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

24 September 2021

Dear Sirs,

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

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

The purpose of the Analysis 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 2018 to 2020 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 years ending 31 December 2021 and 2022 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 Financial Analysis Summary 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 Analysis is provided to assist potential investors by summarising the more important financial data of the Issuer and the Guarantors. The Analysis does not contain all data that is relevant to potential investors and is intended to complement, and not replace, the contents of the full prospectus. The Analysis does not constitute an endorsement by our firm of the securities of the Issuer 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 Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Vincent E Rizzo

Director

FINANCIAL ANALYSIS SUMMARY
2021

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 amended.

24 September 2021

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Table of Contents

IMPORTANT INFORMATION

Purpose of the Document

Mizzi Organisation Finance plc (the “**Company**”, “**MOF**”, or “**Issuer**”) is issuing up to €45 million 3.65% UNSECURED 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 2018, 2019 and 2020, forecasts for financial years ending 31 December 2021 and 2022, as well as information from management.

Forecasts included in this document have been prepared and approved for publication by the directors of the Company and, or the Guarantors, as applicable, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Abbreviations

AFL	Arkadia Foodstores Limited
AML	Arkadia Marketing Limited
CCL	Continental Cars Limited
CHL	Consolidated Holdings Limited
FY	Financial year
GSD	The General Soft Drinks Company Limited
IELS	Institute of English Language Studies Limited
IML	Industrial Motors Limited
ISTB	Is-Suq tal-Belt
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

Automotive Sector

The automotive sector has been one of the first sectors that the Mizzi Organisation started operations in, with operations dating back to 1920. This segment is divided in two:

a. Retail, leasing and servicing of motor vehicles and spare parts
b. Financing of motor vehicles bought from Mizzi Organisation

There are nine companies that operate in this segment, which apart from the sale of the brand of vehicles listed below, also offer additional services, namely:

Continental Cars Limited (CCL)	Volkswagen Audi Cupra SEAT Porsche	• Offers also servicing of these vehicles • Offers parts for the vehicles
Industrial Motors Limited (IML)	Mitsubishi Suzuki Renault Trucks	• Offers also servicing of these vehicles • Offers parts for the vehicles
Muscat Motors Limited (MML)	BMW Mini Jaguar Landrover MG Motorrad	• MML is also the authorised repairer for Daihatsu • Offers servicing for the vehicles • Offers parts for the vehicles
Nissan Motor Sales Limited (NMS)	Nissan	• Offers also servicing of these vehicles • Offers parts for the vehicles
Mizzi Automotive Services Limited (MAS)	Any brand	• Panel beating and spray painting services on any model of cars (not limited to MO-represented brands)
Mizzi Lease Limited (MLL)	Any brand	• Offers private and corporate vehicle leasing services
United Acceptances Finance Limited (UAFL)	MO-represented brands only	• Provides car financing to MO automotive clients
Mizzi Motors Limited (MZM)		• Acts as the head office for the automotive sector
Mizzi EV	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. According to the National Statistics Office of Malta, new passenger car registrations in 2020 amounted to 13,212 (2019: 18,889), of which 4,602 (2019: 7,689) were new vehicles, with the balance being second hand imported cars.

According to management, MO has a 29% market share of new cars registered in Malta. Furthermore, this sector is one of the largest contributors to MO's revenue and EBITDA, as explained further in section 9 of this report.

Beverage Sector

The beverage sector is the other segment that provides a healthy contribution to the revenue and EBITDA of MO. This segment has a history that dates back to the 1970s. The companies that operate 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, GSDM also operates a series of vending machines across the Maltese Islands.

In August 2020, GSD and GSDM, along with other beverage producers in Malta, set up BCRS Malta Limited, a company that was incorporated with the aim of introducing a beverage container refund scheme in Malta. Such scheme is being introduced in order to manage waste of single-use plastic packaging.

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. This chain is made up of four foodstores located at the Portomaso complex, at the Arkadia Commercial Centre in Victoria Gozo, within the *Is-Suq tal-Belt in Valletta* and a FoodExpress store in Swatar;
- The operations of *Is-Suq tal-Belt (ISTB)*, a food market in Valletta, Malta. This building operates as a food market, in the lower level that sell, meat, groceries, delicatessen, fruit and vegetables as well as other food items, 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, and 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.

Hospitality Sector

The principal operation in the sector is the Waterfront Hotel in Sliema. The hotel features 165 rooms, while offering amenities including lido facilities, indoor pool, fitness centre, restaurant and a lobby bar. The hotel was closed between November 2016 and June 2017 for major extension and refurbishment works, with an investment of around €8.5 million. Until the time that the COVID-19 pandemic created havoc globally as from March 2020, the hotel achieved positive results and since re-opening following the lifting of restrictions and lockdowns, it has seen an encouraging gradual recovery in occupancy levels. WHL entered into a joint venture agreement with another two nearby hotels to build and operate a lido in front of the hotels. This was opened in August 2021 and is known as the Aqualuna Lido.

Real Estate Sector

The real estate sector is one of the largest in terms of asset value of MO. Mizzi Organisation 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 €165 million (as per FY2020 financial statements).

The majority of the properties are used by MO companies and these are (whose value is €102 million):

- Muscats Motors showroom, Rue D'Argens, Gzira, Malta
- Continental Cars showroom, Testaferrata/Princess Margaret Street Ta' Xbiex, Malta
- Industrial Motors showroom, Antonio Bosio Street, Msida, Malta
- Nissan showroom, National Road, Blata l-Bajda, Malta
- GSD Factory, Marsa, Malta
- The Arkadia Commercial Centre, Gozo

- The Waterfront Hotel, Sliema, Malta
- Petrol station, Blata l-Bajda, Malta
- Garage formerly known as "John's Garage", Qormi, Malta
- Titan Offices & Stores, Antonio Bosio Street, Msida, Malta

In addition to the above, MO holds another portfolio of properties which are classified as investment properties. These have a carrying amount of approximately €63 million, located in prime areas in Qormi (ex-GSD premises), Blata l-Bajda, Mellieha, St Julian's, Bugibba, Sliema and Gzira. The site in Qormi consisting of a total area of 7,166sqm is partially (5,385sqm) under promise of sale agreement, and is located along Mdina Road. The contract of sale is expected to be concluded between Q4 2021 and Q1 2022.

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

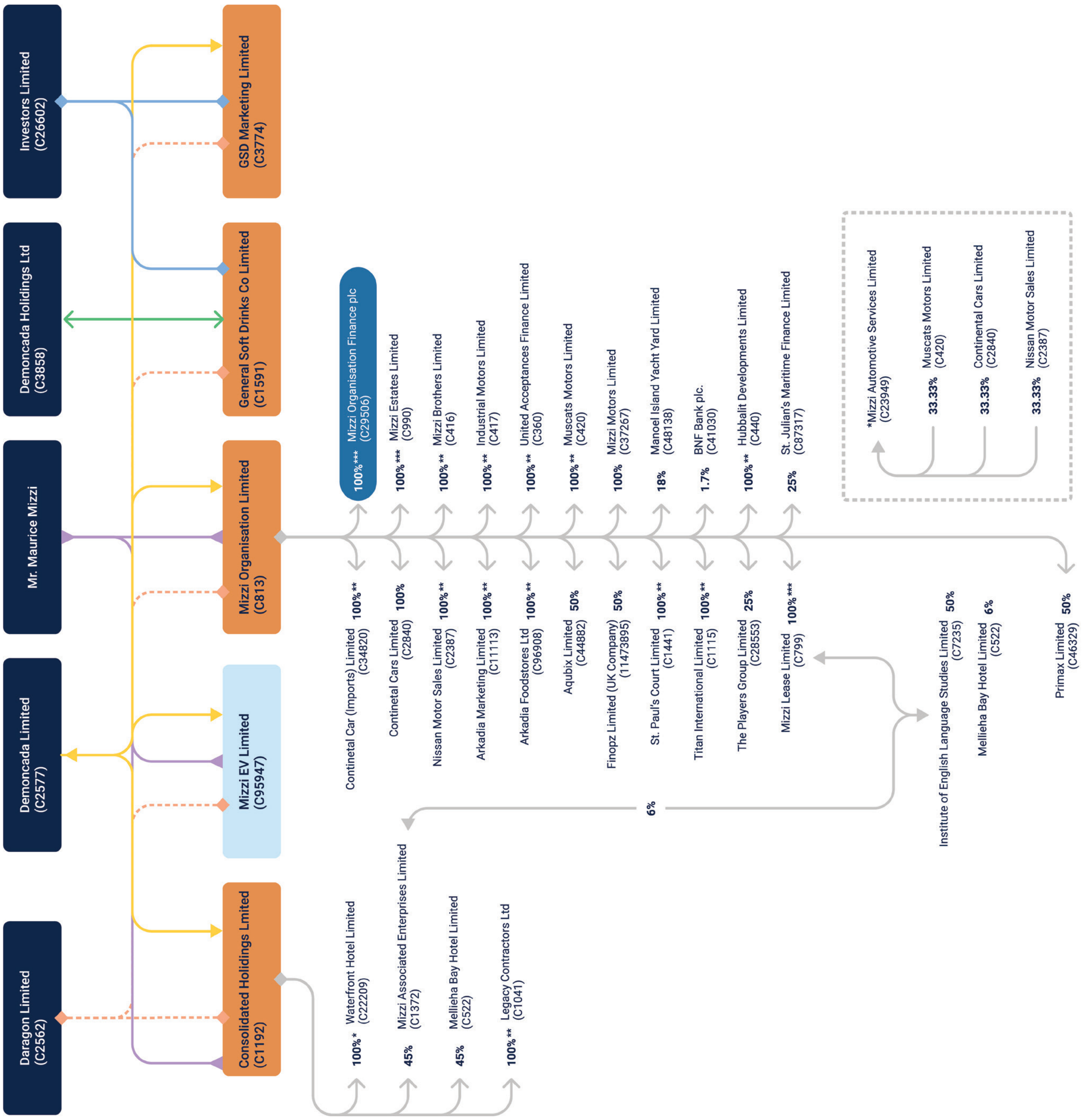
Other Business Interests

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 company is the operator of the National Lottery games in Malta.
- 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 yards in the Mediterranean.
- Aqubix Limited (C 44882, 50% ownership) and its sister FINOPZ Ltd (UK-registered, also 50%) - operate within the IT sectors. These companies offer IT consultancy and related software services to regulated entities (in particular) related to know-your-customer 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 there is an application with the Planning Authority for the re-development of the hotel.

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 Kevin Caruana, while Andrew Manduca occupies the role of Chairman to the Board (holding a casting vote).

Board of Directors – The Guarantors

The Guarantors' respective boards of directors as at the date of this document comprise the following:

		CHL	GSD	GSDM	MOL
Brian R. Mizzi	Executive Director	✔	✔	✔	✔
Maurice 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	✔			✔

Kevin Caruana is the company secretary of all the Guarantors.

Senior Management

The following is the senior management team within MO:

Nicky Camilleri	CFO of MO Group
Maurizio Micallef	COO – Automotive Division of MO
Maria Micallef	CEO – Beverage Division & WHL
David Shone	GM of AML
Matthew Caruana Smith	GM of Suq tal-Belt
Steve Azzopardi	GM of Titan
Charmaine Camilleri	GM of WHL
Kevin Muscat	GM of Mizzi Estates
Giancarlo Millo	Chief Internal Auditor of MO
Daniel Aquilina	Financial Controller of MOF

5. Major Assets

The Issuer is a special purpose vehicle set up to act as a financing company of MO entities through capital market issues. MOF currently does not have any substantial assets.

MO's major assets include a property portfolio that is used for the operations of the various entities forming part of the organisation, investment in associates, inventories and a balance of trade and other receivables, which as at the respective year ends of 2018, 2019 and 2020 consisted of:

as at 31 December	**2018** €'000	**2019** €'000	**2020** €'000
PPE	121,899	123,015	125,629
ROU Assets*	-	22,415	20,664
Investment Property	59,948	67,905	71,461
Investment in Associates	22,837	21,894	20,649
	204,684	**235,229**	**238,402**
Inventories	30,613	33,699	28,831
	235,297	**268,928**	**267,233**
Trade and Other Receivables			
Non-current	16,772	18,716	18,602
Current	42,040	42,849	32,541
	294,108	**330,492**	**318,376**

**ROU Assets – the recognition of ROU assets in the combined statement of financial position for MO as from 01 January 2019 on adoption of IFRS 16 - Leases*

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

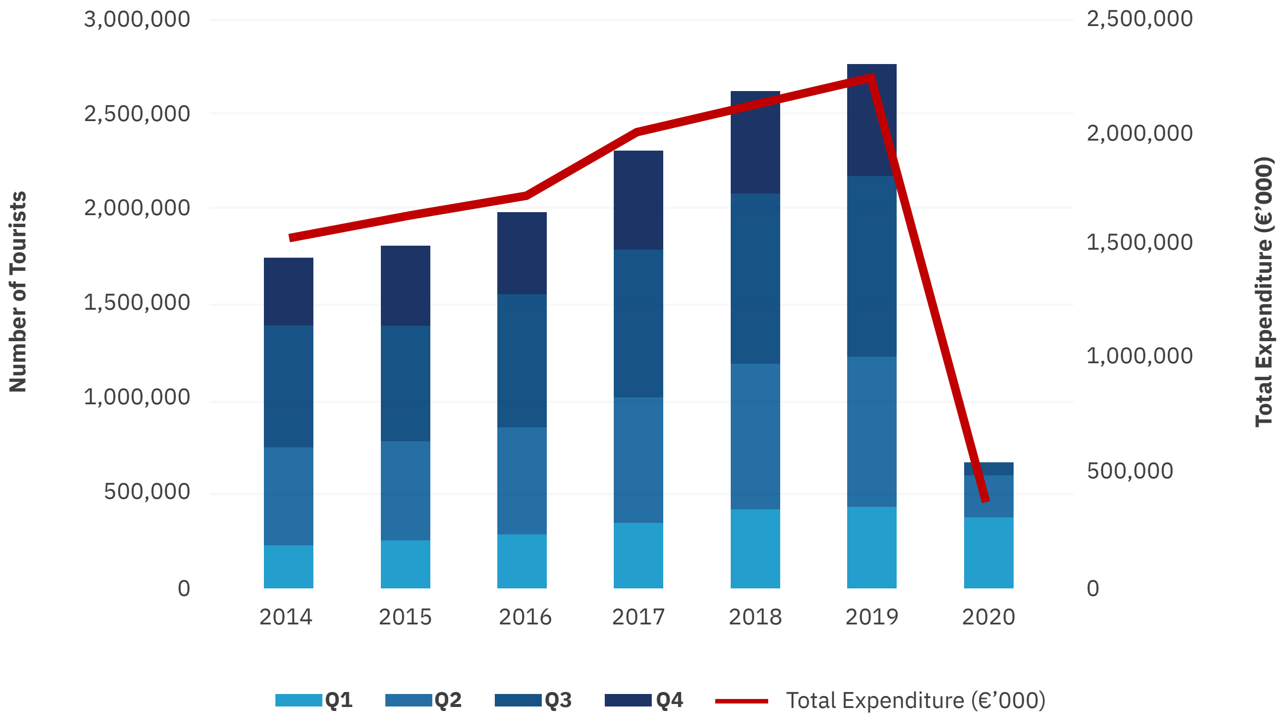
6. Market Overview

Tourism & Hospitality Industry

Tourism has traditionally been one of the major pillars of the Maltese economy. 2020 was bound to be another strong year for tourism as evidenced by the superior performance registered during the first two months of the year. However, the outbreak of COVID-19 in March 2020 materially disrupted this economic sector in view of the various travel restrictions imposed by various governments and/or health authorities around the world.

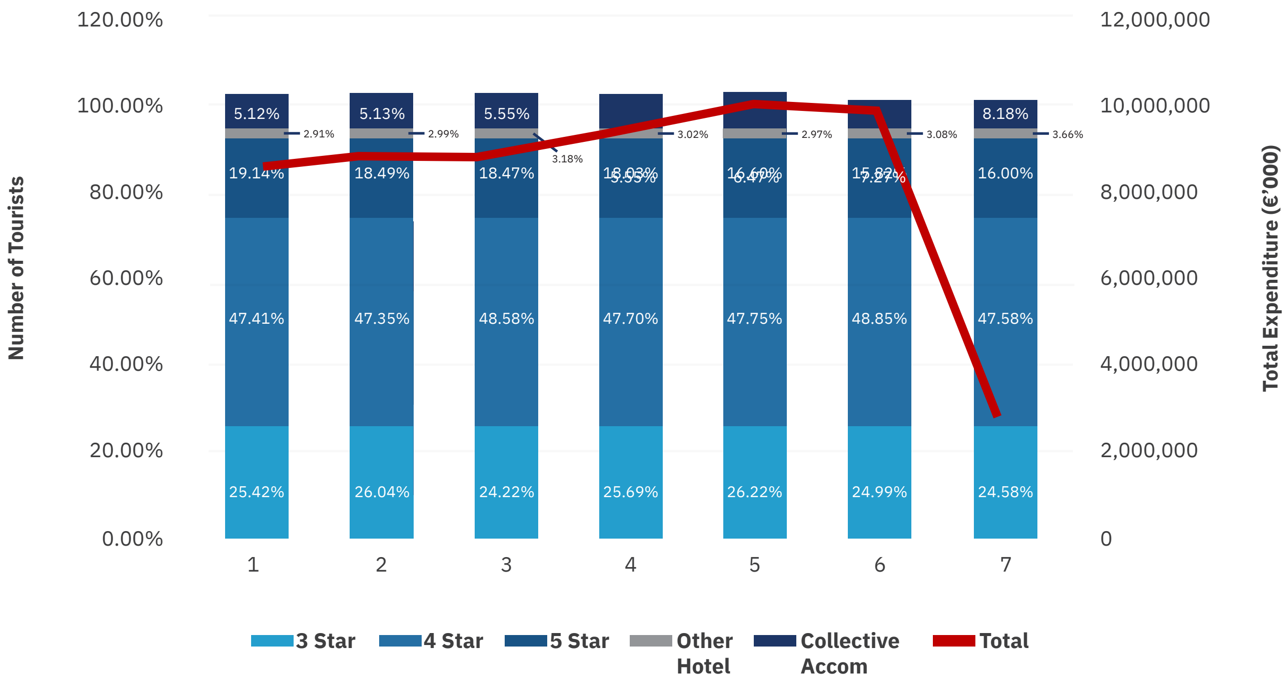
In contrast to the growth that has been consecutively achieved in prior years, during 2020 Malta welcomed just 0.66 million tourists representing a 76.1% drop from the previous year's figure of 2.75 million tourists. Likewise, expenditure also sharply contracted to a fresh multi-year low of €0.46 billion compared to the more than €2.2 billion registered in FY2019.

Tourism Indicators



Source: NSO, Rizzo Farrugia Analysis

Demand in Collective Accomodation Tourist Nights



Source: NSO, Rizzo Farrugia Analysis

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. Following a considerable decline of 7.8% in 2020, the Maltese economy is envisaged to rebound by 5.6% this year and expand by a further 5.8% in 2022.[1] As such, by the end of 2022, the Maltese GDP is set to exceed pre-pandemic levels.

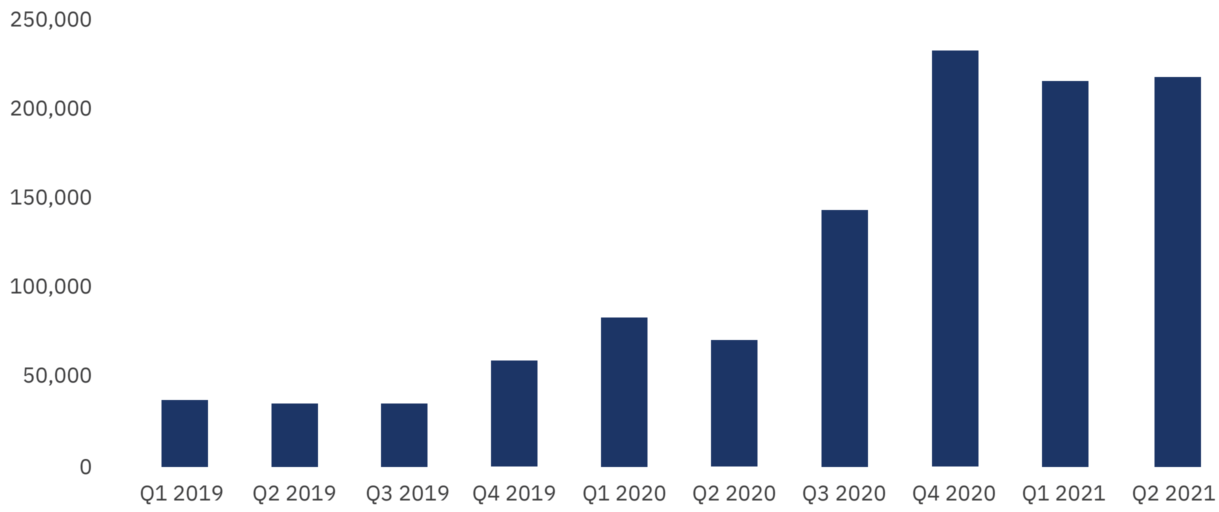
During the pandemic, the beverage industry experienced a shift in trends, such as new flavour experimentation caused by self-isolation, a bigger demand in ready-to-drink cocktails, the demand for home consumption of beverages, particularly alcoholic, increased, while there was a shift in the purchasing trends towards e-commerce.

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.

Automotive Industry

The trends in the automotive industry have been characterised by a considerable shift towards the hybrid and electric vehicles. The EU has set a target of 30 million electric cars by 2030[2] as it aims to steer Member States away from fossil-based transportation means. In fact, Europe experienced a compounded annual growth rate (CAGR) of electric and/or hybrid vehicle registrations of 130% and 155%, respectively.

No. of Plug-In Hybrid Vehicle Registrations in the EU



Source: https://www.statista.com/statistics/1022099/number-of-hybrid-electric-vehicle-registrations-in-the-eu/

Food Retail Industry

The consumer goods and fast-moving consumer good (FMCG) market continuously adapts to evolving consumer demand and trends. Digital innovation, the COVID-19 pandemic, and an increased focus on sustainable and healthy habits 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 and brand awareness in order to attract and retain consumers while remaining competitive.

The pandemic altered how consumers shop and became a huge market disruptor; cleaning products, shelf-stable food and beverages, and toilet paper became hard to come by within days in some regions on the outset of the pandemic. Similar to other industries, the role of sustainability and waste management is having a growing impact on the consumer goods market; there is an increasing demand for more sustainably and ethically produced products across the whole consumer goods spectrum.

[1] European Commission, *European Economic Forecast Summer 2021*, July 2021

[2] https://www.reuters.com/article/us-climate-change-eu-transport-idUSKBN28E2KM

Fashion industry

Shopping malls and fashion retail outlets lost their lure during the pandemic, as they were considered as part of the non-essentials and had to remain closed during the various lockdowns across Europe. Consumers sought online sales for clothing and footwear purchases, although the demand was lower, characterised by the lockdowns and cancellation of social events, work-from-home and other factors that lower the demand for fashion products.

As lockdowns eased, people started heading back to offices and social events and gatherings started picking up, Fashion outlets (those that remained operational) started seeing a return of their customers. Nevertheless, city centre shopping malls that benefitted from tourist footfall are still struggling with their performance as tourism has not yet recovered to pre- COVID-19 levels in view of the new surges in active cases, as well as the current restrictive travelling requirements.

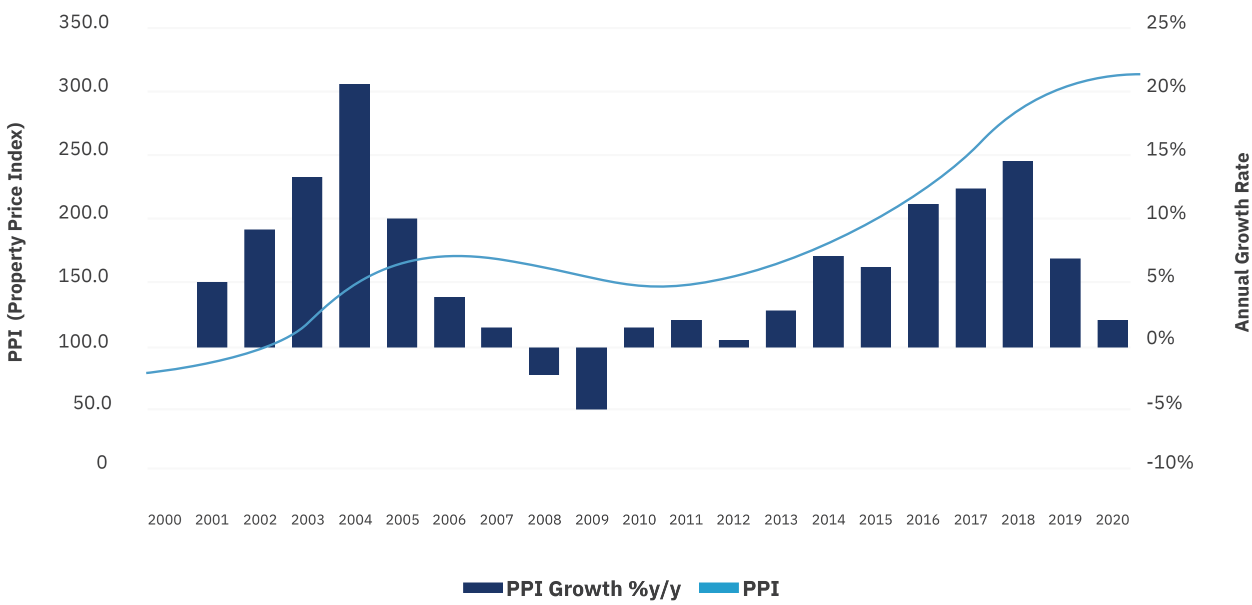
Real Estate & Construction Industry

The construction and real estate industry has traditionally been a key driver of growth for the local economy. Moreover, the positive correlation between the performances of the local economy and the construction and real estate industry has been particularly evident in recent years. These have been mainly fuelled by favourable local and external macroeconomic dynamics as well as various initiatives (including fiscal incentives) by the Government of Malta aimed at boosting the overall level of public and private investment, regenerate business/retail and consumer confidence, and increase the participation and relocation of numerous foreigners and foreign companies opting to reside and do business in Malta.

The outbreak of COVID-19 disrupted the momentum that was building in the local economy as all sectors were adversely affected. The construction and real estate industry was no exception although the data indicated that the industry has been relatively resilient.

The most recent data issued by the Central Bank of Malta shows that residential property prices in Malta (based on advertised prices) increased by 1.7% in 2020 over the previous year. This led the CBM Property Price Index, which tracks movements in the advertised prices of the major types of residential property, to reach a new all-time high of 303.6 points as at the end of 2020 compared to 298.7 points as at the end of 2019.

CBM Property Price Index (2000 - 2020)



Source: Central Bank of Malta

Sources Used for the Market Overview:

https://www.fooddrinkeurope.eu/wp-content/uploads/2021/02/FoodDrinkEurope-Data-Trends-2020-digital.pdf
https://www.statista.com/markets/415/consumer-goods-fmcg/
https://www.reuters.com/article/us-retail-europe-analysis-idUSKCN24S0D7

Part B Financial Analysis

7. Introduction to Part B

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 2020 and an outlook for financial years 2021 and 2022. Any figures may be subject to rounding.

COVID-19 Update

FY2020 was not a normal year for any business operation around the globe. Disruptions, lockdowns and restrictions affected companies in a variety of ways, and the operations and performance of the companies within MO were also impacted, the extent of which was dependent on the sector that they operated in, as summarised hereunder:

- ***Automotive*** – this sector was not subject to a forced lockdown, however, there was considerable loss of sales and profitability. Cost containment and government schemes were effective in the management of the impact of COVID-19 on this sector. Management expects this sector to gradually start recovering in the latter part of 2021, although not to pre-COVID-19 levels as yet.

- ***Beverage*** – COVID-19 restrictions resulted in the cancelling of all social events and the closure of restaurants, pubs and bars, and led to lower (to none) tourist arrivals – all of which had an effect on MO's beverage companies' performance. Costs management and government schemes were also required in this sector in order to minimise the impact of the pandemic on the performance of these companies.

- ***Food and fashion retail segment*** – this segment was also impacted by the pandemic, following forced closure of all non-essentials (which included fashion stores). The foodstores and ISTB, although they were not forced to close, were impacted by lower footfall, attributable in the main by the lower amount of tourist arrivals. In addition, rentals from tenants at ISTB and the Arkadia Commercial Centre had to be renegotiated during the pandemic, which negatively affected further the performance of this segment.

- ***Hospitality*** – the tourism industry was the one worst hit during the pandemic, and which affected many other sectors (as has also been intimated above). While the WFH did not close and MO offered the hotel as accommodation for persons that required separate accommodation from their family members in view of quarantine requirements, the returns generated from the hotel were not comparable to "normal" pre-COVID-19 periods.

- ***Mechanical and Engineering Contracting*** – while the COVID-19 restrictions did not necessitate the closure of this segment's outlets, the commissioning of new projects was delayed, slowed down or shelved. In terms of domestic demand, there was a general reluctance to allow third parties in private residencies, and this area was also impacted by the pandemic.

- ***Real Estate*** – impact on this segment due to COVID-19 was limited to the slow take up of space within the Pangea office building in St Julian's, while Mizzi Estates offered some discounts on the rents payable by MO companies operating within the automotive segment.

8. The Issuer's Financial Statements

Income Statement

	FY2018 €'000	FY2019 €'000	FY2020 €'000	FY2021 €'000	FY2022 €'000
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Net Interest Income	13	13	13	68	270
Administrative Expenses	(23)	(23)	(22)	(72)	(106)
Loss Before Tax	**(10)**	**(10)**	**(10)**	**(4)**	**164**
Tax Income	8	4	3	-	(58)
Loss for the Year	**(2)**	**(7)**	**(6)**	**(4)**	**106**

Statement of Financial Position

	FY2018 €'000	FY2019 €'000	FY2020 €'000	FY2021 €'000	FY2022 €'000
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Assets					
Loans & Advances	425	400	370	44,420	44,420
Receivables	21	10	23	-	-
Cash & Cash Equivalents	1	21	11	517	703
Total Assets	**447**	**432**	**404**	**44,937**	**45,123**
Equity & Liabilities					
Capital & Reserves					
Share Capital	233	233	233	303	303
Accumulated Losses	1	(6)	(12)	(17)	90
Total Equity	**234**	**227**	**221**	**287**	**393**
Liabilities					
Bond	-	-	-	44,069	44,149
Payables	213	204	183	581	581
Total Liabilities	**213**	**204**	**183**	**44,650**	**44,730**
Total Equity and Liabilities	**447**	**432**	**404**	**44,937**	**45,123**

Statements of Cash Flows

	FY2018 €'000	FY2019 €'000	FY2020 €'000	FY2021 €'000	FY2022 €'000
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Net Cash Used in Operating Activities	(52)	(4)	(41)	436	187
Net Cash from Investing Activities	-	25	30	(44,050)	-
Net Cash from Financing Activities	-	-	-	44,120	-
Net Movements in Cash & Cash Equivalents	**(52)**	**21**	**(11)**	**506**	**187**
Cash & Cash Equivalents at the Beginning of the Year	52	1	21	11	517
Cash & Cash Equivalents at the End of the Year	**1**	**21**	**11**	**517**	**704**

Historic Analysis (FY2018 – FY2020)

The Company has been dormant for the historic financial period covered in this report (FY2018 to FY2020). The objective of the Company is to serve as MO's finance company when MO raises funds through the capital market. It was the issuer of €30 million bonds in 2009 (ISIN: MT0000211210), which bonds were redeemed in 2016.

Outlook FY2021 and FY2022

In FY2021, the Company will serve as the issuer of the Bonds, thereby recognising the bonds as liabilities in its balance sheet. The funds will be on-lent to MOL (part of which will be on-lent to other MO companies) which will be recognised as a receivable going forward.

The bonds will accrue interest payable to bondholders at the rate of 3.65% per annum. The loans to MO will attract an interest in excess of the payable 3.65% coupon, which margin would be used to cover the amortisation of bond costs and administrative fees.

9. The Guarantors' Combined Income Statement

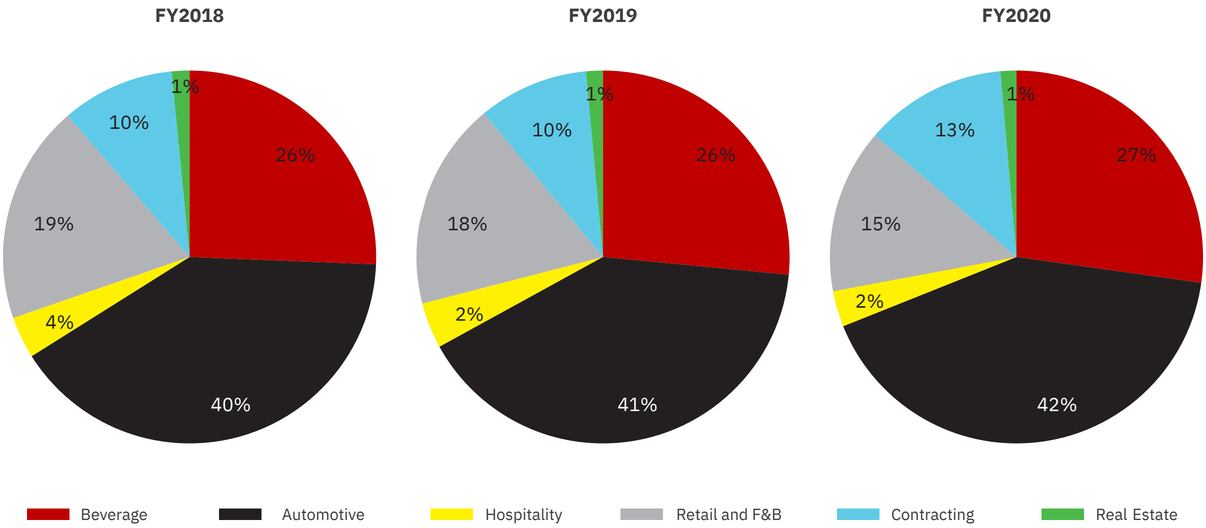
	FY2018 €'000	FY2019 €'000	FY2020 €'000	FY2021 €'000	FY2022 €'000
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Revenue	175,017	175,247	139,686	144,476	162,658
Operating Expenses	160,379	158,624	129,949	134,314	146,133
EBITDA	**14,638**	**16,623**	**9,737**	**10,162**	**16,525**
Depreciation of PPE	7,105	7,592	8,042	8,701	9,200
Depreciation (ROU)	-	1,799	1,942	1,837	1,496
Amortisation	21	21	21	21	21
One-Off Adjustments					
Gains from Changes in FV of IP	-	(454)	(3,754)	(896)	(725)
Impairment Charges on PPE	-	-	4,954	-	-
Profit on disposal of PPE and assets held for sale	(395)	(473)	(412)	-	-
Other gains from disposal of property	-	(773)	-	-	-
Bad Debts	19	19	146	340	351
Movement in Credit Loss Allowances	(102)	256	2,283	146	466
EBIT	**7,990**	**8,635**	**(3,485)**	**13**	**5,716**
Share of Profits from Associates	1,716	14,378	456	-	-
Investment and Other Related Income	126	182	289	-	-
Net Finance Costs	(3,372)	(3,976)	(3,855)	(3,204)	(3,679)
Profit / (loss) before Tax	**6,460**	**19,220**	**(6,596)**	**(3,191)**	**2,037**
Taxation	(1,032)	(2,323)	(667)	(651)	(436)
Profit / (loss) after Tax	**5,429**	**16,897**	**(7,262)**	**(3,842)**	**1,601**

Historic Analysis (FY2018 – FY2020)

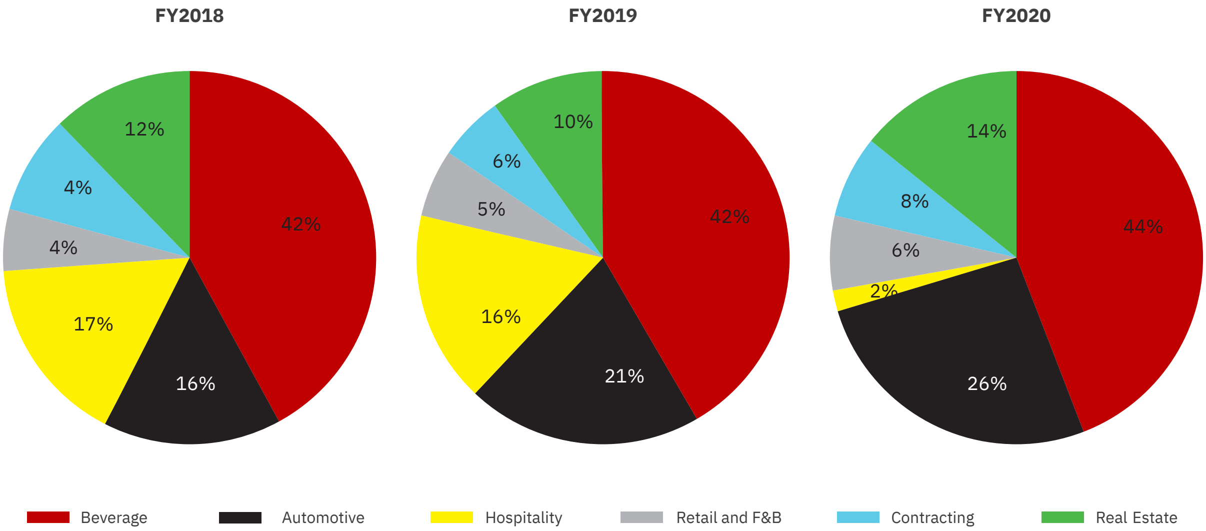
Revenue in FY2018 and FY2019 was fairly stable at approximately €175 million in both years, decreasing by 20% to €139.7 million in FY2020 as a result of the effects of the pandemic, as explained in further detail in section 7 above. EBITDA in FY2020 also took a hit to €9.7 million, from the €16.6 million reported in FY2019 (FY2018: €14.6 million).

Over the years, the Beverage and the Automotive segments represented the two largest contributors to Revenue, with the former being the biggest EBITDA contributor to the combined results of MO over the years under review.

Revenue Contribution by Sector



EBITDA Contribution by Sector



Meanwhile, although the Retail and F&B segment generated between 15% (FY2020) and 19% (FY2018) of revenue, the contribution of this segment to EBITDA is quite low in view of the general negative performance of ISTB over the period.

MO's combined income statement for FY2020 includes a number of one-off entries affecting the performance of the conglomerate. The €3.8 million fair value gain recognised in FY2020 was due to the gain realised through the sale of a property, although this was completely net off by an impairment charge necessary on other MO investments of nearly €5 million. The increase in credit loss allowances provided for in FY2020 related to increases in provisions of outstanding debtors as per IFRS 9 – *Financial Instruments*, mainly due to changes in credit terms brought along by the COVID-19 pandemic.

Following depreciation and amortisation charges of €9.4 million, earnings before interest and tax (EBIT) came in negative in FY2020 at €3.5 million. In earlier years, EBIT stood at €8 million in FY2018 (which excluded the depreciation of the ROU assets as IFRS 16 did not apply until 1 January 2019) and €8.6 million in FY2019. MO's finance costs were around the €4 million level, in line with earlier years, while share of profits from associate companies of MO was just €0.5 million in FY2020 when compared to the €1.7 million in FY2018 and €14.4 million in FY2019 – the FY2019 figure included the net income from the disposal of Kemmuna Limited and First United Insurance Brokers Limited.

After accounting for taxation, which take into account investment tax credits available for MO, profit after tax in FY2018 and FY2019 was €5.4 million and €16.9 million, respectively, while for FY2020, MO registered a loss of €7.3 million.

Outlook FY2021 & FY2022

The projections for FY2021 and FY2022 have been based on the assumption that a slow recovery from the full impact of COVID-19 on the Guarantors' combined performance would start from the second part of FY2021 as most of the restrictions are lifted and tourism figures start building up again.

As a result, given also that during FY2021 MO was still offering credit extensions to clients that have been mostly affected by the pandemic, the performance for FY2021 is expected to be negative yet again, albeit to a lesser extent when compared to FY2020, at €3.8 million loss for the year.

In FY2022, MO's performance is expected to return a positive result, although still not at the levels of pre-COVID-19. Revenue is expected to recover to €162.7 million (FY2021: €144.5 million) and as a result, such improved turnover levels are expected to yield an increase in EBITDA to €16.5 million in FY2022 (FY2021: €10.2 million), which is anticipated to result in a profit after tax of €1.6 million, barring any one-off adjustments.

10. The Guarantors' Combined Statement of Financial Position

	FY2018 €'000	FY2019 €'000	FY2020 €'000	FY2021 €'000	FY2022 €'000
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Assets					
Non-Current Assets					
PPE (including Intangible Assets)	121,899	123,015	125,629	129,049	132,809
ROU Assets	-	22,415	20,664	12,639	12,944
Investment Property (IP)	59,948	67,905	71,461	66,172	58,578
Investments in Associates	22,837	21,894	20,649	20,649	20,649
Loans & Advances	576	1,076	1,013	1,013	4,347
Financial Assets at FVOCI	4,661	4,638	3,740	3,740	3,740
Deferred Tax Assets	273	289	272	272	272
Trade & Other Receivables	16,772	18,716	18,602	19,569	20,883
Total Non-Current Assets	**226,965**	**259,947**	**262,029**	**253,103**	**254,221**
Current Assets					
Inventories	30,613	33,699	28,831	28,346	30,003
Trade and Receivables	42,040	42,849	32,541	26,365*	28,593*
Loans & Advances	200	-	63	63	63
Current Tax Assets	1,012	1,272	847	847	847
Financial Assets at FVPL	1,206	222	-	-	-
Cash & Cash Equivalents	5,554	12,482	9,703	26,017	16,520
	80,625	**90,524**	**71,985**	**81,638**	**76,026**
Assets Classified as HFS	4	3	3	3	3
Total Current Assets	**80,628**	**90,526**	**71,988**	**81,640**	**76,028**
Total Assets	**307,594**	**350,474**	**334,016**	**334,743**	**330,249**

Equity & Liabilities					
Capital & Reserves					
Share Capital	2,468	2,468	2,471	2,471	2,471
Capital Contribution Reserve	3,043	3,043	3,043	3,043	3,043
Revaluation Reserve	56,525	56,333	60,662	60,662	60,662
FV Gains & Other Reserves	27,488	26,877	28,721	28,721	28,721
Hedging Reserves	(506)	(537)	(504)	(504)	(504)
Retained Earnings	58,858	74,371	62,446	57,106	57,506
Total Equity	**147,876**	**162,556**	**156,839**	**151,499**	**151,899**
Non-Current Liabilities					
Trade & Other Payables	9	8	24	24	24
Borrowings	70,742	67,813	69,634	40,322	31,138
Amortised Bond Costs	-	-	-	44,069	44,149
Lease Liabilities	-	21,187	19,886	12,482	12,765
Deferred Tax Liabilities	12,295	12,292	13,232	12,717	11,958
Derivative Financial Instruments	779	826	776	776	776
Provisions for Liabilities & Charges	-	-	700	700	700
Total Non-Current Liabilities	**83,825**	**102,126**	**104,253**	**111,091**	**101,511**
Current Liabilities					
Trade and Other Payables	44,177	55,297	41,372	36,245	35,276
Current Tax Liabilities	480	95	59	59	59
Borrowings	31,235	29,054	30,120	34,094	39,537
Lease Liabilities	-	1,345	1,373	1,755	1,968
Total Current Liabilities	**75,893**	**85,792**	**72,924**	**72,154**	**76,840**
Total Liabilities	**159,718**	**187,918**	**177,177**	**183,244**	**178,351**
Total Equity and Liabilities	**307,594**	**350,474**	**334,016**	**334,743**	**330,250**

**Current trade receivables for FY2021 and FY2022 only comprise trade receivables, amounts receivable from hire purchase debtors, contract assets, amounts owed by associates and amounts owed by third parties, with other receivable balances netted off against current trade payables in the respective line item. The level of current trade and other receivables at the end of the two projected financial periods may differ as a result of such reclassifications between reported historical information and Projected Financial Information.*

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)

	FY2018 €'000	FY2019 €'000	FY2020 €'000
	Actual	*Actual*	*Actual*
Land, Buildings & Improvements	93,568	93,248	98,235
Plant, Machinery & Equipment	11,104	10,319	9,774
Furniture, Fittings & Office Equipment	9,541	9,492	8,565
Motor Vehicles	7,273	8,006	8,255
Assets in the Course of Constructions (incl Prepayments)	281	1,839	711
	121,767	**122,905**	**125,540**

The ROU Assets reflect the value of the properties leased from third parties by the MO companies and those under an emphyteutic grants on properties in Marsa (where GSD and GSDM operate from) and Valletta (home of the ISTB operation).

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 FY2020 the value of such investments was €20.6 million and consisted of:

Name	Principal Activity	% of shares held (FY2020)	Carrying amount (€'000s)
Mellieha Bay Hotel Limited	Ownership and operation of hotel	51%	16,976
Finopz Limited	To deliver IT solutions and create and sell IT products	50%	1,848
Institute of English Language Studies Limited	English language school	50%	1,254
Mizzi Associated Enterprises Limited	Property ownership and development for trading and rental	51%	1,088
St. Julian's Maritime Finance Limited	The provision of lease contracts involving motor and sailing yachts and other maritime vessels	25%	630
Aqubix Limited	To deliver IT solutions and create and sell IT products	50%	9
The Players Group Limited	Holding of an investment in Maltco Lotteries Ltd	25%	4

While the percentage holdings in the associates did not vary from FY2018 to FY2020, in FY2019 MO disposed of its shareholding in Kemmuna Limited and FirstUnited Insurance Brokers Ltd, which generated a gain on sale of €12.9 million, and in the second quarter of FY2018, formed the joint venture owning St Julian's Maritime Finance Limited.

Total trade and other receivables by the end of FY2020 stood at a total of €51.1 million, consisting mainly of hire purchase debtors within the automotive segment, extended credit terms in the beverage segment and contract balances in terms of IFRS 15 – Contracts. The decline in the balances of outstanding receivables when compared to the previous periods is reflective of the lower turnover in FY2020 due to the pandemic.

Inventory comprises of motor vehicles stock within the automotive segment and finished goods and raw materials related to the beverage segment. At end of FY2020 this stood at €28.8 million (FY2019: €33.7 million; FY2018: €30.6 million).

The cash and equivalents balance was boosted in FY2019 due to the disposal of associate investments (as explained earlier) and at the end of FY2020, MO had a cash buffer of €9.7 million.

Liabilities

MO's liabilities increased by €28.2 million between FY2018 and FY2019, reflecting, amongst others, the lease liability recognised on balance sheet in terms of IFRS 16 – Leases as from 1 January 2019. This went down by €10.7 million between FY2019 and FY2020, which in the main attributable to the settlement of outstanding capital payables on MO's ongoing investment projects and lower trade payables as the effect of a slowdown in activity led to lower accrual of trade balances due.

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

Borrowings	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Current	31,235	29,054	30,120	34,094	39,537
Non-Current	70,742	67,813	69,634	40,322	31,138
Bond (amortised)	-	-	-	44,069	44,149
Total Debt	**101,977**	**96,867**	**99,754**	**118,485**	**114,824**
Cash	5,554	12,482	9,703	26,017	16,520
Net Debt	**96,424**	**84,385**	**90,052**	**92,468**	**98,304**

Total debt reached nearly €100 million by the end of FY2020, reflecting the drawdown of approximately €8 million of Malta Development Bank guaranteed loans that were introduced to assist companies in Malta with working capital deficiencies in view of the COVID-19 pandemic. €71 million of the loans were obtained by MO to support the conglomerate's various investments over the years.

Equity Base

MO's equity stood at €156.8 million by the end of FY2020, half of which being made of up fair value and revaluation reserves accumulated over the years. €62.4 million related to retained earnings, the decrease year-on-year from FY2019 reflecting the negative performance of MO in FY2020 due to the pandemic as discussed in earlier parts of this report. Nevertheless, equity funds nearly 50% of MO's total assets.

Outlook FY2021 & FY2022

FY2021's statement of financial position is expected to include the bonds forming part of MO's borrowings. Approximately €25 million of the bonds will be applied towards the refinancing of existing bank borrowings outstanding, and as such, the €45 million will not all be absorbed by MO as borrowings. The balance will be directed towards MO's capital expenditures (approximately €8 million), primarily the project referred to as "*Il-Hofra Project*" and the refurbishment of the Arkadia Commercial Centre and Foodstores, while the remaining balance will be applied by MO towards additional general corporate funding requirements and will be utilised as and when such requirements arise and, or fall due.

11. The Guarantors' Combined Statement of Cash Flows

	FY2018 €'000	FY2019 €'000	FY2020 €'000	FY2021 €'000	FY2022 €'000
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
Net Cash from Operating Activities	7,640	14,004	13,373	6,342	5,194
Net Cash (used in) / from Investing Activities	(18,697)	2,233	(13,917)	(7,263)	(4,662)
Net Cash from / (used in) Financing Activities	6,963	(6,356)	(1,841)	17,235	(10,030)
Net Movements in Cash & Cash Equivalents	**(4,094)**	**9,881**	**(2,385)**	**16,314**	**(9,498)**
Cash & Cash Equivalents at the Beginning of the Year	(12,697)	(16,791)	(6,910)	(9,295)	7,019
Cash & Cash Equivalents at the End of the Year	**(16,791)**	**(6,910)**	**(9,295)**	**7,019**	**(2,479)**

Historic Analysis (FY2018 – FY2020)

Although revenue in FY2018 and FY2019 remained practically unchanged, the increase in trade receivables in FY2018, as well as the adjustments related to IFRS 16 – Leases in FY2019 and a decline in the receivables balances during the same year, led to a material difference between the net cash generated from operating activities between FY2018 and FY2019. FY2020 cash flows from operations were positively impacted by government-driven schemes that were aimed at assisting local companies which were negatively impacted by COVID-19.

In terms of cashflows used and, or generated from investing activities, in FY2018, MO used €22 million to acquire of John's Garage in Qormi, the emphyteutic rights over the ISTB in Valletta, as well as the capital expenditure carried out therein; a property in Gzira adjacent to the Continental Cars showroom and the Aquarine property in Bugibba. In FY2019, this was lower, at €14.2 million, consisting of the construction of a warehouse extension of GSD, the continued development of the Aquarine property and initial works on the development of the Pangea property in St Julian's. Capital expenditure in FY2020 stood at €18.9 million and included the continuation of the development of the GSD warehousing extension; purchases of office and motor vehicles as well as the purchase of the petrol station site at Blata l-Bajda.

Cash flows relating to financing activities include the borrowings (net of repayments) taken up by MO throughout the years under review. In FY2018, MO's borrowings were significantly impacted by the drawdown of a loan related to the ISTB. In FY2019, the level of borrowings slowed down and repayments were higher than the drawdowns, while in FY2020, borrowings increased again, primarily with the drawdown of the Malta Development Bank guaranteed loans that were extended to companies that were most effected by COVID-19 pandemic.

Outlook FY2021 & FY2022

MO's net cash from operations are reflective of the performance of the Mizzi Organisation companies, adjusted for working capital movements, taxation and non-cash charges.

FY2021 will be characterised by the bond issue, which will refinance approximately €25 million of existing debt within MO. Net of drawdowns of new loans taken during the earlier part of the year, loan servicing and lease payments, resulted in a net inflow of €17.2 million. In FY2022, MO is expected to repay a further €8.2 million of bank borrowings, extend funds to an associate to the tune of €3.3 million, settle lease payments (€1.8 million) and pay a dividend of €1.2 million. Such outflows are netted by an assumed inflow of €4.5 million from factored bills of exchange.

In terms of cash flows related to investment activities, MO will be diverting €13.9 million towards the purchase of PPE in FY2021 and €13.6 million in FY2022 – these amounts relate to €5 million recurring capital expenditure per annum; €4.8 million towards the IML project in Blata l-Bajda; €3.3 million for the refurbishment of the Arkadia Commercial Centre (Gozo); €2 million towards the refurbishment of the Arkadia Foodstores in Gozo and Portomaso; €2 million investments in new Arkadia foodstores convenience outlets; and completion of ongoing investments in the Beverage and Hospitality Segment. A further €2.8 million will be used to complete investment property in FY2021, which relates to the Pangea Office Block in St. Julian's. Sales of investment property are also expected to generate €9.5 million and €9.0 million in the two years under review, respectively – these sales relate to the ex-GSD sites in Qormi, garages and apartments.

12. Ratio Analysis

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

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

	FY2018	FY2019	FY2020	FY2021	FY2022
	Actual	*Actual*	*Actual*	*Forecast*	*Projection*
EBITDA margin	8.4%	9.5%	7.0%	7.0%	10.2%
(EBITDA / Revenue)					
Operating Profit (EBIT) margin	4.6%	4.9%	n/a	0.0%	3.5%
(Operating Profit (EBIT) / Revenue)					
Net Profit margin	3.1%	9.6%	n/a	n/a	1.0%
(Profit for the period / Revenue)					
Return on Equity	3.7%	10.9%	n/a	n/a	1.1%
(Net Profit / Average Equity)					
Return on Capital Employed	2.2%	6.6%	n/a	n/a	0.7%
(Net Profit / Average Capital Employed)					
Return on Assets	1.8%	5.1%	n/a	n/a	0.5%
(Profit for the period / Average Assets)					
Current Ratio	1.1x	1.1x	1.0x	1.1x	1.0x
(Current Assets / Current Liabilities)					
Cash Ratio	0.1x	0.1x	0.1x	0.4x	0.2x
(Cash & cash equivalents / Current Liabilities)					
Interest Coverage ratio	4.3x	4.2x	2.5x	3.2x	4.5x
(EBITDA / Net finance costs)					
Gearing Ratio	39.5%	34.2%	37.5%	37.9%	39.3%
(Net debt / [Net Debt + Total Equity])					
Gearing Ratio (2)	40.8%	37.3%	38.9%	43.9%	43.0%
[Total debt / (Total Debt plus Total Equity)]					
Net Debt to EBIDTA	6.6x	5.1x	9.2x	9.1x	5.9x
(Net Debt / EBIDTA)					

Source: Management information

As MO's performance took a hit in FY2020 due to the pandemic, following two years of profitability, the group's ratios are not reportable. The projections for FY2021 and FY2022 included in this report have been based on a recovery in FY2022, with EBITDA margins being comparable to pre-COVID-19 figures, as explained in earlier parts of this FAS.

MO's liquidity is tight and is not expected to improve during the next two years, due to the recovery from COVID-19 across all sectors of the Group, coupled with the temporary closure of some retail operations due to refurbishments. MO's interest costs have been well covered in earlier years and this metric is expected to remain substantially strong over the periods FY2021 and FY2022. Similarly, despite the high level of borrowings in absolute terms, these are well covered by a strong equity base, resulting in gearing levels below the 40% mark (on a net basis) in the historic periods covered, and this is expected to be the case also in the next couple of years. MO's net debt to EBITDA is also considered to be adequate, peaking in FY2020 and FY2021 and expected to reduce to 5.9 times by the end of FY2022 as EBITDA improves even further.

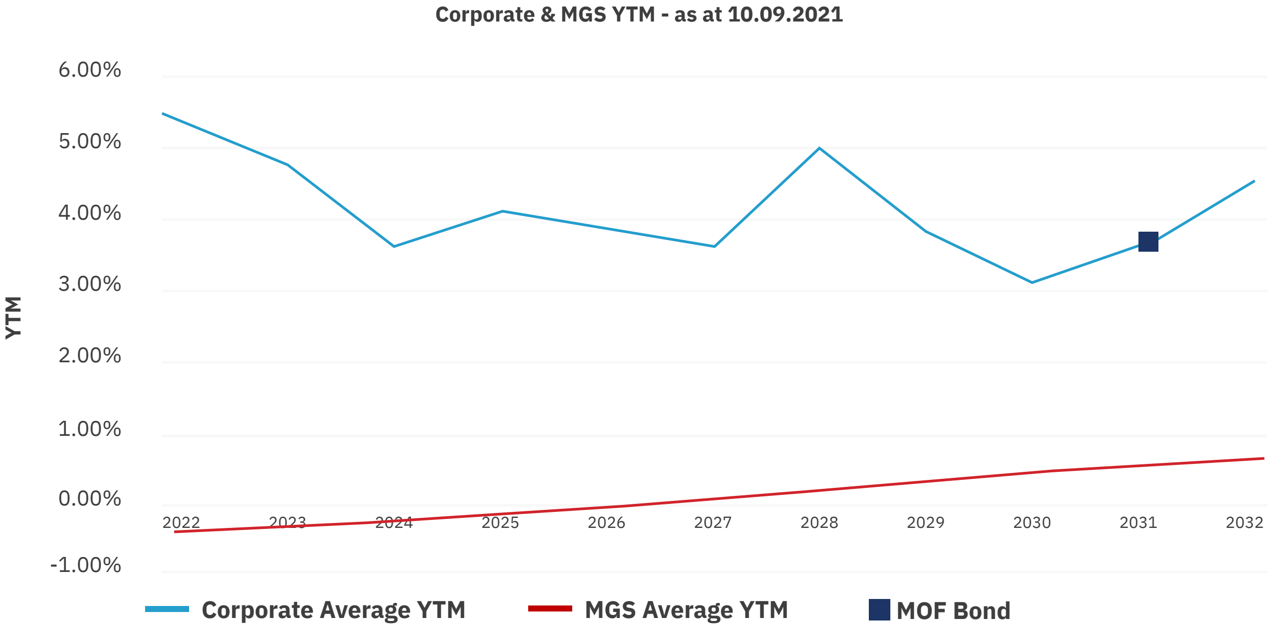
Part C Comparatives

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

Bond Details	Amounts Outstanding (€'millions)	Gearing*	Net Debt to EBITDA	Interest Cover	YTM as at 10.09.2021
4.00% Exalco Finance plc 2028 (Secured)	15.0	29.6%	4.47x	4.05x	3.66%
3.65% Stivala Group Finance plc 2029 (Secured)	15.0	26.3%	11.4x	2.30x	3.20%
4.00% SP Finance plc 2029 (Secured)	12.0	46.0%	139.7x	0.12x	3.25%
3.75% Tum Finance plc 2029 (Secured) (Puttable)	20.0	35.4%	2.74x	9.01x	3.52%
4.5% Endo Finance plc 2029 (Unsecured)	13.5	54.2%	4.34x	4.20x	4.66%
3.65% Stivala Group Finance plc 2029 (Secured)	15.0	26.3%	11.4x	2.30x	3.20%
3.75% AX Group plc 2029	10.0	25.5%	28.3x	0.76x	3.19%
4.25% Mercury Projects Finance plc 2031 (Secured)	11.0	57.1%	1.06x	34.08x	3.74%
3.65% Mizzi Organisation Finance plc 2028-2031 (Unsecured)	45.0	36.5%	9.2x	2.5x	3.65%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 10 September 2021. Ratio workings and financial information quoted have been based on the respective issuers' unadjusted published financial data (or their guarantors, where and as applicable)
**Gearing - (Net Debt/ Net Debt + Total Equity)*

The following shows the average yield to maturity of listed corporate bonds and MGS covering an eleven year period, and how the Company's bond priced at 3.65% compares to such average yields. All the yields presented hereunder are as at 10 September 2021.



At 3.65%, the Company's bonds are priced 51 basis points above the equivalent average corporate bonds YTM for 2031 maturities and at a 327 basis points premium over the average MGS YTM for 2031 maturities.

Part D 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.