Income	3	1	(19)	(22)
Profit/(Loss) for the Year	**(6)**	**(7)**	**38**	**40**

Statements of Cash Flows

	Actual **FY2020 (A)** *€'000*	Actual **FY2021 (A)** *€'000*	Actual **FY2022 (A)** *€'000*	Forecasts **FY2023 (F)** *€'000*
Net Cash Generated (used in) / from Operating Activities	(41)	(38)	155	8
Net Cash Generated from/ (used in) Investing Activities	30	(44,115)	(130)	-
Free Cash Flows	**(11)**	**(44,153)**	**25**	**8**
Net Cash Generated from/ (used in) Financing Activities	-	44,541	(274)	(25)
Net Movements in Cash & Cash Equivalents	**(11)**	**388**	**(248)**	**(17)**
Cash & Cash Equivalents at the Beginning of the Year	21	11	399	150
Cash & Cash Equivalents at the End of the Year	**11**	**399**	**150**	**133**

Statement of Financial Position

	Actual FY2020 (A) €'000	Actual FY2021 (A) €'000	Actual FY2022 (A) €'000	Forecasts FY2023 (F) €'000
Assets				
Property, Plant & Equipment	-	10	5	-
Loans & Advances	370	44,470	44,600	44,600
Receivables	23	424	388	380
Cash & Cash Equivalents	11	399	150	133
Total Assets	**404**	**45,302**	**45,143**	**45,114**
Equity & Liabilities				
Capital & Reserves				
Share Capital	233	303	303	303
Retained Earnings/(Accumulated Losses)	(12)	(19)	19	58
Total Equity	**221**	**283**	**322**	**361**
Liabilities				
Bond	-	44,212	44,279	44,350
Payables	183	807	542	403
Total Liabilities	**183**	**45,019**	**44,822**	**44,752**
Total Equity and Liabilities	**404**	**45,302**	**45,143**	**45,114**

Analysis FY2022

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. This is driven through a loan agreement with the borrowing entities within the MO Group, at an interest rate of 4.3% per annum, while the Company pays 3.65% on its borrowings, netting a margin of 65 basis points, which is used to cover its administrative expenses.

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 FY2022 factors in the limited operations of the Company as explained above, where the interest is received from the related parties and used to pay its administrative expenses and the interest due to bondholders.

Outlook FY2023

Similar to FY2022, the Company's activities will continue to be the receipt of interest related to the funds on-lent to MOL (as parent) and the payment of interest related to the Bond issue. The Company also effects payments related to tax and administrative expenses.

The statements of cash flows and financial position are not expected to be materially different from those of FY2022.

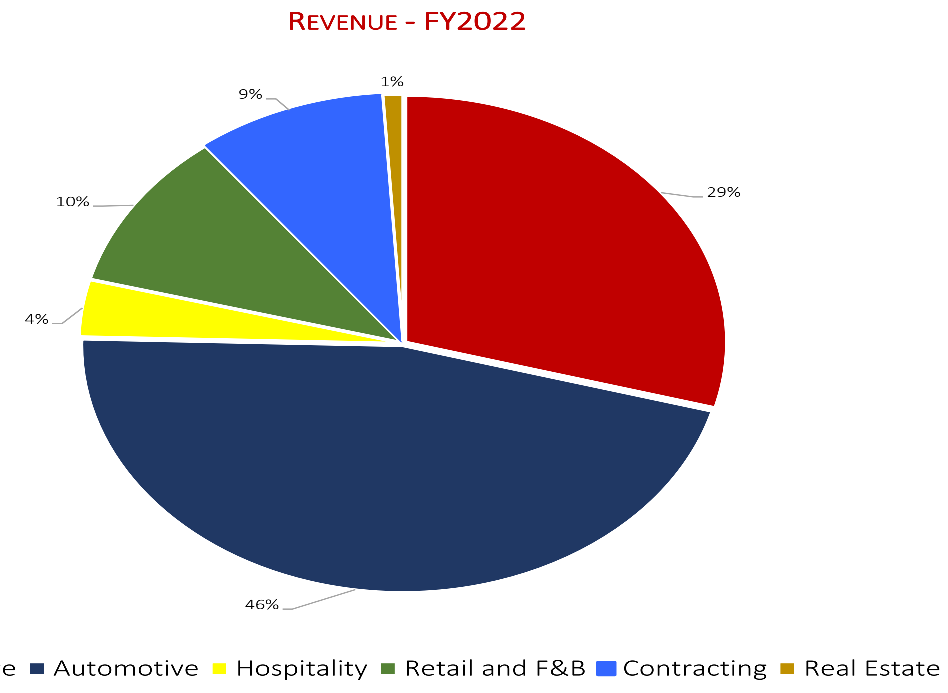
9. The Guarantors' Combined Income Statement

	FY2020 (A)	FY2021 (A)	FY2022 (A)	FY2023 (F)
	€'000	*€'000*	*€'000*	*€'000*
Revenue	139,686	153,131	178,858	214,280
Operating expenses	(144,167)	(150,017)	(171,395)	(207,492)
Gains from changes in FV of IP	3,754	10,419	6,017	1,500
Impairment charges on PPE	(4,954)	(2,000)	-	-
Other operating income	2,196	2,112	2,356	2,395
Operating Profit / (loss)	**(3,485)**	**13,645**	**15,836**	**10,682**
Investment & other related income	289	110	104	-
Net Finance Costs	(3,855)	(3,974)	(4,315)	(4,993)
Share of profits of associates	456	526	814	483
Profit / (loss) before Tax	**(6,596)**	**10,308**	**12,439**	**6,173**
Tax expense	(667)	(2,055)	(1,145)	(1,075)
Profit / (loss) for the Year	**(7,262)**	**8,253**	**11,294**	**5,097**
Operating Profit / (Loss) excluding gains from changes in FV of IP and Impairment charges on PPE	**(2,285)**	**5,226**	**9,819**	**9,182**
Operating Profit / (Loss)	**(3,485)**	**13,645**	**15,836**	**10,682**
Adjustment for:				
Depreciation of PPE	8,042	7,416	7,547	8,746
Depreciation (ROU)	1,942	1,669	1,631	1,634
Amortisation	21	21	21	21
EBITDA	**6,520**	**22,752**	**25,035**	**21,083**

Analysis FY2022

The FY2022 performance exceeded expectations, whereby MO registered a profit before tax of €12.4 million as opposed to the forecast of €2.5 million. Revenues continued to grow, surpassing pre-pandemic levels. The beverage and automotive divisions continued the positive trends with increased turnovers and consequently better EBIDTA levels. The mechanical and engineering contracting segment, primarily represented by Titan International Limited, which deals in the contracting, sales and servicing of lifts and air conditioners, registered an increase in revenues of 17% over those for FY2021. Within the real estate segment, Mizzi Estates Limited registered an overall increase in rental income of nearly 6%, mainly attributable to increases in third-party leases which grew by 13% y-o-y. Other positive impacts to this segment were the uplifts of investment property values of a portfolio of properties held by the said company. This segment had a capital expenditure of circa €1.3 million in FY2022, mainly related to the completion of the development of a 6-storey office block in St Julians. Furthermore, the promise of sale of the former GSD factory in Qormi was extended into 2023 pending relative permits, and now incorporates the whole site (as opposed to the 78% originally under promise of sale).

Overall revenues in FY2022 increased by 17% over that reported for FY2021. The automotive segment registered a 19% uplift in its revenue over the previous year and remains MO's main revenue contributor representing 46% of total revenue, compared to 45% in FY2021. The beverage segment registered a 33% increase in revenue over that of FY2021 and was the second largest revenue contributor of MO at 29%. The remaining segments contributed for the remaining 25% revenue of FY2022.



The increased activity in FY2022, as shown by higher revenues, inevitably upped operating expenses (combining direct costs and costs related to operations including administrative as well as sales and marketing expenses), when compared to FY2021. However, one has to note that the increase was at a slower pace than the increases in revenue, resulting in improved profit margins.

In addition, during FY2022, MO recognised a fair value gain on its investment property amounting to €6 million (FY2021: €10.4 million) in relation to revaluations of investment properties (IP) and profits on disposal of IP.

The Guarantors' combined operating results stood at €15.8 million, an increase of 16% over FY2021's operating profit result. EBITDA (which is equivalent to the operating profit adjusted for operational depreciation and amortisation) came in at €25 million (FY2021: €22.8 million).

In FY2022, net finance costs were 9% higher, at €4.3 million (FY2021: €4 million), reflecting the full year effect of the additional borrowings undertaken by the Issuer, mainly as a result of the bond which was issued in the last quarter of FY2021.

After accounting for a tax charge of €1.1 million, MO's combined profit after tax was €11.3 million (FY2021: €8.3 million), representing an increase of 37% y-o-y.

Outlook FY2023

The forecasts for FY2023 have factored in continued growth in the automotive sector, with more cars expected to be sold during FY2023, in addition to a shift in mix towards higher value cars, which in part is also the result of the expected higher cost of supplies.

MO's revenue increases are also being driven by increased market share in the beverage segment, as well as high occupancy in the hospitality segment also commanding better average room rates. In the retail segment, the Gozo Arkadia complex is open for a full year, while the segment has also a new foodstore operative in Naxxar which opened in May 2023. Meanwhile, the foodstore at Portomaso is currently being refurbished and as such in the short run will affect the returns of this segment adversely. In the real estate segment, MO is forecasting increase in rental income from the Pangea offices as occupancy increases.

On the other hand, the forecasts are also cognisant of the inflationary pressures of the past few months and their effect on raw materials and thus supplies, as well as logistics. As such, while the revenue increases are expected to be material for FY2023, the costs for such levels of sales are also expected to be higher, which will affect margins. The income statement for FY2023 features a €1.5 million uplift in fair value of investment property in view of an anticipated sale of property, which is significantly less than the €6 million fair value property gains registered in FY2021, thus affecting the profitability and comparability accordingly. Other adverse effects included increased finance costs as a result of higher interest rates, as well as a higher depreciation charge in view of recent capital investments carried out by MO. In fact, net profit for the year is expected to be €5.1 million compared to €11.3 million recorded in FY2022.

VARIANCES ANALYSIS – FY2022

	FY2022 (A)	FY2022 (F)	Variance	
	€'000	*€'000*	*€'000*	*%*
Revenue	178,858	180,439	(1,581)	(0.9%)
Operating expenses	(171,395)	(175,988)	4,593	(2.6%)
Gains from changes in FV of IP	6,017	-	6,017	n/a
Other operating income	2,356	2,177	179	8.2%
Operating Profit	**15,836**	**6,628**	**9,208**	138.9%
Investment & other related income	104	-	104	n/a
Net Finance Costs	(4,315)	(4,353)	38	(0.9%)
Share of profits of associates	814	179	635	355.3%
Profit before Tax	**12,439**	**2,454**	**9,985**	406.9%
Tax expense	(1,145)	(525)	620	118.0%
Profit for the Year	11,294	**1,929**	**9,365**	485.6%
Operating Profit	**15,836**	**6,628**	**9,208**	138.9%
Adjustment for:				
Depreciation of PPE	7,547	8,218	(671)	(8.2%)
Depreciation (ROU)	1,631	1,496	135	9.0%
Amortisation	21	21	-	1.5%
EBITDA	**25,035**	**16,363**	**8,672**	53.0%

The forecasts that were produced in last year's FAS were more conservative than the actual figures achieved during the said financial year. Margins were assumed to be weaker than those that most MO companies managed to report for the year. Furthermore, share of profit from associate companies also came in better than expected. Furthermore, MO recognised an uplift in the fair value of its investment property portfolio of €6 million, which at the time of presenting forecasts, cannot be pre-determined. These three aspects left their mark on the rest of the income statement, as they effected the end results for FY2022, which when compared to what was forecast, came in 485% higher.

10. THE GUARANTORS' COMBINED STATEMENT OF FINANCIAL POSITION

	Actual FY2020 (A) €'000	Actual FY2021 (A) €'000	Actual FY2022 (A) €'000	Forecast FY2023 (F) €'000
Assets				
Non-Current Assets				
PPE (including Intangible Assets)	125,629	121,115	111,779	110,443
ROU Assets	20,664	18,021	22,919	25,961
Investment Property (IP)	71,461	83,235	107,836	102,314
Investments in Associates	20,649	20,312	20,040	20,523
Loans & Advances	1,013	1,201	3,392	5,308
Financial Assets at FVOCI	3,740	3,337	3,008	3,008
Deferred Tax Assets	272	150	-	-
Derivative financial instruments	-	-	421	421
Trade & Other Receivables	18,602	18,068	19,559	25,714
Total Non-Current Assets	**262,029**	**265,439**	**288,955**	**293,692**
Current Assets				
Inventories	28,831	30,919	37,138	44,996
Trade and Receivables	32,541	37,638	36,101	42,856
Loans & Advances	63	66	69	69
Current Tax Assets	847	625	1,150	1,000
Financial Assets at FVPL	-	-	-	
Cash & Cash Equivalents	9,703	28,574	18,088	5,888
	71,984	**97,823**	**92,545**	**94,811**
Assets Classified as HFS	3	3	3	3
Total Current Assets	**71,987**	**97,825**	**92,548**	**94,811**
Total Assets	**334,016**	**363,264**	**381,502**	**388,503**
Equity & Liabilities				
Capital & Reserves				
Share Capital	2,471	2,471	8,398	8,398
Capital Contribution Reserve	3,043	3,043	-	-
Revaluation Reserve	60,662	60,485	65,450	65,450
FV Gains & Other Reserves	28,721	36,139	39,520	35,520
Hedging Reserves	(504)	(278)	274	274
Retained Earnings	62,446	61,026	66,289	73,086
Total Equity	**156,839**	**162,886**	**179,931**	**182,728**
Non-Current Liabilities				
Trade & Other Payables	24	122	85	85
Borrowings	69,634	87,769	79,639	68,245
Lease Liabilities	19,886	17,211	23,029	26,951
Deferred Tax Liabilities	13,232	14,944	16,467	15,303
Derivative Financial Instruments	776	428	-	-
Provisions for Liabilities & Charges	700	754	812	874
Total Non-Current Liabilities	**104,253**	**121,228**	**120,032**	**111,457**

Current Liabilities				
Trade and Other Payables	41,372	55,599	53,237	63,649
Current Tax Liabilities	59	770	1,428	654
Borrowings	30,120	21,178	25,993	28,457
Lease Liabilities	1,373	1,603	883	1,558
Total Current Liabilities	**72,924**	**79,150**	**81,540**	**94,318**
Total Liabilities	**177,177**	**200,378**	**201,571**	**205,775**
Total Equity and Liabilities	**334,016**	**363,264**	**381,502**	**388,503**

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 **FY2020** *€'000*	Actual **FY2021** *€'000*	Actual **FY2022** *€'000*
Land, Buildings & Improvements	98,235	96,527	87,969
Plant, Machinery & Equipment	9,774	8,641	7,769
Furniture, Fittings & Office Equipment	8,565	7,389	7,994
Motor Vehicles	8,255	8,345	8,001
Assets in the Course of Constructions (incl. Prepayments)	711	145	-
	125,540	**121,047**	**111,732**

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, Valletta and Luqa Airport). During FY2022, two properties subject to a lease had their terms modified, which led to an increase in the ROU asset (and respective balances in the lease liabilities) for a value of €4.3 million, partially netted off by the renegotiation of a lease arrangement in relation to another property.

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 FY2022 the value of such investments was €20 million and consisted of:

Name	% shareholding	Carrying Amount (€000s) as at 31.12.2022
Mellieha Bay Hotel	51%	15,804
Finopz Limited	50%	1,964
Institute of English Language Studies Limited	50%	1,427
Mizzi Associated Enterprises Limited	51%	978
St Julian's Maritime Finance Limited	25%	546
Aqubix Limited	50%	282
The Players Group	25%	2
Aqualuna Lido Limited	33%	0
Sliema Creek Lido Limited	33%	0

Trade and other receivables by the end of FY2022 stood at a total of €55.7 million, unchanged from that of FY2021, and consisted primarily 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 (*circa* €15.5 million worth), with the remaining inventory balance being made up of goods purchased for resale as well as finished goods and raw materials. As at the end of FY2022 total inventories stood at €37.1 million (FY2021: €30.9 million) reflecting also the pick-up in business expected by the various segments.

Cash balances (at bank and in hand) amounted to €18.1 million (FY2021: €28.6 million), which net of bank overdrafts and factored bills of exchange, amounted to €2.3 million (in FY2021 this amounted to €17.5 million).

Liabilities

MO's total liabilities between FY2021 and FY2022 increased marginally, by €1.2 million. The change was the result of increases in lease liabilities (explained earlier on in this section) and tax balances, mitigated by part repayment of borrowings and a lower level of trade payables.

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

	Actual FY2020 (A) *€'000*	Actual FY2021 (A) *€'000*	Actual FY2022 (A) *€'000*	Forecast FY2023 (F) *€'000*
Current	30,120	21,178	25,993	28,457
Non-Current	69,634	43,557	35,360	23,895
Bond (amortised)	-	44,212	44,279	44,350
Total Debt	**99,754**	**108,947**	**105,632**	**96,702**
Less: Cash in hand	9,703	28,574	18,088	5,888
Net Debt	**90,052**	**80,373**	**87,545**	**90,814**

Total debt reached €105.6 million by the end of FY2022 (€108.9 million by the end of FY2021), reflecting the part repayments of bank borrowings made during the year. MO's cash position was lower at the end of FY2022 than that of FY2021 reflecting the application of cash towards the refurbishment of the Arkadia Gozo Complex, expansion of the lease motor vehicle fleet, enhancement of the Group's property portfolio as well as other general maintenance capex incurred across the Group.

Equity Base

During FY2022, MO capitalised €5.9 million from its reserves to boost its share capital, which increased from €2.5 million to €8.4 million. Total equity, at €179.9 million by the end of FY2022, funded 47% of MO's total assets which is considered to be a strong metric.

Outlook FY2023

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 are expected to increase by a further €7 million in FY2023. While the main components remained practically unchanged, there is a noticeable build-up of trade receivables which is a result of the increased activity derived from the expected increase in turnover. In 2023, total value of investment property is expected to decline by €5.5 million as a result of the sale of the site in Qormi forecasted at the end of the year, mitigated by further capital expenditure in the property portfolio. Furthermore, as a result of the pick-up being experienced which is expected to continue during FY2023 in motor vehicles sales, inventories are also expected to register a significant increase. Meanwhile, cash balances are expected to decline as the Guarantors utilise said cash in meeting working capital requirements, the ongoing strategy of reducing bank loans balances through repayments and further capital expenditure. These will be offset by the expected disposal of properties.

Equity is expected to improve by €2.8 million from €180 million to €182.7 million at close of FY2023, with the changes in the components reflecting the improved performance of the MO companies, partly offset by the decline in the FV Gains & Other Reserves balance in conjunction to projected disposal of property.

11. THE GUARANTORS' COMBINED STATEMENT OF CASH FLOWS

	Actual FY2020 (A) *€'000*	Actual FY2021 (A) *€'000*	Actual FY2022 (A) *€'000*	Forecast FY2023 (F) *€'000*
Net Cash from Operating Activities	13,373	18,999	6,832	6,091
Net Cash used in Investing Activities	(13,917)	(4,916)	(12,107)	(1,894)
Free Cash Flows	**(544)**	**14,083**	**(5,275)**	**4,197**
Net Cash from / (used in) Financing Activities	(1,841)	12,669	(9,849)	(17,145)
Net Movements in Cash & Cash Equivalents	**(2,385)**	**26,752**	**(15,123)**	**(12,948)**
Cash & Cash Equivalents at the Beginning of the Year	(6,910)	(9,295)	17,457	2,334
Cash & Cash Equivalents at the End of the Year	**(9,295)**	**17,457**	**2,334**	**(10,614)**

ANALYSIS FY2022

In FY2022 as operations gained momentum, cash flows from operations were used in working capital movements, primarily due to build-up in inventories and payment of creditors. Furthermore, the increase in business witnessed in the hire purchase segment, which ultimately generate further profits in the automotive division, had, by its own very nature, an adverse impact on the short term cashflow of the Group. Investment activities at MO during FY2022 in relation to the additions and improvements to PPE and investment property (net of disposals during the year) amounted to approximately €10 million. MO also made additional advances to the tune of €2.3 million to related parties in line with the commitment to fund respective associated companies' financial commitments.

Cash flows used in financing activities of €9.8 million for the year consisted primarily of the net additional borrowings of circa €5.5 million, dividend payments of €2.3 million, and lease payments of approximately €2 million.

At the end of FY2022, cash balances stood at €2.3 million (FY2021: €17.5 million).

OUTLOOK FY2023

MO's net cash from operations for FY2023 are expected to reflect the performance of the MO companies adjusted for working capital movements, taxation and non-cash charges.

In FY2023, the Group is expected to engage in net investing activities to the tune of €1.9 million represented by capital expenditure of €13.5 million set-off by proceeds from disposal of properties, including the Qormi site towards the end of the year. Capital expenditure in main will include the Hofra project, Arkadia Foodstores and operations, further developments in the estates portfolio and other maintenance capex. The Group will also continue to support the commitments of one of its associated companies with a further injection of €1.9 million.

Net cash used in financing activities reflect significant repayments of bank borrowings (approx. €13 million) with the remaining amount being utilised for the settlement of lease payments and dividends.

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 FY2020	Actual FY2021	Actual FY2022	Forecast FY2023
EBITDA margin *(EBITDA / Revenue)*	4.7%	14.9%	14.0%	9.8%
Operating Profit (EBIT) margin *(Operating Profit (EBIT) / Revenue)*	-2.5%	8.9%	8.9%	5.0%
Net Profit margin *(Profit for the period / Revenue)*	-5.2%	5.4%	6.3%	2.4%
Return on Equity *(Net Profit / Average Equity)*	-4.5%	5.2%	6.6%	2.8%
Return on Capital Employed *(Net Profit / Average Capital Employed)*	-2.8%	3.1%	4.1%	1.8%
Return on Assets *(Profit for the period / Average Assets)*	-2.1%	2.4%	3.0%	1.3%
Current Ratio *(Current Assets / Current Liabilities)*	1.0x	1.2x	1.1x	1.0x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.1x	0.4x	0.2x	0.1x
Interest Coverage ratio *(EBITDA / Net finance costs)*	1.7x	5.7x	5.8x	4.2x
Gearing Ratio *(Net debt / [Net Debt + Total Equity])*	36.5%	33.0%	32.7%	33.2%
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	38.9%	40.1%	37.0%	34.6%
Net Debt to EBIDTA *(Net Debt / EBIDTA)*	13.8x	3.5x	3.5x	4.3x

Source: Management information

The ratios for the three financial years ended 31 December 2022 take into account the fair value gains recorded in the respective years, the equivalent of which cannot be ascertained at this point for FY2023. Hence the ratios for FY2023reflect only prudent estimate fair value gains , thus making some ratios less comparable.

While revenue increased significantly in FY2022, the cost base also experienced an increase, which led to an improved EBITDA, while operating margins retaining the same levels as those of FY2021. Net profit margin registered a significant improvement, up by 90 basis points to 6.3%, while returns on equity, capital employed and assets all recorded further increases compared to the same metric calculations of FY2021.

Gearing metrics remained strong, even improving in most instances.

The metrics for FY2023 are affected by the lack of visibility of the fair value movements in the companies' investment property assets, and as such, provide a weaker set of performance ratios when compared to FY2022 which had €6 million worth of fair value gains. Reduced fair value gains of €1.5 million are expected in FY2023.

PART C COMPARATIVES

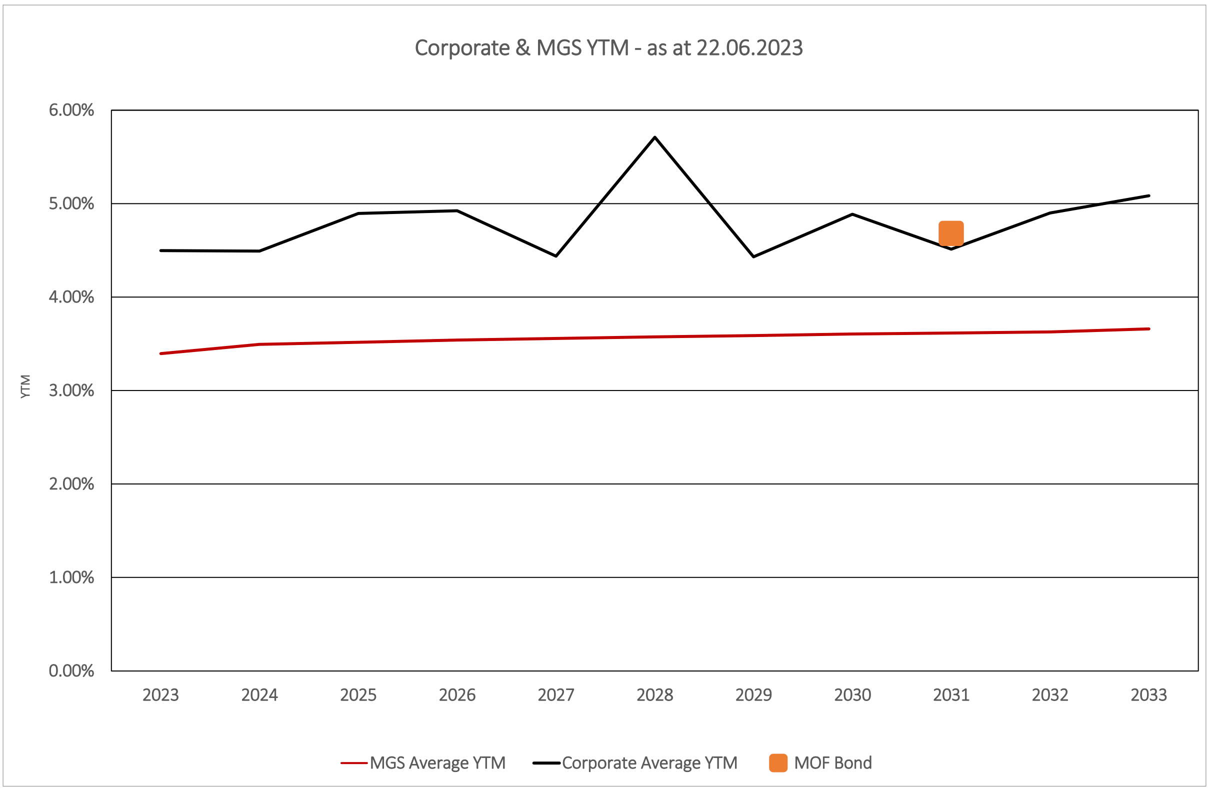
The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

Bond Details	Amounts Outstanding	Gearing*	Net Debt to EBITDA	Interest Cover	YTM as at 22.06.2023
3.65% Mizzi Organisation Finance plc 2028-2031 (Unsecured)	**45,000,000**	**32.7%**	**3.50x**	**5.80x**	**4.68%**
4.00% Exalco Finance plc 2028 (Secured)	15,000,000	23.9%	3.98x	4.84x	4.22%
3.85% HILI Finance Company plc 2028	40,000,000	63.2%	3.57x	4.65x	4.52%
4.00% SP Finance plc 2029 (Secured)	12,000,000	51.8%	11.97x	1.40x	3.80%
4.00% Cablenet Communication Systems plc Unsecured 2030	40,000,000	93.4%	2.54x	5.64x	4.77%
4.25% Mercury Projects Finance plc Secured 2031#	11,000,000	71.8%	15.08x	2.63x	4.57%
3.75% AX Group plc 2029	10,000,000	30.0%	14.75x	1.75x	4.01%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 22 June 2023. 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 chart overleaf 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 in the chart overleaf are as at 22 June 2023.



The Company's bond is currently yielding 4.68% representing a 17-basis points premium to the equivalent average corporate bonds' yield to maturity for 2031 maturities and at a 106-basis points premium over the average MGS yield to maturity for 2031 maturities.

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.