RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Rizzo, Farrugia & Co (Stockbrokers) Ltd
Airways House, Fourth Floor, High Street, Sliema SLM1551, Malta
T. +356 22583000 E. info@rizzofarrugia.com W. www.rizzofarrugia.com

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

27 June 2024

Dear Sirs,

Mizzi Organisation Finance plc – Financial Analysis Summary Update (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 2021 to 2023 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 2024 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 Update FAS; and

(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,

Doreanne Caruana
Head of Corporate Advisory

FINANCIAL ANALYSIS SUMMARY

UPDATE 2024

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.

27 June 2024

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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 2021, 2022, and 2023, forecasts for financial year ending 31 December 2024, 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 Euros, 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

28 June 2023

Abbreviations

AML	Arkadia Marketing Limited
CHL	Consolidated Holdings Limited
FY	Financial year
GSD	The General Soft Drinks Company Limited
GSDM	GSD Marketing 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 & DEVELOPMENTS

AUTOMOTIVE SECTOR

This segment is divided in two:

a) retail, leasing and servicing of motor vehicles and spare parts; and
b) financing of motor vehicles bought from Mizzi Organisation.

Over the years, the Maltese automotive sector has been characterised by second-hand imports which competed directly with the franchised brands of MO. During 2023, according to the National Statistics Office of Malta, new passenger car registrations amounted to 14,433, representing an increase of 17% when compared to 2022 (12,328). Of these, 7,465 (2022: 6,429) 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. The demand for motor vehicles through the various companies of MO led to record revenues registered for FY2023 at €105.2 million. The demand for electric vehicles was also stronger than that experienced in FY2022 and previous years, fuelled by government grants available for such type of vehicles.

Beverage Sector

The beverage sector is the other segment that provides a substantial 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. In May 2023, MO opened a new Arkadia 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, St. Julian's, 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 this 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 €194 million (as per FY2023 financial statements).

Properties classified under property, plant and equipment with a net book value as of 31 December 2023 of €85 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 €109 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 FY2024.

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

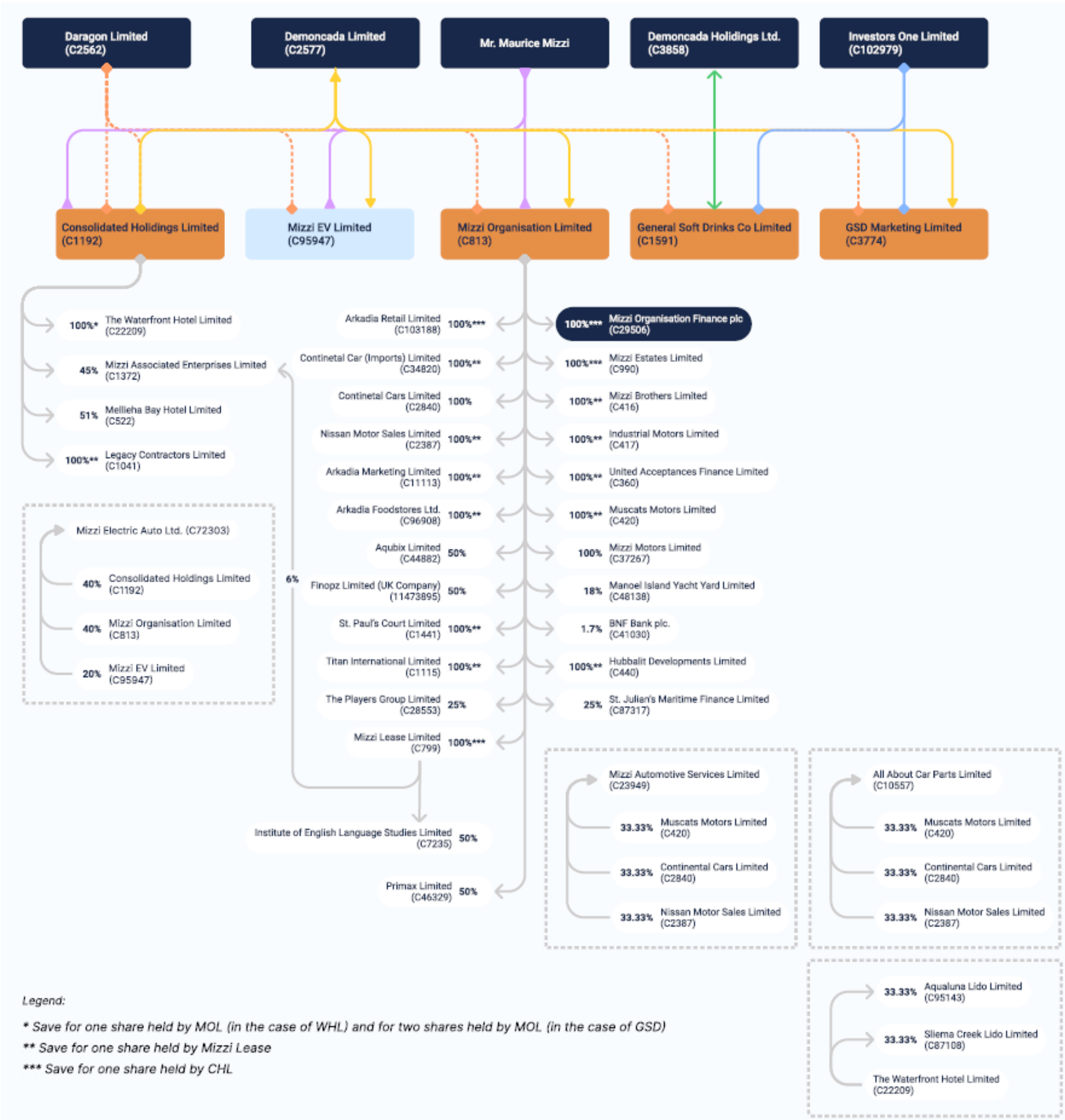
MO holds investment interests in companies with other third parties in a variety of sectors, including:

- 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 an 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 company, FINOPZ Ltd (UK-registered) - operate within the IT sector. MO holds a 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 currently being re-developed.
- 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 Sliema.

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.



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
Andrew Muscat*	Non-Executive, Independent 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 occupied the post of Chairman until he resigned on 30 June 2023. He was replaced by Prof. Andrew Muscat with effect therefrom.*

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 Muscat#	Non-Executive Director		✓	✓	
Simon Mizzi	Non-Executive Director		✓	✓	
Kevin Rapinett	Non-Executive Director		✓	✓	

Kevin Caruana is the company secretary of all the Guarantors.

#Andrew Manduca resigned on 30 June 2023 and was 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
Dave Shaw	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 2021, 2022 and 2023 consisted of:

	FY2021 (A) *€'000*	FY2022 (A) *€'000*	FY2023 (A) *€'000*
Property, Plant and Equipment	121,115	111,779	113,118
Right-of-use Assets	18,021	22,919	27,876
Investment Property	83,235	107,836	108,963
Investment in Associates	20,312	20,040	23,949
	242,683	**262,574**	**273,906**
Inventories	30,919	37,138	60,769
	273,602	**299,712**	**334,675**
Trade and Other Receivables			
Non-current	18,068	19,559	21,631
Current	37,638	36,101	42,140
	329,308	**355,372**	**398,445**

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 a major component and contributor of the Maltese economy, which over the past years has become increasingly service based. Prior to the outbreak of the COVID-19 pandemic, Maltese tourism was at the peak of a positive cycle of ten years of record growth. As of December 2023, Malta had 296 (up from 251 a year earlier) active collective accommodation establishments with a net capacity of 19,591 (2022: 18,227) bedrooms and 44,656 (2022: 41,809) bed-places.[1]

The industry made a recovery from the significant slowdown in the number of tourists arrivals in view of the pandemic in preceding years. During 2022, Malta had 2.3 million inbound tourists visiting our islands, which increased further by the end of 2023, to just under 3 million, beating the record reached

[1] *National Statistics Office, Collective Accommodation Establishments: Q4/2023, available from: https://nso.gov.mt/collective-accommodation-establishments-q4-2023/ [Accessed 16 May 2024]*

in 2019 of 2.8 million inbound tourists.[2] The momentum was maintained during the first few months of 2024, exceeding the 2023 figures achieved during the same period, as inbound tourists between January and April amounted to 881,118, which is an uplift of 25.1% over the numbers recorded in 2023.[3]

The main driver of the Group's tourism operator is within Consolidated Holdings Limited – The Waterfront Hotel Limited.

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 grew significantly and 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%)[4].

As tourism continues to grow and reach new record highs, 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 24 motor vehicles per day during the first quarter of 2024. As at the end of March 2024, the stock of licenced motor vehicles in the Maltese Islands amounted to 493,398[5].

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[2] *National Statistics Office, Inbound Tourism: December 2023, available from: https://nso.gov.mt/inbound-tourism-december-2023/ [Accessed 16 May 2024]*

[3] *National Statistics Office, Inbound Tourism: April 2024, available from: https://nso.gov.mt/inbound-tourism-april-2024/ [Accessed 6 June 2024]*

[4] Central Bank of Malta, 2024, Outlook for the Maltese Economy – 2024:1, available from https://www.centralbankmalta.org/economic-projections *[Accessed 6 June 2024]*

[5] *National Statistics Office, 2023, Motor Vehicles: Q1/2024, available from: hhttps://nso.gov.mt/motor-vehicles-q1-2024/#:~:text=As%20at%20the%20end%20of,total%20of%2016%2C490%20motor%20vehicles / [Accessed 6 June 2024]*

Over the past three years, the newly licenced vehicles (including all kind of vehicles) amounted to 21,034 in 2021, 23,016 in 2022 and 24,049 in 2023.

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 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 key drivers 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 over the 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.

Commercial Property

Unfortunately, data is very limited particularly in relation to commercial real estate and as such no further detailed analysis could be carried out. Nevertheless, in a seminar held earlier this year, a panel of local experts in commercial property expressed concern on how the supply of office space in Malta seems to be outpacing demand. In addition to the supply side issue, there are other factors effecting the demand, according to the said panel, which include inflationary pressures, higher interest rates and changes in the way employees work, where the work from anywhere and hot-desking has not been completely reversed to pre-COVID state which in turn is affecting the demand for office space.

During the past few years, a number of sizeable developments have been undertaken, offering office and commercial spaces, particularly in the Central Business District area (such as the Quad Central which offers 38,000 sqm of office space; c. 14,600sqm of office space at Trident Park; and 10,000sqm at Avenue 77) and central Malta area (such as ST Business Centre in Gzira at c. 3,000sqm of office space; Pangea in St Julians offering approx. 1,700sqm of office space and c.500sqm of commercial space)[6] while a number of developments are currently underway, which will continue to increase the existing supply of office and commercial space availability.

Sources:

Central Bank of Malta – Property Prices Index – January 2024 [link]

PwC Malta – Real Estate Survey 2024 [link]

NSO – Residential Property Transactions: December 2023 [link]

Report on the Malta Business Network seminar on commercial property [link]

[6] *Information on the office space per development mentioned has been obtained from the respective websites, all of which were accessed on 30 April 2024: https://stprojectsmalta.com/commercial-projects/; https://www.pangeamalta.com/; https://www.thequad.com.mt/about/; https://avenue77.com.mt/; and https://tridentestatesplc.com/trident-park/.*

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 2023 and an outlook for financial year 2024.

8. THE ISSUER'S FINANCIAL STATEMENTS

INCOME STATEMENT

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€'000	*€'000*	*€'000*	*€'000*
Net Interest Income	42	198	200	198
Administrative Expenses	(51)	(141)	(133)	(136)
Profit/(Loss) Before Tax	**(9)**	**57**	**67**	**62**
Tax (Expense)/Income	1	(19)	(24)	(22)
Profit/(Loss) for the Year	**(7)**	**38**	**43**	**40**

STATEMENTS OF CASH FLOWS

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€'000	*€'000*	*€'000*	*€'000*
Net Cash (used in) / from Operating Activities	(38)	155	(115)	24
Net Cash used in Investing Activities	(44,115)	(130)	-	-
Free Cash Flows	**(44,153)**	**25**	**(115)**	**24**
Net Cash from/(used in) Financing Activities	44,541	(274)	-	(40)
Net Movements in Cash & Cash Equivalents	**388**	**(248)**	**(115)**	**(16)**
Cash & Cash Equivalents - Beginning of the Year	11	399	150	36
Cash & Cash Equivalents - End of the Year	**399**	**150**	**36**	**20**

Statement of Financial Position

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€'000	*€'000*	*€'000*	*€'000*
Assets				
Property, Plant & Equipment	10	5	-	-
Loans & Advances	44,470	44,600	44,600	44,600
Receivables	424	388	637	645
Cash & Cash Equivalents	399	150	36	20
Total Assets	**45,302**	**45,143**	**45,273**	**45,265**
Equity & Liabilities				
Capital & Reserves				
Share Capital	303	303	303	303
Retained Earnings/(Accumulated Losses)	(19)	19	62	62
Total Equity	**283**	**322**	**365**	**365**
Liabilities				
Bond	44,212	44,279	44,350	44,423
Payables	807	542	558	477
Total Liabilities	**45,019**	**44,822**	**44,908**	**44,900**
Total Equity and Liabilities	**45,302**	**45,143**	**45,273**	**45,265**

Analysis FY2023

The objective of the Company is to serve as MO's finance vehicle when MO raises funds through the capital market. During FY2021, the Company issued a €45 million bond and as such, since then, its performance consisted of an interest margin on the funds which were on-lent to associated companies within MO, net of administrative fees and tax. This arrangement 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 amortised 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 FY2023 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 FY2024

Similar to the previous years, 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 FY2023.

9. THE GUARANTORS' COMBINED INCOME STATEMENT

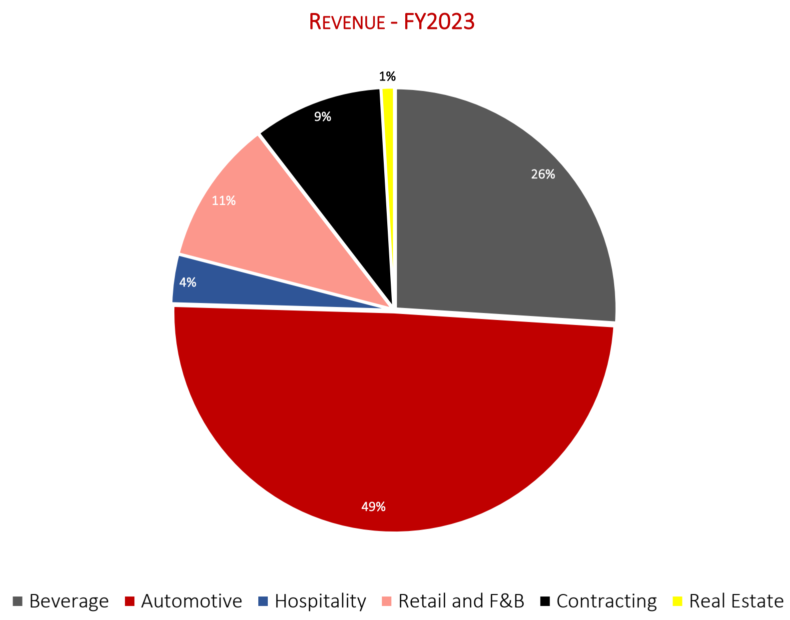
	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€'000	*€'000*	*€'000*	*€'000*
Revenue	153,131	178,858	221,698	236,470
Operating expenses	(150,017)	(171,395)	(210,526)	(228,291)
Gains from changes in FV of IP	10,419	6,017	341	1,394
Impairment charges on PPE	(2,000)	-	(2,000)	-
Other operating income	2,112	2,356	2,806	2,131
Operating Profit	**13,645**	**15,836**	**12,319**	**11,704**
Investment & other related income	110	104	179	-
Net Finance Costs	(3,974)	(4,315)	(5,906)	(5,847)
Share of profits of associates	526	814	1,582	616
Profit before Tax	**10,308**	**12,439**	**8,174**	**6,473**
Tax expense	(2,055)	(1,145)	(2,379)	(330)
Profit for the Year	**8,253**	**11,294**	**5,795**	**6,143**

Operating Profit excluding gains from changes in FV of IP & impairment charges on PPE	**5,226**	**9,819**	**13,978**	**10,310**

Operating Profit	**13,645**	**15,836**	**12,319**	**11,704**
Adjustment for:				
Depreciation of PPE	7,416	7,547	7,860	8,322
Depreciation (ROU)	1,669	1,631	1,947	2,050
Amortisation	21	21	9	21
EBITDA	**22,752**	**25,035**	**22,135**	**22,097**

The combined FY2023 performance was characterised by record revenue levels, which were, however, met with a significant increase in operating expenses, such that the profit before tax for the financial year under review came in at €8.2 million (FY2022: €12.4 million). Nevertheless, this is just over €2 million in excess of the forecast included in last year's FAS of €6.2 million. If one were to take out the effect of fair value movements that were experienced in FY2022, the comparative profit before tax for FY2023 would have fared better in absolute terms that the previous financial year.

Revenues continued to grow, surpassing pre-pandemic levels. The following is the contribution towards revenue per segment.



SEGMENTAL PERFORMANCE - FY2023

Beverage Segment

Revenue:	€57.7 million
YOY:	+10.1%
MO companies:	GSD and GSDM

The beverage segment continued to improve its performance over what was already a good year in FY2022, on the back of stronger tourism figures for the year, as well as national activities which generate increased consumption of this segment's products.

Automotive Segment

Revenue:	€109.6 million
YOY:	+32.9%
MO companies:	Continental Cars Limited, Industrial Motors Limited, Muscat Motors Limited, Nissan Motors Limited, Mizzi Automotive Services Limited, Mizzi Lease Limited, United Acceptances Finance Limited, Mizzi Motors Limited and Mizzi EV Limited

The automotive segment registered another successful year in terms of revenue generation capabilities. MO reported a record turnover for vehicle sales in FY2023, overcoming the challenges noted following the pandemic in relation to timely delivery of motor vehicles. The MO companies offered a full range of electric vehicles which played a pivotal role in the country's transition towards vehicle electrification. This demand has a direct impact on the performance of United Acceptances Finance Limited which offers financing options for cars sold.

Contracting Segment

Revenue:	€21.0 million
YOY:	+25.1%
MO companies:	Titan International Limited

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 25% over those for FY2022.

Retail and F&B Segment

Revenue:	€23.4 million
YOY:	+24.8%
MO companies:	Arkadia Foodstores Ltd, Arkadia Marketing Limited, Mizzi Brothers Limited and Arkadia Retail Limited

Notable increases were also registered within the retail and F&B segment.

On the Arkadia foodstores side, this was the result of a full year of operation of the retail stores at the Arkadia Commercial Centre in Gozo, which had been closed during most of FY2022. Furthermore, the Arkadia food store in Portomaso resumed operations as from the third quarter of FY2023 following closure for refurbishment early in 2023, while a new store in Naxxar was opened in the second quarter of FY2023.

Furthermore, with regards to the fashion portfolio, this sub-segment underwent a restructuring exercise whereby the operations of Arkadia Marketing Limited were transferred to Mizzi Brothers

Limited. This process was completed towards the end of FY2023, and as a result, the newly strategic alliance resulted in a changeover of the point-of-sale systems.

The operations of ISTB remained subdued as the costs associated with the running of this operation exceed the revenues being generated. As a result, management reported a further impairment of this investment of €2 million on the initial investment. Options as to how to regenerate the venue and its operations are continuously explored by management, in order to supplement the positive trends seen in the food store found therein.

Real Estate Segment

Revenue:	€2.1 million
YOY:	+15.1%
MO companies:	Mizzi Estates Limited

This segment registered an uptick in revenue as a result of increases in rental income, as the board continued with its strategy to decrease the dependency on MO Group companies and focus more on renting properties to third parties.

The performance of this segment was positively impacted by the full-year effect of the rental income from recently finished projects. Furthermore, during FY2023, three properties were sold, in line with the company's strategy of divesting non-core properties. The sale of the former GSD factory in Qormi was further extended into FY2024 and is now expected to take place by the end of FY2024.

Hospitality Segment

Revenue:	€7.9 million
YOY:	+19.7%
MO companies:	The Waterfront Hotel Limited

Revenues of the hospitality segment were up by just under 20% when compared to FY2022, as the hotel commanded an improved average room rate during FY2023. Average occupancy for FY2023 stood at 83.4%.

Overall Analysis FY2023

The increased activity in FY2023, as shown by higher revenues, inevitably led to an increase in operating expenses (combining direct costs and costs related to operations including administrative as well as sales and marketing expenses), when compared to FY2022, particularly effected by the inflationary pressures experienced in the said financial year. Nevertheless, the increase in operating expenses was at a slower pace than the increases in revenue, resulting in improved profit margins.

In FY2023, there were no material shifts in the fair value adjustments to the investment property portfolio and only €0.3 million was recognised in the income statement, when compared to the €6 million in FY2022. The impairment on the MO Group PPE relates to the ISTB, as explained earlier. The impairment was necessary in view of the slow pick up of business in the said property. Other income, which comprises recovery of common area costs, disposal of surplus assets and rebates, stood at €2.8 million.

The Guarantors' combined operating results stood at €12.3 million, while EBITDA (which is equivalent to the operating profit adjusted for operational depreciation and amortisation) came in at €22.1 million (FY2022: €25 million). From a normalised operating profit perspective, excluding the one-off adjustments (being fair value adjustments and any impairments), the MO Group registered an increase of 42.4% over the same adjusted metric for FY2022.

In FY2023, net finance costs were 37% higher, at €5.9 million, reflecting higher interest rates on non-fixed rate borrowings, usage of general banking facilities to meet working capital needs, and the effect of an increase in lease liabilities that led to an increase in the interest thereon.

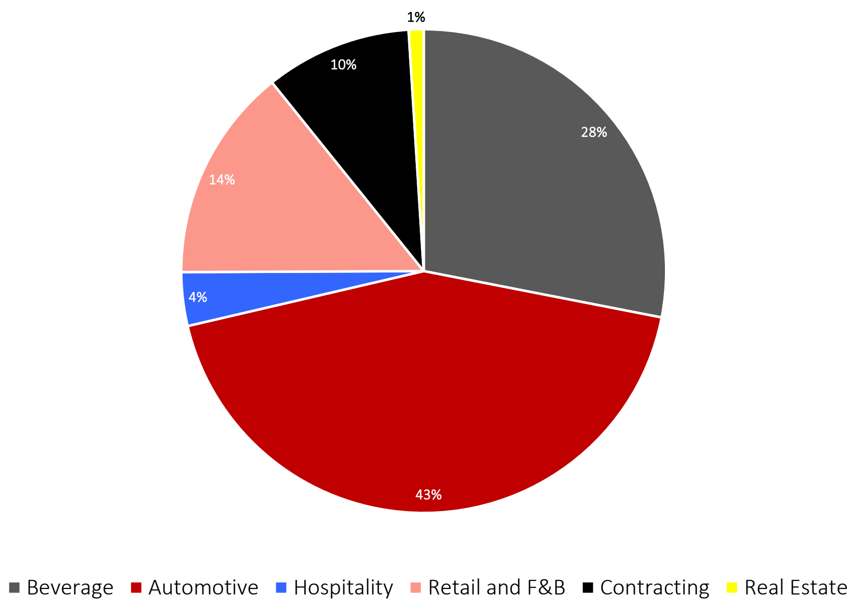
The investment in associate companies mentioned in section 10 below resulted in a share of profit of €1.6 million in FY2023, nearly twofold increase when compared to the profit accounted for in FY2022. This increase was the result of improved performance by the various associates in the said financial year when compared to the previous year.

After accounting for a tax charge of €2.4 million, MO's combined profit after tax was €5.7 million (FY2022: €11.3 million).

Outlook FY2024

In FY2024, Mizzi Organisation is expected to consolidate further the revenues derived by the various sectors in FY2023. The full year operation of all the Arkadia foodstores are expected to contribute further to the increase in overall revenues for FY2024. Similarly, the MO Group anticipates revenues from the beverages segment to be stronger in FY2024 on the back of stronger tourism and the general active lifestyle of the Maltese population. The revenues from automotive, despite the segment remaining the main contributor to total revenues, is expected to experience a slow-down stabilising at €102 million, reflecting the adjustment for the otherwise-delayed deliveries experienced in FY2023 some of which had been carried forward from FY2022.

REVENUE - FY2024 (F)



The inflationary pressures on the MO Group's cost base are expected to continue to impact the performance of the companies. As a result, despite the increase in revenues and the non-accounting for any possible impact of impairments which can be ascertained only at year-end, EBITDA is expected to be marginally lower in FY2024, compared to that achieved in FY2023.

Net finance costs are not anticipated to be materially different to those of FY2023, while the share of profits from associate companies is expected to be lower, at €0.6 million (FY2023: €1.6 million) based on budgeted figures of the respective companies.

As a result, profit before tax is expected to be in the region of €6.5 million, and when deducting a tax charge of €0.3 million (following the utilisation of available tax credits and tax refunds), this should result in a profit after tax of €6.1 million.

VARIANCES ANALYSIS – FY2023

	FY2023 (A) €'000	FY2023 (F) €'000	*Variance*
Revenue	221,698	214,280	*3.5%*
Operating expenses	(210,526)	(207,492)	*1.5%*
Gains from changes in FV of IP	341	1,500	*-77.3%*
Impairment charges on PPE	(2,000)	-	*n/a*
Other operating income	2,806	2,395	*17.2%*
Operating Profit	**12,319**	**10,682**	*15.3%*
Investment & other related income	179	-	*n/a*
Net Finance Costs	(5,906)	(4,993)	*18.3%*
Share of profits of associates	1,582	483	*227.3%*
Profit before Tax	**8,174**	**6,173**	*32.4%*
Tax expense	(2,379)	(1,075)	*121.2%*
Profit for the Year	**5,795**	**5,097**	*13.7%*

The MO Group achieved improved performance in nearly all segments in FY2023 when compared to the expected results anticipated in the FAS update of last year. This was manifested in the revenue variance, as total revenue for FY2023 was 3.5% higher (equivalent to over €7 million in absolute figures). This increased level of activity also brought along higher operating expenses, albeit at a slower rate, leading to improved operating profit than that expected last year.

Meanwhile, the variance in the fair value gains which were expected last year and did not materialise to the extent expected were in relation to the delay in the sale of the ex-GSD site in Qormi. This sale is expected to be finalised by the end of this financial year.

Other operating income related to the disposal of leasing cars and food-related rebates – the extent of these were not anticipated and as such generated a variance in excess of 10%.

The other material variance in percentage terms was in the net finance costs. The contributors to this variance were twofold – the higher interest rates on non-fixed borrowings as well as the utilisation of additional working capital facilities which increased the level of borrowings and thus the costs related thereto.

10. THE GUARANTORS' COMBINED STATEMENT OF FINANCIAL POSITION

	FY2021 (A) €'000	FY2022 (A) €'000	FY2023 (A) €'000	FY2024 (F) €'000
Assets				
Non-Current Assets				
PPE (including Intangible Assets)	121,115	111,779	113,118	115,364
ROU Assets	18,021	22,919	27,876	25,826
Investment Property (IP)	83,235	107,836	108,963	99,973
Investments in Associates	20,312	20,040	23,949	24,236
Loans & Advances	1,201	3,059	794	3,617
Financial Assets at FVOCI	3,337	3,008	2,948	2,888
Deferred Tax Assets	150	-	-	-
Derivative financial instruments	-	421	224	224
Trade & Other Receivables	18,068	19,559	21,631	23,072
Total Non-Current Assets	**265,439**	**288,622**	**299,503**	**295,199**
Current Assets				
Inventories	30,919	37,138	60,769	50,288
Trade and Receivables	37,638	36,101	42,140	44,947
Loans & Advances	66	402	314	257
Current Tax Assets	625	1,150	1,127	1,680
Cash & Cash Equivalents	28,574	18,088	7,892	9,533
	97,823	**92,878**	**112,242**	**106,706**
Assets Classified as HFS	3	3		
Total Current Assets	**97,825**	**92,881**	**112,242**	**106,706**
Total Assets	**363,264**	**381,502**	**411,745**	**401,905**
Equity & Liabilities				
Capital & Reserves				
Share Capital	2,471	8,398	8,408	8,408
Capital Contribution Reserve	3,043	-	-	2,000
Revaluation Reserve	60,485	65,450	64,774	64,714
FV Gains & Other Reserves	36,139	39,520	39,574	34,452
Hedging Reserves	(278)	274	146	146
Retained Earnings	61,026	66,289	69,586	78,351
Total Equity	**162,886**	**179,931**	**182,488**	**188,071**
Non-Current Liabilities				
Trade & Other Payables	122	85	353	360
Borrowings	87,769	79,639	72,684	63,022
Lease Liabilities	17,211	23,029	27,715	26,428
Deferred Tax Liabilities	14,944	16,467	16,891	15,752
Derivative Financial Instruments	428	-	-	-
Provisions for Liabilities & Charges	754	812	873	936
Total Non-Current Liabilities	**121,228**	**120,032**	**118,516**	**106,497**

Current Liabilities				
Trade and Other Payables	55,599	53,237	73,696	64,284
Current Tax Liabilities	770	1,428	2,520	390
Borrowings	21,178	25,993	32,839	41,100
Lease Liabilities	1,603	883	1,686	1,562
Total Current Liabilities	**79,150**	**81,540**	**110,741**	**107,337**
Total Liabilities	**200,378**	**201,571**	**229,257**	**213,834**
Total Equity and Liabilities	**363,264**	**381,502**	**411,745**	**401,905**

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).

While the value of PPE did not materially adjust year-on-year, an in-depth assessment indicates that the MO Group added €12.1 million during the year, the majority of which consisting of motor vehicles used by the Group companies as well as furniture, fittings and office equipment (total: €9.6 million). These additions were netted off by a depreciation charge of €7.9 million, the impairment on ISTB of €2 million, and disposals amounting to €4.6 million.

The ROU Assets reflect the value of the properties leased from third parties by the MO companies and those under an emphyteutic grant 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, Portomaso, St Julian's, Sliema 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 FY2023 the value of such investments was €24.7 million and consisted of:

Name	% shareholding	Carrying Amount (€000s) as at 31.12.2023
Mellieha Bay Hotel	51%	18,797
Finopz Limited	50%	2,094
Institute of English Language Studies Limited	50%	1,737
Mizzi Associated Enterprises Limited	51%	1,183
St Julian's Maritime Finance Limited	25%	721
Aquibix Limited	50%	185
The Players Group	25%	2
Aqualuna Lido Limited	33%	1
Sliema Creek Lido Limited	33%	0

Trade and other receivables by the end of FY2023 stood at a total of €63.7 million, an increase of 14.6% from the €55.7 million in FY2022. Debtors mainly consist of hire purchase debtors derived from the automotive segment, receivables in the beverage sector and contracting clients. The increase in trade and other receivables in FY2023 as compared to FY2022 is a reflection of the increased revenues throughout the year.

The MO Group's automotive segment represented most of the inventory, which amounted to €34.3 million out of the balance of €60.8 million at the end of FY2023.

Cash balances (at bank and in hand) amounted to €7.9 million (FY2022: €18.1 million). The decline year-on-year was a result of cash being used for the purposes of investment and financing activities, as will be seen in the subsequent section of this report dealing with cash flows statement.

LIABILITIES

MO's total liabilities between FY2022 and FY2023 increased by 13.7%, primarily reflecting the pick-up in performance, with trade payables making up most of this increase, as the balances at the end of FY2023 were €43.3 million as opposed to €23.1 million a year earlier, out of €74 million and €53.3 million, respectively.

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

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€'000	*€'000*	*€'000*	*€'000*
Current	21,178	25,993	32,839	41,100
Non-Current	43,557	35,360	28,334	18,599
Bond (amortised)	44,212	44,279	44,350	44,423
Total Debt	**108,947**	**105,632**	**105,523**	**104,122**
Less: Cash in hand	28,574	18,088	7,892	9,533
Net Debt	**80,373**	**87,545**	**97,631**	**94,589**

Total debt remained practically unchanged, at €105.5 million by the end of FY2023, although there was a notable shift from non-current to current borrowings during the said financial year as MO utilised additional working capital facilities to meet its increased business activity during the year, while longer-term loans continued decline as these get repaid. MO’s cash position was lower at the end of FY2023, reflecting the cash used for investment in IP and PPE, as well as repayment of bank borrowings during the year, as will be explained in further detail in the cash flows statement narrative below.

Equity Base

Share capital at the end of FY2023 stood at €8.4 million. Total equity, at €182.5 million by the end of FY2023, funded 44.43% of MO’s total assets which is considered to be a strong metric.

Outlook FY2024

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.

The sale of the ex-GSD premises during FY2024 and the contraction of inventories, as sales of automotives eat into the stock piled up by the end of FY2023 are expected to net off the marginal increases in other asset classes. As a result, total assets are anticipated to decline to €401.9 million from €411.7 million as at the end of FY2023.

The amount of borrowings for the year is not expected to be materially different at the end of FY2024, although the shift in the composition towards short-term borrowings is expected to continue also during FY2024, as explained earlier.

MO Group's combined equity position at the end of FY2024 is expected to be higher, as a result of the retained earnings increase in relation to the profit for the year (net of dividends), a €2 million capital contribution reserve in relation to re-invested shareholders' dividends and, partly offset by the decline in the FV Gains & Other Reserves balance in conjunction with the projected disposal of property.

11. The Guarantors' Combined Statement of Cash Flows

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
	€'000	*€'000*	*€'000*	*€'000*
Net Cash from Operating Activities	18,999	6,832	7,195	9,364
Net Cash (used in) / from Investing Activities	(4,916)	(12,107)	(12,796)	(2,999)
Free Cash Flows	**14,083**	**(5,275)**	**(5,601)**	**6,365**
Net Cash from / (used in) Financing Activities	12,669	(9,849)	(11,791)	(12,231)
Net Movements in Cash & Cash Equivalents	**26,752**	**(15,123)**	**(17,393)**	**(5,867)**
Cash & Cash Equivalents at the Beginning of the Year	(9,295)	17,457	2,334	(15,059)
Cash & Cash Equivalents at the End of the Year	**17,457**	**2,334**	**(15,059)**	**(20,926)**

Analysis FY2023

Cash flows from operations stood at €7.2 million, after adjusting for non-cash items, interest, tax and working capital movements.

Investing activities utilised a net of €12.8 million during FY2023, reflecting the movements in PPE (net: €10 million) as explained in earlier parts above, as well as the acquisition of investment property for €2.3 million, net of a disposal for a value of €0.3 million. Furthermore, during FY2023, the MO Group extended net loans to associate companies amounting to €0.7 million.

In terms of financing activities, MO Group companies paid back a total of €12.2 million of bank borrowings, and drew down an additional €3.8 million, borrowed a further €1.4 million (net) from related parties, and paid €2.3 million of lease obligations. In addition, the MO Group paid €2.5 million of dividends during the year.

As a result, the negative cash position of the Group companies at the end of FY2023 stood at €15.1 million, as the companies were net users of cash during the period under consideration.

Outlook FY2024

For FY2024, the MO Group is expected to generate €9.4 million of net cash from operations, on the back of further-improved performance and increased business activity.

The investments being undertaken by the MO Group companies during FY2024 are expected to consist of additional PPE, for a value of approx. €10.6 million which includes refurbishment works, the purchase of equipment and motor vehicles for operations purposes, as well as the installation of photovoltaic panels. In addition to this, the Group will also be investing further in its investment property portfolio and will continue to part-finance the investments of one of its associate companies. Following the net proceeds that are expected to be received from the conclusion of the disposal of the ex-GSD site in Qormi, net cash used in investing activities are anticipated to be just below the €3 million mark.

The payment of bank borrowings is anticipated to continue in FY2024, as the group companies are expected to pay a total of €10 million, while new drawdowns are expected to be much lower at €1.5 million. Meanwhile, after accounting for dividends (some of which is expected to be re-invested further) and lease liabilities, net cash used in financing activities should reach approximately €12.2 million in FY2024.

As a result, the MO Group is expecting to close the FY2024 at a negative €20.9 million position.

12. Ratio Analysis

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

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
EBITDA Margin *(EBITDA / Revenue)*	14.9%	14.0%	10.0%	9.3%
Operating Profit Margin *(Operating Profit / Revenue)*	8.9%	8.9%	5.6%	4.9%
Adjusted Operating Profit Margin *(Adjusted operating profit / Revenue)*	3.4%	5.5%	6.3%	4.4%
Net Profit Margin *(Profit for the period / Revenue)*	5.4%	6.3%	2.6%	2.6%
Return on Equity *(Net Profit / Average Equity)*	5.2%	6.6%	3.2%	3.3%
Return on Capital Employed *(Net Profit / Average Capital Employed)*	3.1%	4.1%	2.0%	2.1%
Return on Assets *(Profit for the period / Average Assets)*	2.4%	3.0%	1.5%	1.5%
Current Ratio *(Current Assets / Current Liabilities)*	1.2x	1.1x	1.0x	1.0x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.4x	0.2x	0.1x	0.1x
Interest Coverage Ratio *(EBITDA / Net finance costs)*	5.7x	5.80x	3.75x	3.78x
Gearing Ratio *(Net debt / [Net Debt + Total Equity])*	33.0%	32.7%	34.9%	33.5%
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	40.1%	37.0%	36.6%	35.6%
Net Debt to EBIDTA *(Net Debt / EBIDTA)*	3.5x	3.50x	4.41x	4.28x

Source: Management information

The ratios for the three financial years ended 31 December 2023 take into account the fair value gains recorded in the respective years, the equivalent of which cannot be ascertained at this point for FY2024. Hence the ratios for FY2024 reflect only prudent estimate fair value gains, thus making some ratios less comparable.

While revenue increased significantly in FY2023, the cost base also experienced an increase, thereby affecting margins. Adjusting the operating profit for impairments and fair value movements, for comparability purposes, the said margin actually improved in FY2023, reflective of the pace at which revenue increased which outpaced the increase in operating expenses.

Notwithstanding, as the Group companies paid increased finance costs during the year, combined with the unfavourable effects of the impairment on ISTB and higher tax charge led to a contraction in profitability when compared to FY2022, and this is reflected in the return metrics.

From a solvency perspective, MO's current and cash ratios were weaker than those of FY2022, as there was a shift in borrowings that became due in the next 12 months from the end of FY2023, as well as the fact that cash balances at the end of the said year were lower than those held at the end of FY2022.

The strong equity position has retained the gearing levels at strong levels and the MO companies' repayment prospects of net debt based on the FY2023 EBITDA remained strong, despite increasing to 4.41 years' equivalent thereof.

In FY2024, the ratios are expected to be around the same levels of FY2023. Comparability, however, is affected by the lack of visibility of any fair value movements in the companies' investment property assets, and any impairments necessary for the year.

PART C COMPARATIVES

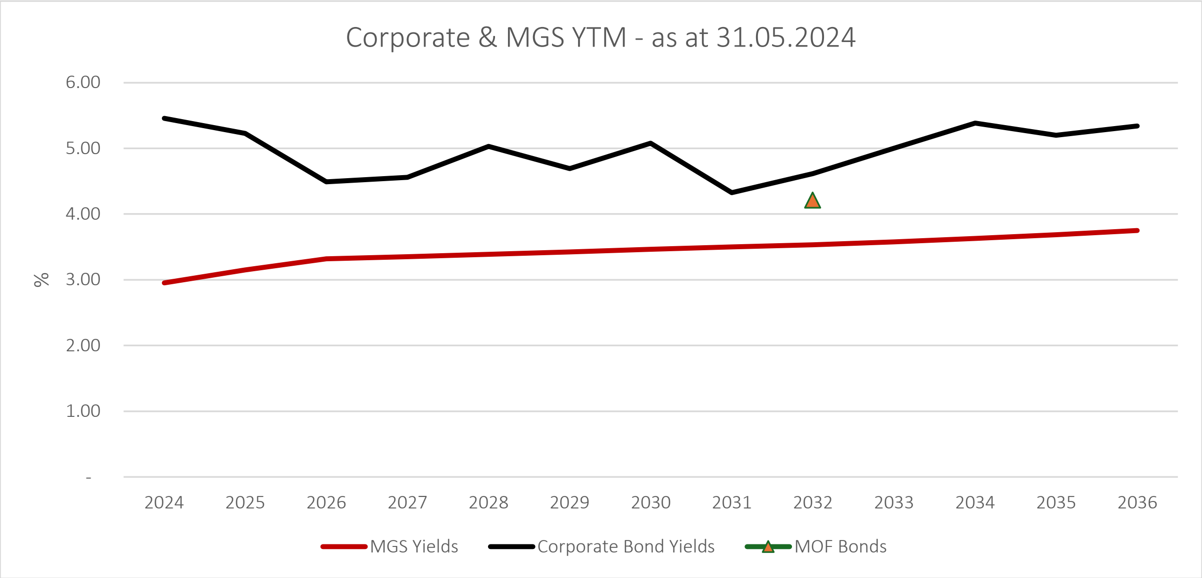
The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of 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 (times)	Interest Cover (times)	YTM as at 31.05.2024
3.65% Mizzi Organisation Finance plc 2028-2031 (Unsecured)	**45,000,000**	**34.9%**	**4.4**	**4.4**	**4.21%**
4.00% Exalco Finance plc 2028 (Secured)	15,000,000	21.1%	3.5	4.9	4.00%
3.85% HILI Finance Company plc 2028	40,000,000	62.8%	3.2	6.2	5.13%
4.00% SP Finance plc 2029 (Secured)	12,000,000	43.7%	6.9	2.2	4.44%
4.00% Cablenet Communication Systems plc Unsecured 2030	40,000,000	100.7%	2.3	5.4	4.37%
4.25% Mercury Projects Finance plc Secured 2031[#]	11,000,000	66.4%	47.8	0.3	4.25%
3.75% AX Group plc 2029	10,000,000	39.4%	20.9	1.3	3.75%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 31 May 2024. 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 of 31 May 2024.



The Company's bond is currently yielding 4.21% representing a 17-basis points discount to the equivalent average corporate bonds' yield to maturity for 2031 maturities and at a 68-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.