

# SECURITIES NOTE

Dated 28 March 2024

This Securities Note is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the Prospectus Regulation.

This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of up to  
€16,000,000 5.85% Secured Bonds 2034  
of a nominal value of €100 per Bond issued and redeemable at par  
ISIN: MT0002801208  
(the "Bonds")

by



## BURMARRAD GROUP ASSETS P.L.C.

a public limited liability company duly incorporated under the Laws of Malta with company registration number C 83190

Sponsor, Manager & Registrar

Security Trustee

Legal Counsel

Calamatta Cuschieri

CSB | trustees & fiduciaries ltd

salibastafrece  
LEGAL

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS, AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

APPROVED BY THE DIRECTORS

Maria Gauci

Mario Gauci

## IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY BURMARRAD GROUP ASSETS P.L.C. (THE "ISSUER") OF UP TO €16,000,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.85% PER ANNUM, PAYABLE ON 14 MAY OF EACH YEAR UNTIL THE REDEMPTION DATE (THE "BONDS"). THE ISSUER SHALL REDEEM THE BONDS AND PAY THE REDEMPTION VALUE THEREOF ON THE REDEMPTION DATE, UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE.

THIS SECURITIES NOTE SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER DATED 28 MARCH 2024.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR THE DIRECTORS TO PUBLISH OR ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER AND/OR THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO THEREIN AND, IF PUBLISHED, ISSUED, GIVEN OR MADE, SUCH ADVERTISEMENT, INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

ALL THE ADVISORS TO THE ISSUER NAMED UNDER THE HEADING 'ADVISORS' IN SECTION 3.4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

**THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS SECURITIES NOTE, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS SECURITIES NOTE.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY BONDS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS, OR ANY PART THEREOF, OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON, AS DEFINED IN REGULATION "S" OF THE SAID ACT. FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

**STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA, AND ARE SUBJECT TO CHANGES THEREIN.**

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

**THIS SECURITIES NOTE IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO UPDATE OR SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.**

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE, IF ANY, OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

**THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE, AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.**

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# 1. DEFINITIONS

Capitalised words and expressions used in this Securities Note and which are defined in the Registration Document forming part of the Prospectus shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words and expressions in the Registration Document. Furthermore, in this Securities Note, the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

<b>Applicant/s</b>	A person or persons, in the case of joint applicants, who subscribe(s) for the Bonds;
<b>Application</b>	The application to subscribe for Bonds made by an Applicant/s through any of the Authorised Financial Intermediaries;
<b>Authorised Financial Intermediaries</b>	The financial intermediary/ies whose details appear in Annex I to this document;
<b>Bond Issue Price</b>	The nominal value of each Bond, namely €100 per Bond;
<b>Conditions Precedent</b>	The conditions set out under paragraph (a) of section 8.2 of this Securities Note, to which the issue and final allotment of the Bonds is subject, namely the following events, in the chronological order set out below: (1) the minimum subscription amount of €12,500,000 of Bonds is achieved; and (2) the Bonds being admitted to the Official List within 15 Business Days from the closing of the Offer Period;
<b>CSD or Central Securities Depository</b>	The Central Securities Depository of and operated by the Malta Stock Exchange set up and authorised in terms of the Financial Markets Act, 1990 (Chapter 345 of the Laws of Malta), or any other central securities depository appointed by the Issuer from time to time;
<b>Interest Payment Date</b>	14 May of each year between and including each of the years 2025 and 2034 provided that, if any such day is not a Business Day, such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>Intermediaries' Offer</b>	An offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through sales agreements as further detailed in section 8.5 of this Securities Note;
<b>Issue Date</b>	Expected on 14 May 2024;
<b>Placement Agreement/s</b>	The conditional placement agreements which may be entered into between the Issuer and any Authorised Financial Intermediaries, as further described in section 8.4 of this Securities Note; and
<b>Terms and Conditions</b>	The terms and conditions of issue of the Bonds, set out in sections 5, 6 and 8 of this Securities Note.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice versa*;
- (b) words importing the masculine gender shall include also the feminine gender and *vice versa*;
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- (d) any references to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- (e) any phrase introduced by the term "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding the term; and
- (f) any references to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Securities Note.

## 2. RISK FACTORS

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER OR THE BONDS.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS SECURITIES NOTE. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE VALUE, YIELD, REPAYMENT ABILITY OF THE ISSUER AND OTHER CHARACTERISTICS OF THE BONDS. THE RISKS DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL AS AT THE DATE HEREOF, BUT THESE RISKS MAY NOT BE THE ONLY ONES AFFECTING THE BONDS. ADDITIONAL RISKS, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE BONDS AND/OR THE BONDHOLDERS' RIGHTS THEREUNDER.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) IS OR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT AND IN THE PROSPECTUS BEFORE INVESTING IN THE BONDS.

### Forward-looking Statements

This Securities Note contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's and, or the Group's strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and, or the Group's actual results of operations, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and performance, and trading results, of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled "Risk Factors" in the Registration Document, for a review of the factors that could affect the Issuer's performance and an investment in the Bonds. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## **Risks relating to the Bonds**

### ***Suitability of the Bonds***

An investment in the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor as to the suitability or otherwise of an investment in the Bonds before making an investment decision.

In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits, and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- (b) is able to assess whether the Bonds meet its investment objectives;
- (c) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (d) understands thoroughly the terms of the Bonds; and
- (e) is able to evaluate, either alone or with the help of a financial advisor, possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds, and the inherent risks associated with the Group's business. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of the Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

### ***Interest rate risk***

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. As at the date of this Securities Note, interest rates have gone through a gradual increase and may continue rising to some extent. Fixed income debt securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. The price of bonds tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds will tend to rise, save for other factors which may affect price. Moreover, the price changes also depend on the term or residual time to maturity of the Bonds. In general, bonds with shorter terms have less price risks than bonds with longer terms.

### ***Risks relating to inflation***

Inflation currently remains at elevated levels when compared to the past decades. Inflation is the rising level of prices for goods and services. It can have two negative impacts on those who invest in bonds. Inflation typically leads to a rise in short-term interest rates, and intermediate and longer-term rates also tend to go up as a consequence. This rise in interest rates will lead to a fall in the prices of bonds. Furthermore, inflation can wipe away the yields generated by a bond, in view of the loss of purchasing power brought about by inflation.

### ***Trading and liquidity risks***

There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell his or her Bonds on the secondary market at or above the Bond Issue Price or at all. A trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors including supply and demand factors in respect of the Bonds at any given time. These factors are in turn dependent upon the individual decisions of investors as well as market conditions over which the Issuer has no control. Many other factors outside the control of the Issuer may affect the trading market and value of the Bonds, including the time remaining to the maturity of the Bonds and the level, direction and volatility of market interest rates generally. No prediction can be made about the effect which any future public offerings of the Issuer's securities or any takeover or merger activity involving the Issuer or a company within the Group will have on the market price of the Bonds prevailing from time to time.

Furthermore, the outbreak of the COVID-19 pandemic in 2020, has resulted in a highly volatile economy. Other pandemics or infectious diseases which may arise in future may have similar consequences on the market. The exact nature of the risks of such pandemics and infectious diseases for, and their negative impact on, national economies and on individual businesses, including

the Group's business, is difficult to forecast and to guard against and plan for, particularly in view of the uncertainty as to their respective duration and reach. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia – Ukraine armed conflict. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds.

### **Currency risk**

Any investor whose currency of reference is not the Euro shall bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference.

### **Continuing compliance obligations**

Once the Bonds are listed, the Issuer is required to comply with certain ongoing requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Malta Financial Services Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Malta Financial Services Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspension or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

### **Changes in laws and regulations**

The Terms and Conditions of the Bond Issue are based on the requirements of the Act and other laws, the Prospectus Regulation and the Capital Markets Rules in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.

### **Amendments to Terms and Conditions**

The Issuer may call a meeting of Bondholders in accordance with the provisions of this Securities Note in the event that it wishes to amend any of the Terms and Conditions of this Bond Issue. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

### **Additional indebtedness and security**

The Issuer may incur further borrowings or indebtedness, including through the issue of other debt securities, and may create or permit to subsist security interests upon the whole or any part of its present or future undertakings, assets or revenues, including uncalled capital, save only that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

### **Ratings**

The Issuer has not sought, nor does it intend to seek, the credit rating of an independent agency and there has been no assessment by any independent rating agency of the Bonds.

### **Risks relating to the Collateral**

#### **Risks relating to the Collateral constituted by the Pledges and the value thereof**

The Bonds shall at all times rank *pari passu* without any priority or preference among themselves but, in respect of the Issuer, and save for such exceptions as may be provided by applicable law, they shall rank with priority or preference to all present and future obligations of the Issuer, by virtue and to the extent of the first ranking BGFL Pledge over the BGFL Pledged Shares owned by it, and also by virtue and to the extent of the first ranking BBT Pledge over the BBT Pledged Shares owned by it, which the said Issuer will constitute and grant in favour of the Security Trustee for the benefit of the Bondholders.

Whilst the Pledges grant the Security Trustee a right of preference and priority for repayment of the Bonds over the creditors of the Issuer in respect of the BGFL Pledged Shares and the BBT Pledged Shares, and whilst the estimated combined value of such Collateral as at the date of this Securities Note as indicated in section 6.2 of the Registration Document is sufficient to cover the Redemption Value of the Bonds, there can be no guarantee that the aggregate value of the said BGFL Pledged Shares and BBT Pledged Shares over the term of the Bonds will be and/or remain sufficient to cover the said full Redemption Value outstanding under the said Bonds. This may be the result of various factors, including general economic factors or even specific factors, events or circumstances that could have an adverse impact on the performance and financial condition of BGFL and/or the Operating Group from which BGFL derives revenues or of BBT and the group of which it forms part, and consequently on the value of the BGFL Pledged Shares and/or the BBT Pledged Shares, as the case may be. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.



Furthermore, there is no guarantee that the estimated value of the Collateral as set out in the Prospectus and in the Valuation Report is necessarily correct or would actually be achieved on the market. The valuation of shares is to an extent subjective, due to, among other things, the assumptions upon which the valuation is calculated. Accordingly, there can be no assurance that the estimated value as referred to in the Prospectus and in the Valuation Report reflects actual values that would be achieved on a sale at the time of enforcement of the Pledges or any of them.

### **3. PERSONS RESPONSIBLE AND CONSENT FOR USE**

#### **3.1 PERSONS RESPONSIBLE**

This document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of providing prospective investors with information with regard to the Bonds. All of the Directors of the Issuer, whose names appear under the heading 'Directors of the Issuer' in section 3.1 of the Registration Document, accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors of the Issuer take sole responsibility for all such representations and statements. Neither the Sponsor nor the advisers of the Issuer makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in the Prospectus.

#### **3.2 CONSENT FOR USE OF THE PROSPECTUS**

##### ***Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries:***

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Prospectus, and accepts responsibility for the information contained therein, with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through Authorised Financial Intermediaries during the Offer Period;
- ii. to any resale or placement of Bonds subscribed as aforesaid taking place in Malta; and
- iii. to any resale or placement of Bonds subscribed as aforesaid taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor, Manager and Registrar or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor any of the advisors of the Issuer has authorised, nor do they authorise or consent to the use of this Prospectus in connection with, the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer and neither the Issuer nor any of the Issuer's advisors has any responsibility or liability for the actions of any person making such offers.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or any of its advisors. The Issuer does not accept responsibility for any information not contained in the Prospectus.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

**In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor any of its advisors has any responsibility or liability for such information.

**Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.**

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement which will be made available on the Issuer's website: [www.bgassetsplc.com](http://www.bgassetsplc.com).

## **4. ESSENTIAL INFORMATION**

### **4.1 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE**

Without prejudice to the potential conflicts of interest of Directors disclosed in section 9.4 of the Registration Document, and save for the subscription for Bonds by the Authorised Financial Intermediaries, which include the Sponsor and Registrar, and any fees payable in connection with the Bond Issue to the Sponsor and Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

### **4.2 REASONS FOR THE OFFER AND USE OF PROCEEDS**

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to €15,400,000, shall be used for the following purposes, in the amounts and order of priority set out below:

- (i) **Payment of part of the consideration due in respect of the Issuer Group's acquisition of vehicles and related vehicle business under the Vehicle Business Acquisition and Rental Agreements, the acquisition of the Vehicle-Related Fixed Assets under the Vehicle-Related Fixed Assets Acquisition and Rental Agreement, the acquisition of immovable property assets and the acquisition of the equity interest in BBT plc, which have been acquired for a total consideration of approximately €35,500,000:**
  - (a) An amount of approximately **€3,700,000** will be used to settle part of the consideration due in respect of the vehicles and related vehicle business acquired by BGFL from BCL under the BCL Vehicle Business Acquisition and Rental Agreement, and in particular such part of the said consideration which represents the price payable by BGFL for the WSC Leased Vehicles, which price remains outstanding as at the date of this Securities Note, and which will be applied, to the extent necessary, to settle directly to Bank of Valletta p.l.c. the bank facility forming part of the Relevant Bank Loans taken out by BCL which relates to the acquisition of the said WSC Leased Vehicles which is at the relevant time drawn down and outstanding, as set out under the heading A. 'Ownership and leasing of vehicle fleet and of Vehicle-Related Fixed Assets' under section 5.2 of the Registration Document;
  - (b) An amount of approximately **€3,400,000** will be used to settle part of the consideration due in respect of the vehicles and related vehicle business acquired by BGFL from BCL under the BCL Vehicle Business Acquisition and Rental Agreement, which price remains outstanding as at the date of this Securities Note, and which will be applied to settle directly to Bank of Valletta p.l.c. another portion of the outstanding Relevant Bank Loans due by BCL which were incurred in connection with the vehicle operations, as set out under the heading A. 'Ownership and leasing of vehicle fleet and of Vehicle-Related Fixed Assets' under section 5.2 of the Registration Document;
  - (c) An amount of approximately **€1,800,000** will be used to settle part of the consideration due in respect of the Vehicle-Related Fixed Assets acquired by BGFL from BML under the Vehicle-Related Fixed Assets Acquisition and Rental Agreement, which price remains outstanding as at the date of this Securities Note, and which will be applied to settle directly to Bank of Valletta p.l.c. the Relevant Bank Loan due by BML, as set out under the heading A. 'Ownership and leasing of vehicle fleet and of Vehicle-Related Fixed Assets' under section 5.2 of the Registration Document;
  - (d) An amount of approximately **€2,500,000** will be used to settle part of the consideration due in respect of the vehicles and related vehicle business acquired by BGFL from BCL and from BCARL under the respective Vehicle Business Acquisition and Rental Agreements, which price remains outstanding as at the date of this Securities Note, and which will be applied to settle directly debts due to HP Creditors which were incurred in connection with the vehicle operations, as set out under the heading A. 'Ownership and leasing of vehicle fleet and of Vehicle-Related Fixed Assets' under section 5.2 of the Registration Document;
- (ii) **General corporate funding:** the amount of approximately **€4,000,000** together with any residual amounts not utilised for the purposes identified in paragraphs (i)(a) to (d) above, shall be utilised for general corporate funding purposes of the Group.

The Issuer has established a minimum aggregate subscription amount of €12,500,000 on which the Bond Issue is conditional. In the event that the Bond Issue is not fully taken up but the said minimum is satisfied or exceeded, the Issuer may issue the Bonds up to the amount subscribed for, without prejudice to its right to reject all Applications and revoke the issue and not to allot any Bonds if the Bond Issue is not fully subscribed as provided in section 8.2(n) of this Securities Note. Should the Bond Issue not be fully subscribed to, the proceeds from the Bond Issue shall first be utilised for the purposes set out in paragraph (i)(a) above, and any remaining balance shall be utilised for the purposes set out in paragraph (i)(b), then paragraph (i)(c), then paragraph (i)(d) and then paragraph (ii), in the order of priority indicated above.

If the proceeds raised from the amount of Bonds actually subscribed for are less than the above-quoted minimum aggregate subscription amount of €12,500,000, no allotment of the Bonds shall be made, the subscription for the Bonds shall be deemed not to have been accepted by the Issuer, all proceeds received from Applicants shall be refunded accordingly, and the Bond Issue shall be cancelled forthwith.

Following the Bond Issue, all net proceeds shall be held by the Security Trustee. The Security Trustee shall retain all net bond proceeds until the occurrence of the other events specified below. It is expected that within 15 Business Days following listing of the Bonds:

1. the Issuer, BGFL and the Security Trustee shall enter into the Issuer-BGFL Loan Agreement, whereby the Issuer shall make and constitute the Issuer-BGFL Loan to BGFL for the purpose of financing the payment of part of the prices of vehicles and vehicle related business due by BGFL to BCL and BCARL under the respective Vehicle Business Acquisition and Rental Agreements and part of the price of Vehicle-Related Fixed Assets due by BGFL to BML under the Vehicle-Related Fixed Assets Acquisition and Rental Agreement.

Pursuant to what is provided in the Security Trust Deed and also in the Vehicle Business Acquisition and Rental Agreements and in the Vehicle-Related Fixed Assets Acquisition and Rental Agreement, the Issuer-BGFL Loan Agreement will provide for an irrevocable authorisation and direction to the Security Trustee by each of the Issuer (as lender of the Issuer-BGFL Loan) and BGFL (as borrower of the Issuer-BGFL Loan and payor of the price of vehicles and vehicle related business due to BCL and BCARL under the Vehicle Business Acquisition and Rental Agreements and of the price of Vehicle-Related Fixed Assets due to BML under the Vehicle-Related Fixed Assets Acquisition and Rental Agreement) to pay such part of the Issuer-BGFL Loan as is necessary to:

- (a) Bank of Valletta p.l.c. to settle such part of the bank facility forming part of the Relevant Bank Loans taken out by BCL which relates to the acquisition of the WSC Leased Vehicles which is at the relevant time drawn down and outstanding, plus another portion equivalent to €3.4 million of the Relevant Bank Loans outstanding at the relevant time, and this by way of a payment by delegation from BGFL who would be making such payment as a third party for and on behalf of BCL which owes the above-mentioned portions of Relevant Bank Loans to Bank of Valletta p.l.c., on the basis of the obligation undertaken by BGFL in the BCL Vehicle Business Acquisition and Rental Agreements to pay the above-mentioned portions of Relevant Bank Loans out of the price of the vehicles and related vehicle business purchased from BCL and the underlying delegation of authority and instruction to this effect given by BCL to BGFL and its further delegates and sub-delegates under the BCL Vehicle Business Acquisition and Rental Agreement;
- (b) Bank of Valletta p.l.c. to settle in full the Relevant Bank Loan due by BML in the amount of approximately €1.8 million outstanding at the relevant time, and this by way of a payment by delegation from BGFL who would be making such payment as a third party for and on behalf of BML which owes such Relevant Bank Loan to Bank of Valletta p.l.c., on the basis of the obligation undertaken by BGFL in the Vehicle-Related Fixed Assets Acquisition and Rental Agreement to pay the said Relevant Bank Loan due by BML out of the price of the Vehicle-Related Fixed Assets purchased and the underlying delegation of authority and instruction to this effect given by BML to BGFL and its further delegates and sub-delegates under the Vehicle-Related Fixed Assets Acquisition and Rental Agreement; and
- (c) the HP Creditors to settle debts due to such HP Creditors at the relevant time, and this by way of a payment by delegation from BGFL who would be making such payment as a third party for and on behalf of BCL and BCARL respectively owing the relevant debts to the HP Creditors, on the basis of the obligation undertaken by BGFL in the Vehicle Business Acquisition and Rental Agreements to pay the outstanding debts due to the HP Creditors out of the price of the vehicles and related vehicle business purchased and the underlying delegation of authority and instruction to this effect granted by each of BCL and BCARL to BGFL and its further delegates and sub-delegates under the respective Vehicle Business Acquisition and Rental Agreements.

The Issuer-BGFL Loan will bear interest at 6.35% per annum payable on 2 May of each year, and the outstanding loan amount thereof shall be repayable by not later than 2 May 2034.

In terms of the Vehicle Business Acquisition and Rental Agreements and the Vehicle-Related Fixed Assets Acquisition and Rental Agreement, as a condition to the payment of part of the price of vehicles and related vehicle business and part of the price for the Vehicle-Related Fixed Assets by way of payment of part of the Relevant Bank Loans by BGFL (through the Security Trustee) as aforesaid, (i) BCL and BCARL have committed to procure the concurrent payment to Bank of Valletta p.l.c. of any amount of Relevant Bank Loans remaining outstanding after such payment of parts of such prices by way of payment of bank debts by BGFL as aforesaid; and (ii) BCL, BCARL and BML have committed to procure from Bank of Valletta p.l.c., promptly after the payment of the Relevant Bank Loans in full to such bank, the waiver and release of the Bank BBT

Pledge, the waiver of the Bank Pledges on Receivables and the waiver and cancellation of the Bank Group Properties Special Hypothecs. As provided in the Security Trust Deed, the Security Trustee will only release the relevant funds to Bank of Valletta p.l.c. as aforesaid if concurrently with such payment there is effected payment of any remaining outstanding amount of Relevant Bank Loans as aforesaid and only after receiving assurance that the Bank BBT Pledge will be released promptly after the settlement of the Relevant Bank Loans, so as to enable the constitution of the BBT Pledge in favour of the Security Trustee immediately thereafter.

2. the Issuer, BGFL and the Security Trustee shall enter into the BGFL Pledge Agreement whereby the Issuer shall constitute the BGFL Pledge over the BGFL Pledged Shares owned by it in favour of the Security Trustee for the benefit of Bondholders, as referred to in section 6.3 of this Securities Note; and
3. the Issuer and Security Trustee shall enter into the BBT Pledge Agreement whereby the Issuer shall constitute the BBT Pledge over the BBT Pledged Shares owned by it in favour of the Security Trustee for the benefit of Bondholders, which pledge shall be effective following the payment of the Relevant Bank Loans and the release of the Bank BBT Pledge over the BBT Pledged Shares, as referred to in section 6.3 of this Securities Note. Such BBT Pledge shall subsequently be acknowledged by BBT.

### **Closing dynamics**

Following satisfaction of the Conditions Precedent, the Security Trustee shall release the net proceeds from the issue of the Bonds, which are expected to amount to € 15,400,000, as follows:

- (a) The amount as is necessary to settle such portions of the Relevant Bank Loans due to Bank of Valletta p.l.c. and the debts due to the HP Creditors at the relevant time as referred to in paragraph 1(a) to (c) above under this section 4.2, shall be paid by the Security Trustee, by delegation, to the said Bank of Valletta p.l.c. and the HP Creditors, as referred to and subject to what is provided in such paragraph 1(a) to (c) above under this section 4.2, as soon as practicable after the date of the Issuer-BGFL Loan; and
- (b) The amount of € 4,000,000 intended to be used for general corporate funding purposes as referred to under (ii) of the opening paragraph of this section 4.2, shall be released by the Security Trustee to or to the order of the Issuer, at the request of such Issuer made at any time following the constitution of the Collateral, or provided that at the relevant time the Security Trustee receives assurance that the Collateral will be constituted promptly thereafter.

### **4.3 FUNDING FROM OTHER SOURCES**

Assuming that the Bond Issue is fully subscribed, it is anticipated that the net proceeds of such Bond Issue will finance the part settlement of the price for the acquisition of vehicles and related vehicle business by BGFL which is outstanding and due to BCL and BCARL under the respective Vehicle Business Acquisition and Rental Agreements as well as a substantial part of the price for the acquisition of the Vehicle-Related Fixed Assets by BGFL which is outstanding and due to BML under the Vehicle-Related Fixed Assets Acquisition and Rental Agreement, but a portion of such price will not be funded by such net Bond proceeds. It is expected that the payment of this remaining portion of the prices of vehicles and related vehicle business and of Vehicle-Related Fixed Assets, as the same may be assigned to related parties within the Group or the larger Burmarrad Group, will be funded from the revenues generated by BGFL from time to time or will be capitalised.

### **4.4 EXPENSES**

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, manager and registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €600,000. There is no particular order of priority with respect to such expenses.

## **5. OFFER STATISTICS**

Issue:	€16,000,000 5.85% Secured Bonds 2034.
Amount:	€16,000,000.
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.
Denomination (currency):	Euro (€).
ISIN:	MT0002801208.

Bond Issue Price:	At par, namely €100 per Bond.
Minimum amount per subscription:	Minimum of €5,000 and integral multiples of €100 thereafter.
Offer Period:	The period commencing at 09:00 hours on 4 April 2024 and ending at 12:00 hours on 2 May 2024, both days included.
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, as further described in section 8.3 of this Securities Note.
Placement Agreements:	The Issuer may enter into conditional placement agreement/s with one or more Authorised Financial Intermediary/ies whereby an agreed portion of the nominal value of the Bonds will be made available for subscription to such Authorised Financial Intermediaries, for their own account or on behalf of their clients, as further described in section 8.4 of this Securities Note.
Intermediaries' Offer:	The Issuer may enter into sales agreements with Authorised Financial Intermediaries for an aggregate amount equivalent to the remaining amount of the Bond Issue not covered by the Placement Agreements (if any), for subscription of Bonds by such Authorised Financial Intermediaries for their own account or on behalf of their clients, as further described in section 8.5 of this Securities Note.
Redemption Date:	14 May 2034.
Redemption Value:	At par (€100 per Bond).
Status of the Bonds:	<p>The Bonds, as and when issued and allotted, shall constitute the general, direct, secured and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i>, without any priority or preference among themselves.</p> <p>The Bonds shall be secured by the BGFL Pledge to be constituted by the Issuer on the BGFL Pledged Shares owned by it in favour of the Security Trustee for the benefit of Bondholders. In this respect therefore, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future obligations of the Issuer, by virtue and to the extent of the above-mentioned first ranking BGFL Pledge over its BGFL Pledged Shares.</p> <p>The Bonds will also be secured by the BBT Pledge to be constituted by the Issuer on the BBT Pledged Shares owned by it in favour of the Security Trustee for the benefit of Bondholders. In this respect therefore, save for such exceptions as may be provided by applicable law, the Bonds shall also rank with priority or preference to all present and future obligations of the Issuer, by virtue and to the extent of the above-mentioned first ranking BBT Pledge over its BBT Pledged Shares.</p>
Listing:	The Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Interest:	5.85% per annum, on the Nominal Value of each Bond.
Interest Payment Date(s):	Annually on 14 May as from 2025, being the first Interest Payment Date, with the last interest payment date being effected on the Redemption Date.
Governing Law:	The Bonds are governed by and shall be construed in accordance with Maltese law.
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts.

## **6. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING**

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions of the Bonds herein described and to accept and be bound by the said Terms and Conditions.

### **6.1 GENERAL**

Each Bond forms part of a duly authorised issue of 5.85% Secured Bonds 2034 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €16,000,000, except as otherwise provided under section 6.12 of this Securities Note ("Further Issues").

The Issue Date of the Bonds is expected to be 14 May 2024. The Bond Issue is secured with the Collateral. The Bonds are created under Maltese law.

- a. The currency of the Bonds is Euro (€).
- b. The Bonds are expected to be listed on the Official List on or before 14 May 2024 and dealing can be expected to commence thereafter.
- c. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0002801208.
- d. Unless previously purchased and cancelled, the Bonds shall be redeemable at the Redemption Value on the Redemption Date.
- e. The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.
- f. The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €5,000 and in multiples of €100 thereafter.
- g. In the event that the minimum subscription amount of €12,500,000 of Bonds is not achieved, no allotment of the Bonds shall be made, the subscription to Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly, without interest, at the Applicant's sole risk.
- h. In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, at the Applicant's sole risk.
- i. The Bond Issue is not underwritten.
- j. There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of the Redemption Value and interest and in accordance with the ranking specified in section 6.3 hereunder.
- k. All Applications shall be subject to the terms and conditions of the Bond Issue as set out in section 8 of this Securities Note, the terms of which shall form an integral part hereof.

### **6.2 REGISTRATION, FORM, DENOMINATION AND TITLE**

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers in the case of natural persons, registration numbers in the case of companies and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

When subscribing for Bonds, Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/help>.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiples of €100, provided that on subscription the Bonds will be issued for a minimum of €5,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client (for subscriptions through the Intermediaries' Offer or under the Placement Agreements, as the case may be).

Any person in whose name a Bond is registered may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons, including the Issuer, and for all purposes, including the making of any payments, as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading 'Transferability of the Bonds' in section 6.11 of this Securities Note.

### **6.3 RANKING OF THE BONDS, COLLATERAL AND NEGATIVE PLEDGE ON DIVIDENDS**

#### ***Status of the Bonds***

The Bonds, as and when issued and allotted, shall constitute the general, direct, secured and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves.

#### ***The Collateral and its ranking***

The Bonds shall be secured by:

- i. the BGFL Pledge to be constituted by the Issuer on the BGFL Pledged Shares owned by it in favour of the Security Trustee for the benefit of Bondholders; and
- ii. the BBT Pledge to be constituted by the Issuer on the BBT Pledged Shares owned by it in favour of the Security Trustee for the benefit of Bondholders.

In this respect therefore, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future obligations of the Issuer, by virtue and to the extent of the above-mentioned first ranking BGFL Pledge over the BGFL Pledged Shares owned by it, and also by virtue and to the extent of the above-mentioned first ranking BBT Pledge over the BBT Pledged Shares owned by the said Issuer.

#### ***The Security Trustee and the Collateral***

The Collateral shall be constituted in favour of the Security Trustee for the benefit of the relevant Bondholders, as applicable, from time to time registered by the CSD.

The Issuer and BGFL have entered into a Trust Deed with the Security Trustee for the benefit of the Bondholders and having as trust property security which consists of the covenants of the Issuer to pay the applicable Redemption Value of the Bonds on the Redemption Date and interest thereon on the Interest Payment Dates, the privileged rights under the Pledges, the other undertakings of the Issuer and BGFL under the Trust Deed and all the rights and benefits under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Bonds which remain exclusively the obligations of the Issuer.

Pursuant to the Trust Deed, the Issuer has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as beneficiaries, a first ranking pledge over the BGFL Pledged Shares in BGFL owned by it. The said BGFL Pledge, which will be constituted by virtue of the BGFL Pledge Agreement to be entered into as provided in the Trust Deed, will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders as beneficiaries, for the payment of the Redemption Value under the Bonds by a preferred claim over the BGFL Pledged Shares. Accordingly, by virtue of such BGFL Pledge, the Security Trustee will have the benefit of a first ranking privilege over the BGFL Pledged Shares, through the BGFL Pledge, for the full Redemption Value of the Bonds issued, for the benefit of Bondholders.

Furthermore, pursuant to the Trust Deed, the Issuer has also agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as beneficiaries, a first ranking pledge over the BBT Pledged Shares in BBT owned by it. The said BBT Pledge will be constituted by virtue of the BBT Pledge Agreement to be entered into as provided in the Trust Deed and will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders as beneficiaries, for the payment of the Redemption Value under the Bonds by a preferred claim over the BBT Pledged Shares. By virtue of such BBT Pledge, the Security Trustee will thus have the benefit of a first ranking privilege over the BBT Pledged Shares, through the BBT Pledge, for the full Redemption Value of the Bonds issued, for the benefit of Bondholders.

In terms of the Security Trust Deed, the parties thereto have agreed that (a) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, the voting rights and right to participate at general meetings of BGFL or, as the case may be, of BBT shall vest in the Issuer owning the respective Pledged Shares under the relevant Pledge Agreements; (b) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, any dividends or other distributions paid by BGFL or, as the case may be, by BBT shall be received and may be used by the Issuer for its business; (c) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, the Security Trustee may at the cost and request of the Issuer, as pledgor under the Pledges and with due regard to the interests of all the Bondholders do or concur with the Issuer in doing certain transactions in respect of the relevant Pledged Shares or part thereof, including without limitation, the sale, exchange, surrender or dealing with or exercise any other rights in respect of all or any part of the Pledged Shares upon such terms or for such consideration or in any such manner as the Security Trustee may think fit, always having due regard to the interests of the Bondholders; and (d) the Security Trustee retained the discretion and/or right, upon a request of the Issuer as pledgor under the Pledges, to reduce, cancel and create or otherwise

redefine the Collateral or to substitute any part of the Collateral with other collateral acceptable to the Security Trustee and which in the latter's reasonable opinion (which could be based on a professional valuation made by an independent valuer to be appointed by the Issuer at the request and/or with the consent of the Security Trustee) the value of the elements of the Collateral as reduced, redefined, reconfigured or relocated or the resulting collateral after any substitution as aforesaid is at least equal to the Redemption Value of the outstanding Bonds in issue at the relevant time. Without prejudice to paragraphs (c) and (d) above, the parties to the Security Trust Deed have also agreed that the Issuer shall be allowed to transfer the BBT Pledged Shares to a new ultimate holding company of BBT which the Issuer and the Other BBT Shareholders may agree to incorporate and that the Security Trustee shall in such case agree to release the BBT Pledged Shares from the BBT Pledge, on condition that (i) the Issuer and all the Other BBT Shareholders at the relevant time transfer their respective shareholding in BBT to such holding company in return for shares being issued and allotted to them respectively, such that BBT becomes the fully-owned subsidiary of such holding company, and (ii) simultaneously with the release of the BBT Pledge by the Security Trustee there is created in favour of the Security Trustee, for the benefit of Bondholders, a first ranking pledge over such shares of the Issuer in the holding company of the same shareholding percentage as the shareholding percentage that the BBT Pledged Shares constituted in BBT before the transfer thereof to the holding company as aforesaid.

Under the Security Trust Deed the Security Trustee also reserves the right to demand further collateral as security should at any given time the value of the Collateral, which shall be determined pursuant to a professional valuer's independent valuation report, by an independent valuer to be appointed by the Issuer at the request and/or with the consent of the Security Trustee, be lower than the Redemption Value of outstanding Bonds in issue at the relevant time.

Pursuant to the Security Trust Deed, the Issuer has undertaken in favour of the Security Trustee to procure and submit to the Security Trustee an independent valuation of the Collateral prepared by an independent valuer to be appointed by the Issuer with the consent of the Security Trustee, whenever it is determined by the Directors of the Issuer that there has been a material change in the value of such Collateral and/or at least once every three (3) years.

The provisions referred to in paragraphs (a) and (b) above are also reflected in the Pledge Agreements.

The terms and conditions of the Trust Deed, which is available for inspection as set out in section 16 of the Registration Document, shall be binding on each registered Bondholder as if it had been a party thereto and as if the Trust Deed contained covenants on the part of each registered Bondholder to observe and be bound by all the provisions thereof applicable thereto, and the Security Trustee is authorised and required to do the things required of it by the Trust Deed.

#### **Negative pledge on dividends**

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to declare and/or pay out any dividends to any of its shareholders for or in respect of any period if and to the extent that as a result of such dividend there results a net debt to equity ratio, on a consolidated basis by reference to the Issuer Group, of more than 50%.

### **6.4 RIGHTS ATTACHING TO THE BONDS**

This Securities Note in its entirety contains the Terms and Conditions of issue of the Bonds, which constitute the terms and conditions of the contract between the Issuer and a Bondholder. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- a. the repayment of capital;
- b. the payment of interest;
- c. the benefit of the Collateral through the Security Trustee;
- d. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- e. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

### **6.5 INTEREST**

The Bonds shall bear interest from and including the date of commencement of interest as per section 8.1 of this Securities Note to 14 May 2034 at the rate of 5.85% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date.

The first interest payment will be effected on 14 May 2025, covering the period from the date of commencement of interest as per section 8.1 of this Securities Note to 13 May 2025, and then annually thereafter on 14 May of each calendar year, with the last interest payment being effected on the Redemption Date.

Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.



## **6.6 YIELD**

The gross yield calculated on the basis of the interest on the Bonds, the Bond Issue Price and the Redemption Value of the Bonds is 5.85% per annum.

## **6.7 REDEMPTION AND PURCHASE**

Unless previously purchased and cancelled, the Bonds will be redeemed at the Redemption Value, namely at their nominal value, together with interest accrued to the respective date fixed for redemption, on the Redemption Date.

Subject to the provisions of this section, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

## **6.8 PAYMENTS**

Payment of the Redemption Value of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder designates from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment of the Redemption Value will be made to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any pledge, duly constituted, of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments of Redemption Value and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein or of any other applicable jurisdiction having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

## **6.9 LIMITS OF THE VALIDITY OF CLAIMS**

In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the Redemption Value on the Bonds is barred by the lapse of five years.

## **6.10 EVENTS OF DEFAULT**

Pursuant to the Trust Deed, the Security Trustee may in its absolute discretion, and shall upon the request in writing of not less than 75% in value of the registered Bondholders, by notice in writing to the Issuer declare the Bonds to have become immediately due and repayable at the Redemption Value together with accrued interest, upon the happening of any of the following events ("Events of Default"):

- a. the Issuer fails to pay any interest under the Bonds when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- b. the Issuer fails to pay the Redemption Value of a Bond when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- c. the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee;
- d. there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed;

- e. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent, within the meaning of Article 214(5) of the Act;
- f. an order is made or an effective resolution passed for the dissolution, termination of existence, liquidation or winding-up of the Issuer, except for the purpose of a reconstruction, amalgamation or division;
- g. a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer;
- h. the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof;
- i. the Issuer commits a breach of any covenants or provisions contained in the Trust Deed and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee, other than any covenant for the payment of interests or Redemption Value owing in respect of the Bonds;
- j. it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder, where applicable, or under the Trust Deed;
- k. the Collateral or any part thereof becomes unenforceable against the Issuer;
- l. the Issuer repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Trust Deed;
- m. all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government,

provided that, in the case of paragraphs (c), (d) and (g) to (m), the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

Upon any such declaration being made as aforesaid the said Redemption Value and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the Event of Default which shall have happened as aforesaid.

Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions contained herein or in the Trust Deed, as applicable, due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times, to the extent deemed to be in the best interests of Bondholders, act on and in accordance with any directions it may receive in a meeting of Bondholders satisfying the conditions set out in the Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer is observing and performing all the obligations, conditions and provisions on its part contained in the Bonds and the Trust Deed, as applicable.

## **6.11 TRANSFERABILITY OF THE BONDS**

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole, namely in multiples of €100, in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €5,000 shall only apply during the Offer Period. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy or winding up of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge, duly constituted, of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail, if any, and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charges or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

## **6.12 FURTHER ISSUES**

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series, including the Bonds, and so that such further issue may be consolidated and form a single series with the outstanding debt securities of the relevant series, including the Bonds, or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

## **6.13 RESOLUTIONS AND MEETINGS OF BONDHOLDERS**

The Bondholders' meeting represents the supreme authority of the Bondholders in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds.

Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' meeting. Resolutions passed at Bondholders' meetings shall be binding upon all Bondholders and prevail for all the Bonds.

The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions of the Bonds. The meeting may be called by the Issuer at its own initiative, but shall also be called by the Issuer upon a request made at any time by one or more Bondholders holding at least fifty per cent (50%) of the outstanding value of the Bonds.

The Security Trust Deed also provides for the power of the Security Trustee, at the cost of the Issuer and at its own initiative to call meetings of Bondholders prior to exercising any power or discretion under such Deed or to write to all Bondholders requesting their directions. Furthermore, the Security Trust Deed provides for an obligation of the Security Trustee to call a meeting of Bondholders upon a request made at any time by one or more Bondholders holding at least fifty per cent (50%) of the outstanding value of the Bonds. The Security Trust Deed provides that the Security Trustee shall not be bound to act on behalf of the Bondholders under such Deed unless it receives duly authorised directions as stipulated in the said Deed, and in such case only to the extent deemed to be in the best interests of Bondholders.

A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment to the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 6.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions which are required to be taken at the meeting, the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the company secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer.

Unless otherwise expressly stated and required in respect of a specific issue/s herein and/or in the Security Trust Deed, the proposal placed before a meeting of Bondholders shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

The Issuer may provide for virtual or remote meetings of Bondholders, including meetings by telephone or by other audio or audio and visual telecommunication means, provided that any such meetings allow Bondholders to ask questions and to exercise their right to vote at such meetings.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of Bondholders.

#### **6.14 BONDS HELD JOINTLY**

In respect of a Bond held jointly by several persons, including husband and wife, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The first person, as designated in the respective MSE account number quoted by the Applicant, or first named in the register of Bondholders shall for all intents and purposes be deemed to be such nominated person by all the joint holders of the relevant Bond/s. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

#### **6.15 BONDS HELD SUBJECT TO USUFRUCT**

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. Without prejudice to what is provided in section 6.8 of this Securities Note regarding payment of the Redemption Value, the usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond so held and shall have the right to receive interest on the Bond and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

#### **6.16 AUTHORISATIONS AND APPROVALS**

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 18 March 2024.

The Malta Financial Services Authority approved the Bonds as eligible to listing on the Official List of the MSE pursuant to the Capital Markets Rules by virtue of a letter dated 28 March 2024.

#### **6.17 REPRESENTATIONS AND WARRANTIES**

The Issuer represents and warrants to the Bondholders and to the Security Trustee for the benefit of the Bondholders, who shall be entitled to rely on such representations and warranties, that:

- a. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
- b. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Bond Issue.

#### **6.18 NOTICES**

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

#### **6.19 GOVERNING LAW AND JURISDICTION**

The Bonds, all the rights and obligations of the Issuer and the Bondholders, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law.

Any dispute, legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus and/or any non-contractual matters arising out of or in connection therewith shall be brought exclusively before the Maltese courts. The Issuer and each Bondholder irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any dispute, action, suit or proceedings as aforesaid.

## 7. TAXATION

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The tax legislation of the investor's country of nationality, residence or domicile and of the Issuer's country of incorporation (Malta) may have an impact on the income received from the Bonds.

The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

### 7.1 MALTA TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of 15%, or 10% in the case of certain types of collective investment schemes, of the gross amount of the interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta). Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return, to the extent that the interest is paid net of tax. No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Revenue the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer shall also render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c)(i) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

### 7.2 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information, including but not limited to information regarding payments made to certain Bondholders, to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

Relevant legislation includes, but is not limited to:

- i. the Agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA ("Foreign Account Tax Compliant Act") – incorporated into Maltese law through Legal Notice 78 of 2014 ("FATCA Legislation"); and
- ii. the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation, as amended, which provides for the implementation of the regime known as the Common Reporting Standard ("CRS") – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015.

Under FATCA Legislation, Financial Institutions (“FIs”) in Malta, defined as such for the purposes of FATCA, are obliged to identify and report financial accounts held by Specified U.S. Persons, as defined under FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under FATCA Legislation, to the Commissioner for Revenue. The latter is in turn required to exchange such information to the US Internal Revenue Service. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

Pursuant to obligations under FATCA Legislation, FIs reserve the right to store, use, process, disclose and report any required information, including all current and historical data related to the past and/or present account(s) held by Reportable Persons, including, but not limited to, the name, address, date of birth, place of birth and US TIN, the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Commissioner for Revenue.

The CRS requires Malta based financial institutions (“FIs”), defined as such for the purposes of CRS, to identify and report to the Commissioner for Revenue financial accounts held by Reportable Persons, as defined under the CRS Legislation, and certain entities with one or more Controlling Persons which are classified as Reportable Persons in terms of the CRS. Financial information relating to Bonds and the holders of the Bonds may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

In particular with respect to CRS, the following information may be reported by FIs to the Commissioner for Revenue in respect of each reportable account maintained by the FIs, (a) the name, address, jurisdiction of tax residence, tax identification number (TIN) and date and place of birth; (b) the account number, or functional equivalent in the absence of an account number; (c) the account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account; (d) the total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

The Commissioner for Revenue shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority, any relevant information that may fall to be classified as reportable, and *vice versa*.

FIs reserve the right to request any information and/or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and CRS and any referring legislation. In the case of failure to provide satisfactory documentation and/or information, an FI may take such action as it thinks fit, including without limitation, the closure of the financial account.

### **7.3 MALTESE TAX ON CAPITAL GAINS ON TRANSFER OF THE BONDS**

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains is chargeable in respect of transfer of the Bonds.

### **7.4 DUTY ON DOCUMENTS AND TRANSFERS**

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the Laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”. Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Cap. 345 of the Laws of Malta) since the Bonds constitute financial instruments of a quoted company, as defined in such Act, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

**INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS UNDER MALTESE LAW. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## 8. TERMS AND CONDITIONS OF THE BOND ISSUE

### 8.1 EXPECTED TIMETABLE

1. Offer Period	4 April 2024 to 2 May 2024
2. Placement Date	2 May 2024
3. Intermediaries' Offer Date	2 May 2024
4. Commencement of interest	7 May 2024
5. Expected announcement of basis of acceptance	7 May 2024
6. Expected dispatch of allotment letters	14 May 2024
7. Expected date of admission of Bonds to listing	14 May 2024
8. Expected date of commencement of trading in the Bonds	15 May 2024
9. Expected date of constitution of the Collateral	not later than 14 June 2024

**The Issuer reserves the right to close the Offer Period earlier in the event of over-subscription, in which case the events set out in step 2 onwards and the Issue Date may be brought forward. The dates specified in step 5 onwards are latest dates for the occurrence of the events mentioned therein, which events may in actual fact take place earlier than such latest dates.**

### 8.2 TERMS AND CONDITIONS OF APPLICATION

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Applicant.

- a. The issue and final allotment of the Bonds is conditional upon the following events, in the chronological order set out below: (1) the minimum subscription amount of €12,500,000 of Bonds is achieved; and (2) the Bonds being admitted to the Official List within 15 Business Days from the closing of the Offer Period. In the event that any of the aforesaid Conditions Precedent is not satisfied, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account.
- b. The Bonds may be applied for by all categories of investors. Investors who wish to subscribe for Bonds are to contact any of the Authorised Financial Intermediaries through whom they may participate in the Bond Issue. Investors may apply for the subscription of Bonds by submitting an Application to an Authorised Financial Intermediary, in the manner instructed thereby, during the Offer Period which will close at 12:00 hours on 2 May 2024, unless closed earlier by the Issuer as provided above.
- c. By submitting an Application, the Applicant is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Registrar and the Authorised Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- d. The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder through an Authorised Financial Intermediary shall be subject to all the Terms and Conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. By submitting the Application, the Applicant, and in the case of joint applications, each individual joint Applicant, will be entering into a legally binding contract with the Issuer, which shall become binding on the Issuer if and when such Application is accepted by the Issuer, until which time the Application shall be irrevocable by the Applicant, except where otherwise expressly provided by law:
  - (i) whereby the Applicant acknowledges, declares and agrees, and will automatically be deemed to be acknowledging, declaring and agreeing, that he/she/it has made the Application solely on the basis of, and that he/she/it shall at all times be bound by and comply with, and shall be subscribing, acquiring and/or holding the relevant Bonds on the basis of, such Terms and Conditions;
  - (ii) whereby he/she/it makes and gives, and will automatically be deemed to be making and giving, to the Issuer the declarations, confirmations, representations, warranties and undertakings contained in paragraph (t) below in this section 8.2 and all other applicable declarations, confirmations, representations, warranties and undertakings contained in the Prospectus and/or in the Application;

- (iii) which contract, and any non-contractual matter arising out of or in connection with it, shall be governed and construed in all respects in accordance with the laws of Malta, and any disputes arising out of or in connection with such contract or any non-contractual matter arising out of or in connection therewith shall be subject to the exclusive jurisdiction of the courts of Malta, as provided in section 6.19 (“Governing law and jurisdiction”) of this Securities Note.
- e. If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these terms and conditions, in the Prospectus and/or in the Application on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application. In the case of corporate Applicants or Applicants having separate legal personality, Applications have to include a valid legal entity identifier (LEI) which must be unexpired; and Applications without such information or without a valid LEI will not be accepted. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a “decision maker”) such as an individual that holds a power of attorney to trade on the Applicant’s account or applications under a discretionary account, details of the decision maker need to be made available.
- f. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several as further detailed in section 6.14 (“Bonds held jointly”) of this Securities Note.
- g. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register as further detailed in section 6.8 (“Payments”) and section 6.15 (“Bonds held subject to usufruct”) of this Securities Note. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the payment of the Redemption Value on the Bond, which shall be due to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries.
- h. Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s until such time as the minor attains legal age, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained legal age.
- i. The Bonds have not been nor will they be registered under the United States Securities Act, 1933 as amended, or under any federal or state securities law and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “United States”) or to or for the benefit of, directly or indirectly, any U.S. Person, as defined in Regulation “S” of the said Act. Furthermore, the Issuer will not be registered under the United States Investment Company Act, 1940.
- j. No person receiving a copy of the Prospectus or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use the Prospectus or make an Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or the Prospectus could lawfully be used and the Application could lawfully be made without contravention of any registration or other legal requirements.
- k. Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors, including tax and legal advisors, as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person, including without limitation nominees, custodians, depositaries and trustees, outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes of any nature whatsoever due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- l. The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €5,000. Submission of Application must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made either by cheque, by bank transfer or any other method of payment as may be accepted by the respective Authorised Financial Intermediary. In the event that any cheque accompanying an Application is not honoured on its first presentation, the Authorised Financial Intermediary and/or the Issuer acting through the Registrar reserves the right to invalidate the relative Application.



- m. Subject to all other terms and conditions set out in the Prospectus, the Issuer, the Registrar and the relevant Authorised Financial Intermediary reserve the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, the Registrar or Authorised Financial Intermediary is not accompanied by the required documents.
- n. Without prejudice to the generality of paragraph (m) above, the Issuer reserves the right, in its discretion, to reject all Applications and revoke the issue and not to allot any Bonds if the Bond Issue is not fully subscribed and taken up during the Offer Period. The Issuer may however, in its discretion, accept Applications made and proceed with the issue and allotment of the Bonds in case the Bond Issue is subscribed only in part during the Offer Period, whatever the amount so subscribed, subject however to the subscription of at least the minimum subscription amount of €12,500,000 of Bonds.
- o. Without prejudice to paragraphs (m) and (n) above, the Issuer reserves the right to revoke the issue at any time before the closing of the Offer Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- p. The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earliest. By not later than 2 May 2024, the Issuer shall, through an announcement to be uploaded on the Issuer's website, namely [www.bgassetsplc.com](http://www.bgassetsplc.com), announce the result of the Bond Issue and shall determine the basis of acceptance of Applications and allocation policy to be adopted.
- q. In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for (and the Issuer and Authorised Financial Intermediaries reserve the right to do so in case of oversubscription or otherwise in their absolute discretion), the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application, at the Applicant's sole risk. The respective Authorised Financial Intermediary or the Issuer shall not be responsible for any charges, loss or delay in transmission.
- r. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 372 of 2017, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of applicable data protection legislation, in particular the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679, as amended from time to time, as applicable, for the purposes, and within the terms, of the MSE's Data Protection Policy as published from time to time.
- s. It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("MiFIR"), as well as applicable MFSA Rules for investment services providers.
- t. By completing, signing and delivering and/or otherwise by making an Application, the Applicant:
  - i. irrevocably offers to purchase the number of Bonds specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus, the Terms and Conditions and the Memorandum and Articles of Association;
  - ii. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
  - iii. authorises the Issuer, the Authorised Financial Intermediary and/or the Registrar and the MSE, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679, as may be amended from time to time. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed in relation to the Bond Issue, in terms of applicable law. Any such request must be made in writing and sent, as applicable, to the Issuer and the relevant Authorised Financial Intermediary and to the MSE. The request must further be signed by the Applicant to whom the personal data relates;
  - iv. warrants that the information submitted by the Applicant in or together with the Application is true and correct in all respects and in the case where an MSE account number is indicated in the Application, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details, including the Applicant's name and surname and address, appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;

- v. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- vi. authorises the CSD, the Registrar and the Issuer to include his/her/its name or in the case of joint Applications, the first named Applicant, in the register of Bondholders in respect of the Bonds allocated to the Applicant;
- vii. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (a) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar, which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds; or (b) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds, other than return of such late payment, if any;
- viii. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- ix. agrees to provide the Registrar and/or the Issuer and/or the Authorised Financial Intermediary, as the case may be, with any information which it/they may request in connection with the Application;
- x. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any relevant territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
- xi. warrants that all applicable exchange control or other such regulations, including those relating to external transactions, have been duly and fully complied with;
- xii. represents that the Applicant is not a U.S. person, as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended, as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- xiii. warrants that, where an Applicant makes an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and accordingly will be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these Terms and Conditions, in the Prospectus and/or in the Application, and undertakes to submit the Applicant's power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- xiv. warrants that where the Application is being lodged in the name and for the benefit of a minor, the Application is made by the parent/s or legal guardian/s of the minor;
- xv. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address, or, in the case of joint Applications, the address of the first named Applicant, as set out in the Application;
- xvi. agrees that any returned monies will be returned without interest at the Applicant's risk and will be returned by direct credit into the bank account as specified in the Application, and the relevant Authorised Financial Intermediary and the Issuer shall not be responsible for any charges, loss or delay arising in connection therewith;
- xvii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- xviii. agrees that the advisors to the Bond Issue listed in section 3.4 of the Registration Document, in their capacity as such, will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;

- xix. agrees that the Application, the acceptance of the Application and the contract resulting therefrom, all the rights and obligations of the Applicant and the Issuer, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law and, and that he/she/it submits to the jurisdiction of the Maltese Courts which shall have, and the Applicant agrees that such Courts will have, exclusive jurisdiction to hear and determine any dispute, action, suit or proceeding arising out of or in connection with any such Application, acceptance of Application and contract resulting therefrom, rights and obligations and non-contractual matters as aforesaid;
- xx. agrees that the terms and conditions of the Trust Deed, which is available for inspection as set out in section 16 of the Registration Document, shall be binding on it once it becomes a registered Bondholder as if it had been a party thereto and as if the Trust Deed contained covenants on its part as a registered Bondholder to observe and be bound by all the provisions thereof applicable thereto, and agrees that the Security Trustee is authorised and required to do the things required of it by the Trust Deed.

### **8.3 PLAN OF DISTRIBUTION AND ALLOTMENT**

The Bonds will be available for subscription by all categories of investors, as follows:

- i. The Issuer may enter into a Placement Agreement with any of the Authorised Financial Intermediaries, for the placement of an agreed portion of the nominal value of Bonds (which will be reserved for such Authorised Financial Intermediaries under the Placement Agreements) to be subscribed to by each such Authorised Financial Intermediary either in its own name or in the name of its underlying clients in terms of the respective Placement Agreement, as further detailed in section 8.4 below; and
- ii. The remaining balance of Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer, who may subscribe the same in their own name or in the name of their underlying clients in terms of the sales agreements to be entered into with them, as further detailed in section 8.5 below.

All Applications are subject to a minimum subscription amount of €5,000 in nominal value of Bonds and in multiples of €100 thereafter. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

It is expected that Applicants will be notified of the amount of Bonds allocated to them respectively by means of an allotment letter to be sent within five (5) Business Days of the announcement of the result of the Bond Issue. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to: (i) notification of the amount allotted being issued to Applicants; and (ii) the Bonds being admitted to the Official List.

### **8.4 PLACEMENT AGREEMENTS**

The Issuer may enter into a Placement Agreement with any one or more of the Authorised Financial Intermediaries, for the placement of an agreed amount in nominal value of Bonds, which will be reserved for such Authorised Financial Intermediaries under the Placement Agreements.

In terms of each Placement Agreement (if any), the Issuer will be conditionally bound to issue, and the relevant Authorised Financial Intermediary will be conditionally bound to subscribe on a best efforts basis to, the number of Bonds indicated therein, subject to the Bonds being admitted to listing on the Official List of the Malta Stock Exchange, and subject to other terms and conditions as will be set out in the Placement Agreements.

In terms of each of the said Placement Agreements (if any), the relevant Authorised Financial Intermediary will have the right to subscribe for Bonds for its own account (where applicable) or for the account of underlying customers, and shall in addition be entitled to either: (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading, or (ii) complete a data file representing the amount being allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 2 May 2024, being the Placement Date. In any case, each underlying Application is subject to a minimum of €5,000 in Bonds and in multiples of €100 thereafter.

Authorised Financial Intermediaries which enter into Placement Agreements with the Issuer (if any) will be required to effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

### **8.5 INTERMEDIARIES' OFFER**

The remaining balance of Bonds not covered by the Placement Agreements (if any) will be reserved by the Issuer for subscription by Authorised Financial Intermediaries pursuant to an Intermediaries' Offer. In this regard, the Issuer may enter into conditional sales agreements with a number of Authorised Financial Intermediaries whereby it shall bind itself to allocate Bonds to the

Authorised Financial Intermediaries in accordance with the terms of such sales agreements, up to a maximum amount of Bonds remaining after those reserved for Authorised Financial Intermediaries under the Placement Agreements (if any).

The sales agreements shall be subject to the terms and conditions of the Prospectus and will be conditional on the Bonds being admitted to listing on the Official list of the Malta Stock Exchange, and other conditions set out in the relevant sales agreement. Moreover, the sales agreements shall become binding on each of the Issuer and the respective Authorised Financial Intermediary upon signing, provided that the Authorised Financial Intermediary would have paid the Registrar all subscription proceeds in cleared funds by latest 2 May 2024, this being the Intermediaries' Offer Date.

The minimum which each Authorised Financial Intermediary may apply for in terms of the applicable sales agreement is €5,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant in the case of applications under nominee.

Completed sales agreements, together with evidence of payment, are to reach the Registrar by the Intermediaries' Offer Date. The Issuer acting through the Registrar shall communicate the amount allocated under each sales agreement by 12:00 hours on 2 May 2024. Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Registrar to the Authorised Financial Intermediary to the account specified in the respective sales agreement by latest close of business on 2 May 2024.

In terms of the sales agreements to be entered into, Authorised Financial Intermediaries will have the right to subscribe for the Bonds either for their own account or for the account of underlying customers and shall in addition be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or to complete a data file representing the amount being allocated in terms of the respective sales agreement as provided by the Registrar by latest 2 May 2024.

## **8.6 PRICING**

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

## **8.7 ALLOCATION POLICY**

The Issuer shall allocate the Bonds on the basis of the following policy:

- i. the aggregate amount covered by Placement Agreements, if any, will be reserved for, and shall be allocated to, the Authorised Financial Intermediaries entering into the relevant Placement Agreements, in accordance with such Placement Agreements, in accordance with the details given in section 8.4 of this Securities Note;
- ii. the remaining balance of Bonds which are not subject to Placement Agreements (if any), shall be allocated on a pro rata basis to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, as further detailed in section 8.5 of this Securities Note.

The Issuer shall announce the result of the Bond Issue through a company announcement on the Issuer's website by not later than 7 May 2024.

## **8.8 ADMISSION TO TRADING**

The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 28 March 2024.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 14 May 2024 and trading is expected to commence on 15 May 2024.

## **8.9 ADDITIONAL INFORMATION**

Except for the financial analysis summary set out as Annex II, this Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Calamatta Cuschieri Investment Services Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in this Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

No credit ratings have been assigned to the Bonds at the request or cooperation of the Issuer in the rating process.



**BURMARRAD**  
GROUP ASSETS PLC

**ANNEX I**  
**LIST OF AUTHORISED FINANCIAL**  
**INTERMEDIARIES**

**Calamatta Cuschieri Investment Services Limited**

C 13729  
Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta  
25688688

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**MeDirect Bank (Malta) plc**

C 34125  
The Centre, Tigne' Point, Sliema TPO 0001  
25574400

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**Michael Grech Financial Investment Services Limited**

C 28229  
The Brokerage, Lvl 0 A, St Marta Street, Victoria, Gozo VCT 2550  
22587000



**BURMARRAD**  
GROUP ASSETS PLC

**ANNEX II**  
**FINANCIAL ANALYSIS SUMMARY**

The Directors  
**Burmarrad Group Assets p.l.c.**  
Marjo,  
Burmarrad Road, Burmarrad,  
St. Paul's Bay SPB 9060  
Malta

28 March 2024

**Re: Financial Analysis Summary – 2024**

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Burmarrad Group Assets p.l.c. (the "Issuer"). The data is derived from various sources or is based on our own computations as follows:

- a. Historical financial data for the three years ending 31 January 2021, 2022 and 2023 has been extracted from the audited financial statements of the Issuer and historical financial data for the year ending 31 January 2024 has been provided by management.
- b. The forecast data for the financial years ending 31 January 2025 and 2026 has been provided by management.
- c. Our commentary on the Issuer results and financial position is based on the explanations provided by management.
- d. The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.
- e. The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors 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 meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Issuer's securities. 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. Potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,



Patrick Mangion  
Head of Capital Markets



# **FINANCIAL ANALYSIS SUMMARY 2024**



**BURMARRAD GROUP ASSETSP.L.C.**

**28 March 2024**

**Prepared by  
Calamatta Cuschieri Investment Services Limited**

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## PART 1 - COMPANY INFORMATION

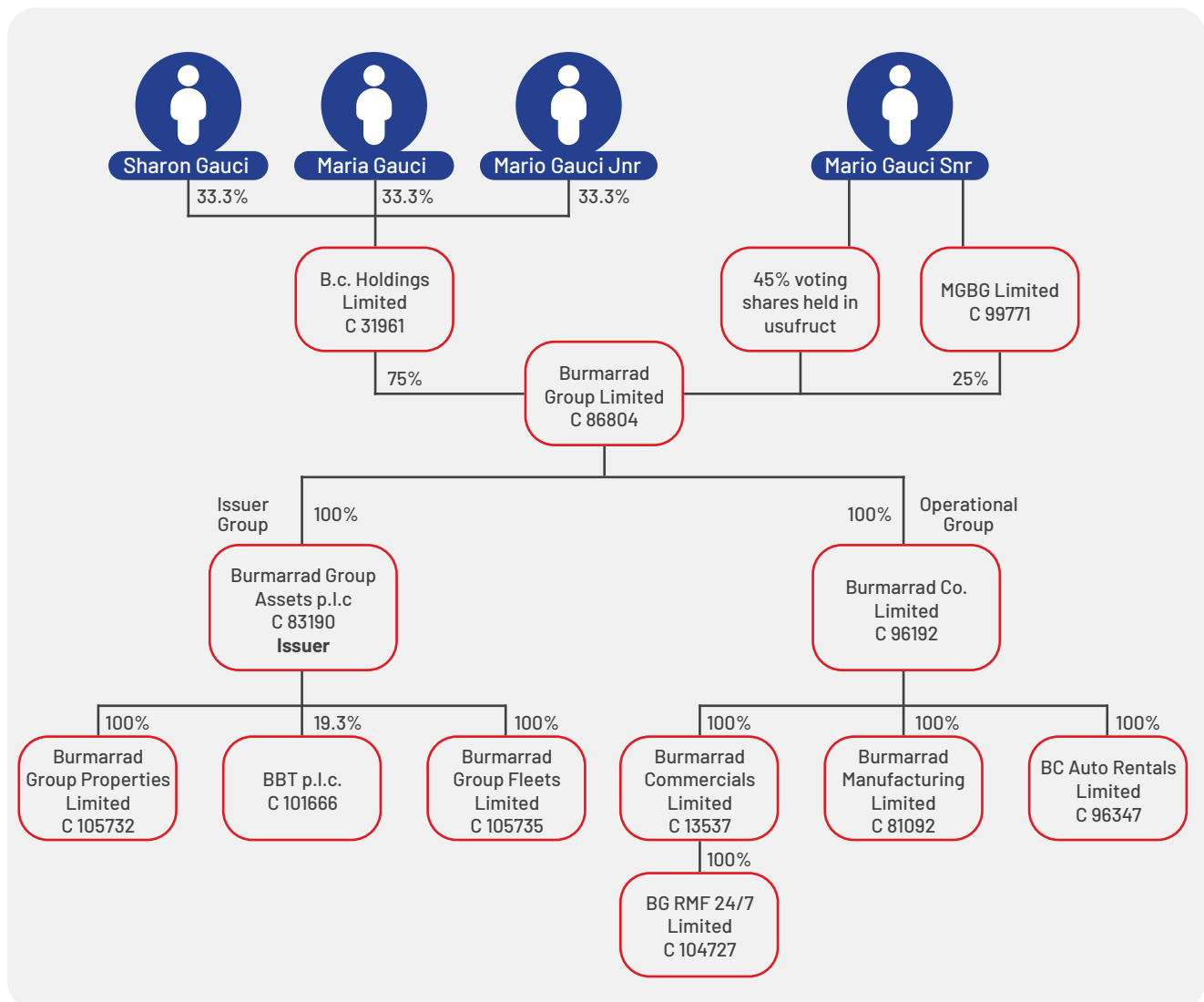
Burmarrad Group Assets p.l.c. (“BGA” or the “Issuer”) has applied for a bond issue of €16.0m 5.85% Secured Bonds 2034 pursuant to the prospectus published by the Issuer dated 28 March 2024 (the “Prospectus”). This Analysis has been prepared in line with the MFSA Listing Policies.

### 1.1 KEY ACTIVITIES AND STRUCTURE

The Issuer forms part of a group of companies split into two different sub-groups, with Burmarrad Group Limited as the parent. The whole group underwent restructuring (explained further in this sub-section 1.1) in order to make a distinction between the assets and the operations segments, as per below:

- The asset side of the group is made up of Burmarrad Group Assets p.l.c., Burmarrad Group Properties Limited, BBT p.l.c., and Burmarrad Group Fleets Limited, with Burmarrad Group Assets p.l.c. (the Issuer) being the parent. This sub-group will hereinafter be referred to as the “**Issuer Group**”; and
- The operations side of the group is made up of Burmarrad Co. Limited, Burmarrad Commercials Limited and its wholly-owned subsidiary BG RMF 24/7 Limited, Burmarrad Manufacturing Limited, and BC Auto Rentals Limited, with Burmarrad Co. Limited being the parent. This sub-group will hereinafter be referred to as the “**Operational Group**”.

Given the aforementioned recent restructuring, it is felt that the reader of this document is best served by providing a historical backdrop of the overall group together with a description of the restructuring in Part 1 of the Analysis. Subsequently, this Analysis focuses on and is restricted to the Issuer Group.



## PART 1 - COMPANY INFORMATION

The Issuer was incorporated on 26 October 2017 with company registration number C 83190. It changed its name from Burmarrad Commercials Properties Limited and its status to a public limited company in January 2024. It has an authorised share capital of €15,000,000, consisting of 14,999,999 Ordinary 'A' shares valued at €1.00 each and 1 Ordinary 'B' share with the same nominal value. The issued share capital amounts to €14,127,000, comprising 14,126,999 Ordinary 'A' shares at €1.00 each and 1 Ordinary 'B' share at €1.00. Excluding the 1 Ordinary 'B' Share owned by Mario Gauci Snr, Burmarrad Group Assets (**BGA**) is wholly owned by Burmarrad Group Limited (BGL), which possesses 14,126,999 ordinary 'A' shares. The Ordinary 'A' Shares entitle holders to voting rights at general meetings (1 vote per share) and allow participation in dividend distributions and asset distribution during winding up, while the Ordinary 'B' share entitles Mario Gauci Snr (205857M) to receive notices of general meetings, without voting or dividend rights.

### *Before Corporate Reorganisation*

BGL, which was incorporated on 14 June 2018 with company registration number C 86804, is the parent company of the Issuer.

Up until the second quarter of 2023, BGL's subsidiaries were Burmarrad Co Limited ("**BCOL**"), and the Issuer which, at the time, was under the name of Burmarrad Commercials Properties Limited ("**BCP**"). Prior to the change in name and objects, BCP was principally engaged in holding and developing investment property for BGL. It also initially held 22% ownership in BBT p.l.c. ("**BBT**").

BBT, which was incorporated on 7 April 2022, is a public limited liability company with company registration number C 101666. BGL, together with other players in the Maltese real estate industry, these being BT Group Limited (C 101263), TUM Operations Limited (C 91301), V. & C. Developments Limited (C 26541) and V&C Investments Limited (C 82808), have contributed their separate investment property holdings into this independent entity, in which this contribution is represented as a percentage share of BBT.

BCOL, incorporated on 27 August 2020 with registration number C 96192, is entirely owned by BGL. Under BCOL, the day-to-day vehicle operations are managed through three operating wholly-owned subsidiaries. These subsidiaries are Burmarrad Commercials Limited ("**BCL**"), Burmarrad Manufacturing Limited ("**BML**"), and BC Auto Rentals Limited ("**BCARL**").

BCL was incorporated on 30 January 1992 with company registration number C 13537. BCL undertakes the business of vehicle operations, including leasing, rental, servicing and sale of private and commercial vehicles and mobile transport in general, inclusive of related spare parts, tyre sales and repairs. It also provides mechanical servicing, electrical and refrigeration works. BCL wholly owns a subsidiary BG RMF 24/7 Limited which is a private limited liability company that was incorporated on 1 March 2023 with company registration number C 104727. This company is involved in the business of towing service memberships.

BML was incorporated on 29 May 2017 with company registration number C 81092. BML owns the new Marsa premises from which all vehicle operations and services (including leasing, rentals and servicing) of BCOL are provided, and is also principally involved in the vehicle body building, sandblasting, spraying operations, all body conversions panel beating, and modifications for wheelchair accessible vehicles.

BCARL was incorporated on 27 August 2020 with company registration number C 96347 and it handles the daily operations principally involved in the business of short-term car rental operations.

### *After Corporate Reorganisation*

During the latter half of 2023 and the beginning of 2024, BGL went through a corporate reorganisation in which the business was split into 2 groups so that BGL could differentiate between its operating activities and its capital assets. The companies that formed the Operational Group of BGL were already incorporated and existed before the restructuring, as outlined previously. These were and will remain controlled by BCOL.

BCP was converted into a public limited liability company and had its name changed to Burmarrad Group Assets p.l.c., where it became the asset holding group for BGL. Through the reorganisation, BGA acquired BBT from BGL and set up two further subsidiaries, a property holding company, Burmarrad Group Properties Limited ("**BGPL**"), and a vehicle holding company, Burmarrad Group Fleets Limited ("**BGFL**"). The assets obtained through the reorganisation were valued at €33.5m, of which €15.6m relate to the value of the shares in BBT, €1.6m relates to the acquisition of investment properties held by BGPL and €16.3m relates to the acquisition of a fleet of motor vehicles held by BGFL.

BGPL was incorporated on 22 June 2023 with registration number C 105732. It is solely owned by BGA and holds the individual real estate assets of the whole group, referred to as the "**Group Properties**". BGPL acquired the Group Properties from the Issuer, BCL, and group-related companies. BGPL's focus is on deriving long-term capital growth and annual income from its real estate

investment portfolio by either holding the properties for long-term investment, renting the properties, or selling the properties, all of which depend on the opportunity presented. The current estimated market value of the Group Properties stands at €3.6m. Further details on these properties are listed under section 1.3.2 of this Analysis.

BGA currently owns a 19.31% share in BBT, which reflects its contribution of the vacant site situated in Burmarrad previously used by the car leasing and servicing operations. During the first quarter of 2023, the properties were transferred from the shareholders into BBT.

BGA also owns 100% of BGFL which is a private limited liability company that was incorporated on 22 June 2023 with registration number C 105735. Following the corporate reorganisation, all the vehicles owned by the whole group and utilised in the day-to-day operations of the car leasing and servicing business were transferred to BGFL. The scope is to then lease them to the Operational Group entities, namely BCL and BCARL, at a fee. Through BGFL, the Issuer intends to continue making investments in new motor vehicles in the future, which will sustain the quality of the motor vehicle fleet and support the car business operation of the whole group.

## 1.2 DIRECTORS AND KEY EMPLOYEES

### Board of Directors

Mr Albert John Frendo (121365M)	Chairman and independent, Non-executive Director
Ms Maria Gauci (519480M)	Executive Director
Mr Mario Gauci Jnr (233284M)	Executive Director
Mr Mark Anthony Grech (649362M)	Independent Non-executive Director
Mr David Spiteri (166M)	Independent Non-executive Director

The business address for all the directors is the registered office of the Issuer, which is located at Marjo, Burmarrad Road, Burmarrad, St. Paul's Bay SPB 9060, Malta.

Dr Joseph Saliba is the company secretary for the Issuer.

Albert John Frendo is the chairman and independent non-executive Director. Maria Gauci and Mario Gauci Jnr are executive Directors and occupy senior executive positions within the larger group. The other two directors, namely Mark Anthony Grech and David Spiteri serve on the board of the Issuer in a non-executive capacity. They are considered independent directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement.

## 1.3 MAJOR ASSETS OWNED BY THE ISSUER

### 1.3.1 Investment in BBT

The properties contributed to the joint venture of BBT as outlined in section 1.1 above, as at the date of this Analysis, are:

1. A development site in Triq Burmarrad, Burmarrad, comprising various yards, plots of land, garages, and structures, formerly used by the wider group for vehicle operations referred to as the **"Burmarrad Property"**, owned by MJSK Limited, was transferred from BGL to BBT;
2. The Watercourse Complex, owned by The Watercourse Complex Limited, was transferred from BT Group Limited, TUM Operations Limited, and V. & C. Developments Limited to BBT;
3. Viu 57 Hotel, owned by Develeco Malta Limited, was transferred from TUM Operations Limited and V&C Investments Limited to BBT; and
4. Centre Parc Complex, owned by Centre Parc Holdings Limited, was transferred from BT Group Limited, TUM Operations Limited, and V. & C. Developments Limited to BBT.

The Watercourse and Viu 57 Hotel properties are the only ones currently in operation. Center Parc Complex is divided into two phases, with the first phase completed and operational, while the second phase is currently under development. The Burmarrad Property is also in the development stage as of the publication of this Analysis.

The shareholders of BBT plc attributed a total equity value of €68.9m, of which the Issuer has 19.31% shareholding with an implied value of €15.6m. The objective underlying the transaction to consolidate the various property holdings was to create a strong and independent commercial property-owning company, with independent management, focused on generating annual rental income and long-term capital growth. BBT is not expected to require any further capital support from its shareholders.

The Issuer is expected to generate revenue streams from its investment in BBT as pipeline projects are realised. BBT is also expected to be in a position to pay an annual dividend following the completion of its pipeline project in 2027.

### 1.3.2 Investment in Other properties

Apart from the BBT investment properties, BGFL acquired several real estate assets from the Issuer, BCL, and Ta' Seraqa, as defined in the Prospectus:

1. An agricultural land in Triq Burmarrad, Burmarrad, located opposite the Burmarrad Property measuring approximately 1,900 sqm.
2. A garage in Triq Burmarrad, Burmarrad on the ground floor level and underlying third-party property, measuring approximately 95 sqm.
3. A three-story building situated on a site of an area of approximately 185 sqm in Triq Burmarrad, Burmarrad consisting of a garage, open plan floor, and a three-bedroom apartment.
4. An apartment numbered 2 on the second floor of a two-apartment block and a garage named "Marvin House" in Triq Burmarrad, Burmarrad together with an undivided share in the common parts of such block pro rata with the other apartment within the same block.
5. An under-construction site, previously referred to as "**Tan-Nanniet**", in a corner between Triq il-Witja and an alley in Burmarrad which is in the process of becoming a garage at basement level, a maisonette at ground floor level, and 3 overlaying apartments.
6. A three-bedroom apartment on the second floor and six garages of different sizes are located in the basement of a mixed-used building named Marray Court on Triq il-Maghsar, Burmarrad.
7. A two-story building in Triq ir-Ramla corner with Triq Hida, Nadur, and Gozo, which was a restaurant named "Almar" but is currently not operational.
8. A ground-floor car showroom in Triq il-Witja, Burmarrad, covering approximately 95 sqm.

Initially, the intention was to keep these assets and to consider either development or sale before the maturity of the proposed bond to support the settlement of outstanding debt. These assets however have now been earmarked for sale.

Architect valuation reports prepared by Architect Joe Grech dated 9 June 2023 attributed a total market value of €3.6m to these investment properties. There is no debt outstanding concerning these investment assets.

### 1.3.3 Motor vehicle (MV) fleet

Through BGFL, the Issuer owns a diverse fleet of approximately 1,100 motor vehicles with an estimated total fair market value of €16.5m as of 19 January 2024. These MVs were acquired from the Operational Group entities BCL and BCARL, which were previously operated by them in vehicle leasing and rental businesses. The vehicles are subdivided into 3 categories being:

1. **Leasing**, which includes roughly 550 vehicles that are under long-term lease agreements with clients of Burmarrad Commercials Limited;
2. **Daily rental**, which includes 170 vehicles that are rented to retail clients (mostly tourists) under the 'Enterprise', 'Alamo' and 'National' brands; and
3. **Commercial rental**, which includes 400 vehicles are mainly commercial vehicles rented to meet short-term client requirements, including peak demand and temporary replacement requirements.

BGFL, as the owner of the motor vehicles, will not operate the vehicles directly but will lease them back to the Operational Group entities at a fee to continue their operations and generate rental income on the day-to-day vehicle operations. The Issuer intends to continue making investments in new MVs through BGFL and to sustain the quality of the MV fleet.

#### **1.4 OPERATIONAL DEVELOPMENTS**

As described in section 1.1 of this Analysis, the shareholders restructured their holding such that the operations of the Burmarrad Group Asset p.l.c. now consists of an asset-owning operation which derives its value from the ownership and management of the assets held.

#### **1.5 USE OF PROCEEDS**

The Issuer is seeking to issue a bond of €16.0m to be utilised as follows:

- €3.7m will be used for the acquisition of the Water Services Corporation leased vehicle fleet - the full payment shall be used to settle existing bank debt due by BCL;
- €3.4m will be used for the acquisition of vehicles and related vehicle business - the full payment shall be used to settle existing bank debt due by BCL;
- €1.8m will be used in respect of the acquisition of vehicles-related fixed assets - the full payment shall be used to settle existing bank debt due by BML;
- €2.5m will be used for the acquisition of vehicles and related vehicle business - the full payment shall be used to settle hire purchase creditors;
- €4.0m will be used for general corporate funding purposes which is intended to finance additional investment opportunities; and
- €0.6m will be used to settle bond issue costs.

## PART 2 - HISTORICAL PERFORMANCE AND FORECASTS

The historical financial information for the Issuer for the financial years ended 31 January 2021, 2022 and 2023 as extracted from the audited financial statements and for the financial year ended 31 January 2024 extracted from management accounts can be found in sections 2.1 to 2.3 of this Analysis. The projected financial information for the years ending 31 January 2025 and 2026 as provided by management is set out in sections 2.4 to 2.6 of this Analysis. Due to a corporate reorganisation, the projections for the year ending 31 January 2024 cover only the last 4 months.

Projected financial information relates to events in the future and is based on assumptions that the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

### 2.1 ISSUER'S HISTORICAL INCOME STATEMENT

Income Statement for the year ending 31 January	2021A	2022A	2023A	2024M
	€000s	€000s	€000s	€000s
Revenue	-	-	-	7
Movement in fair value of investment property	-	-	649	-
Loss on disposal of investment property	-	-	-	(85)
Administrative expenses	(13)	(6)	(9)	(14)
<b>Profit / (loss) before tax</b>	<b>(13)</b>	<b>(6)</b>	<b>640</b>	<b>(92)</b>
Income tax credit / (expense)	-	-	388	(168)
<b>Profit / (loss) after tax</b>	<b>(13)</b>	<b>(6)</b>	<b>1,028</b>	<b>(260)</b>

Prior to the restructuring, the Issuer was a property-owning company with limited operations. As a consequence of this, the historical performance of the Issuer has to be seen in the light of the fact that in the period under review, its sole function was to act as a property-owning company.

Following the reorganisation during FY24, the Issuer underwent significant changes in its operation which are reflected in the forecasts between sections 2.4 and 2.6.

Between FY21 and FY23, the company reported no revenue in line with the fact that it was purely a property holding company. The administrative expenses in both FY21 and FY22 led to the Issuer incurring a loss of €13k and €6k, respectively. These include statutory audit fees, bank charges, professional fees and auditor's remuneration.

In FY23 a profit of €1.0m was reported. This is attributed to the movement in the fair value of the Issuer's investment property which amounted to €0.6m and was not subject to tax. During this period, management approved a plan to sell a portion of land in Burmarrad to a related company, resulting in a portion of the investment property being classified as an asset held for sale. Consequently, the deferred tax liability relating to this land was reversed allowing the Issuer to record an income tax credit of €0.4m.

In FY24 the Issuer reported a loss on disposal on investment property of less than €100k. Together with an income tax charge of €168k this led the issuer to report a total loss of €260k.



**2.2 ISSUER'S HISTORICAL STATEMENT OF FINANCIAL POSITION**

Statement of Financial Position as at 31 January	2021A	2022A	2023A	2024M
	€000s	€000s	€000s	€000s
<b>Assets</b>				
<b>Non-current assets</b>				
Investment property	7,680	8,070	2,100	-
<b>Total non-current assets</b>	<b>7,680</b>	<b>8,070</b>	<b>2,100</b>	<b>-</b>
<b>Current assets</b>				
Assets held for sale	-	-	6,640	-
Investment in subsidiaries	-	-	-	2
Investment in associate	-	-	-	15,600
Loan receivable	-	-	-	3,660
Trade and other receivables	90	-	-	83
Cash and cash equivalents	-	-	-	113
<b>Total current assets</b>	<b>90</b>	<b>-</b>	<b>6,640</b>	<b>19,458</b>
<b>Total assets</b>	<b>7,770</b>	<b>8,070</b>	<b>8,740</b>	<b>19,458</b>
<b>Equity</b>				
Called up issued share capital	1	1	1	10,521
Fair value reserve	6,235	6,235	7,271	-
Retained earnings	209	203	194	7,542
<b>Total equity</b>	<b>6,445</b>	<b>6,439</b>	<b>7,466</b>	<b>18,063</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bank borrowings	-	193	193	300
Long-term borrowings (shareholders' loan)	140	140	140	140
Deferred tax liability	556	556	168	-
<b>Total non-current liabilities</b>	<b>696</b>	<b>889</b>	<b>501</b>	<b>440</b>
<b>Current liabilities</b>				
Bank borrowings (overdrawn bank balance)	-	-	3	-
Trade and other payables	616	742	770	955
Current tax liability	13	-	-	-
<b>Total current liabilities</b>	<b>629</b>	<b>742</b>	<b>773</b>	<b>955</b>
<b>Total liabilities</b>	<b>1,325</b>	<b>1,631</b>	<b>1,274</b>	<b>1,395</b>
<b>Total equity and liabilities</b>	<b>7,770</b>	<b>8,070</b>	<b>8,740</b>	<b>19,458</b>

The Issuer's total assets have shown a gradual yearly increase, rising from €7.7m in FY21 to €8.7m in FY23, and €19.5m in FY24. In FY21 and FY22, the majority of the asset value was attributed to the investment property, which was classified as a non-current asset. Part of the investment property was contributed to BBT p.l.c. in exchange for a shareholding in BBT p.l.c. after year-end, necessitating a reclassification of this investment property as an asset held for sale with the value of €6.6m under current assets. The balance sheet value in FY24 reflects the acquisition of the BBT investment explained in section 1.3.1 of this document.

The Issuer's equity has also been steadily increasing since FY21, reaching a value of €7.5m at the end of FY23. This growth is primarily attributed to a €1.0m increase in the fair value reserve. The equity balances in FY24 reflect the uplift as a result of the capitalisation exercise following the BBT transaction.

Total liabilities in FY23 are relatively low, totalling €1.3m, compared to FY22, where they amounted to €1.6m. This fluctuation is primarily due to changes in non-current liabilities. Although bank borrowings and long-term borrowings remained stable, the reversal of the deferred tax liability related to the aforementioned investment property resulted in a decrease of €0.3m, leading to deferred tax liabilities of €0.2m in FY23. Current liabilities mainly consist of trade and other payables, gradually increasing year on year and reaching a value of €0.8m in FY23. In FY24 total liabilities increased marginally from €1.3m in FY23 to €1.4m in FY24.

### 2.3 ISSUER'S HISTORICAL STATEMENT OF CASH FLOWS

Statement of Cash Flows for the year ending 31 January	2022A	2023A	2024M
	€000s	€000s	€000s
Net cash flows generated from / (used in) operating activities	(26)	(3)	97
Net cash flows generated from / (used in) investing activities	(301)	(22)	(88)
Net cash flows generated from / (used in) financing activities	327	23	107
<b>Movement in cash and cash equivalents</b>	<b>-</b>	<b>(2)</b>	<b>116</b>
Opening cash and cash equivalents	-	-	(2)
<b>Closing cash and cash equivalents</b>	<b>-</b>	<b>(2)</b>	<b>114</b>

The Issuer's cash flow has historically relied on shareholder contributions and advances from related parties, consistent with its role as a property-owning company lacking active rental agreements on its properties.

Operating cash flows predominantly covered annual costs while investing activities involved property acquisitions, primarily funded by shareholder contributions, advances from related parties, and a €0.2m bank facility drawdown in FY22.

With the recent reorganisation, significant changes are anticipated in the Issuer's annual income statement, cash flow, and financial position showing a substantial shift in the forecasted projections for the Issuer discussed further in between sections 2.4 and 2.6.

**2.4 ISSUER'S PROJECTED INCOME STATEMENT**

Income Statement for the year ending 31 January	2025F	2026P
	€'000s	€'000s
Interest income on vehicles	1,821	1,800
Interest income on vehicle related fixed assets	129	118
<b>Total interest income</b>	<b>1,950</b>	<b>1,918</b>
Operational expenditure	(71)	(73)
<b>Operating profit</b>	<b>1,879</b>	<b>1,845</b>
FV movement in other investment properties	73	75
Share of profits in BBT	1,552	3,518
<b>Profit before interest and tax</b>	<b>3,504</b>	<b>5,438</b>
Interest Income on excess cash	-	31
Interest expense	(947)	(945)
Amortisation of bond issue costs	(60)	(60)
<b>Profit before tax</b>	<b>2,497</b>	<b>4,464</b>
Tax	(395)	(393)
<b>Profit after tax</b>	<b>2,102</b>	<b>4,071</b>
Ratio Analysis	2025F	2026P
<i>Profitability</i>		
Revenue Growth (YoY)	N/A	(1.6%)
EBITDA Margin (EBITDA / Revenue)	96.4%	96.2%
EBITDA Growth	N/A	(1.8%)
Net Margin (Profit for the year / Revenue)	107.8%	212.3%
Return on Common Equity (Net Income / Average Equity)	9.5%	16.1%
Return on Assets (Net Income / Average Assets)	5.4%	9.4%
Return on capital employed (EBITDA / Total Assets - Current Liabilities)	4.6%	4.1%

As previously mentioned, all the vehicles owned by the Issuer are leased to the vehicle operating companies within the wider group. The carrying amount of the finance lease receivable is reduced as lease payments are received, and interest income is recognised on the outstanding balance, reflecting a constant periodic rate of return on the lessor's net investment in the finance lease. The projected income statement reflects the interest income of €1.8m that is generated on its finance leases and assumes a full year of interest income charged in year 1 (i.e. FY25) and half a year of interest income in the year in which the lease matures. This figure is expected to decrease slightly by 1.6% during FY26.

Operational expenditure, covering unrecoverable expenses like listing fees and directors' fees, is projected to be €71k in FY25 and above €70k annually thereafter, increasing at an inflationary 2% per year according to management.

BBT profit projections assume recognition as an investment in associates. The increase in value from BBT includes a combination of annual property revaluations in line with projected revenue growth at a constant capitalisation rate and annual rental income recognised on the property investments and BBT dividend income which is agreed to be paid upon the completion of both phase 2 of the Center Parc development and the Burmarrad site.

Projected interest expenses primarily include bond interest costs at 5.85% per annum. FY25 interest cost are nil, increasing to €31k in FY26. Bond issue costs of €0.6m are amortised over the term of the bond. Tax is expected to be at 35% on all profits after allowable deductions, being interest expense on debt allocated for the acquisition of the vehicles.

The Issuer anticipates a profit of €2.1m in FY25, increasing by €2.0m in FY26, mainly due to a higher share of profits in BBT.

The Return on Common Equity and Return on Assets are expected to be positive in FY25, at 9.5% and 5.4% respectively, indicating efficient profit generation from shareholders' equity and asset utilisation. In FY26 these ratios improve, having the Return on Common Equity increase to 16.1% and the Return on Assets increase to 9.4%.

**2.5 ISSUER'S PROJECTED STATEMENT OF FINANCIAL POSITION**

Statement of Financial Position as at 31 January	2023A	2024M
	€'000s	€'000s
<b>Assets</b>		
<b>Non-current assets</b>		
Receivable re. leasing vehicles	10,564	10,845
Receivable re. daily rental vehicles	2,897	2,672
Receivable re. commercial vehicles	3,508	2,429
<b>Total receivable balance re. vehicles</b>	<b>16,969</b>	<b>15,946</b>
Receivable re. vehicle related fixed assets	1,829	1,647
Investment property	3,733	3,808
Investment in BBT plc	17,152	20,670
<b>Total non-current assets</b>	<b>39,683</b>	<b>42,071</b>
<b>Current assets</b>		
Cash and cash equivalents	1,572	3,168
<b>Total current assets</b>	<b>1,572</b>	<b>3,168</b>
<b>Total assets</b>	<b>41,255</b>	<b>45,239</b>
<b>Equity</b>		
Called up issued share capital	13,620	13,620
Retained earnings	9,568	13,639
<b>Total equity</b>	<b>23,188</b>	<b>27,259</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Bond (net of issue costs)	15,460	15,520
Amounts due on acquisition	2,329	2,147
Deferred tax liability (revaluation of property)	203	238
<b>Total non-current liabilities</b>	<b>17,992</b>	<b>17,905</b>
<b>Current liabilities</b>		
Accrued interest on bond	77	77
<b>Total current liabilities</b>	<b>77</b>	<b>77</b>
<b>Total liabilities</b>	<b>18,068</b>	<b>17,982</b>
<b>Total equity and liabilities</b>	<b>41,255</b>	<b>45,241</b>

Ratio Analysis	2025F	2026P
<i>Financial Strength</i>		
Gearing 1 (Net Debt / Net Debt and Total Equity)	37.5%	31.2%
Gearing 2 (Total Liabilities / Total Assets)	43.8%	39.7%
Gearing 3 (Net Debt / Total Equity)	59.9%	45.3%
Net Debt / Total Assets	0.3x	0.3x
Net Debt / EBITDA	7.4x	6.7x
Current Ratio (Current Assets / Current Liabilities)	20.4x	41.1x
Interest Coverage 1 (EBITDA / Finance Costs)	2.0x	2.0x
Interest Coverage 2 (EBITDA / Cash interest paid)	2.2x	2.0x

The total asset base after the company reorganisation is expected to be €41.3m in FY25 and is then expected to increase to €45.2m by FY26 due to the various assets held by the Issuer.

The entire vehicle fleet owned by the Issuer Group has to be accounted for under applicable accounting rules which dictates that the Issuer Group recognises the receivables due from lease agreements on its balance sheet rather than the vehicles themselves. The value following the acquisition and leaseback of the vehicle fleet, comprising of leasing, daily rental, and commercial vehicles, is a significant component of the Issuer's non-current assets and is projected to decrease from €17.0m in FY25 to €16.0m in FY26. Risks and rewards of the lease are deemed transferred to the lessee, prompting recognition as a finance lease receivable equal to the net investment in the lease.

With regards to the leasing vehicles, due to existing leases maturing over the next three years, it is expected that these vehicles will be replaced with new leasing agreements. Due to the maturity profile of existing leases, most of the existing leases will mature over the next three years and it is assumed that these vehicles will be replaced with new leasing agreements. The value of leasing vehicle assets is expected to be €10.6m in FY25, increasing to €10.9m in FY26. This fleet is assumed to remain stable at roughly 550 vehicles with new and expiring vehicles assumed to operate for 6 months in the year.

Management expect to continue investing in the daily rental vehicle fleet, increasing the number of vehicles from 170 in the beginning of FY25 to 200 vehicles by end of FY25 with a value of €2.9m. The daily rental fleet is projected to remain stable at 200 vehicles thereafter. New vehicles are assumed to operate for 6 months in the year. In FY26 no acquisitions are expected which leads to a decrease in the value of the daily rental fleet by €0.2m.

Management assumes that the commercial vehicle fleet will be retained at a stable 400 vehicles. It is assumed that leased vehicles and daily rental vehicles which are no longer required in their respective fleet will be transferred to the commercial vehicle fleet and the older vehicles in the commercial vehicle fleet disposed of. Lease payments are forecasted based on historical Key Performance Indicators, considering acquisition costs aligned with recoverable value. Annual payments extend up to a 13-year lease term, with a 10% target return per vehicle. Upon disposal, BGFL will charge the lessee, being the Operational Group entities, a percentage of the vehicle's implied original acquisition cost. This percentage is contingent on the age of the vehicle, with the flexibility to increase the price if necessary to secure a minimum 10% Internal Rate of Return (IRR) for BGFL concerning the specific vehicle. The value for the commercial rental fleet is expected to be €3.5m in FY25 declining by €1.0m in FY26.

The leaseback of vehicle-related fixed assets is also recognised as a finance lease and therefore the Issuer recognises the leased vehicle-related assets as a receivable at an amount equal to the net investment in the lease. They are not expected to vary drastically since their value is based on their initial acquisition value and are depreciated based on a 10-year useful life.

Investment property, which was previously mentioned in section 1.3 of this Analysis, is projected to have a total market value of €3.6m as per architect reports and is projected to increase at an inflationary 2% per annum from FY24 onwards until sold between FY29 and FY31. This results in the investment property having an expected value of €3.7m in FY25 and €3.8m in FY26.

The investment in BBT is the other significant component of the Issuer's assets which reflects the Issuer's shareholding in BBT, following the anticipated equity contribution by other BBT stakeholders. The value of this investment is expected to be €17.2m in FY25, increasing by €3.5m in FY26.

Current assets are made up entirely of cash and cash equivalents which is explained in further detail under section 2.6 below.

The equity is made up of the called-up issued share capital which is €13.6m in both FY25 and FY26, and retained earnings which is expected to be €9.6m in FY25, increasing to €13.6m in FY26.

The total liabilities are primarily made up of the proposed €16.0m bond issue, net of issue costs taking the value €15.5m. Additionally, there are the amounts due on acquisition which include vehicle-related fixed assets and are expected to be repaid over ten years, gradually decreasing from €2.4m in FY25 to €2.2m in FY26.

As for other non-current liabilities, there is the deferred taxation that relates to deferred tax recognised on the revaluation of other investment property, increasing from €203k in FY25 to €238k in FY26. Finally, there is also a €193k bank facility that is expected to be fully repaid in FY25. The annual accrued interest of €77k makes up all of the current liabilities. It reflects the accumulated unpaid interest on the bond between October and January of each period.

Following both the company reorganisation and proposed bond issue, the Issuer aims for a stable gearing level of 37.5% in FY25, slightly decreasing to 31.2% in FY26. Additionally, short-term liquidity is expected to improve, with current assets covering liabilities at 20.4x in FY25 and 41.1x in FY26, showcasing an optimal position for addressing immediate financial demands. As well, the Issuer exhibits effective interest obligation management, evident in the forecasted interest coverage ratio. Between FY25 and FY26, the Issuer's EBITDA is projected to maintain coverage at 2.0x, ensuring consistently healthy financial ratios.

## 2.6 ISSUER'S PROJECTED STATEMENT OF CASH FLOWS

Statement of Cash Flows for the year ending 31 January	2025F	2026P
	€000s	€000s
<b>Operating Activities</b>		
<b>EBITDA</b>	<b>1,879</b>	<b>1,845</b>
Adjustments		
<i>Less: Interest on finance leases</i>	(1,951)	(1,918)
<i>Less: Movement in net working capital</i>	(10)	-
<i>Less: Tax paid on operations</i>	(361)	(358)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>(443)</b>	<b>(431)</b>
<b>Investing Activities</b>		
Annual payments	3,805	4,446
Payment upon disposal	819	302
Acquisition of new vehicles	(3,703)	(1,625)
<b>Net cash flows generated from / (used in) investing activities</b>	<b>921</b>	<b>3,123</b>
<b>Financing Activities</b>		
Bond drawdown (net issue costs)	15,400	-
Movement in loans and borrowings	(193)	-
Interest income	-	31
Interest expense	(871)	(945)
<b>Movement in third party debt</b>	<b>14,336</b>	<b>(914)</b>
Settlement of amounts due on acquisition	(13,241)	(182)
<b>Net cash flows generated from / (used in) financing activities</b>	<b>1,095</b>	<b>(1,096)</b>
Movement in cash and cash equivalents	1,573	1,596
Opening cash and cash equivalents	(1)	1,572
<b>Closing cash and cash equivalents</b>	<b>1,572</b>	<b>3,168</b>

Ratio Analysis	2025F	2026P
<b>Cash Flow</b>	<b>000's</b>	<b>000's</b>
Free Cash Flow (Net cash from operations + Interest - Capex)	€(341)	€2,390

The net cash flows used in operating activities are expected to decrease from €443k in FY25 to €431k in FY26. This comes from a slight decrease in EBITDA, interest on finance leases, movement in net working capital and tax paid on operations collectively.

The net cash flows generated by investing activities are projected to fluctuate because management intends to maintain a constant fleet size. This leads the Issuer to see an inflow of €0.9m in FY25, followed by a substantial inflow of €3.1m in FY26.

Mainly due to the bond drawdown of €15.4m less €13.2m settlement of amounts due on acquisition, the Issuer is expecting to generate €1.1m from financing activities in FY25. The following year €1.1m is expected to be used in financing activities covering interest expenses and settlements of amounts due on acquisition.

The Issuer overall, is expecting a positive movement in cash and cash equivalents during FY25 at €1.6m which is also the closing cash balance due to there not being an opening cash balance from FY24. This increase almost doubles the closing cash and cash equivalents, resulting in a closing of €3.2m.

The Issuer is forecasting a negative free cash flow of €0.3m in FY25, followed by a positive free cash flow of €3.2m in FY26.



## PART 3 - KEY MARKET AND COMPETITOR DATA

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2023. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

### 3.1 ECONOMIC UPDATE <sup>1</sup>

The Bank's Business Conditions Index (BCI) indicates that in December, annual growth in business activity stood slightly above its historical average, estimated since January 2000.

The European Commission confidence surveys show that sentiment in Malta increased in December, rising above its long-term average, estimated since November 2002. In month-on-month terms, sentiment improved in the retail and services sectors, as well as in industry, while it deteriorated among consumers and in construction.

Additional data show that in month-on-month terms, price expectations edged down among retailers, among firms in industry, and in the construction sector but rose in the services sector and among consumers. The most significant decrease was recorded in the retail sector.

In December, the European Commission's Economic Uncertainty Indicator (EUI) for Malta fell compared with November, indicating lower uncertainty. Uncertainty decreased mostly in the services sector and in industry.

In November, industrial production rose at a slower pace, while retail trade increased on a year-on-year basis following a contraction a month earlier. The unemployment rate remained unchanged at 2.5%, and stood below that of 2.9% in November 2022.

Commercial and residential building permits in November were lower than a month earlier and were also lower when compared with a year ago. In December, the number of residential promise-of-sale agreements rose on a year-on-year basis, as did the number of final deeds of sales.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 3.7% in December, down from 3.9% in the previous month. Inflation based on the Retail Price Index (RPI) remained unchanged at 3.6%.

In November, the level of Maltese residents' deposits decreased below its year ago level, though at a slower rate than in October. This decline reflects lower balances belonging to financial intermediaries and, to a lesser extent firm. By contrast, household deposits increased. Meanwhile, annual growth in credit to Maltese residents increased at a slower pace compared with a month earlier.

In November, the Consolidated Fund recorded a larger deficit compared to a year earlier. This reflects a rise in government expenditure and a decline in government revenue.

### 3.2 ECONOMIC OUTLOOK <sup>2</sup>

According to the Bank's latest forecasts, Malta's gross domestic product (GDP) growth is projected to slow down from around 7.0% in 2022, to 4.0% in 2023, and to ease slightly further to 3.8%, and 3.7%, in 2024 and 2025, respectively. When compared to the previous projections, the Bank's latest forecast for headline GDP is revised upwards throughout the projection horizon. Indeed, GDP growth was revised up by 0.3 percentage points in 2023, and by 0.2 percentage points in 2024 and 2025.

In 2023, net exports are expected to be the main contributor to GDP growth. This reflects the expected sharp slowdown in imports (goods import specifically are set to contract after being boosted by strong investment in the aviation sector in 2022), as well as robust growth in exports. Meanwhile, domestic demand is expected to lower growth, as the base effect from the extraordinary investment in 2022 should offset positive contributions from government and private consumption. From 2024, domestic demand is expected to be the main driver of growth, as private consumption growth is expected to remain relatively robust despite relatively high inflation. Net exports are also projected to contribute positively in 2024 and 2025, due to robust services exports.

Employment growth is set to moderate to 3.6% in 2023 from 6.0% in 2022, which partly reflects the envisaged normalisation in economic activity towards potential growth. In the following two years, employment is set to expand by 2.7% and 2.4%,

<sup>1</sup> Central Bank of Malta – Economic update – 01/2024

<sup>2</sup> Central Bank of Malta – Economic projections – 2023 – 2025

respectively. In view of relatively high inflation, as well as tight labour market conditions, nominal wage growth is projected to be relatively strong from a historical perspective. Compensation per employee is thus set to grow by 5.5% in 2023, 4.9% in 2024 and 3.9% in 2025, outpacing consumer price inflation during the later period of the projection horizon.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate to 5.3% in 2023, as international supply bottlenecks are expected to ease further. However, lingering indirect effects from recent increases in input costs are set to keep inflation high from a historical perspective. The fall in inflation in 2023 reflects a broad-based decrease across all sub-components of HICP, except for energy inflation, as energy prices are expected to remain unchanged in view of government support measures. Services is envisaged to be the main contributor to HICP inflation, but food and non-energy industrial goods (NEIG) are also projected to contribute to annual HICP inflation in 2023.

The general government deficit is set to decline to 4.9% of GDP in 2023, from 5.8% in 2022. It is then set to continue declining over the rest of the forecast horizon, reaching 3.4% of GDP by 2025. This improvement is driven by a declining share of expenditure in GDP, mainly due to the profile of inflation-mitigation measures. The general government debt ratio is set to increase throughout the forecast horizon, and to reach 55.3% by 2025. This is driven by the expected level of primary deficits, which partly offset the debt-decreasing impact of the interest-growth differential.

On balance, risks to economic activity are tilted to the downside for 2023 and 2024 and are more balanced thereafter. The main downside risks relate to the possibility of stronger than envisaged weakness in the international economic environment, which could lead to lower exports. Foreign demand may also be weaker than expected if monetary policy in advanced economies tightens more forcibly than assumed in this projection round. GDP data for the first quarter of the year also implies some downside risks to domestic demand. On the other hand, private consumption could surprise on the upside if wage growth is higher than expected, particularly in the outer years of the projection horizon.

Risks to inflation are to the upside for the entire projection horizon. Indeed, inflation could be more persistent than assumed in the baseline projections and could continue to be affected by indirect effects from past increases in commodity prices. Moreover, second round effects from higher wages and profit margins could also prolong high inflation. Conversely, further monetary tightening and lower foreign demand could ease inflationary pressures in the medium-term.

On the fiscal side, risks are on the downside (deficit-increasing) particularly in 2023. These mainly reflect the likelihood of additional support measures towards Air Malta. Deficit-decreasing risks in the outer years of the forecast horizon mainly relate to fiscal consolidation pressures as the general escape clause in the Stability and Growth Pact is deactivated at the end of 2023.

### 3.3 THE PROPERTY SECTOR <sup>3</sup>

Following fast growth in the five years leading to 2019, the selling price for the average housing unit grew at a relatively slow pace, in part, reflecting the impact that COVID-19 has had on the residential property market. In the second half of 2022, the Selling House Price Index continued to increase and was 1.7% higher than it was in the first half of the year. Subsequently, during January to March 2023, the index declined by 2.9%, but remains 9.8% higher than the average price that prevailed in 2019 – when both the Maltese property market and the economy were growing at a very fast pace.

Activity in the residential property market remains high. At 14,331, the number of final deeds of sale in 2022 were at a similar level to those registered in 2021. In contrast, the number of promises of sale (POS) agreements were 22.1% lower than in 2021. In part, this decline is due to the high number of POS agreements registered in 2021, reflecting transactions spilling over from 2020 due to delays caused by COVID-19 and purchases that were brought forward from 2022 due to the anticipated expiry of the stamp duty exemption on property. During January to March 2023, the number final deeds was 9.4% lower than in the comparable period in the previous year while the number of registered POS agreements increased by 14%.

The number of housing units approved for development by the Planning Authority (PA) in 2022 was lower than the historically high number of units approved in 2018 and 2019, but remained relatively high at 9,523. This is expected to increase the housing stock significantly over the next 2 to 3 years as units typically come onto the market with a time lag. Based on forecasts for the Maltese economy, it is estimated that the additional supply of housing units will exceed additional demand for housing over the period between 2024 and 2025, thereby putting some downward pressure on prices.

This heightened activity and generally high prices continue to raise concerns about housing affordability. In 2022, the house price-to-income ratio was lower than it was in 2020 when COVID-19 had a significant impact on household's incomes. Nonetheless, it remains at a very high level such that the maximum affordable house price for a one-adult household amounts to only 61.7% of the average price of a finished property (circa €260,000). In contrast, a two-adult household with median income can comfortably afford an average-sized housing unit. However, there are many households whose incomes are below this average. For example, a two-adult household with two income earners on the minimum wage have a maximum affordable house price of around €145,000 – equivalent to only 55.8% of the average property price. For these households, the maximum affordable house price falls significantly below the average market price for a housing unit.

<sup>3</sup> Grant Thornton | The Malta Property Landscape – April 2023

These issues raise concern about social sustainability aspects related to the property market and make it more challenging for all market players to shift focus on the increasingly important aspect of environmental sustainability. In part, this is due to the delay with which homebuyers get to enjoy the benefits of investing in sustainable buildings. However, striking a better balance between affordability and environmental sustainability can lead to more affordable and equitable housing options (e.g., cheaper home loan borrowing rates, lower electricity bills). A simple case study shows that buying an environmentally sustainable apartment (which is energy efficient, reduces the cost of energy and for which a favourable green loan scheme is applicable) can yield potential financial benefits of up to circa €43,700 over a 30-year period, 44% of which are realised within the first 5 years.

### 3.4 THE COMMERCIAL PROPERTY MARKET

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta has considerably increased over the last couple of years. Of note, there are several traditional business areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta, being Malta's capital city, is considered as the hub for law firms and many long-established family businesses.

Other traditional commercial areas include the likes of St. Julian's, which is popular for its sea-view offices, and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top-quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieħa and in parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline.

Data specifically related to commercial property in Malta is limited, thus making it more challenging to identify the exact state of this sector. Nevertheless, it is evident that Malta has, over recent years, completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT. It is therefore apparent that the demand for good commercial property has drastically increased, whereby Malta's property sector has been dominated by a situation of demand seemingly exceeding supply. The latter has resulted into the majority of high-quality commercial developments being fully let.

In line with latest statistical data issued by Eurostat<sup>4</sup>, the index reflecting office building permits within the European Union, indicated business levels similar to 2021 throughout 2022, which were still well above the depressed levels experienced in 2020. In Q1 2022 the index increased slightly to 135.7 from 134.9 in the previous quarter. The index then increased further to 138.8 in Q2 before dropping to 126.4 and 124.9 levels in Q3 and Q4 respectively.

### 3.5 CAR LEASING AND SERVICING INDUSTRY<sup>5</sup>

The Car Rental & Leasing industry in Malta has shown resilience and adaptability in the face of notable trends and challenges, as reflected in the industry statistics for 2023. While there have been some slight declines, the overall tone remains positive, and there are opportunities for growth and development in the sector.

In 2023, the industry's market size stands at a commendable €60.4 million. While there is a slight negative growth rate of -1.6%, it is essential to consider the broader context. The Car Rental & Leasing industry has been navigating a challenging market environment over the past five years (2018 to 2023), with a decline of 4.7% per year on average. Despite this, the industry has maintained a significant market presence, showcasing its resilience.

The Car Rental & Leasing industry in Malta is characterised by a diverse competitive landscape. As of 2023, there are 36 Car Rental & Leasing businesses in Malta, showcasing the dynamic nature of the market. The decline of -23.2% in the number of businesses from the previous year indicates market consolidation and repositioning, which can lead to enhanced efficiencies and streamlined operations.

The medium market share concentration in the Car Rental & Leasing industry in Malta signifies a healthy and competitive market, where no single company holds more than 5% market share. This scenario presents opportunities for businesses to innovate, differentiate their offerings, and capture a broader market share.

Despite facing some headwinds, the Car Rental & Leasing industry in Malta is displaying tenacity and adaptability. The market size remains substantial, and the industry is actively responding to changing consumer behaviour and economic conditions. By understanding the industry statistics and trends, stakeholders can make informed decisions and develop strategies to thrive in the evolving landscape. As Malta's economy continues to grow, the Car Rental & Leasing sector stands poised to seize future opportunities and maintain its position as a vital component of the transportation and tourism sectors.

<sup>4</sup> <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

<sup>5</sup> IBISWorld Car Rental & Leasing in Malta Industry Statistics 2008 - 2026.

**3.6 COMPARATIVE ANALYSIS**

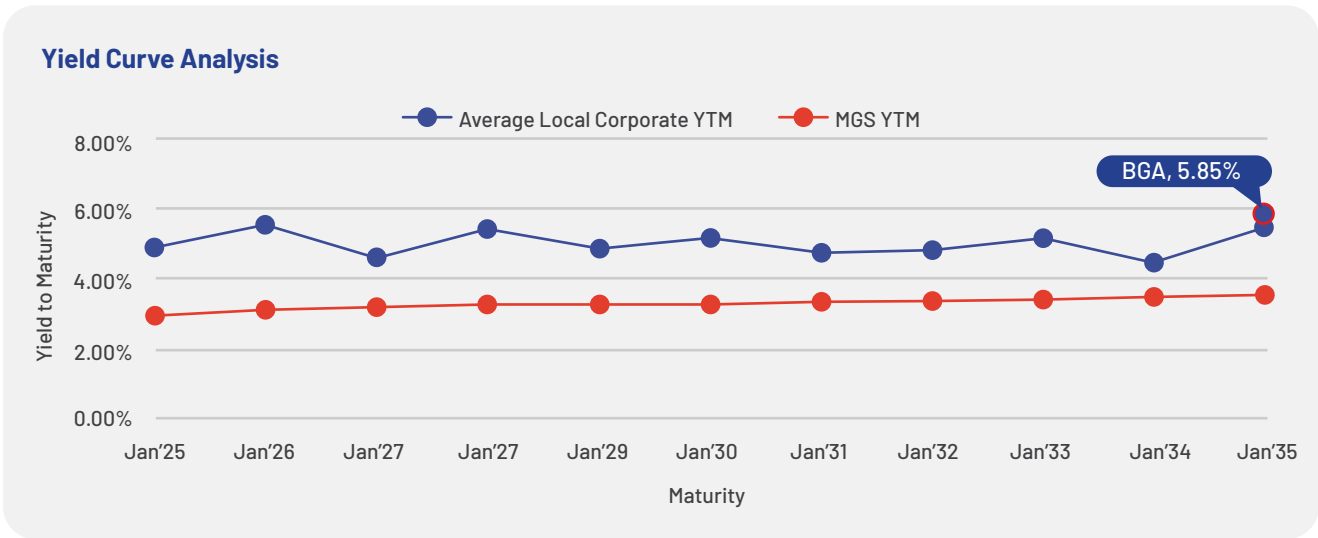
The purpose of the table below compares the Bond issued by the Issuer to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
3.5% AX Real Estate plc Unsecured € 2032 (xd)	40,000	4.93%	2.2x	422.8	248.2	41.3%	30.0%	12.0x	1.1x	(0.1)%	(0.7)%	8.1%
4.55% St Anthony Co plc Secured € 2032 (xd)	15,500	4.34%	0.4x	66.2	21.1	68.2%	62.4%	67.5x	0.7x	(6.4)%	(19.2)%	N/A
4.5% 63 Finance plc Secured € 2032	12,500	4.50%	6.0x	42.1	20.1	52.2%	32.8%	2.8x	1.2x	8.1%	15.0%	57.0%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1	25,000	4.42%	2.8x	102.1	55.6	45.5%	28.4%	8.0x	5.4x	0.2%	3.3%	16.1%
4.5% Shoreline Mall plc Secured € 2032	26,000	5.37%	N/A	58.3	17.4	70.2%	68.5%	(96.4)x	17.2x	(2.3)%	N/A	0.0%
4.65% Smartcare Finance plc Secured € 2032	7,500	4.65%	1.2x	23.2	0.5	98.1%	97.7%	19.1x	0.5x	50.2%	15.5%	78.0%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	4.85%	1.7x	57.5	16.8	70.8%	57.5%	18.5x	1.7x	1.3%	1.8%	(27.3)%
5% Mariner Finance plc Unsecured € 2032	36,930	4.78%	4.7x	128.3	62.3	51.4%	49.9%	5.9x	2.6x	9.9%	28.3%	32.3%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.00%	0.9x	142.0	41.1	71.1%	65.4%	38.4x	2.1x	(2.7)%	(7.2)%	32.3%
4.3% Mercury Project Finance plc Secured € 2032	50,000	4.44%	2.6x	179.4	37.2	79.3%	71.8%	15.1x	3.0x	24.1%	22.9%	666.2%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.86%	1.3x	58.2	23.8	59.1%	55.3%	18.6x	0.7x	0.8%	10.0%	19.9%
6% Pharmicare Finance plc Unsecured € 2033 (xd)	17,000	5.71%	3.2x	37.9	17.0	55.2%	35.0%	4.0x	1.4x	1.1%	2.0%	43.0%
5.25% Qawra Palace plc Secured € 2033	25,000	4.70%	0.7x	16.6	6.5	60.7%	48.8%	19.3x	2.9x	(10.7)%	(19.8)%	698.5%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	5.25%	4.6x	31.9	17.1	46.5%	18.8%	5.6x	0.0x	1.4%	23.5%	106.1%
6.25% AST Group plc Secured Bonds 2033	8,500	5.78%	4.3x	9.5	4.4	54.2%	14.0%	0.5x	1.6x	9.9%	0.8%	51.8%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.34%	1.7x	57.5	16.8	70.8%	57.5%	18.5x	1.7x	1.3%	1.8%	(27.3)%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.75%	(2.0)x	16.5	3.4	79.3%	68.6%	(8.1)x	0.9x	(34.4)%	(21.8)%	N/A
4.50% The Ona plc Secured € 2028-2034	16,000	4.75%	32.1x	29.5	8.4	71.4%	64.1%	9.8x	2.3x	19.4%	19.8%	534.1%
5.85% Burmarrad Group Assets plc € Secured 2034	16,000	5.85%	0.0x	8.1	7.5	686.0%	6.7%	0.0x	8.6x	14.8%	0.0%	0.0%

Source: Latest available audited financial statements

Last price as at 15/02/24

\*Average figures do not capture the financial analysis of the Group



Source: Central Bank of Malta and Malta Stock Exchange (MSE)

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of the Burmarrad Group Assets p.l.c. bond.

As at 15 February 2024, the average spread over the Malta Government Stocks (MGS) for issuers with a maturity range of 8-10 years (2032 - 2034) was 147 basis points. The proposed Burmarrad Group Assets p.l.c. bond is being priced with a 5.85% coupon issued at par, meaning a spread of 232 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 85 basis points. It is pertinent to note that both the Issuers' maturity and industry are significantly different to the corporates identified and as such its risks also differ to that of other issuers.

**PART 4 - GLOSSARY AND DEFINITIONS**

<b>Income Statement</b>	
<b>Revenue</b>	Total revenue generated by the Group/Company from its principal business activities during the financial year.
<b>Costs</b>	Costs are expenses incurred by the Group/Company in the production of its revenue.
<b>EBITDA</b>	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
<b>EBIT (Operating Profit)</b>	EBIT is an abbreviation for earnings before interest and tax.
<b>Depreciation and Amortisation</b>	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
<b>Net Finance Costs</b>	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
<b>Profit After Taxation</b>	The profit made by the Group/Company during the financial year net of any income taxes incurred.
<b>Profitability Ratios</b>	
<b>Growth in Revenue (YoY)</b>	This represents the growth in revenue when compared with previous financial year.
<b>Gross Profit Margin</b>	Gross profit as a percentage of total revenue.
<b>EBITDA Margin</b>	EBITDA as a percentage of total revenue.
<b>Operating (EBIT) Margin</b>	Operating margin is the EBIT as a percentage of total revenue.
<b>Net Margin</b>	Net income expressed as a percentage of total revenue.
<b>Return on Common Equity</b>	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
<b>Return on Assets</b>	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
<b>Cash Flow Statement</b>	
<b>Cash Flow from Operating Activities (CFO)</b>	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
<b>Cash Flow from Investing Activities</b>	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
<b>Cash Flow from Financing Activities</b>	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
<b>Capex</b>	Represents the capital expenditure incurred by the Group/Company in a financial year.
<b>Free Cash Flows (FCF)</b>	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

<b>Balance Sheet</b>	
<b>Total Assets</b>	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
<b>Non-Current Assets</b>	Assets, full value of which will not be realised within the forthcoming accounting year
<b>Current Assets</b>	Assets which are realisable within one year from the statement of financial position date.
<b>Inventory</b>	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
<b>Total Equity</b>	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
<b>Total Liabilities</b>	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
<b>Non-Current Liabilities</b>	Obligations which are due after more than one financial year.
<b>Current Liabilities</b>	Obligations which are due within one financial year.
<b>Total Debt</b>	All interest-bearing debt obligations inclusive of long and short-term debt.
<b>Net Debt</b>	Total debt of a Group/Company less any cash and cash equivalents.
<b>Financial Strength Ratios</b>	
<b>Current Ratio</b>	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
<b>Quick Ratio (Acid Test Ratio)</b>	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
<b>Interest Coverage Ratio</b>	The interest coverage ratio is calculated by dividing EBITDA of one period by finance costs of the same period.
<b>Gearing Ratio</b>	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
<b>Gearing Ratio Level 1</b>	Is calculated by dividing Net Debt by Total Equity.
<b>Gearing Ratio Level 2</b>	Is calculated by dividing Total Liabilities by Total Assets.
<b>Gearing Ratio Level 3</b>	Is calculated by dividing Net Debt by Total Equity.
<b>Net Debt / EBITDA</b>	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
<b>Other Definitions</b>	
<b>Yield to Maturity (YTM)</b>	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

# Calamatta Cuschieri

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