



FACT SHEET

**€45 million 3.65% Mizzi Organisation Finance plc
Unsecured & Guaranteed Bonds 2028/31**

*Guaranteed by: Mizzi Organisation Limited, Consolidated Holdings Limited,
The General Soft Drinks Company Limited, and GSD Marketing Limited^{*1}*

KEY DETAILS

Issuer:	Mizzi Organisation Finance plc	Listing:	Official List, Malta Stock Exchange
Amount Offered:	€45 million	Coupon:	3.65%
Offer Price:	100% (par value of €100)	Interest Payment Date:	Annually on 15 October (with the first interest payment date being 15 October 2022)
Status:	Unsecured & Guaranteed	Complex:	Yes (Callable)
Maturity Date:	15 October 2031	Early Redemption Dates:	Any date falling between 15 October 2028 and 14 October 2031 (subject to the Issuer giving not less than 30 days' notice)
Offer Period – Intermediaries' Offer:	8 October 2021 at 12:00 hrs (noon)	Minimum Subscription Amount – Intermediaries' Offer:	€5,000 (nominal) and in multiples of €100 thereafter

^{*1} Collectively referred to as "Mizzi Organisation" or the "Group".

Rizzo, Farrugia & Co. (Stockbrokers) Ltd is acting as Sponsor and Manager to Mizzi Organisation Finance plc.

NOTICE

The bonds are **COMPLEX** instruments in view of their callability feature. Accordingly, they are only appropriate and/or suitable for investors who have the knowledge and experience to understand the risks that are specifically related to this type of financial instrument.

ABOUT MIZZI ORGANISATION

Mizzi Organisation is one of the largest private enterprises in Malta with a broad portfolio of business interests across various economic sectors including automotive; manufacturing, importation, and distribution of beverages; hospitality, tourism, and leisure; mechanical and engineering contracting; property; as well as food and fashion retail.

The Group has been involved in the '**Automotive**' segment since the 1920's and is today one of the principal players in the market and the sole agent for various brands virtually targeting the entire spectrum of clientele.

In the '**Beverage**' segment, Mizzi Organisation has established itself as a leader in Malta and performs a multitude of activities, principally the manufacturing, importation, and distribution of various internationally recognised beverages.

In the '**Hospitality and Leisure**' segment, the Group owns and operates the 4-star 165-room Waterfront Hotel located in Sliema. In addition, Mizzi Organisation has a 51% shareholding in the Mellieha Bay Hotel (which is in the process of undergoing an extensive redevelopment), and a 50% interest in the Institute of English Language Studies. Furthermore, the Group has investments in the yachting and gaming sectors through a number of associates.

In the '**Contracting**' segment, Mizzi Organisation is involved in the importation, wholesaling, retailing, and installation of a broad range of industrial and domestic electrical products including heating and cooling systems, lifts, air extractors and power tools.

In the '**Property**' segment, the Group is the owner of a significant portfolio of real estate valued at approximately €165 million situated in prime locations. The properties are either used for the Group's own operations or rented out to third parties. It is anticipated that Mizzi Organisation will dispose of some of its non-core properties in the coming years, whilst other properties are earmarked for future development including a sizeable parcel of land located in Blata l-Bajda (known as 'Hofra Project').

In the '**Retail**' space, the Group's operations comprise the operation of: (i) a number of 'Arkadia' supermarkets and a convenience shop in three locations in Malta and Gozo; (ii) retail outlets for fashion brands located in popular shopping spots; (iii) the 'Arkadia' Commercial Centre located in Rabat, Gozo; as well as (iv) the 'Valletta Market' (known as 'Is-Suq tal-Belt').



USE OF PROCEEDS

The net proceeds from the bond issue, estimated at €44 million after issuance costs, will be used by the Group for the following purposes, in the amounts and order of priority set out below:

- €25 million for the part refinancing of existing borrowings of the Mizzi Organisation.
- €5 million for the partial financing of the 'Hofra Project', consisting of the development of a vacant excavated site measuring circa 3,200 sqm into a petrol station, underground facilities and a showroom to be occupied by the 'Automotive' division. The ground floor of the site will be developed into a drive-through restaurant.
- €3 million for the partial financing of the refurbishment of the 'Arkadia' complex located in Rabat, Gozo. The project will entail the gutting of the premises for the purposes of completing the entire re-modelling and modernising of the property.
- €11 million for general corporate funding purposes of the Mizzi Organisation.

RANKING OF THE BONDS

The bonds will constitute the general, direct, unsecured, and unconditional obligations of the Issuer and will, at all times, rank *pari passu*, without any priority or preference among themselves. The payment obligations of the Issuer under the bonds will, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations. This means that any secured or privileged debts of the Issuer will rank at all times ahead of the obligations of the Issuer under the bonds, as a result of which bondholders may not be able to recover in full or in part their investment in the bonds in the case of insolvency.

The bonds are guaranteed by the Guarantors on a joint and several basis. Accordingly, bondholders will be entitled to request the Guarantors to pay both the interest due and the principal amount under said bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount due in terms of the prospectus. The joint and several Guarantee also entitles the bondholders to demand payment from any or all the Guarantors without having to first take action against the Issuer.

Each of the Guarantors have unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the bonds. The Guarantee constitutes a direct, unconditional, and unsecured obligation of the Guarantors. The payment obligations of the Guarantor under the Guarantee will, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all their respective present and future unsecured and unsubordinated obligations.

RISK FACTORS

The Issuer is subject to a number of risks pertaining to the nature of its businesses. Prospective investors are urged to read the 'Risk Factors' found in the Prospectus dated 24 September 2021. These are listed in Section 2 of the Registration Document on pages 17 to 27, and in Section 2 of the Securities Note on pages 77 to 81.

Prospective investors must also note that since the financial forecasts and the assumptions on which they are based relate to the future, they may be affected by unforeseen events. As such, the variation between forecasts, projections and actual results may be material.

PLAN OF DISTRIBUTION

Placement Intermediaries' Offer: An amount of €25 million of the bond issue is reserved for subscriptions from Placement Financial Intermediaries through Placement Agreements.

'Preferred Applicants': An amount of €5 million of the bond issue is reserved for subscriptions from 'Preferred Applicants' – i.e. Mizzi Organisation shareholders, employees, and Directors.

Intermediaries' Offer: An amount of €15 million of the bond issue is reserved for subscriptions by Financial Intermediaries.

APPLICATION PROCEDURE

Prospective investors wishing to participate at the 'Intermediaries Offer' are kindly asked to complete our 'Application Form' which must be returned to us by Friday 8 October at 12:00 hours (noon) together with a duly completed and signed 'Assessment & Confirmation Form'. **Applications must be for a minimum of €5,000 (nominal) and in multiples of €100 (nominal) thereafter.**

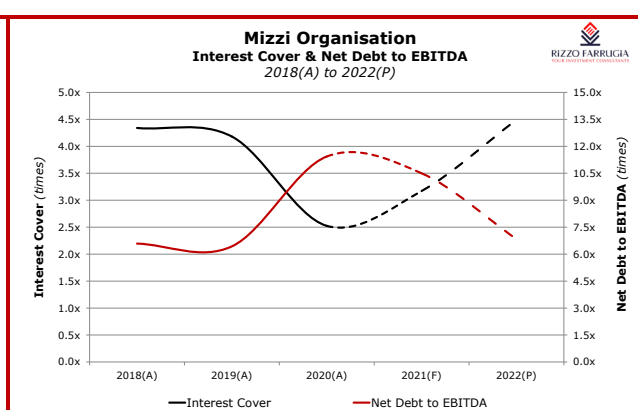
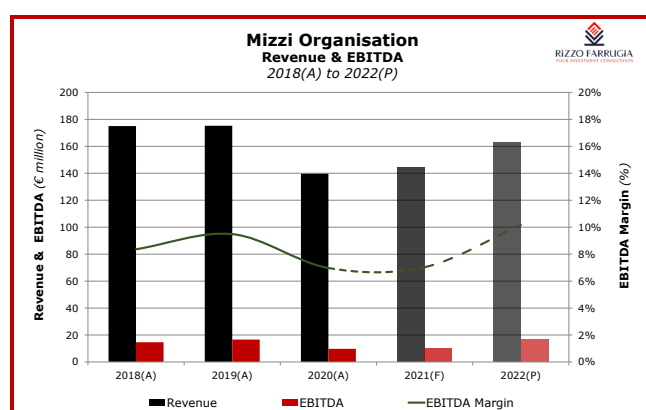
All application forms must be accompanied by the appropriate payment, either by cheque in EUR payable to 'Rizzo, Farrugia & Co (Stockbrokers) Ltd – Clients a/c' or credited into either one of our EUR denominated Clients' Accounts as detailed below:

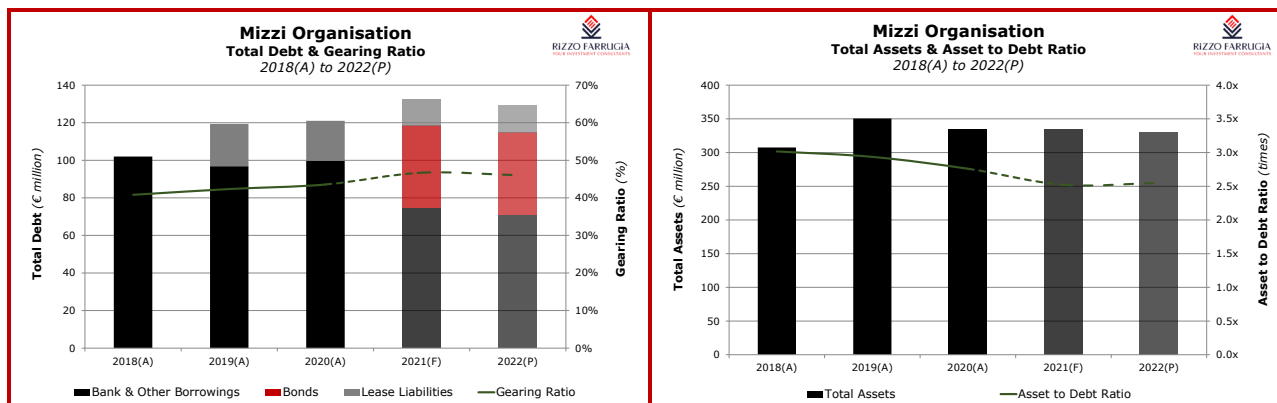
	HSBC Bank Malta plc	Bank of Valletta plc
EUR A/C No	006 050041 004	400 135 62906
IBAN	MT46 MMEB 4406 0000 0000 0605 0041 004	MT18 VALL 2201 3000 0000 400 135 62906
SWIFT CODE	MMEB MTMT	VALL MTMT



KEY FINANCIAL HIGHLIGHTS & METRICS

	2018(A)	2019(A)	2020(A)	2021(F)	2022(P)
Revenue (€000)	175,017	175,247	139,686	144,476	162,658
Operating Costs (€000)	(160,379)	(158,625)	(129,949)	(134,314)	(146,133)
EBITDA (€000)	14,638	16,622	9,737	10,162	16,525
Depreciation & Amortisation (€000)	(7,126)	(9,412)	(10,005)	(10,559)	(10,717)
Bad Debts & Movement in Credit Loss Allowances (€000)	83	(275)	(2,429)	(486)	(817)
Operating Profit (€000)	7,595	6,935	(2,697)	(883)	4,991
Changes in the Fair Value of Investment Property (€000)	-	454	3,754	896	725
Impairment Charges on Property, Plant & Equipment (€000)	-	-	(4,954)	-	-
Profit/(Loss) on Disposal of Assets (€000)	395	1,246	412	-	-
Share of Profits/(Losses) of Associates (€000)	1,716	14,378	456	-	-
Investment & Other Related Income (€000)	126	182	289	-	-
EBIT (€000)	9,832	23,195	(2,740)	13	5,716
Net Finance Costs (€000)	(3,372)	(3,975)	(3,856)	(3,204)	(3,679)
Profit/(Loss) before Tax (€000)	6,460	19,220	(6,596)	(3,191)	2,037
Net Profit/(Loss) (€000)	5,428	16,897	(7,263)	(3,842)	1,601
Bank & Other Borrowings (€000)	101,977	96,867	99,754	74,416	70,675
Bonds (€000)	-	-	-	44,069	44,149
Lease Liabilities (€000)	-	22,532	21,259	14,237	14,733
Total Debt (€000)	101,977	119,399	121,013	132,722	129,557
Cash & Cash Equivalents (€000)	5,554	12,482	9,703	26,017	16,520
Net Debt (€000)	96,423	106,917	111,310	106,705	113,037
Total Assets (€000)	307,594	350,474	334,016	334,743	330,249
Total Liabilities (€000)	159,718	187,918	177,177	183,244	178,351
Total Equity (€000)	147,876	162,556	156,839	151,499	151,899
Working Capital Ratio (times) (Current Assets / Current Liabilities)	1.06	1.06	0.99	1.13	0.99
Acid Test Ratio (times) (Current Assets - Inventories / Current Liabilities)	0.66	0.66	0.59	0.74	0.60
EBITDA Margin [%] (EBITDA / Revenue)	8.36	9.48	6.97	7.03	10.2
Operating Profit Margin [%] (Operating Profit / Revenue)	4.34	3.96	(1.93)	(0.61)	3.07
Net Profit Margin [%] (Net Profit / Revenue)	3.10	9.64	(5.20)	(2.66)	0.98
Asset Turnover Ratio (times) (Revenue / Total Assets)	0.57	0.50	0.42	0.43	0.49
Return on Equity [%] (Net Profit / Average Equity)	3.67	10.9	(4.55)	(2.49)	1.06
Return on Assets [%] (Net Profit / Average Assets)	1.76	5.14	(2.12)	(1.15)	0.48
Interest Cover (times) (EBITDA / Net Finance Costs)	4.34	4.18	2.53	3.17	4.49
Net Debt to EBITDA (times) (Net Debt / EBITDA)	6.59	6.43	11.4	10.5	6.84
Net Debt to Equity (times) (Net Debt / Total Equity)	0.65	0.66	0.71	0.70	0.74
Net Debt to Invested Capital [%] (Net Debt / Net Debt + Equity)	39.5	39.7	41.5	41.3	42.7
Gearing Ratio [%] (Total Debt / [Total Debt + Equity])	40.8	42.3	43.6	46.7	46.0
Asset to Debt Ratio (times) (Total Assets / Total Debt)	3.02	2.94	2.76	2.52	2.55
Leverage Ratio (times) (Total Assets / Total Equity)	2.08	2.16	2.13	2.21	2.17





Disclaimer

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

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Additional information can be made available upon request from Rizzo, Farrugia & Co. (Stockbrokers) Ltd., Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta. Telephone: +356 2258 3000; Email: info@rizzofarrugia.com; Website: www.rizzofarrugia.com