



JD Capital plc

JD CAPITAL P.L.C.

11 April 2025

SECURITIES NOTE

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Dated 11 April 2025

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the MFSA and in accordance with the provisions of 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

€40,000,000 5.6% Secured Bonds 2035

of a nominal value of €100 per bond, issued and redeemable at par by



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 82098

ISIN: MT0001831248

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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN THE SECURED BONDS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF THE COMPANY AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR.

SPONSOR &
CO-MANAGER

Calamatta Cuschieri

LEGAL COUNSEL



SECURITY TRUSTEE



REGISTRAR
& CO-MANAGER



REPORTING
ACCOUNTANTS



Approved by the Directors

A handwritten signature in black ink, appearing to read "Josef Dimech", is written over a horizontal dotted line.

Josef Dimech

In his capacity as Director of the Issuer and on behalf of
Franco Azzopardi, Stanley Portelli, Stephen Muscat, and Jesmond Manicaro.

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON THE ISSUE OF THE SECURED BONDS BY THE ISSUER IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES OF THE MFSA, THE ACT, AND THE PROSPECTUS REGULATION.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE SECURED BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT, OR TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF THE SECURE BONDS OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ADVISORS.

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

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THE SECURED 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.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF PUBLICATION; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OR PERFORMANCE OF THE ISSUER OR THE GROUP 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 12 MONTHS FROM THE DATE HEREOF. THE COMPANY IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WHICH ARISE FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THIS SECURITIES NOTE, PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THIS SECURITIES NOTE SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS.

A COPY OF THIS SECURITIES NOTE HAS BEEN SUBMITTED TO THE MFSA 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 AT THE MALTA BUSINESS REGISTRY 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.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "ADVISORS" IN SECTION 4.2 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, OR ANY SUPPLEMENT THEREOF.

THE CONTENTS OF THE COMPANY'S WEBSITE, OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY'S WEBSITE, DO NOT FORM PART OF THE PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO 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 SECURED BONDS.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED AND AS FAR AS THE DIRECTORS OF THE COMPANY ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN 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 SECURED BONDS.

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1. DEFINITIONS

Words, expressions, and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document. Additionally, the following capitalised words and expressions shall bear the following meanings, except where the context otherwise requires:

Applicant/s	any person or persons, natural or legal, who subscribes for the Secured Bonds;
Application/s	the application to subscribe for Secured Bonds made by an Applicant/s through any of the Authorised Financial Intermediaries (which include the Sponsor & Co-Manager and the Registrar & Co-Manager);
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries whose details appear in Annex I to this Securities Note and the term “ Authorised Financial Intermediary ” shall be construed accordingly;
Bond Issue	the issue of the Secured Bonds;
Bond Issue Price	the price of €100 per Secured Bond;
Bondholders' Meeting	a meeting of Bondholders held in accordance with section 5.12 of this Securities Note;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Collateral	<p>the means the following security, collectively, granted in favour of the Security Trustee for the benefit of the Bondholders:</p> <ol style="list-style-type: none"> i. the first ranking special hypothec granted by JDRED over the Ta' Monita Properties, pursuant to a deed of hypothec to be made in the records of Notary Andre Farrugia; ii. the first ranking special hypothec granted by Skorba Developments over the Skorba Mansions, pursuant to a deed of hypothec to be made in the records of Notary Andre Farrugia; iii. the first ranking special hypothec granted by J&J Hotel Operations over the Msida Hotel, pursuant to a deed of hypothec to be made in the records of Notary Andre Farrugia; iv. up to a maximum of €5,000,000 in Secured Bond proceeds allocated for the purchase of 3PL equipment and infrastructure, as set out under section 4.1.5 of the Securities Note, until such time as the Security Trustee receives a notification in writing by the Issuer that JD Operations shall be purchasing the aforementioned 3PL equipment and infrastructure, supplemented by the relevant purchase order/s (the “Retained 3PL Proceeds”); v. the Bank Guarantee; and vi. from financial year ending 31 December 2030, the Reserve Account;

CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Events of Default	has the meaning assigned to it in section 5.11 of this Securities Note;
FIMBank	FIMBank p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 17003 and having its registered office at Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, San Giljan STJ 3155, Malta;
FIMBank Facility	<p>the financing facility of a total of €8,500,000 made available to ONEA Properties by FIMBank for the:</p> <ol style="list-style-type: none"> i. settlement of a banking facility originally granted by a third-party bank to J&J Hotel Operations to part finance the acquisition of the Msida Hotel; ii. financing of up to 35% of the works required for the development of the Msida Hotel; iii. financing of up to 35% of the works required for the development of the Skorba Mansions; and iv. financing, on a 70:30 pro rata basis, the completion works up to shell form of the Skorba Mansions;
Interest Payment Date	23 May of each year between and including each of the year 2026 and the year 2035, provided that if any such day is not a Business Day such Interest Payment Date shall be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of Secured Bonds for an amount of €35,000,000 together with any amount not subscribed for by the Maturing Noteholder made by the Issuer to Authorised Financial Intermediaries, in terms of which Secured Bonds may be available for subscription by Authorised Financial Intermediaries, for their own account or for the account of their underlying customers;
Maturing Note	the global note issued by the Issuer in favour of the Maturing Noteholder, as nominee and placement agent, pursuant to the Private Placement, representing the amount due by the Issuer to the Maturing Noteholder, as nominee and placement agent, and creating, acknowledging and representing the indebtedness of the Issuer to the Maturing Noteholder under the terms and conditions of the global note;
Maturing Note Transfer	the subscription for Secured Bonds by the Maturing Noteholder, by the transfer to the Issuer of all or part of the Maturing Note held by such Maturing Noteholder;
Maturing Noteholder	the Sponsor & Co-Manager;
Offer Period	the period between 09:00 hours on 21 April 2025 and 12:00 hours on 9 May 2025 or such earlier date as may be determined by the Issuer during which the Secured Bonds will be available for subscription by the Maturing Noteholder and Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;

Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Redemption Date	the 23 May 2035;
Redemption Value	the nominal value to be paid on the Redemption Date;
Reserve Account	the reserve account to be maintained by the Issuer as from the financial year ending 31 December 2030, as further described in section 5.2.1.3 of this Securities Note;
Secured Property	collectively, as at the date of this Registration Document, the Ta' Monita Properties, the Msida Hotel, and the Skorba Mansions, as may be varied in terms of section 5.2.4 of this Securities Note; and
Terms and Conditions	the terms and conditions of the Secured Bonds contained in section 7 of this Securities Note.

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 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. all references in the Prospectus to “*Malta*” shall be construed as defined in Article 124(1) of the Constitution of Malta;
- e. any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expressionism is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference 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 publication of this Securities Note.

2. RISK FACTORS

2.1 General

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 THIS SECURITIES NOTE, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE SECURED BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY, OR MAY NOT, OCCUR AND THE COMPANY, AND THE DIRECTORS, ARE NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTOR FIRST APPEARING UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH SUB-CATEGORY AS AT THE DATE OF THIS SECURITIES NOTE. SUBSEQUENT RISK FACTORS IN THE SAME SUB-CATEGORY ARE NOT RANKED IN ORDER OF MATERIALITY OR PROBABILITY OF OCCURRENCE. IN MAKING THEIR ASSESSMENT OF MATERIALITY, THE DIRECTORS 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, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS OF THE COMPANY, AND, OR THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE. WHERE A RISK FACTOR MAY BE CATEGORISED IN MORE THAN ONE CATEGORY, SUCH RISK FACTOR ONLY APPEARS ONCE IN THE MOST RELEVANT CATEGORY OR SUB-CATEGORY FOR SUCH RISK FACTOR.

THIS SECURITIES NOTE, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE COMPANY: (I) ARE NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) ARE NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE COMPANY, THE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 4.2 OF THE REGISTRATION DOCUMENT OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE COMPANY, INCLUDING THE SECURED BONDS, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

2.2 Forward-looking Statements

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "projects", "anticipates", "expects", "envisages", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within this Securities Note and include statements regarding the intentions, beliefs or current expectations of the Company and, or the Directors concerning, amongst other things, the Company's and or the Group's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which the Company and the Group operate.

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 Company's and, or the Group's actual operational results, financial condition and performance, Business and trading prospects may differ materially from the impression created by the forward-looking statements contained in this Securities Note. In addition, even if the operational results, financial condition and performance, and trading prospects of the Company and, or the Group are consistent with the forward-looking statements contained in this Securities Note, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under section 2 of this Securities Note headed "Risk Factors" and elsewhere in this Securities Note.

All forward-looking statements contained in this Securities Note are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Company and the 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.

2.3 Risks Relating to the Secured Bonds

2.3.1 SUITABILITY

An investment in the Secured Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Secured Bonds before making an investment decision. In particular, investors should consult with an investment advisor with a view to ascertaining that the respective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Secured Bonds, the merits and risks of investing in the Secured Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Secured Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency and that the Secured Bonds meet the investment objectives of the prospective investor;
- c. understands thoroughly the terms of the Secured Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- d. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his investment and his 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 Secured Bonds and the inherent risks associated with the Issuer's and the Group's Business.

2.3.2 NO PRIOR MARKET FOR THE SECURED BONDS

Prior to the Bond Issue, there has been no public market for the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market. The market price of the Secured Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in section 2 of the Registration Document.

2.3.3 SUBSEQUENT CHANGES IN INTEREST RATE AND POTENTIAL IMPACT OF INFLATION

The Secured Bonds are fixed rate debt securities. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Secured Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities (such as the Secured 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 Secured Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Secured Bonds can generally be expected to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining life.

The coupon payable on the Secured Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Secured Bond coupons. In a period of high inflation, an investor's real return on the Secured Bonds will be lower than the Secured Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

2.3.4 ORDERLY AND LIQUID SECONDARY MARKET

The existence of an orderly and liquid market for the Secured Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Secured Bonds at any given time and the general economic conditions in the market in which the Secured Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Secured Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Secured Bonds at all.

2.3.5 FUTURE PUBLIC OFFERS

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer *vis-à-vis* the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a delisting, in full or in part, of the Secured Bonds), will have on the market price of the Secured Bonds prevailing from time to time.

2.3.6 STATUS AND RANKING OF THE BONDS AND ADDITIONAL INDEBTEDNESS OR SECURITY

The Secured Bonds shall constitute the general, direct, unconditional and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves, but they shall rank with priority or preference over all unsecured indebtedness of the Issuer, if any.

Notwithstanding that the Secured Bonds constitute the general, direct, unconditional and secured obligations of the Issuer, the Issuer may, without the consent of Bondholders, incur further borrowings or other indebtedness, and may, for the purpose of securing existing or additional borrowings or other indebtedness, create or permit to subsist additional security interests or other encumbrances upon the whole or any part of its present or future undertakings, assets or properties, existing or future, and there can be no guarantee that such security interests or other encumbrances, as well as privileges or security interests accorded by law in specific situations, will not arise during the course of the Issuer's business which may rank with priority or preference to the Collateral.

2.3.7 CURRENCY OF REFERENCE

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Secured Bonds (€) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

2.3.8 DISCONTINUATION OF LISTING

After the Secured Bonds are admitted to trading on the Official List, the Issuer must remain in compliance with certain requirements relating to, *inter alia*, the free transferability, clearance, and settlement of the Secured Bonds, in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading of the Secured Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. The MFSA may also discontinue the listing of the Secured Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Secured Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations or discontinuations described above, could have a material adverse effect on the liquidity and value of the Secured Bonds.

2.3.9 AMENDMENTS TO THE TERMS AND CONDITIONS OF THE SECURED BONDS

The Terms and Conditions of the Secured Bonds contain provisions for calling Bondholders' Meetings to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Secured Bonds it shall call a Bondholders' Meeting in accordance with the provisions of section 5.12 of this Securities Note. 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.

2.3.10 CHANGES IN LAW

The Terms and Conditions of the Secured Bonds are based on Maltese law 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.

2.4 Risks Relating to the Collateral

2.4.1 ENFORCEMENT OF THE COLLATERAL

There can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Secured Bonds in the case of an Event of Default.

A portion of the Collateral is composed of the Secured Property. As at 14 March 2025, the Secured Property has been valued by an independent expert as having a collective value of €40.5 million. There is no guarantee that, in the case of an Event of Default, the Bondholders would recover this value, due to a number of factors including, but not limited to, general economic factors that could have an adverse impact on the value of the Secured Property. If such circumstances were to arise or subsist at the time that the Collateral is enforced by the Security Trustee, it could have a material adverse effect on the value of the Secured Property and the recoverability of the collective value afforded to it in the Property Valuation Reports.

In addition to the aforesaid, the valuation of the Secured Property so prepared by an independent qualified architect contains certain assumptions, which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that the property valuation and property-related assets will reflect actual market values at the time of enforcement of the Collateral.

Furthermore, parts of the Secured Property, more specifically parts of the Ta' Monita Properties and the Skorba Mansions, but also possibly parts of the Msida Hotel, may in future be sold to third parties, resulting in the corresponding Collateral being reduced. Although this Securities Note provides, in section 5.2.4. thereof, for a process for the variation of the Collateral, there can be no guarantee that, in the case of sale of parts of the properties as aforesaid, the alternative properties secured by the Issuer for the purpose of replenishing the Collateral shall not be negatively impacted by the risks contained in this section 2.4.1 of this Securities Note.

2.4.2 RANKING OF THE COLLATERAL

The Secured Bonds shall be secured by the Collateral.

In terms of Maltese law, hypothecary debts are paid according to the order of registration in the Public Registry. The first ranking special hypothec constituted over the Secured Property shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry in Malta securing the privileged creditor's claim. Privileged creditors include, but are not limited to: architects, contractors, masons, and other workmen, over an immovable constructed, reconstructed or repair, for the debts due to them in respect of the expenses and the price of their work.

The ranking has a bearing on the success of a creditor to get paid should the Issuer have sufficient assets to pay all its creditors. The Security Trustee will be paid out of the assets of the Issuer after privileged creditors and those creditors which are given priority over the Collateral by law. Accordingly, in the case of a competition of creditors, Bondholders may not recover their investment in the Secured Bonds, whether in full or in part, should the value of the Collateral at the time not be sufficient to satisfy the amounts due to Bondholders and any privileged creditors.

3. RESPONSIBILITY AND AUTHORISATION STATEMENT

3.1 Persons Responsible

All of the Directors, whose names and functions appear under the subheading '*Directors of the Issuer*' in section 4.1 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, 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 take sole responsibility for all such representations and statements. The Sponsor & Co-Manager, Registrar & Co-Manager, and the Issuer's advisors have advised and assisted the Issuer in the preparation of this document, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

3.2 Consent Required in Connection with the Use of the Prospectus by the Authorised Financial Intermediaries

For the purposes of any subscription for Secured Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note and any subsequent resale, placement, or other offering of Secured 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 the Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Secured Bonds, provided this is limited only:

- i. in respect of Secured Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex I of this Securities Note;
- ii. to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place in Malta; and
- iii. to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor & Co-Manager, the Registrar & Co-Manager, 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 the Secured Bonds.

Other than as set out above, neither the Issuer, the Sponsor & Co-Manager, nor Registrar & Co-Manager has authorised (nor do they authorise or consent to the use of the Prospectus in connection with) the making of any public offer of the Secured Bonds by any person in any circumstance. Any such unauthorised offers are not made on behalf of the Issuer, the Sponsor & Co-Manager, or the Registrar & Co-Manager and neither the Issuer, the Sponsor & Co-Manager, nor Registrar & Co-Manager has any responsibility or liability for the actions of any person making such offers.

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.

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, the Sponsor & Co-Manager, or Registrar & Co-Manager. The Issuer does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of the Secured Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to 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 the Secured Bonds to an investor by an Authorised Financial Intermediary will 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 the Sponsor & Co-Manager has any responsibility or liability for such information.

Any Authorised Financial Intermediary using the prospectus in connection with a resale, placement or other offering of the Secured 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 the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: <https://jsdgroup.mt/investor-relations/>.

4. ESSENTIAL INFORMATION

4.1 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €39,200,000, shall be used by the Issuer for the following purposes, in the amounts set out below:

- 4.1.1 up to €5,000,000 shall be used to acquire the Maturing Note from the Maturing Noteholder pursuant to the Maturing Note Transfer for redemption and cancellation;
- 4.1.2 up to €8,500,000 shall be on-lent to ONEA Properties for the purpose of refinancing of the outstanding principal and interest due in terms of the FIMBank Facility;
- 4.1.3 up to €3,456,000 shall be on-lent to Skorba Developments for it to finance the rescission of the promise of sale of 10 apartments and four penthouses forming part of Skorba Mansions entered into with a third party company, for which payment had been received upon execution of a promise of sale agreement, plus interest accruing in favour of the said third party until the expected date of rescission;
- 4.1.4 up to €2,535,000 shall be on-lent to JD Real Estate Development for the acquisition of Villa Delfini;
- 4.1.5 up to €7,000,000 shall be on-lent to JD Operations for it to finance the purchase of 3PL equipment and infrastructure described in section 6.2.5 of the Registration Document; and
- 4.1.6 the remaining amount of *circa* €12,709,000 will be used by the Issuer for general corporate funding purposes of the Group.

The Issuer has established a minimum aggregate subscription amount of €30,000,000 on which the Bond Issue is conditional. Accordingly, should this minimum not be reached, the Secured Bonds will not be admitted to listing and trading on the Official List and all funds received from Applicants will be returned. In the event that the Bond Issue is not fully taken up, but the said minimum is satisfied or exceeded, the Issuer shall issue Secured Bonds up to the amount subscribed for.

The Issuer (as lender) has entered into conditional intra-group loan agreements with:

- i. ONEA Properties (as borrower) for the amount of €8,500,000 for the purposes outlined in 4.1.2 above;
- ii. Skorba Developments (as borrower) for the amount of €3,456,000 for the purposes outlined in 4.1.3 above;
- iii. JD Real Estate Development (as borrower) for the amount of €2,535,000 for the purposes outlined in 4.1.4 above; and
- iv. JD Operations (as borrower) for the amount of €7,000,000 for the purposes outlined in 4.1.5 above.

The obligation of the Issuer to advance the said funds to ONEA Properties, Skorba Developments, JD Real Estate Development, and JD Operations is conditional upon, *inter alia*, the issue and allotment of the Secured Bonds, which in turn is conditional upon the Secured Bonds being admitted to the Official List.

4.2 Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with the Bond Issue are estimated not to exceed €800,000 in the aggregate.

There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be deducted entirely from the proceeds thereof and accordingly shall be borne exclusively by the Issuer.

4.3 Interest of Natural and Legal Persons Involved in the Bond Issue

Save for the subscription for Secured Bonds by Authorised Financial Intermediaries (which includes Calamatta Cuschieri Investment Services Limited as Sponsor & Co-Manager, Bank of Valletta p.l.c. as Registrar & Co-Manager, and Finco Treasury Management Limited (C17017), a company forming part of the same group of companies as the Security Trustee), and any fees payable in connection with the Bond Issue to the Sponsor & Co-Manager and the Registrar & Co-Manager, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

4.4 Expected Timetable of the Bond Issue

1.	Offer Period for the Maturing Noteholder and Authorised Financial Intermediaries pursuant to the Intermediaries' Offer	21 April 2025 to 9 May 2025
2.	Announcement of basis of acceptance	16 May 2025
3.	Dispatch of allotment letters	23 May 2025
4.	Commencement of interest	23 May 2025
5.	Expected date of early redemption of the Maturing Note	23 May 2025
6.	Expected date of admission of the Secured Bonds to listing	23 May 2025
7.	Expected date of commencement of trading in the Secured Bonds	26 May 2025
8.	Expected date of constitution of the Collateral	10 June 2025

The Issuer reserves the right to close the Offer Period referred to in (1) above before 9 May 2025 in the event that the total value of Applications received from the Maturing Noteholder, together with amount subscribed for by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, exceeds €40,000,000, in which case some or all of the events set out above may be brought forward. If this occurs, the Issuer will issue a company announcement to inform the market accordingly.

5. INFORMATION CONCERNING THE SECURED BONDS

5.1 Bond Issue Statistics

Amount	up to €40,000,000;
Form	the Secured Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination	Euro (€);
ISIN	MT0001831248;
Minimum amount of application	€5,000;

Redemption Date	23 May 2035;
Plan of Distribution	the Secured Bonds are open for subscription by: the Maturing Noteholder; and Authorised Financial Intermediaries pursuant to the Intermediaries' Offer. Authorised Financial Intermediaries may subscribe for the Secured Bonds either for their own account or for the account of their underlying customers;
Intermediaries' Offer	the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for an amount of €35,000,000 in Secured Bonds together with any balance of Secured Bonds not subscribed for by the Maturing Noteholder as set out in section 7.5 of this Securities Note. In the event that the amount subscribed by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer exceeds €35,000,000 in Secured Bonds (or any such higher amount equivalent to the balance of Secured Bonds not subscribed for by the Maturing Noteholder), the Issuer, acting through the Registrar & Co-Manager, shall determine the allocation of Secured Bonds applicable to each subscription agreement received from Authorised Financial Intermediaries in terms of section 7.4 of this Securities Note;
Allocation Policy	<ul style="list-style-type: none"> i. the Maturing Noteholder applying for Secured Bonds through the Maturing Note Transfer shall settle all the amount due on the Secured Bonds applied for by the transfer to the Issuer of all or part of the Maturing Note. Should the Maturing Noteholder elect to subscribe for Secured Bonds by way of the Maturing Note Transfer it shall be allocated Secured Bonds for the corresponding redemption value of the Maturing Note transferred to the Issuer subject to a maximum allocation of €5,000,000 in nominal value of Secured Bonds equivalent to the redemption price payable for the Maturing Note in issue. Secured Bonds applied for by the Maturing Noteholder by way of the Maturing Note Transfer as described above shall be allocated prior to any other allocation of Secured Bonds. In accordance with section 5.5, the transfer of Maturing Note to the Issuer in consideration for the subscription for Secured Bonds shall cause the obligations of the Issuer with respect to the Maturing Note to be extinguished and shall give rise to obligations on the part of the Issuer under the Secured Bonds; ii. the amount of up to €35,000,000 in nominal value of Secured Bonds together with any balance of Secured Bonds not subscribed for by the Maturing Noteholder (as detailed in (i) above) has been reserved for Authorised Financial Intermediaries entering into conditional subscription agreements with the Issuer pursuant to an Intermediaries' Offer, as detailed in section 7.5 of this Securities Note;
Bond Issue Price	at par (€100 per Secured Bond);
Status of the Secured Bonds	the Secured Bonds shall constitute the general, direct, secured, and unconditional obligations of the Issuer, to be secured in the manner described in section 5.2 of this Securities Note, and shall at all times rank <i>pari passu</i> and without any preference among themselves;

Listing	the Malta Financial Services Authority has approved the Secured Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on its Official List;
Interest	the Bonds shall bear interest from and including 23 May 2025 at the rate of five point six per cent (5.6%) per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Date	23 May of each year between and including each of the years 2026 and 2035;
Governing Law	the Secured 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 Secured Bonds; and
Underwriting	the Bond Issue is not underwritten.

5.2 Security

5.2.1 COLLATERAL

The Secured Bonds shall be secured by, and Bondholders shall have the benefit of, the following security:

- i. following the Cancellations (as defined in section 5.2.1.1 below):
 - a. the first ranking special hypothec granted by JD Real Estate Development over the Ta' Monita Properties pursuant to a deed of hypothec to be made in the records of Notary Andre Farrugia;
 - b. the first ranking special hypothec granted by J&J Hotel Operations over the Msida Hotel pursuant to a deed of hypothec to be made in the records of Notary Andre Farrugia; and
 - c. the first ranking special hypothec granted by Skorba Developments over the Skorba Mansions pursuant to a deed of hypothec to be made in the records of Notary Andre Farrugia;
- ii. up to a maximum of €5,000,000 in Secured Bond proceeds allocated for the purchase of 3PL equipment and infrastructure, as set out under section 4.1.5 of this Securities Note, which shall be retained by the Security Trustee until such time as the Security Trustee receives a notification in writing by the Issuer that JD Operations shall be purchasing the aforementioned 3PL equipment and infrastructure, supplemented by the relevant purchase order/s, provided that the Security Trustee shall not release any portion of the proceeds of up to €5,000,000 allocated for the purchase of 3PL equipment and infrastructure should, as a result of the release of such portion, the Collateral not remain equal to or in excess of €50,000,000, unless the Issuer provides alternative security in replacement thereof, as contemplated under section 5.2.4 below.
- iii. the Bank Guarantee; and
- iv. from financial year ending 31 December 2030, the Reserve Account.

The Collateral shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the register of Bondholders maintained by the CSD. In this respect therefore, save for such exceptions as may be provided by applicable law, the Secured Bonds shall rank with priority or preference to all present and future obligations of the Issuer, by virtue and to the extent of the Collateral.

5.2.1.1 *The Secured Property*

As at the date of this Securities Note, the properties forming part of the Secured Property are encumbered as follows:

- a. The Ta' Monita Properties are encumbered by a special hypothec in favour of Alter Domus Trustee Services (Malta) Limited (C 63887) ("**Alter Domus**"), as trustee for the benefit of the Maturing Noteholder in connection with the Private Placement; and
- b. The Msida Hotel and the Skorba Mansions are each encumbered by a special hypothec in favour of FIMBank pursuant to the FIMBank Facility.

Within 15 Business Days from the issue, allotment and listing of the Secured Bonds, and pursuant to the deployment of the Bond Issue proceeds as set out under section 4.1.1 and 4.1.2 above, Alter Domus and FIMBank shall each, separately, appear on a deed of cancellation to cancel and terminate their respective existing security interests (the "**Cancellations**").

5.2.1.2 *The Bank Guarantee*

In warranty of the proper observance by the Issuer of all the covenants and obligations undertaken by it in the Prospectus, the Security Trust Deed and the Secured Bonds, and in particular in warranty of its obligation to punctually repay the principal amount of the Secured Bonds and all interests thereon, and all other monies intended to be thereby secured, the Issuer shall procure the issuance of the Bank Guarantee in favour of the Security Trustee for the benefit of the Bondholders. It is expected that the Bank Guarantee will be procured by no later than the date of admissibility to listing of the Secured Bonds. Once procured, the Issuer may vary the value being guaranteed by the Bank Guarantee in terms of section 5.2.4 below.

5.2.1.3 *The Reserve Account*

The Issuer undertakes that, as from the financial year ending 31 December 2030, it shall start building the Reserve Account as follows: The Issuer shall contribute, in one or more instalments, an aggregate of €5,000,000 in cash and, or cash equivalents to the Reserve Account on an annual basis, such that, subject to the allowed utilisation thereof outlined below, the Reserve Account shall hold an aggregate of €25,000,000 by no later than the end of financial year ending 31 December 2034.

The Issuer has appointed the Security Trustee, who accepted such appointment, as the custodian of the Reserve Account. The funds paid into the Reserve Account by the Issuer shall be held in a clients' account held by the Security Trustee and designated for such purpose and shall be kept segregated from any other assets of the Issuer withheld by the Security Trustee (if any) or of the Security Trustee itself. The assets constituting the Reserve Account and any benefits accruing thereon, shall remain the assets of the Issuer as controlled by the Security Trustee in terms of the appointment as custodian referred to herein.

The Security Trustee shall, in its capacity as custodian of the Reserve Account, undertake the following activities:

- i. maintain control of the assets constituting the Reserve Account, segregated as specified above;
- ii. monitor the Issuer's contributions to the Reserve Account so as to ensure that at least €5,000,000 in cash or cash equivalents is deposited into the Reserve Account on an annual basis from financial year ending 31 December 2030;
- iii. draw up an annual report, as to the extent of compliance by the Issuer with item (ii) above. A copy of the report shall be published by the Issuer through a company announcement and shall be reported upon also in the annual report published by the Issuer; and
- iv. authorise the release of the assets of the Reserve Account, in full or in part, for the utilisation thereof for any permitted use of the Reserve Account specified below.

The cash deposited into the Reserve Account may be applied for one or more of the following permitted purposes:

- i. buying back Secured Bonds for subsequent cancellation prior to or on Redemption Date; and, or
- ii. to invest in any of the following eligible investment interests:
 - a. Malta Government Stocks or local SICAVs or other investment vehicles that principally invest in Malta Government stocks; and, or
 - b. debt instruments denominated in the same currency as the Secured Bonds and quoted on a secondary market, issued by local or international entities which are unrelated to the Issuer and which are rated as 'A', or better, by a reputable credit rating agency,

in either case, subject to the ability of the Issuer to liquidate same for the purpose indicated in (i) above.

5.2.2 APPOINTMENT OF SECURITY TRUSTEE PURSUANT TO SECURITY TRUST DEED

The Issuer, JD Real Estate Development, J&J Hotel Operations, and Skorba Developments have entered into a Security Trust Deed with the Security Trustee, which sets out: the covenants of the Issuer to pay the principal amount under the Secured Bonds and interest thereon on the Redemption Date and all the rights and benefits enjoyed by the Security Trustee (for the benefit of Bondholders) under the Security Trust Deed.

The Security Trustee's role includes the holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of specified events of default. The Security Trustee shall have no payment obligations to Bondholders under the Secured Bonds, such obligations remaining exclusively the obligations of the Issuer. The rights under the Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Secured Bonds.

5.2.3 DYNAMICS FOR CLOSING

Following the Bond Issue, all proceeds, save for the payment of the expenses related to the Bond Issue, shall be held by the Security Trustee.

The Security Trustee shall, save for the payment of the expenses related to the Bond Issue and the amount referred to in section 4.1.5 above (as explained in the following paragraph), retain all remaining net bond proceeds until it receives: (i) the Bank Guarantee; and (ii) appropriate assurance that the publication and registration of the deeds of special hypothec pursuant to which the security over each of the Ta' Monita Properties, the Msida Hotel, and the Skorba Mansions, for the benefit of Bondholders, are to be duly perfected and registered, will be effected.

Furthermore, as to the abovementioned amount referred to in section 4.1.5 of this Securities Note, by reference to section 5.2.1(ii) above, up to €5,000,000 in proceeds raised for the purchase of 3PL equipment and infrastructure shall be withheld by the Security Trustee, for the benefit of Bondholders, until such time as the Security Trustee receives a notification in writing by the Issuer that JD Operations shall be purchasing the aforementioned 3PL equipment and infrastructure, supplemented by the relevant purchase order/s, provided that the Security Trustee shall not release any portion of the proceeds of up to €5,000,000 allocated for the purchase of 3PL equipment and infrastructure should, as a result of the release of such portion, the Collateral not remain equal to or in excess of €50,000,000, unless the Issuer provides alternative security in replacement thereof, as contemplated under section 5.2.4 below.

The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves. The Secured Bonds shall rank with first priority and preference over all present and future unsecured obligations of the Issuer, save for such exceptions as may be provided by applicable law, by virtue and to the extent of the Collateral. The payment of the principal under the Secured Bonds and interest thereon shall be secured through the Collateral.

5.2.4 VARIATIONS TO THE COLLATERAL

In terms of the Security Trust Deed, the Security Trustee reserves the right to demand to the Issuer that additional or alternative immovable property owned by the Group be made available as security in addition to and, or in place of the Secured Property, should at any given time the aggregate value of: (i) the Secured Property, pursuant to a valuation report prepared by an independent architect engaged by the Security Trustee; and (ii) the remaining portion of the Collateral not being the Secured Property, if any, be reported to be lower than €50,000,000.

In such case, the Issuer shall identify, at its discretion, which of the property/ies forming part of the Group's property portfolio as at the date thereof, if any, would replace or be added to the existing Secured Property for the purposes of securing the Secured Bonds, and shall take such steps as may be necessary for such property/ies to replace or be added to the existing Secured Property. Alternatively, upon such request being made by the Security Trustee, the Issuer may elect to increase the value being guaranteed by the Bank Guarantee to an amount sufficient to cover the difference between €50,000,000 and the aggregate of the revised value of the Secured Property as set out in the abovementioned independent architect's valuation report and the remaining portion of the Collateral not being the Secured Property.

Without prejudice to the aforesaid, the Issuer retains the right to:

- (i) substitute any of the Secured Property or the Bank Guarantee (in full or in part) with an immovable property which forms part of the property portfolio that is owned by the Group or any other company or legal entity that is an affiliate of the Group or the ultimate beneficial owner of the Group - (Mr Josef Dimech), or an increase to the value being guaranteed by the Bank

Guarantee, as applicable, subject to: (i) a valuation report prepared by an independent architect engaged by the Security Trustee confirming that the value of the immovable property added as a Secured Property is at least equal to the value of the immovable property removed as a Secured Property or the amount by which the Bank Guarantee is being reduced, as applicable, or otherwise sufficient to ensure that the value of the residual Collateral be equal to or in excess of €50,000,000; and (ii) obtaining the Security Trustee's prior consent.

- (ii) disencumber any of the properties (or part thereof) constituting Secured Property in the event that, following an increase in either of: (i) the value of any one or more of the properties constituting Secured Property; and, or (ii) the value of the cash and, or cash equivalents in the Reserve Account; and, or (iii) the amount guaranteed by the Bank Guarantee, the value of the residual Collateral would remain equal to or in excess of €50,000,000, provided that no part of the Secured Property may be disencumbered as aforesaid unless the Issuer obtains:
- a. in the case of an increase in the value of any one or more of the properties constituting Secured Property, the Security Trustee's prior written consent and either:
 - i. a report drawn up by an independent expert engaged by the Security Trustee confirming that the value of the residual Collateral is equal to or in excess of €50,000,000, provided that any appreciation in the market value of any property forming part of the Secured Property shall only be taken into account following the completion of the development project, if any, ongoing on the respective property; or
 - ii. in the absence of an independent expert report as set out in (a), a report prepared by an independent architect engaged by the Security Trustee certifying the value of works which would have been undertaken on the respective property, based on costs incurred as opposed to the market value thereof, since the date on which such property had been last subject to a valuation report: (i) prepared by an independent expert engaged by the Security Trustee; or (ii) published as a document incorporated by reference to a prospectus; or
 - b. in the case of an increase in the value of the cash and, or cash equivalents in the Reserve Account and, or an increase in the value the amount guaranteed by the Bank Guarantee, the Security Trustee's prior written consent.

For this purpose, it is also acknowledged and accepted that in the event that only part of one or more of the properties constituting the Secured Property is disencumbered as aforesaid, the Issuer retains the right to (i) dispose of the said unencumbered part of any one or more properties constituting the Secured Property, including but limited to where such part consists of one unit forming part of a larger property consisting of multiple separate and distinct units; or (ii) utilise the excess value of the unencumbered part of any one or more properties constituting the Secured Property as security for other indebtedness of the Issuer or any of the companies forming part of the Group, or otherwise affiliated with the Group, provided that any such security over the Secured Property may not rank equally with, or ahead of, the special hypothec already constituted in favour of the Security Trustee, for the benefit of the Bondholders, at any time until the cancellation and release thereof; and

- (iii) reduce and, or cancel the Bank Guarantee in the event that, following an increase in either of: (i) the value of any one or more of the properties constituting Secured Property; and, or (ii) the value of the cash and, or cash equivalents in the Reserve Account, the value of the residual Collateral would remain equal to or in excess of €50,000,000, provided that the Bank Guarantee may not be reduced or cancelled as aforesaid unless the Issuer obtains:
- a. in the case of an increase in the value of any one or more of the properties constituting Secured Property, the Security Trustee's prior written consent and either:
 - i. a report drawn up by an independent expert engaged by the Security Trustee confirming that the value of the residual Collateral is equal to or in excess of €50,000,000, provided that any appreciation in the market value of any property forming part of the Secured Property shall only be taken into account following the completion of the development project, if any, ongoing on the respective property; or
 - ii. in the absence of an independent expert report as set out in (a), a report prepared by an architect engaged by the Security Trustee certifying the value of works which would have been undertaken on the respective property, based on costs incurred as opposed to the market value thereof, since the date on which such property had been last subject to a valuation report: (i) prepared by an independent expert engaged by the Security Trustee; or (ii) published as a document incorporated by reference to a prospectus; or
 - b. in the case of an increase in the value of the cash and, or cash equivalents in the Reserve Account, the Security Trustee's prior written consent.

5.3 Additional Indebtedness and Encumbrances

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 or upon such terms as the Issuer may determine at the time of their issue.

Notwithstanding that the Secured Bonds constitute the general, direct, unconditional and secured obligations of the Issuer, if the Issuer incurs further borrowings or other indebtedness as aforesaid, the Issuer may, without the consent of the Bondholders, create or permit to subsist additional security interests or other encumbrances upon the whole or any part of its present or future undertakings, assets or properties, existing or future, and there can be no guarantee that such security interests or other encumbrances, as well as privileges or security interests accorded by law in specific situations, will not arise during the course of the Issuer's business which may rank with priority or preference to the Collateral.

5.4 Rights Attaching to the Secured Bonds

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Secured Bonds, including:

- (i) the repayment of capital;
- (ii) the payment of interest;
- (iii) the benefit of enforcing the Collateral through the Security Trustee;
- (iv) the right to attend, participate in and vote at Bondholders' Meetings in accordance with the Terms and Conditions of the Secured Bonds; and
- (v) the enjoyment of all such other rights attached to the Secured Bonds emanating from the Prospectus.

5.5 Interest

The Secured Bonds shall bear interest from, and including, 23 May 2025 at the rate of 5.6% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be effected on 23 May 2026 (covering the period commencing 23 May 2025 to 22 May 2026). Any Interest Payment Date which falls on a day other than a Business Day shall be carried over to the next following day that is a Business Day.

The Maturing Note Transfer effected by the Maturing Noteholder shall be without prejudice to the right of the Maturing Noteholder to receive interest on the Maturing Note up to and including the date of admission of the Secured Bonds to listing, expected on 23 May 2025, subject to the right reserved by the Issuer to close the Offer Period earlier in the events set out under section 4.4 of this Securities Note. The Maturing Note is expected to be redeemed on the date of admission of the Secured Bonds to listing, expected on 23 May 2025 subject to the right reserved by the Issuer to close the Offer Period as aforesaid and as duly notified to the Maturing Note holder.

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.

5.6 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds is 5.6% per annum. The gross yield to call as at the Redemption Date is 5.6% per annum.

5.7 Registration, Form, Denomination and Title

Certificates shall not be delivered to Bondholders in respect of the Secured Bonds. The entitlement to Secured Bonds shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There shall 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 Secured 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 shall issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing their entitlement to Secured Bonds held in the register kept by the CSD.

The Secured Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiples of €100 provided that on subscription the Secured Bonds will be subscribed for at a minimum of €5,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Secured Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

Any person in whose name a Secured Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Secured Bond. Title to the Secured Bonds may be transferred as provided below under the heading '*Transferability of the Secured Bonds*' in section 5.9 of this Securities Note.

Applicants may opt to subscribe for the online e-portfolio of the MSE. The Bondholder's statement of holdings evidencing entitlement to the Secured 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 facilities on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

5.8 Payments

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

In the case of Secured Bonds held subject to usufruct, payment will be made against 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 Secured Bonds.

Payment of interest on a Secured Bond will be made to the person in whose name such Secured Bond is registered at the close of business 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 (€). Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.

All payments with respect to the Secured Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Secured 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 Malta or any authority thereof or therein having power to tax.

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

In terms of article 2156 of the Civil Code, the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Secured Bonds is barred by the lapse of five years.

5.9 Transferability of the Secured Bonds

The Secured Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (i.e. 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 Secured Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Secured Bond in consequence of the death or bankruptcy 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 Secured 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 Secured Bond, or procuring the transfer of the Secured Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Secured 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 charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee.

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

5.10 Redemption and Purchase

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

Subject to the provisions of this section 5.10, the Issuer may at any time purchase Secured Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Secured Bonds repurchased by the Issuer shall be cancelled forthwith and may not be reissued or re-sold.

5.11 Events of Default

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of not less than 75% in value of the registered beneficiaries (the Bondholders appearing on the register of Bondholders from time to time), by notice in writing to the Issuer declare the Secured Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events ("**Events of Default**"):

- i. the Issuer fails to effect payment of interest under the Secured Bonds on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- ii. the Issuer fails to pay the principal amount on any Secured Bond on the date fixed for its redemption, and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- iii. the Issuer fails to duly perform or otherwise breaches any other material obligation contained in the Prospectus and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- iv. the Issuer fails to contribute at least €5,000,000 in cash and, or cash equivalents to the Reserve Account in any given year where such payment/s should have been made in terms of section 5.2.1.3 of this Securities Note, and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- v. the value of the Collateral is not maintained as equal to or in excess of €50,000,000 and the Issuer fails to remedy this failure for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- vi. in terms of article 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one month; or
- vii. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- viii. the Issuer is unable, or admits in writing of its inability, to pay its debts within the meaning of article 214(5) of the Act, or any statutory modification or re-enactment thereof; or
- ix. an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division, the terms of which have been approved in writing by the Security Trustee; or
- x. a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer; and such appointment is certified by the Security Trustee to be prejudicial, in its opinion to the Bondholders; or
- xi. the Issuer substantially changes the object or nature of its business as currently carried on; or
- xii. the Issuer commits a breach of any of the covenants or provisions contained in the Security Trust Deed and on its part to be observed and performed and the said breach still subsists for 60 days after having been notified by the Security Trustee (other than any covenant for the payment of interests or principal monies owing in respect of the Secured Bonds); or

- xiii. the security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be certified in writing by the Security Trustee to be in its opinion prejudicial to the Bondholders; or
- xiv. any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee; or
- xv. any material indebtedness of the Issuer is not paid when properly due or becomes properly due and payable or any creditor of the Issuer (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €7,500,000; or
- xvi. any consent, permit, authorisation, licence or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required in connection with the operation of the Secured Property, or required by the Issuer for the performance of its obligations hereunder or under the Security Trust Deed, is substantially modified in the sole opinion of the Security Trustee, or is not granted, or is revoked, or terminated, or expires and is not renewed, or otherwise ceases to be in full force and effect; or
- xvii. the Issuer repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Secured Bonds and, or the Security Trust Deed; or
- xviii. it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder, or under the Security Trust Deed; or
- xix. the de-listing of the Secured Bonds, save with the consent of such amount in value of Bondholders as may be prescribed by the Capital Markets Rules; or
- xx. 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; or
- xxi. the external auditors explicitly disagree with the going concern assessment made by the Directors; or
- xxii. the Company fails to procure the Ratio-Specific Guarantee requested by the Security Trustee in terms of section 9.1 of the Registration Document within the timeframe stipulated therein, and a resolution is approved at the Bondholders' Meeting called by the Security Trustee by 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, to declare such as an Event of Default.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Secured Bonds shall be deemed to have become immediately payable at the time of the event 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 herein contained due to any fortuitous event of a calamitous nature or otherwise 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 take cognisance of and, to the extent considered reasonably possible, act on and in accordance with any directions it may receive in a Bondholders' Meeting satisfying the conditions set out in the Security Trust Deed.

The Bondholders acknowledge that the Security Trustee shall not be bound to take any steps or institute any proceedings or to take any other action to enforce the security constituted by the Collateral unless the Security Trustee shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Except as otherwise provided for under the Security Trust Deed, The Security Trustee shall not be bound to take any steps to ascertain whether any Event/s 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/s of Default or condition, event or other circumstance has happened and that the Issuer is observing and performing all the obligations, conditions and provisions contained in the Prospectus and, or the Security Trust Deed.

5.12 Bondholders' Meeting

The Issuer may, through the Security Trustee, from time to time call Bondholders' Meetings 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.

A Bondholders' Meeting shall be called by the Directors by giving the Security Trustee not less than 21 days' notice in writing. Upon receiving due notice from the Directors, or should the Company fail to procure the Ratio-Specific Guarantee in terms of and within the period stipulated in section 9.1 of the Registration Document, the Security Trustee shall call such meeting by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the Bondholders' Meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders.

Following a Bondholders' Meeting 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 5.12 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The Issuer may, from time to time, call Bondholders' Meetings for the purpose of consultation with Bondholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the Terms and Conditions of the Secured Bonds and the rights of the Bondholders, whether or not those rights arise under the Prospectus; (ii) considering and approving the exchange or substitution of the Secured Bonds by, or the conversion of the Secured Bonds into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Bondholders on other matters which in terms of the Prospectus require the approval of a Bondholders' Meeting.

A Bondholders' Meeting 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 Secured Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 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 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 days, and not later than 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 is to chair the annual general meetings of shareholders shall also chair Bondholders' Meetings. Meetings of Bondholders summoned by the Security Trustee shall be chaired by the Security Trustee or any one person, not necessarily a Bondholder, appointed by the Security Trustee for such purpose.

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 being required 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.

The proposal placed before Bondholders' Meeting shall, unless a higher threshold is set out in the Security Trust Deed, only be considered approved if at least 65% 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. Where the requisite majority of Bondholders has approved the resolution(s) put forward for approval at the meeting, the decision of Bondholders' Meeting shall be binding on

the Bondholders, regardless of whether the Bondholders bound by such decision abstained from voting, or voted against such resolution(s).

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

5.13 Authorisations and Approvals

The Board of Directors authorised the Bond Issue pursuant to a board of directors' resolution passed on 10 April 2025.

5.14 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 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.

5.15 Governing Law and Jurisdiction

The Secured Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Secured Bonds and, or the Prospectus shall be brought exclusively before the Maltese courts.

6. TAXATION

6.1 General

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 Secured 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 Secured 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.

Kindly note that the below overview is limited to the key Malta tax considerations. Investors and prospective investors are advised to seek counsel from their tax advisors outside Malta, where any foreign tax considerations may be relevant.

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 Secured Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

6.2 Malta Tax on Interest

Since interest is payable in respect of a Secured 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, hereinafter the "**Income Tax Act**"), interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of fifteen per cent (15%) (ten per cent (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. 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 Tax and Customs the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer will also render an account to the Maltese Commissioner for Tax and Customs 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 Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Tax and Customs 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) 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.

6.3 Maltese Taxation of Capital Gains on Transfers of the Secured Bonds

As the Secured Bonds do 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 Secured Bonds are held as capital assets by the Bondholders, no tax on capital gains is chargeable in respect of transfer of the Secured Bonds.

6.4 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 *inter vivos* 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 Secured 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 Secured 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 Secured Bonds constitute financial instruments of a quoted company (as defined in such Act), redemptions and transfers of the Secured 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 SECURED BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SECURED BONDS AND TO BONDHOLDERS. 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.

6.5 Exchange of Information

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

Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU, 2015/2376, 2016/881 and 2016/2258) provides for the implementation of the Common Reporting Standard ("CRS") into Maltese legislation. The CRS has been proposed by the OECD as a new global standard for the automatic exchange of financial account

information between tax authorities in participating jurisdictions. CRS has been transposed into Maltese legislation by virtue of the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 (“**CRS Legislation**”). Malta based financial institutions (“**FIs**”) (defined as such for the purposes of CRS) are obliged to identify and report to the Maltese tax authorities financial accounts held by a Reportable Person, as defined under the CRS Legislation, and certain entities with one or more Controlling Persons, as defined under the CRS Legislation, which is classified as a Reportable Person. Financial information relating to Secured Bonds and Bondholders 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 will be reported annually by the FIs to the Maltese competent authority in respect of each reportable account maintained by the FIs: (i) The name, address, jurisdiction of tax residence, tax identification number (TIN) and date and place of birth (in the case of an individual); (ii) The account number (or functional equivalent in the absence of an account number); (iii) 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; and (iv) 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 Maltese tax authorities shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority on annual basis, any relevant information that may fall to be classified as reportable, and *vice versa*.

Foreign Tax Compliance Act (“**FATCA**”) has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 (“**FATCA Legislation**”). Under the FATCA Legislation, 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 the FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Maltese tax authorities. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the Order on an automatic basis. Non-compliance may result in a punitive thirty (30%) withholding tax on distributions captured by FATCA. Financial account information in respect of holders of the Secured Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

In particular, 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 Maltese competent authority.

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, FIs may take such action as it thinks fit, including without limitation, the closure of the financial account.

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 SECURED BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SECURED BONDS AND TO BONDHOLDERS. 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.

7. TERMS AND CONDITIONS OF THE BOND ISSUE

7.1. General Terms and Conditions of the Secured Bonds

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 on the other.

- 7.1.1 The issue and allotment of the Secured Bonds is conditional upon: (i) the minimum subscription amount of €30,000,000 of Secured Bonds is achieved; and (ii) the Secured Bonds being admitted to the Official List by no later than 23 May 2025. In the event that any of the aforesaid conditions precedent are not satisfied, the Issuer undertakes to procure that any Application monies received by the Registrar & Co-Manager during the Offer Period will be returned without interest by direct credit into the Applicants' bank account as indicated in the respective Application.
- 7.1.2 The Maturing Noteholder applying for Secured Bonds in its own account or on account of underlying clients shall settle all or part of the amount due on the Secured Bonds applied for by completing a data file as provided by the Registrar & Co-Manager, indicating that the consideration for the Secured Bonds applied for shall be settled by way of transfer to the Issuer of all or part of the Maturing Note held in an amount equivalent to the par value of the Secured Bonds applied for, subject to a minimum application of €5,000.
- 7.1.3 By submitting a data file as provided by the Registrar & Co-Manager indicating that the option of the Maturing Note Transfer is being selected (whether in whole or in part consideration for the Secured Bonds being applied for), the Maturing Noteholder is thereby confirming:
- i. that the Maturing Note held by the Maturing Noteholder is being transferred to the Issuer;
 - ii. that the provision of the data file by the Maturing Noteholder to the Registrar & Co-Manager constitutes the Maturing Noteholder's irrevocable mandate to the Issuer to: (a) cause the transfer of the said Maturing Note in the Issuer's name in consideration of the issue of Secured Bonds; and (b) engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Note in the Issuer and fully and effectively vest title in the appropriate number of Secured Bonds in the Maturing Noteholder;
 - iii. the obligations of the Issuer with respect to the Maturing Note being transferred to the Issuer are extinguished, replaced by obligations on the part of the Issuer under the Secured Bonds to be issued upon acceptance by the Issuer of the Application by the Maturing Noteholder; and
 - iv. the matter specified in 7.1.5 below.
- 7.1.4 Pursuant to the Intermediaries' Offer as described in more detail under section 7.5 below, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for an amount of €35,000,000 in Secured or any such higher amount equivalent to the balance of Secured Bonds not subscribed for by the Maturing Noteholder. Completed subscription agreements, together with evidence of payment, are to reach the Registrar & Co-Manager by 12:00 hours on 9 May 2025 or such earlier date as may be determined by the Issuer.

- 7.1.5 An Applicant applying for the Secured Bonds is thereby confirming to the Issuer, the Registrar & Co-Manager, 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 & Co-Manager, or the respective 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 payment is accepted by the respective Authorised Financial Intermediary, Registrar & Co-Manager, and, or Issuer, as applicable, which acceptance shall be made in the Authorised Financial Intermediary, Registrar & Co-Manager, and, or Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary, Registrar & Co-Manager, and, or Issuer 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.
- 7.1.6 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association. It is the responsibility of investors wishing to apply for the Secured Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.
- 7.1.7 If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application will 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 confirmations, warranties and undertakings contained in these terms and conditions 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 & Co-Manager, but it shall not be the duty or responsibility of the Registrar & Co-Manager or Issuer to ascertain that such representative is duly authorised to appear on the Application. 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 included in the relative panel of the Application.
- 7.1.8 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. The person first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Secured Bond/s so held.
- 7.1.9 In the case of corporate Applicants or Applicants having separate legal personality, the Application must be signed by a person/s authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or the Registrar & Co-Manager to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised. Applications by corporate Applicants have to include a valid legal entity identifier ("**LEI**") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 7.1.10 In respect of a Secured Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Secured Bond/s so held and shall have the right to receive interest on the Secured Bond/s and to vote at Bondholders' Meetings but shall not, during the continuance of the Secured Bond/s, have the right to dispose of the Secured Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Secured Bond (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application.

- 7.1.11 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 Secured 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 the age of 18 years, 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 the age of 18 years.
- 7.1.12 All Applications are to be lodged with any of the Authorised Financial Intermediaries listed in Annex I of this Securities Note together with payment of the full price of the Secured Bonds applied for, in Euro (€) with the exception of the Maturing Noteholder. Payments may be made through any method of payment as accepted by the respective Authorised Financial Intermediary.
- 7.1.13 By completing and delivering an Application, the Applicant:
- a. accepts to be irrevocably contractually committed to acquire the number of Secured Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Secured Bonds specified in the Application submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Terms and Conditions, the Application and the Memorandum and Articles of Association;
 - b. 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 Secured Bonds contained therein;
 - c. warrants that the information submitted by the Applicant in the Application is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar & Co-Manager) and subscription monies will be returned to the Applicant in accordance with section 7.1.13(g) below. In the event of a discrepancy between the personal details (including name and surname and the Applicant's 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;
 - d. acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at <https://www.jsdgroup.mt/investor-relations/>. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the Data Protection Act (Cap. 586 of the laws of Malta) (the "**Data Protection Act**"), the General Data Protection Regulation (GDPR) (EU) 2016/679 ("**GDPR**") and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he has been provided with and read the privacy notice;
 - e. authorises the Issuer (or its service providers, including the CSD and, or Registrar & Co-Manager) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to, and rectification of, the personal data relating to him in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;
 - f. 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;
 - g. agrees that any refund of unallocated Application monies, will be paid by direct credit, without interest, at the Applicant's own risk, to the bank account as indicated in the Application. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;

- h. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Secured Bonds, unless and until a payment is made in cleared funds within the Offer Period for such Secured Bonds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar & Co-Manager (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 & Co-Manager 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 & Co-Manager of such late payment in respect of the Secured Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Secured Bonds as void and may allocate such Secured Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Secured Bonds (other than return of such late payment);
- i. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his 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;
- j. agrees to provide the Registrar & Co-Manager and, or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- k. agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- l. warrants that, where an Applicant signs and submits 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 will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit his power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar & Co-Manager;
- m. warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent/s or legal guardian/s of the minor;
- n. 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 Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar & Co-Manager acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Secured Bond and, or his Application;
- o. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- p. 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 or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- q. agrees that the advisors to the Bond Issue (listed in section 4.3 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Secured Bonds or the suitability of the Applicant;
- r. agrees that all documents in connection with the issue of the Secured 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; and
- s. 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 Secured Bonds.

- 7.1.14 In the event that an Applicant has not been allocated any Secured Bonds or has been allocated a number of Secured 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 Secured 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 Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.
- 7.1.15 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the 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 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act and the GDPR, as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- 7.1.16 It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Secured 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, as well as applicable MFSA Rules for investment services providers.
- 7.1.17 By not later than 16 May 2025, the Issuer shall announce the result of the Bond Issue through a company announcement.
- 7.1.18 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 such 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 or Application could lawfully be used without contravention of any registration or other legal requirements.
- 7.1.19 Subscription for Secured 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 Secured 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 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.
- 7.1.20 The Secured Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

7.2 Plan of Distribution and Allotment

The Secured Bonds shall be made available for subscription to all categories of investors, which may be broadly split as follows:

- i. The Maturing Noteholder up to an amount of €5,000,000; and
- ii. Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, who may subscribe for Secured Bonds in their own name or in the name of their underlying clients in terms of the subscription agreements to be entered into with them for an amount of €35,000,000 together with any amount not subscribed for by the Maturing Noteholder, as further described in section 7.5 below;

Subscriptions shall be made through Authorised Financial Intermediaries subject to a minimum subscription amount of €5,000 in nominal value of the Secured Bonds and in multiples of €100 thereafter.

By not later than 16 May 2025 the Issuer shall announce the result of the Bond Issue through a company announcement. Dealings in the Secured Bonds shall not commence prior to the Secured Bonds being admitted to the Official List.

7.3 Pricing

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

7.4 Allocation Policy

The Issuer shall allocate the Secured Bond, on the basis of the following policy:

- i. an amount of up to €5,000,000 in nominal value of Secured Bonds shall be made available for subscription by the Maturing Noteholder; and
- ii. an amount of up to €35,000,000 in nominal value of Secured Bonds together with any balance of Secured Bonds not taken up in terms of (i) above shall be made available for subscription by Authorised Financial Intermediaries entering into conditional subscription agreements with the Issuer pursuant to an Intermediaries' Offer, as detailed in section 7.5 of this Securities Note. The Issuer, acting through the Registrar & Co-Manager, shall determine the allocation of Secured Bonds applicable to each subscription agreement received from Authorised Financial Intermediaries by not later than 12 May 2025.

7.5 Intermediaries' Offer

An amount of up to €35,000,000 in nominal value of Secured Bonds together with any amount not subscribed to by the Maturing Noteholder (if any), shall be offered for subscription by Authorised Financial Intermediaries participating in the Intermediaries' Offer. In this regard, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries whereby it shall bind itself to allocate Secured Bonds to the Authorised Financial Intermediaries in accordance with the terms of such conditional subscription agreements.

In terms of each conditional subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will be conditionally bound to subscribe for, up to the total amount of Secured Bonds as indicated therein, subject to the Secured Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions of the Bond Issue, will become binding on each of the Issuer and the respective Authorised Financial Intermediaries upon delivery, provided that all subscription proceeds would have been paid to the Registrar & Co-Manager in cleared funds by latest 12:00 hours on 9 May 2025 or such earlier date as may be determined by the Issuer.

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

Completed subscription agreements, together with evidence of payment, are to reach the Registrar & Co-Manager by 12:00 hours on 9 May 2025 or such earlier date as may be determined by the Issuer. The Issuer, acting through the Registrar & Co-Manager, shall communicate the amount allocated under each subscription agreement by 12:00 hours on 12 May 2025. Any unsatisfied amounts in terms of the subscription agreements shall be returned to the respective Authorised Financial Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 13 May 2025.

In terms of the subscription agreements to be entered into, Authorised Financial Intermediaries will have the right to subscribe for Secured 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 Secured 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 subscription agreement as provided by the Registrar & Co-Manager by latest 12:00 hours on 14 May 2025.

7.6 Admission to Trading

The MFSA has authorised the Secured Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 11 April 2025.

Application has been made to the MSE for the Secured Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List.

The Secured Bonds are expected to be admitted to the MSE with effect from 23 May 2025 and trading is expected to commence on 26 May 2025.

7.7 Additional Information

Save for the financial analysis summary set out as Annex II to this Securities Note, 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 the Sponsor & Co-Manager, which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor & Co-Manager does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the 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.

ANNEX I

AUTHORISED FINANCIAL INTERMEDIARIES

Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	2275 1732
Calamatta Cuschieri Investment Services Limited	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
FINCO Treasury Management Limited	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
Jesmond Mizzi Financial Advisors Limited	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Medirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Limited	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
M.Z. Investment Services Limited	63, St Rita Street, Rabat RBT 1523	2145 3739

ANNEX II

FINANCIAL ANALYSIS SUMMARY

Calamatta Cuschieri

The Directors
JD Capital p.l.c.
HHF303, Industrial Estate, Hal Far,
Birzebbugia BBG 3000,
Malta

11 April 2025

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 the Issuer (standalone) and the Group (consolidated).

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 December 2021, 2022 and 2023 has been extracted from the audited financial statements of the Issuer and the Group.
- b. The forecast data for the financial years 2024 to 2026 has been provided by management.
- c. Our commentary on the Issuer's and Group's results and financial position has been based on the explanations provided by management.
- d. The ratios quoted in this Analysis have been computed by us applying the definitions set out in section 4 of the Analysis.
- e. The principal relevant market players listed in section 3 of this Analysis have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the websites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Company and is meant to complement, and not replace, the contents of the full prospectus.

The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,



Patrick Mangion
HEAD OF CAPITAL MARKETS

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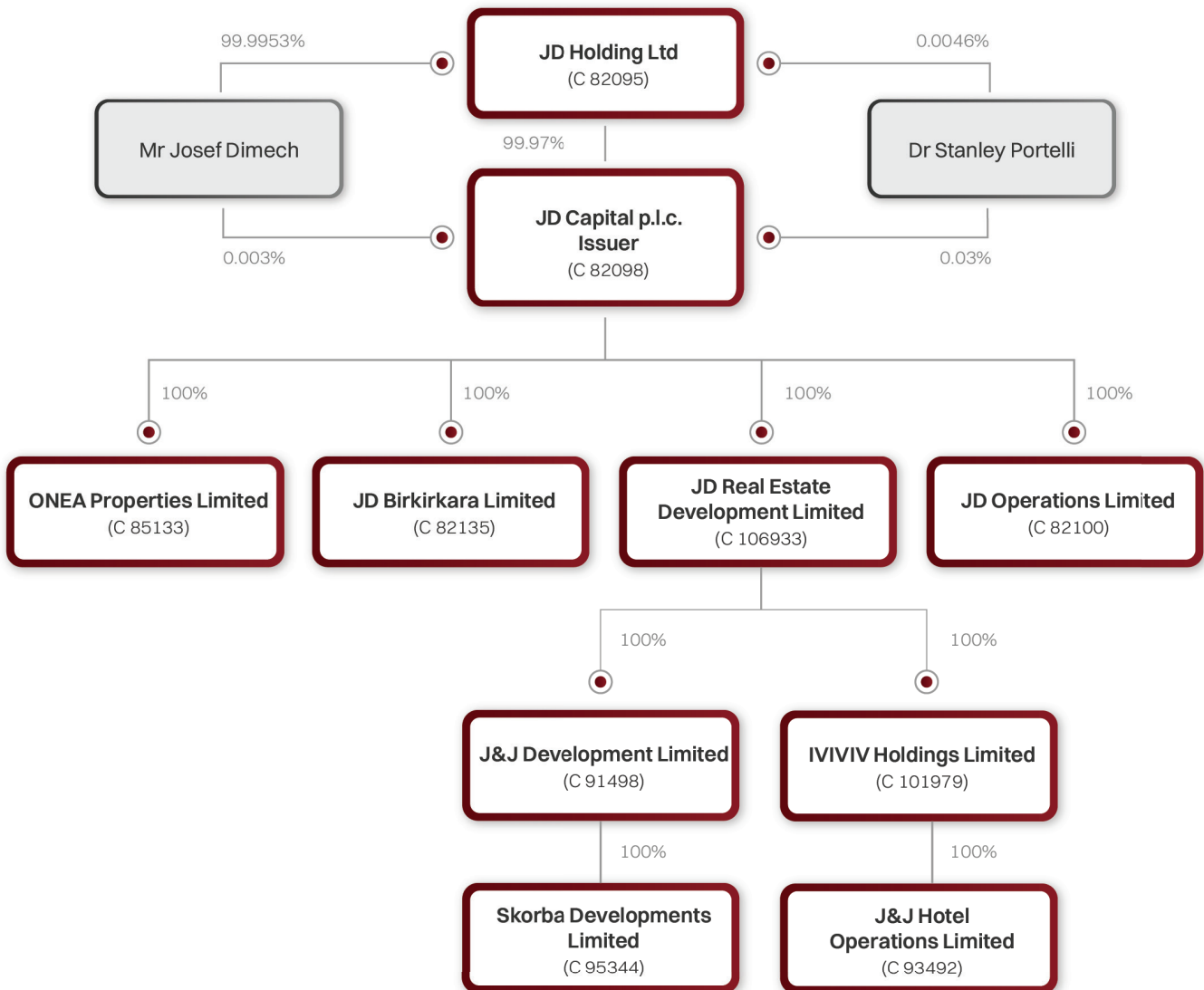
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PART 1

INFORMATION ABOUT THE GROUP

1.1 Issuer's Key Activities and Structure

The Group structure is as follows:



In 2024 the group underwent a restructuring exercise with the objective of integrating the real estate business interests and experience which Mr Josef Dimech had cultivated over the years through various special purpose vehicles, most of which jointly with third party partners, into the Group.

JD Real Estate Development was incorporated on 20 November 2023 as a fully owned subsidiary of the Issuer whose principal activity is to act as a property investment company for the Group. JD Real Estate Development was created as the property division of the Group. JD Real Estate Development grew its portfolio through direct acquisitions as well as a result of a reorganisation

exercise which consolidated the asset-owning companies previously owned by Mr Josef Dimech personally, into the Group. The Group acquired the shares of the entities with underlying real estate assets from Mr Josef Dimech through share for share exchange

Furthermore, in a company announcement dated 29 November 2024, it was announced that the Group would invest and operate in the third party logistics (3PL) sector.

Hereunder is a description of all group companies following the reorganisation:

JD CAPITAL P.L.C

The Issuer was incorporated on 9 August 2017 and has, at the date of this Analysis, an authorised share capital of €17,546,700 divided into 17,543,621 Ordinary Shares of €1 each and 3,079 Ordinary A shares of €1 each.

The Issuer along with its 8 subsidiaries constitute the “**Group**”. The Issuer acts as both the holding company and financing arm to its subsidiaries. JD Capital p.l.c. is a fully owned subsidiary company of JD Holdings Limited, except for 3,079 ordinary A shares held by Dr Stanley Portelli (“**SP**”) and 31 ordinary shares held by Mr Josef Dimech (“**JD**”).

JD HOLDINGS LIMITED

JD Holdings Limited (“**JDH**”) was incorporated on 9 August 2017. The authorised share capital of JDH consists of 10,010,000 ordinary shares made up of 10,009,900 ordinary shares and 100 ordinary A shares, all of nominal value of €1. As at the date of this Analysis, the issued share capital of JDH was €2,139,441

JD REAL ESTATE DEVELOPMENT LTD

JD Real Estate Development Ltd. (“**JDR**”) was incorporated on 20 November 2023 and has an authorised share capital of 10,001,200 shares with a nominal value of €1 per share owned by the Issuer. JDR’s principal activity is to act as a property investment company.

JD OPERATIONS LIMITED

JD Operations Limited (“**JDO**”) was incorporated on 9 August 2017 and has an authorised and issued share capital of 3,501,200 shares with a nominal value of €1 each, which are fully paid up and owned by the Issuer. JDO’s principal activity is to manufacture, assemble and install aluminium, steel, wrought iron, large-scale glass formats and stainless-steel works.

JD BIRKIRKARA LIMITED

JD Birkirkara Limited (“**JDB**”) was incorporated on 11 August 2017 and has an authorised and issued share capital of 200,000 shares with a nominal value of €1 per share, which are fully paid up and owned by the Issuer. JDB’s principal activity is to act as a property investment company.

ONEA PROPERTIES LIMITED

ONEA Properties Limited (“**ONEA**”) was incorporated on 28 February 2018 and has an authorised and issued share capital of 1,200 shares with a nominal value of €1 each, which are fully paid up and owned by JD.

ONEA’s principal activity is to act as property development Company.

J&J DEVELOPMENT LIMITED

J&J Development Limited (“**J&J DEV**”) was incorporated on 18 April 2019 and has an authorised and issued share capital of 1,601,200 shares with a nominal value of €1 each, which are fully paid up and owned by JD Real Estate Development Ltd.

J&J DEV’s principal activity is to act as Real Estate Investments Company.

IVIVIV HOLDINGS LIMITED

IVIVIV Holdings Limited (“**IVIVIV**”) was incorporated on 6 April 2022 and has an authorised and issued share capital of 2,400 shares with a nominal value of €1 each, which are fully paid up and owned by JD Real Estate Development Ltd.

IVIVIV is the Holding company of J&J HOTEL Operations Limited.

SKORBA DEVELOPMENTS LIMITED

Skorba Developments Limited (“**SKORBA**”) was incorporated on 7 May 2020 and has an authorised and issued share capital of 1,200 shares with a nominal value of €1 each, which are fully paid up and owned by J&J DEVELOPMENT Limited.

SKORBA's principal activity is to act as property Development Company.

J&J HOTEL OPERATIONS LIMITED

J&J Hotel Operations Limited (“**J&J HOTEL**”) was incorporated on 24 October 2019 and has an authorised and issued share capital of 2,400 shares with a nominal value of €1 each, which are fully paid up and owned by IVIVIV.

J&J HOTEL's principal activity is to act as Hotel Management Company.

1.2 Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the following persons constitute the board of directors of the Issuer:

NAME	OFFICE DESIGNATION
Mr Josef Dimech	Executive Director
Dr Jesmond Manicaro	Independent non-Executive Director
Mr Stephen Muscat	Chairman and Independent non-Executive Director
Mr Franco Azzopardi	Executive Director
Dr Stanley Portelli	Independent non-Executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Malcolm Falzon is the company secretary of the Issuer.

The board of the Issuer is composed of five directors who are entrusted with its overall direction and management. The executive directors are in charge of the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

The senior management team of the Group consists of:

NAME	OFFICE DESIGNATION
Mr Josef Dimech	Executive Director Business Development
Mr Franco Azzopardi	Executive Director & Group CEO
Mr Clint Agius	Chief Operating Officer
Mr Steve Camilleri Bowman	Chief Digital Officer
Mr Robert Zammit Lucas	Chief Financial Officer

1.3 Major Assets owned by the Group

1.3.1 HAL FAR SITE

The Group holds a temporary emphyteusis contract with INDIS Malta Ltd (“**INDIS**”) for the Hal Far Industrial Estate, signed in 2018 for a duration of 65 years. This agreement grants the Group control over a total built area of 21,534 sqm, complemented by 5,477 sqm of external facilities. The industrial built area spans 19,495 sqm, with an additional external area of 4,512 sqm, distributed as follows: an 8,939 sqm industrial facility, 2,314 sqm of external industrial storage, a 7,124 sqm warehouse with a height of 17m, a 1,837 sqm storage area at 6.5m, 2,198 sqm designated for external storage and circulation, and a 1,595 sqm office space. This strategic site supports industrial operations with a well-structured mix of facilities tailored for manufacturing, storage, and administrative functions. The Hal Far Site was last valued at €31.5 million according to valuation report by Perit Peter Zammit dated 14 March 2025.

1.3.2 BIRKIRKARA SITE

The site in Birkirkara is situated in Triq Dun Karm, corner with Triq Kanonku Karm Pirotta, with a total area of 1,437m² (the “**Birkirkara Site**”) This site was originally purchased by JSD on 12 May 2015. It was then transferred to JDB on 1 December 2017 for €4.0m. JD Birkirkara Limited submitted a development permit application for the development of the Birkirkara Site into a commercial office block, comprised of *circa* 4,000m² of office space over six overlying floors, together with 127-car spaces over six underlying floors, for a total built up space of 10,000m². The Birkirkara Site was last valued at €5.5 million according to valuation Report by Perit Peter Zammit dated 30 August 2024.

1.3.3 TA' MONITA RESIDENCE

JDR acquired its first asset on 7 February 2024, consisting of a site with a total area of 4,863m² at the Ta' Monita Residence, which site includes: (i) seven apartments forming part of the same block of apartments, the air space overlying two other blocks of apartments, a garage, and surrounding open spaces, gardens, passages and pathways; and (ii) the pool area measuring approximately 1,000m² (the “**Ta' Monita Properties**”). Ta' Monita was last valued at €11.5 million according to valuation report by Perit Melanie Spiteri dated 10 March 2025.

1.3.4 TA' BORŽI - ŻEBBIEGH

On 2 July 2024, JDR acquired its second property, a piece of land having a superficial area of *circa* 527m², accessible and situated in Triq Sir Temi Zammit, corner with Triq I-Iskorba, Mġarr, Malta including its relative airspace and subsoil (the “**Ta' Borži Site**”). Ta' Borži site was last valued at € 3.8 million according to valuation report by Perit Melanie Spiteri dated 10 March 2025.

1.3.5 HAL GHAXAQ SITE

On 3 October 2024, JDR acquired its third site, 3 portions of land portion A: 1404sqm, portion B: 199sqm, portion C: 275sqm having a total superficial area of *circa* 1,878m², accessible and situated at Triq iz-Zejtun, corner with Wesgha ta' Bir id-Deheb, Ghaxaq, Malta including its relative airspace and subsoil (the “**Hal Ghaxaq Site**”). Hal Ghaxaq Site was last valued at €9.2 million according to valuation report by Perit Melanie Spiteri dated 10 March 2025.

1.3.6 SKORBA MANSIONS

J&J Development is the parent company and sole shareholder of Skorba Developments, which owns the 89 underground garages and 5 parking spaces set on four basement levels, including a substation, 2 maisonettes and 42 apartments set on four floors, 9 penthouses over one recessed floor and roof pools, constructed in shell form on the divided portion of land having a superficial area of *circa* 2,197m² including its relative subsoil and airspace having its facades on and is accessible from Triq Ras il-Gebel and another unnamed road which abuts unto Triq il-Fuħhar l-Aħmar in Żebbiegħ, limits of Mġarr, Malta (the “**Skorba Mansions**”). The total residential built up area is of *circa* 8,301m² and underlying garages and parking spaces of *circa* 4,634m². Skorba Mansions was last valued at € 19 million according to valuation report by Perit Melanie Spiteri dated 10 March 2025.

1.3.7 MSIDA HOTEL

As of 28th November 2024, JDR indirectly acquired ownership of the site at no. 53, 54, 55, 56, and 57, Xatt tal-Imsida / Triq Clarence, Msida, presently consisting of the already constructed ground floor and first floor level, being developed into a class 3B Hotel with 11 floors comprising 107 rooms pursuant to permits PA852/18 and PA393/22 (the “**Msida Hotel**”), which asset is owned by J&J Hotel Operations, a wholly owned subsidiary of IVIVIV Holdings. Msida Hotel was last valued at € 10 million according to valuation report by Perit Melanie Spiteri dated 10 March 2025.

1.4 Operational Developments

1.4.1 HAL FAR SITE

A development permit (DN/00886/21) was obtained in FY21, granting the necessary approvals for planned projects.

From a financial perspective, the site serves as collateral for the Series 1 and Series 2 Bonds, with JDO granting a first-ranking special hypothec over Hal Far, covering all existing and future constructions.

In the event of default, creditor recourse to the Hal Far site is subject to the difference between the outstanding bond value and the sum of the Collateral Account, recoveries from the Birkirkara Property, and other relevant amounts (The other relevant amounts refer to the retained Birkirkara earning at Security Trustee (€2 million)).

Strategically, the Group aims to transform part of the Hal Far Industrial Estate into a third-party logistics (3PL) hub, facilitating inventory storage and management solutions for external clients. The development is anticipated to be 50% completed by FY25 with full completion taking place in Q4 of FY26 and with operations expected to commence in 3Q25F, aligning with management’s broader growth objectives.

1.4.2 BIRKIRKARA SITE

The Birkirkara project, branded as ‘**Ta’ Lannara**,’ represents a pivotal real estate initiative for the Group, strategically positioned to enhance its revenue streams and drive growth. The development, backed by a permit secured in FY21 (PA/04369/19), is being transformed into a multi-level commercial hub. As part of its financial structuring, the site was initially encumbered by a first-ranking hypothec of €2.5 million in favor of Bank of Valletta, which has since been reduced to €1.9 million and replaced by a first-ranking special hypothec. Additionally, a second-ranking special hypothec has been granted to secure bondholders under the existing bond issuance.

1.4.3 TA’ MONITA RESIDENCE

In FY24, the Group successfully finalised the acquisition of a 4,863 sqm real estate asset within Ta’ Monita, Marsascala, a prime property located in a Special Designated Area (SDA). While the site falls within a designated development scheme, the Group is currently in the process of securing the necessary permits for its planned transformation. To safeguard bondholder interests, a special hypothec has been established in favor of the Security Trustee, securing both the outstanding principal amount of the notes and accrued interest. Additionally, the Security Trustee maintained cash collateral in escrow, designated for on-lending to JDRED for the acquisition of the Ta’ Monita and Skorba properties—funds that have now been released following the transaction’s completion. The development blueprint for Ta’ Monita envisions the construction of 6,600 sqm of premium residential apartments, strategically designed to cater to the rising demand for high-quality living spaces in Marsascala. Complementing the residential component, the project will also feature 2,100 sqm of basement garages, ensuring seamless parking solutions for future residents while enhancing the site’s overall accessibility and functionality.

1.4.4 SKORBA PROPERTY

Project Skorba represents a significant residential development, comprising a meticulously planned block of 53 units, including one to three-bedroom penthouses, alongside 89 underlying garages and 5 car spaces spanning four levels, with capacities ranging from single to three-car garages. The Group has secured a development permit under PA/7437/17, with an additional application (PA/7356/23) pending a final decision on 24 October 2024, for which the case officer has recommended approval. As part of the project's financial structuring, a first-ranking special hypothecary guarantee has been pledged in favor of FIMBank against a loan facility of €8.5 million, secured by a special privilege over a designated 2,197 sqm parcel of land in Żebbiegh. Designed to harmonise with the surrounding landscape and capitalise on the scenic country views, the residential units feature modern open-plan layouts, ensuring both functionality and aesthetic appeal. Management anticipates that the sale of units within the development will be completed by the end of FY26F, marking a key milestone in the Group's real estate portfolio expansion.

1.4.5 MSIDA HOTEL

The Msida Hotel project represents a strategic hospitality development under the ownership of J&J Hotel Operations Ltd, a related entity controlled by IVIVIV Ltd. The initiative encompasses the transformation of the property into a Class 3B hotel, which is set to be leased to an experienced third-party operator, ensuring professional management and operational efficiency. The Group has successfully secured development permits under PA/0852/18 and PA/0393/22, paving the way for construction and commercialisation. To facilitate the project's financing, a first-ranking special hypothecary guarantee has been granted in favor of FIMBank, securing a loan of €8.5 million against the completed Msida Hotel. As part of its commercialisation strategy, Management has confirmed a lease agreement with a seasoned hotel operator, entrusting them with the hotel's day-to-day operations. Additionally, a franchise agreement has been secured with a reputable international chain, further enhancing the hotel's market positioning and brand appeal within the central region of the island. The completion of the development and commencement of operations are projected for FY27F, marking a significant milestone in the Group's expansion within the hospitality sector.

1.4.6 GHAXAQ

The Ghaxaq property redevelopment project is set to transform the site into a mixed-use development comprising 50 residential units spread across 6 blocks. The project will feature a range of one to three-bedroom duplex penthouses, along with 68 garages and 9 Class B shops, catering to both residential and commercial needs. The Group has successfully obtained a development permit for the project in FY24 under permit number PA 1864/23, ensuring compliance with local planning regulations. To finance the development, a first special hypothec has been established in favor of a local financial institution, securing a loan of €9.3 million. The residential units, garages, and commercial spaces are expected to meet growing demand in the area, with construction scheduled to commence in FY25F. Management anticipates the project will contribute significantly to the Group's real estate portfolio, offering a blend of modern living and retail opportunities in the heart of Ghaxaq.

1.4.7 ŻEJTUN

The Zejtun property redevelopment project is set to transform an existing site into a contemporary residential and commercial complex. The development will comprise 67 units across 6 blocks, offering a range of one-bedroom apartments to three-bedroom penthouses, along with 73 garages catering to various parking needs, from one to five-car capacities. Additionally, the project will include 5 Class B shops, enhancing the area's commercial appeal. The Group has secured approval for the necessary development permits in FY24, under permit numbers PA 581/24 and 582/24 for which the executable permit from the Planning Authority was approved and given for both permits in Feb 25. To finance the project, a first special hypothec has been established for €3.3 million, secured over the Zejtun property, including its airspace and subterranean, excluding certain undeveloped units such as specific commercial spaces and garages. The redevelopment will involve the demolition of existing structures, followed by the construction of modern, high-standard properties. Management is in the final stages of the PA application process, with the property acquisition expected to be completed by the end of FY24F, positioning the project for future growth and profitability.

1.4.8 BORŽI

The Borzi property development project is designed to deliver a modern residential complex featuring a basement garage with 12 car spaces, 2 apartments and a maisonette at ground floor level, 3 apartments per floor at first, second, and third floor levels, and 2 apartments at receded floor level with a total residential build up area of *circa* 1,840m² and underlying garages of *circa* 464m².

The Group secured the necessary development permit in FY23 under permit number PA 3741/22. To facilitate the financing of the project, a first special hypothec has been established for €2.4 million over the Borzi property, in favour of a local financial institution. The proposed development aims to create a high-quality living environment with a mix of residential units, including spacious apartments and penthouses, complemented by essential parking facilities. Construction is slated to begin in FY25F, marking the commencement of an exciting new addition to the local property market.

1.4.9 VILLA DELFINI

The project involves the development of two expansive villas for sale, designed to offer modern amenities and luxurious finishes, catering to buyers seeking upscale living in a highly desirable location. The Group has obtained the necessary development permit in FY24 under permit number PA 3675/23. With no collateral required for the project, the focus is on delivering a premium residential product. Demolition works are expected to commence in FY25F, with a construction timeline of approximately one year, ensuring that these high-end villas will be completed in a timely manner for prospective buyers.

1.4.10 BOND ISSUES

JD Capital p.l.c. issued its first bond on the main market of the Malta Stock Exchange on 25 November 2022. These bonds were issued as part of a bond issuance programme pursuant to the Base Prospectus and Final Terms dated 3 October 2022 (the “**Series 1 Bonds**”). The net proceeds of the Series 1 Bonds were used for an exchange offer on the Issuer’s previous bond on the Prospects MTF, and to part-finance the first phase of the redevelopment of the Hal Far Site by way of a loan from the Issuer to JDO, as well as a portion for general corporate funding purposes.

The Issuer then issued the second series of the above-mentioned bond issuance programme on 20 July 2023, pursuant to the Base Prospectus and Final Terms dated 16 June 2023 (the “**Series 2 Bonds**”). The net proceeds of the Series 2 Bonds were used to part-finance the second phase of the redevelopment of the Hal Far Site by way of a loan from the Issuer to JDO, and to develop an office complex in Birkirkara by way of a loan from the Issuer to JDB.

During 2024, JD Capital p.l.c. issued another bond through an unlisted offer to the public, pursuant to the Unlisted Bonds Prospectus (the “**Unlisted Bonds**”). The net proceeds of the Unlisted Bonds were used as follows:

- €3,000,000 on-lent to JDR for its utilisation by way of part consideration for the acquisition of the Ta’ Monita Residence;
- Approximately €600,000 were on-lent to JDR to cover the costs associated with the acquisition of the Ta’ Monita Residence; and
- €1,400,000 for general corporate funding

Collectively, the Series 1 Bonds, Series 2 Bonds, and Unlisted Bonds will hereinafter be referred to as the “**Issuer’s Bonds**”.

1.5 List of Issuer’s Bonds

JD Capital p.l.c. has the following outstanding debt securities:

BOND	SECURITY NAME	AMOUNT
Series 1 Bonds	4.85% JD Capital p.l.c. 2032	€14,000,000
Series 2 Bonds	6% JD Capital p.l.c. 2033	€11,000,000
Unlisted Bonds	7.25% JD Capital p.l.c. 2025-2027	€5,000,000

1.6 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €39,200,000, shall be used by the Issuer for the following purposes, in the amounts set out below:

- up to €5,000,000 shall be used to acquire the Maturing Note from the Maturing Noteholder pursuant to the Maturing Note Transfer for redemption and cancellation;
- up to €8,500,000 shall be on-lent to ONEA Properties for the purpose of refinancing of the outstanding principal and interest due in terms of the FIMBank Facility;
- up to €3,456,000 shall be on-lent to Skorba Developments for it to finance the rescission of the promise of sale of 10 apartments and four penthouses forming part of Skorba Mansions entered into with a third party company, for which payment had been received upon execution of a promise of sale agreement, plus interest accruing in favour of the said third party until the expected date of rescission;
- up to €2,535,000 shall be on-lent to JD Real Estate Development for the acquisition of Villa Delfini;
- up to €7,000,000 shall be on-lent to JD Operations for it to finance the purchase of 3PL equipment and infrastructure; and
- The remaining amount of *circa* €12,709,000 will be used by the Issuer for general corporate funding purposes of the Group.

PART 2

HISTORICAL PERFORMANCE AND FORECASTS

The Issuer's historical financial information for the three years ending 31 December 2021, 2022 and 2023, as set out in the audited financial statements of the Issuer may be found in sub-sections 2.1. To 2.3. Of this Analysis. These sub-sections also include the projected performance of the Issuer for the period ending 31 December 2024, 2025 and 2026.

Moreover, the Group's historical financial information for the three years ending 31 December 2021, 2022 and 2023, together with the projected performance for the period ending 31 December 2024, 2025 and 2026 are set out in sub-sections 2.4. To section 2.6.

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company 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 Income Statement

INCOME STATEMENT	2021A	2022A	2023A	2024F	2025F	2026F
	€000s	€000s	€000s	€000s	€000s	€000s
Administrative expenditure	(72)	(275)	(302)	(497)	(400)	(400)
Other income	-	-	-	462	-	-
EBITDA	(72)	(275)	(302)	(36)	(400)	(400)
Interest income	319	342	1,073	1,920	3,284	4,649
Finance cost	(250)	(293)	(977)	(1,683)	(2,883)	(4,083)
Movement in expected credit loss provision	-	(11)	(43)	-	-	-
Loss before tax	(4)	(237)	(250)	201	2	167
Taxation charge	(66)	-	-	(217)	1	(58)
Loss for the year	(70)	(237)	(250)	(16)	1	108

As mentioned in section 1.1 of the Analysis, the Issuer acts as both the holding and financing arm of the Group and as such has no operations itself. Therefore, the Issuer has no revenue or cost of sales in its financial statements.

Administrative expenses, increased further in FY23 following an increase in directors and professional fees, previously not forecast. The Issuer is forecasting that these will increase slightly during the forecasted period and reach €400k by FY26.

The Issuer obtains financing from bond issues and on loans proceeds to group companies. The two main items in the income statement are therefore the interest expense incurred on bonds issued and the interest income being the interest which the company charges to group companies for financing provided.

The company expects to report close to breakeven results for the current and immediate future periods, in line with its policy to charge sufficient interest to group companies to cover both the bond interest payable and the administrative expenses incurred by the company.

2.2 Issuer's Statement of Financial Position

BALANCE SHEET	2021A	2022A	2023A	2024F	2025F	2026F
	€000s	€000s	€000s	€000s	€000s	€000s
Assets						
Non-current assets						
Investment in subsidiaries	4,885	7,004	22,292	14,438	14,438	14,438
Financial asset at amortised cost	7,558	7,547	10,711	43,351	73,479	73,479
Total non-current assets	12,443	14,551	33,003	57,789	93,917	93,917
Current assets						
Trade and other receivables	201	6,650	2,550	2,947	947	947
Cash and cash equivalents	-	10	-	-	871	1,037
Total current assets	201	6,660	2,550	2,971	1,817	1,983
Total assets	12,645	21,212	35,553	60,736	95,735	95,901
Equity and liabilities						
Equity						
Share capital	7,547	7,547	7,547	9,681	9,681	9,681
Other reserves	-	-	3,200	4,800	4,800	4,800
Retained earnings	(51)	(288)	(538)	(554)	(553)	(444)
Total equity	7,496	7,259	10,209	13,927	13,928	14,037
Liabilities						
Non-current liabilities						
Debt securities in issue	4,917	13,625	24,471	29,427	64,555	64,555
Other financial liabilities	4	238	447	16,303	16,303	16,303
Total non-current liabilities	4,921	13,863	24,918	45,730	80,858	80,858
Current liabilities						
Trade and other payables	181	90	426	948	949	1,006
Bank borrowings	-	-	-	131	-	-
Bond borrowings	-	-	-	-	-	-
Tax liabilities	48	-	-	-	-	-
Total current liabilities	229	90	426	1,079	949	1,006
Total liabilities	5,149	13,954	25,344	46,809	81,807	81,865
Total equity and liabilities	12,645	21,212	35,553	60,736	95,735	95,901

The Issuer's non-current assets are made up of financial assets at amortised cost and investments in subsidiaries. Given the Issuer's function as the finance arm and the holding company of the Group, financial assets make up the majority of its assets.

The asset base expanded significantly, growing from €12.6m in FY21 to €96m in FY26, indicating substantial growth in financial positioning.

Non-current assets are projected to increase steadily from €12.4m in FY21 to €94m in FY25, maintaining this level through FY26 supporting the long-term investment strategy. The Issuer reports a growing asset base representing its holdings in group subsidiaries and its long term receivables which are financed by the bond issues. The non-current assets reflect the Issuer's function as the holding and financing arm of the group.

The Issuer's current assets have shown an increase from FY23 to FY24. Trade and other receivables reached €2.9m at FY24 consisting of €2m held by the security trustee, which will be released this current year FY25, €935k in accrued interest receivable, and €12k in prepayments. Cash and cash equivalents, however, saw an increase from €871k in FY25 to €1m in the latest projection, highlighting improved liquidity and cash management.

Share capital increased to €9.7m and remains unchanged across all periods. This increase is attributed to the group re-organisation through the share transfer of new group Co's from JDH to JDC that was done through allotment of shares.

Debt securities in issue represent the most significant component of non-current liabilities, and are projected to increase from €4.9m in FY21 to €64.6m in FY26 supporting Group tendency to rely on long-term debt financing consisting of €11m bond, €14 m bond and the proposed €40m secured bond. Bond borrowings of €4.9m represent the unlisted callable securities that will be eliminated after being paid in FY25 through the €40m secured bond. Intra-group payables of €16.3m in FY24 are forecast to remain constant across all periods and these represent a stable portion of the Issuer's long-term obligations (on consolidation these payables will eliminate).

Total current liabilities are projected to stabilise at €1m level from FY24 to FY26.

Liabilities have increased from €5.1m in FY21 to €81.9m in FY26. This growth is primarily driven by higher long-term debt financing.

2.3 Issuer's Statement of Cash Flows

STATEMENT OF CASH FLOWS	2021A	2022A	2023A	2024F	2025F	2026F
	€000s	€000s	€000s	€000s	€000s	€000s
<i>Cash flows from operating activities</i>						
Profit / (loss) before tax	(4)	(237)	(250)	201	2	167
<i>Adjustments for:</i>						
Net Finance and Bond issue costs	261	390	739	943	-	-
<i>Movement in working capital</i>						
Trade and other working capital changes	15	(6,442)	6,453	670		
Cash flows from operations	272	(6,289)	6,942	(72)	2	167
Taxation paid	(19)	(48)	-	(55)	-	1
Net cash flows used in operating activities	253	(6,337)	6,942	(127)	2	166
<i>Cash flows from investing activities</i>						
Movement in amounts due from subsidiary and related parties	(3)	(2,131)	(15,292)	(5,456)	-	-
Net cash flows generated from / (used in) investing activities	(3)	(2,131)	(15,292)	(5,456)	-	-
<i>Cash flows from financing activities</i>						
Net proceeds from bonds issue	-	8,623	8,811	4,871	40,000	-
Redemption of bonds	-	-	-	-	(4,872)	-
Interest paid	(250)	(379)	(679)	1,920	-	-
Movement in amounts due to subsidiary	-	234	208	-	(34,128)	-
Bank loan and bond interest payments	-	-	-	(1,339)	-	-
Net cash flows generated from / (used in) financing activities	(250)	8,478	8,340	5,452	1,000	-
Movement in cash and cash equivalents	-	10	(10)	(131)	1,002	166
Cash and cash equivalents at start of year	-	-	10	-	(131)	(871)
Cash and cash equivalents at end of year	-	10	-	(131)	(871)	1,037

In line with its function with the Group, the Issuer's cash flows from operating activities mainly consist of movements relating to interest payable to bondholders and interest receivable from related companies as well as movements in working capital especially its trade receivables.

Net cash flows from operating activities have varied significantly, moving from a negative position of €6.3m in FY22 to a positive €6.9m in FY23, followed by another downturn in FY24.

The movement in amounts due from subsidiary and related parties has been a major cash outflow, particularly in FY23 and FY24 by respectively €15.3m and €5.5m, implying significant intercompany financing to Group companies. In fact, the cash outflows from investing activities in FY23 were made up of the loans granted to JDO and JDB, following the net proceeds received by the Issuer from part of the Series 1 Bonds and the majority of the Series 2 Bonds.

Bond issuances have been a key source of financing, with major proceeds in FY22 €8.6m, FY23 €8.8m, and a significant increase in FY25 €40m.

A redemption of bonds is scheduled for FY25 €4.9m for repayment of unlisted notes. Movements in amounts due to subsidiary indicate intercompany financing, peaking in FY25 with €34.1m.

2.4 Group's Income Statement

INCOME STATEMENT	2021A	2022A	2023A	2024F	2025F	2026F
	€000s	€000s	€000s	€000s	€000s	€000s
Revenue	16,268	11,832	12,965	16,335	31,833	64,162
Cost of sales	(13,617)	(9,756)	(10,003)	(12,331)	(22,512)	(45,278)
Gross profit	2,652	2,076	2,963	4,004	9,321	18,883
Administrative expenses	(928)	(1,136)	(1,153)	(1,574)	(1,983)	(2,022)
Other income	294	213	239	639	210	210
EBITDA	2,018	1,154	2,049	3,069	7,548	17,071
Depreciation and amortisation	(863)	(968)	(688)	(662)	(1,690)	(1,868)
EBIT	1,155	185	1,361	2,407	5,858	15,203
Revaluation of investment property	-	971	-	7,967	2,821	-
Finance income	206	42	51	303	573	577
Finance costs	(584)	(724)	(1,189)	(1,868)	(6,487)	(4,836)
Other losses	(12)	(2)	-	2	-	-
Movement in expected credit loss provision	(297)	(56)	36	(132)	-	-
Profit before tax	467	416	258	8,679	2,764	10,944
Taxation charge	(309)	(199)	(230)	(2,114)	(226)	-
Profit for the year	159	218	30	6,565	2,539	10,944

RATIO ANALYSIS	2021A	2022A	2023A	2024F	2025F	2026F
Profitability						
Growth in Revenue (YoY Revenue Growth)	-	-27.3%	9.6%	26.0%	94.9%	101.6%
Gross Profit Margin (Gross Profit/ Revenue)	16.3%	17.5%	22.9%	24.5%	29.3%	29.4%
EBITDA Margin (EBITDA / Revenue)	12.4%	9.8%	15.8%	18.8%	23.7%	26.6%
Operating (EBIT) Margin (EBIT / Revenue)	7.1%	1.6%	10.5%	14.7%	18.4%	23.7%
Net Margin (Profit for the year / Revenue)	1.0%	1.8%	0.2%	40.2%	8.0%	17.1%
Return on Common Equity (Net Income / Average Equity)	1.0%	1.3%	0.2%	24.1%	6.1%	19.9%
Return on Assets (Net Income / Average Assets)	0.3%	0.4%	0.0%	6.4%	1.7%	6.5%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	6.0%	2.7%	3.6%	3.2%	5.1%	12.2%

Historically, the Group's operations were centered solely on its legacy business, Manufacturing, which is operated entirely through JDO and specialises in the production and installation of wrought iron, apertures, steel railings, curtain walling, structural glazing, steel structures, composite cladding, large glass, and various door systems.

Going forward, the Group is embarking on a diversification strategy, expanding beyond its legacy manufacturing business into two new segments: Property Development and Third-Party Logistics (3PL). The Property Development segment includes both the development of properties for resale and the acquisition of properties held as long-term investments. Additionally, the Group is strengthening its portfolio with the launch of its 3PL business in FY25. This new segment, operating alongside the manufacturing division from the Hal Far site, is designed to capitalise on the growing demand for efficient supply chain solutions. With approval from Malta Enterprise, JDO will provide outsourced logistics services, including procurement and fulfillment activities, as well as warehousing and goods management. This strategic shift marks a significant evolution for the Group, positioning it for enhanced revenue diversification and long-term growth.

The Group experienced a revenue decline of 27.3% from FY21 to FY22 with management having attributed this to the general election in Malta during that year, which resulted in a number of contracts being put on hold pending political stability but revenue rebounded by 9.6% in FY23, reaching €13m and this consisted of a mix of completion of material contracts which commenced in prior years, works on a major significant project which commenced in FY23, and smaller-sized projects in which the Group is involved.

Due to stable manufacturing levels, the introduction and continuous enhancement of 3PL services, rental income, and the completion of various property development projects, the ongoing revenue growth trend is expected to continue, with a strong projected increase of 26.0% in FY24, followed by a substantial 94.9% rise in FY25 and another 101.6% in FY26, bringing total revenue to €64.2m.

Between FY25F and FY26F, property development revenue is mainly driven by Skorba, Zejtun, Ghaxaq and Villa Delfini amounting to c.70.7% of property development revenue generated between FY25F and FY26F.

As a result, the Gross Profit Margin improved steadily, reaching 22.9% in FY23, up from 17.5% in FY22, and is projected to stabilise around 29.4% by FY26 indicating the Group increased efficiency in generating profit from sales, reflecting a stronger EBITDA Margin, which grew from 9.8% in FY22 to 15.8% in FY23, with projections showing continued improvement to 26.6% by FY26. The introduction of the new 3PL business and property development segments is expected to further contribute to this positive trend, enhancing operational efficiencies and diversifying revenue streams, ultimately supporting sustained margin expansion.

Cost of Sales followed the trend of revenue, declining in FY22 but growing in line with revenue in FY23 and beyond. Despite the increases in costs, EBITDA has remained positive, showing a growth from €1.2m in FY22 to €2.0m in FY23, and is expected to rise significantly in FY25 to €7.5m, highlighting improved operational performance. This is further reflected in the Operating (EBIT) Margin, which grew from 1.6% in FY22 to 10.5% in FY23, though it is expected to reach 23.7% by FY26.

Finance costs for FY23 were higher due to the increase in interest payable following the issuance of the Series 2 Bonds and the Unlisted Bonds during the year. This is expected to increase further during the period FY24-FY26 following the issuance of the proposed €40m bond.

The €8m and €2.8m gain on fair value movement are mainly related to gain resulting from the revaluation of investment properties; Birkirkara, Ta' Monita, and the Msida Hotel.

The Net Margin increased from 0.2% in FY23 to an expected 40.2% in FY24, driven by the significant jump in profit, before stabilising at 8.0% in FY25 and 17.1% in FY26 demonstrating the Group's increased efforts in improving its ability to convert sales into profit.

The Return on Common Equity was at 0.2% in FY23, but with the projected growth in net profit, it is expected to rise to 24.1% in FY24, reflecting better returns on equity. Similarly, the Return on Assets is expected to increase to 6.4% in FY24 and rise further to 6.5% in FY26.

Lastly, Return on Capital Employed was at 3.6% in FY23, but it is forecast to reach 12.2% by FY26. This is indicative of better utilisation of capital as the business expands, particularly as operating profit improves and financial leverage increases.

2.5 Group's Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	2021A	2022A	2023A	2024F	2025F	2026F
	€000s	€000s	€000s	€000s	€000s	€000s
Assets						
Non-current assets						
Property, plant and equipment	23,627	22,812	28,008	34,322	55,742	53,874
Investment property	4,523	5,494	5,734	27,442	37,716	39,836
Intangible assets	224	224	224	224	224	224
Financial assets at amortised cost	2,703	3,977	1,714	11,869	17,996	17,996
Total non-current assets	31,078	32,507	35,681	73,857	111,678	111,930
Current assets						
Financial assets at amortised cost	3,151	5,394	9,225	6,916	6,916	6,916
Inventory	1,529	1,364	1,563	1,989	1,989	1,989
Property held for resale	-	-	-	20,574	32,450	13,192
Contract assets	4,514	6,517	11,141	6,954	6,954	6,954
Trade and other receivables	6,647	10,813	18,332	17,800	10,542	10,542
Cash and cash equivalents	361	891	384	688	1,566	10,770
Total current assets	16,202	24,979	40,645	54,921	60,419	50,364
Total assets	47,280	57,486	76,326	128,779	172,096	162,294
Equity and liabilities						
Equity						
Share capital	7,547	7,547	7,547	9,681	10,350	10,350
Revaluation reserve	7,857	7,857	8,166	11,729	22,999	22,999
Other reserves	-	-	3,200	4,800	5,700	5,700
Retained earnings	1,183	1,402	1,431	7,996	10,535	21,478
Total equity	16,587	16,805	20,344	34,206	49,584	60,527
Liabilities						
Non-current liabilities						
Borrowings	7,398	17,050	28,851	49,161	86,603	67,349
Lease liabilities	3,492	3,447	3,396	3,343	3,289	3,233
Trade and other payables	3,899	3,564	1,685	3,347	3,347	3,347
Deferred tax liabilities	1,593	1,638	2,644	4,690	4,916	4,916
Non-current tax liabilities	508	459	243	971	971	971
Total non-current liabilities	16,890	26,158	36,818	61,511	99,126	79,815
Current liabilities						
Borrowings	3,602	3,086	2,809	6,649	-	-
Lease liabilities	36	45	51	53	53	53
Contract liabilities	2,212	2,890	4,185	3,570	3,570	3,570
Current tax liabilities	1,080	1,072	952	545	545	545
Trade and other payables	6,873	7,430	11,166	22,243	19,217	17,781
Total current liabilities	13,804	14,523	19,164	33,060	23,385	21,949
Total liabilities	30,693	40,681	55,982	94,571	122,511	101,765
Total equity and liabilities	47,280	57,486	76,326	128,777	172,094	162,292

RATIO ANALYSIS	2021A	2022A	2023A	2024F	2025F	2026F
Financial Strength						
Gearing 1 (Net Debt / Net Debt and Total Equity)	47%	58%	63%	63%	64%	50%
Gearing 2 (Total Liabilities / Total Assets)	65%	71%	73%	73%	71%	63%
Gearing 3 (Net Debt / Total Equity)	88%	138%	172%	174%	180%	101%
Net Debt / EBITDA	7.27x	20.10x	17.06x	19.38x	11.84x	3.56x
Current Ratio (Current Assets / Current Liabilities)	1.17x	1.72x	2.12x	1.66x	2.58x	2.29x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.06x	1.63x	2.04x	1.60x	2.50x	2.20x
Interest Coverage (EBIT / Finance costs)	1.98x	0.26x	1.14x	1.29x	0.90x	3.14x

The Group's Total Assets grew from €47.3m in FY21 to €76.3m in FY23, driven primarily by increases in Non-current assets, which rose from €31.1m in FY21 to €35.7m in FY23, with notable growth in Property, Plant, and Equipment (from €23.6m to €28.0m) and Investment Property (from €4.5m to €5.7m).

This growth reflects the Group's diversification strategy, transitioning from a historically manufacturing-focused business to a more robust three-segment structure encompassing Manufacturing, Property Development, and the newly introduced 3PL segment. This strategic shift not only strengthens the Group's asset base but also enhances its long-term revenue potential and resilience.

PPE as at the end of FY23 was €28.0m, this shows an increase of approximately €5m from the previous year as a result of additions to the Hal Far Site as part of the first phase of development. Following a revaluation of the site in FY24, as well as continuing developments on the Hal Far Site throughout the year and the introduction of the 3PL business management is expecting its PPE to increase substantially to reach €53.9m by FY26.

The Group's investment property at the end of FY23 represents the value of the Birkirkara Site, the fair value of which increased slightly since acquisition. As from FY24, the Group's investment property will include the Ta' Monita Residence, Msida Hotel and Ta Xbiex office (50%) resulting in Total investment property of €39.8m by FY26.

As a result, non-current assets are expected to increase further, reaching €111.9m by FY26.

This expansion is reflected in the Total Liabilities, which rose from €30.7m in FY21 to €56m in FY23, driven by higher borrowings, with Non-current Liabilities growing from €16.9m in FY21 to €36.8m in FY23. The Group's gearing levels also reflect this increased reliance on debt, as shown by Gearing 1 (Net Debt / Net Debt + Total Equity), which increased from 47% in FY21 to 63% in FY24 reflecting an ongoing increase in financial leverage, though it is projected to improve to 50% by FY26.

The Equity base of the Group grew steadily from €16.6m in FY21 to €20.3m in FY23, with Retained Earnings increasing from €1.2m in FY21 to €1.4m in FY23. This reflects the Group's growing profitability, with Total Equity projected to rise to €49.6m in FY25 and €60.5m in FY26.

Gearing 2 (Total Liabilities / Total Assets) increased from 65% in FY21 to 73% in FY23, suggesting a higher proportion of liabilities relative to assets. This ratio is expected to remain at 73% in FY24 before gradually decreasing to 63% by FY26, indicating a shift toward a more balanced capital structure.

In terms of liquidity, Current Assets grew from €16.2m in FY21 to €40.6m in FY23, mainly due to an increase in Trade and Other Receivables (from €6.6m in FY21 to €18.3m in FY23). This growth in current assets is reflected in the Current Ratio, which improved from 1.17x in FY21 to 2.12x in FY23, indicating better short-term liquidity. The ratio is expected to decline to 1.66x in FY24 signalling liquidity pressure. It is expected to recover to 2.29x by FY26, which suggests that the liquidity position will strengthen as the Group scales. Similarly, the Quick Ratio improved from 1.06x in FY21 to 2.04x in FY23, reflecting better ability to cover current liabilities with more liquid assets, although it is projected to dip to 1.60x in FY24 before improving again to 2.20x in FY26.

On the debt service side, Net Debt / EBITDA increased from 7.27x in FY21 to 17.06x in FY23 following the increase of net debt from 14.6m in FY21 to 34.9m in FY23. This ratio is expected to remain high in FY24 at 19.38x but is projected to improve significantly to 3.56x by FY26 as EBITDA increases, reflecting better earnings coverage of debt obligations. Furthermore, Interest Coverage (EBIT / Finance Costs) remained low in FY22 at 0.26x but improved to 1.14x in FY23 and it is expected to improve substantially to 3.14x by FY26, signalling improved ability to cover interest payments as earnings increase.

Overall, the Group's balance sheet reflects strong asset growth, particularly in non-current assets, and an increasing reliance on debt. While liquidity ratios show strength in FY23, some pressure is anticipated in FY24, with improvement expected in the longer term. The Group's gearing ratios suggest higher leverage, but with increasing equity and profitability, debt management is expected to improve moving forward.

2.6 Group's Statement of Cash Flows

STATEMENT OF CASH FLOWS	2021A	2022A	2023A	2024F	2025F	2026F
	€000s	€000s	€000s	€000s	€000s	€000s
Cash flows from operating activities						
Profit before tax	468	418	259	8,679	2,764	10,944
<i>Adjustments for:</i>						
Depreciation and amortisation	863	968	688	662	1,690	1,868
<i>Movement in working capital</i>						
Working capital changes	(2,999)	(8,657)	(3,729)	(13,734)	1,041	12,898
Cash flows from operations	(1,669)	(7,271)	(2,782)	(4,393)	5,496	25,710
Taxation paid	(60)	(220)	(430)	321	(3,572)	(4,461)
Net cash flows generated from / (used in) operating activities	(1,728)	(7,492)	(3,212)	(4,072)	1,924	21,249
Cash flows from investing activities						
Cash inflow (outflow) from PPE	(215)	(141)	(4,669)	(1,107)	(6,715)	(1,211)
Net cashflow from investing activities (excl. PPE)	1,757	(45)	(871)	(13,266)	(2,580)	(2,100)
Net cash flows generated from / (used in) investing activities	1,542	(186)	(5,540)	(14,373)	(9,295)	(3,312)
Cash flows from financing activities						
Bond issue	-	8,623	8,811	4,870	40,000	-
Bond issue expenses	-	-	-	-	(800)	-
Redemption of bonds	-	-	-	-	(5,000)	-
Movement in other financial liabilities	(138)	(29)	76	(3,320)	(7,544)	(104)
Bank loan and bond interest payments	(584)	(805)	(1,200)	(1,995)	(5,515)	(4,494)
Advance / (repayment of bank loans)	(1,680)	(2,856)	-	-	(12,891)	(4,135)
Net proceeds from borrowings	2,438	3,767	500	19,128	-	-
Net cash flows generated from / (used in) financing activities	36	8,700	8,187	18,683	8,250	(8,733)
Movement in cash and cash equivalents	(151)	1,023	(565)	238	879	9,204
Cash and cash equivalents at start of year	11	(140)	883	318	556	1,434
Cash and cash equivalents at end of year	(140)	883	318	556	1,434	10,638

The cash flow statement reflects significant fluctuations across operating, investing, and financing activities.

Operating cash flows were negative from FY21 to FY23, with net cash outflows of €1.7m in FY21, €7.5m in FY22, and €3.2m in FY23, largely influenced by movements in working capital, particularly trade and other receivables. However, projections indicate a shift to positive cash flows, reaching €1.9m in FY25 and further rising to €21.2m in FY26, supported by higher profitability and improved working capital management.

Investing activities show capital expenditures increasing over time, with cash outflows related to property, plant, and equipment specifically related to the Group's Hal Far Site reaching €4.7m in FY23 and further projected at €6.7m in FY25. Additionally, net investing cash flows excluding PPE remained negative in most years, contributing to overall net cash outflows of €5.5m in FY23 and a forecasted €14.4m in FY24.

Financing activities played a crucial role in cash movements, particularly with bond issuances including a €40m planned bond in FY25. Loan repayments and financing costs also contribute to fluctuations, leading to a projected financing cash outflow of €8.7m in FY26.

Overall, cash balances are projected to improve and rise to €10.6m in FY26. The Group's liquidity position, as reflected by its operating cash flow trends and financing strategies, shows a shift towards cash generation in the forecasted years.

PART 3

KEY MARKET AND COMPETITOR DATA

3.1 General Market Conditions

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.

3.2 Economic Update¹

The Bank's Business Conditions Index (BCI) suggests that in January 2025, annual growth in activity stood slightly above its long-term average estimated since January 2000. In January, the Bank's Economic Policy Uncertainty Index declined from its December level and stood well below its historical average estimated since 2004.

The European Commission's confidence surveys show that sentiment in Malta increased in January, but remained below its long-term average, estimated since November 2002. In month-on month terms, sentiment improved across all sectors, bar in industry.

Additionally, the European Commission's Economic Uncertainty Indicator (EUI) for Malta increased compared with December, indicating higher uncertainty, with the largest increase recorded in the services sector.

In December, industrial production rose at a slower pace whereas retail trade rose at a slightly stronger pace compared to November. In November, annual growth in services production turned negative.

¹ Central Bank of Malta – Economic Update 2/2025

The unemployment rate remained unchanged at 3.0% but stood below that of 3.2% in December 2023. In December, both commercial building and residential permits fell compared to November. When compared with their year-ago level, commercial permits were marginally lower, while residential building permits increased significantly. In January 2025, the number of residential promise-of-sale agreements declined on a year earlier, as did the number of final deeds of sale. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 1.8% in January, unchanged from the previous month. Meanwhile, HICP excluding energy and food in Malta stood at 2.0%. Both stood firmly below the euro area average. On the other hand, inflation based on the Retail Price Index (RPI) edged up to 1.4% in January, from 1.2% in December. In December, both Maltese residents' deposits and credit extended to them by monetary and financial institutions (MFIs) increased strongly compared to their level a year ago. Nevertheless, in both cases, the annual rate of change moderated compared to November.

3.3 Economic Outlook²

According to the Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to grow by 4.4% in 2024. Growth is then projected to ease to 3.5% and 3.4% in 2025 and 2026 respectively.

This implies a marginally upward revision for 2024 and a marginal downward revision for 2026, when compared to the Bank's previous projection round. Over this period, growth is expected to be driven by domestic demand, reflecting continued rapid growth in private consumption and a gradual recovery in private investment.

The contribution of net exports is also expected to be positive but smaller than that of domestic demand and diminishing over time. Employment growth is set to moderate, albeit from high rates, with the unemployment rate remaining close to 3%.

The average wage is expected to grow at a significantly faster rate in 2024, partly in response to the pronounced inflation in the recent past and a tight labour market. Thereafter it is expected to moderate somewhat in line with the expected continued moderation in inflation. Annual inflation based on the Harmonised Index of Consumer Prices is projected to drop significantly, from 5.6% in 2023 to 2.5% in 2024, before reaching 2.0% by 2026.

Compared to previous projections, inflation has been revised up by 0.1 percentage point in each year of the projection horizon, reflecting recent outcomes and a re-assessment of services inflation. The general government deficit-to-GDP ratio is set to narrow to 4.1% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 3.1% by 2026. Nevertheless, the general government debt-to-GDP ratio is set to increase throughout the forecast horizon, reaching 54.1% by 2026.

Fiscal projections remain mostly unchanged compared with the previous projection round. As the upcoming national accounts publication will include a benchmark revision, the above figures may be affected by possible material revisions to past data. Furthermore, such projections could be affected by the publication of updated fiscal plans by

Government in fulfilment of the new EU fiscal rules later this year. The Bank's projections could thus be revised somewhat in upcoming rounds of projections once this information becomes available. Looking beyond these factors, the overall risks to activity are broadly balanced over the projection horizon.

Downside risks largely emanate from possibly adverse trade effects related to geopolitical tensions. On the other hand, the labour market could exhibit even stronger dynamics than envisaged in this projection round, both in terms of employment and wages, resulting in stronger private consumption growth and hence output growth. Risks to inflation are balanced over the project horizon. Upside risks to inflation could stem from renewed supply-side bottlenecks that could be triggered by ongoing geopolitical conflicts. Furthermore, wage pressures could be stronger than envisaged in the baseline. Unfavourable weather conditions and policies supporting the green transition - in particular those requiring heavy capital investment - could also push up inflation, although such effects might be temporary.

On the downside, imported inflation could fall more rapidly than expected if the global disinflation process proceeds faster than assumed. On the fiscal side, risks are deficit-increasing. These mainly reflect the likelihood of slippages in current expenditure, including higher-than-expected outlays on energy support measures if commodity prices are higher than assumed. They also reflect the likelihood of additional increases in pensions and public wages in the outer years of the forecast horizon. Should these risks materialise, they are set to be partly offset by the likelihood of additional fiscal consolidation to comply with the EU's fiscal rules.

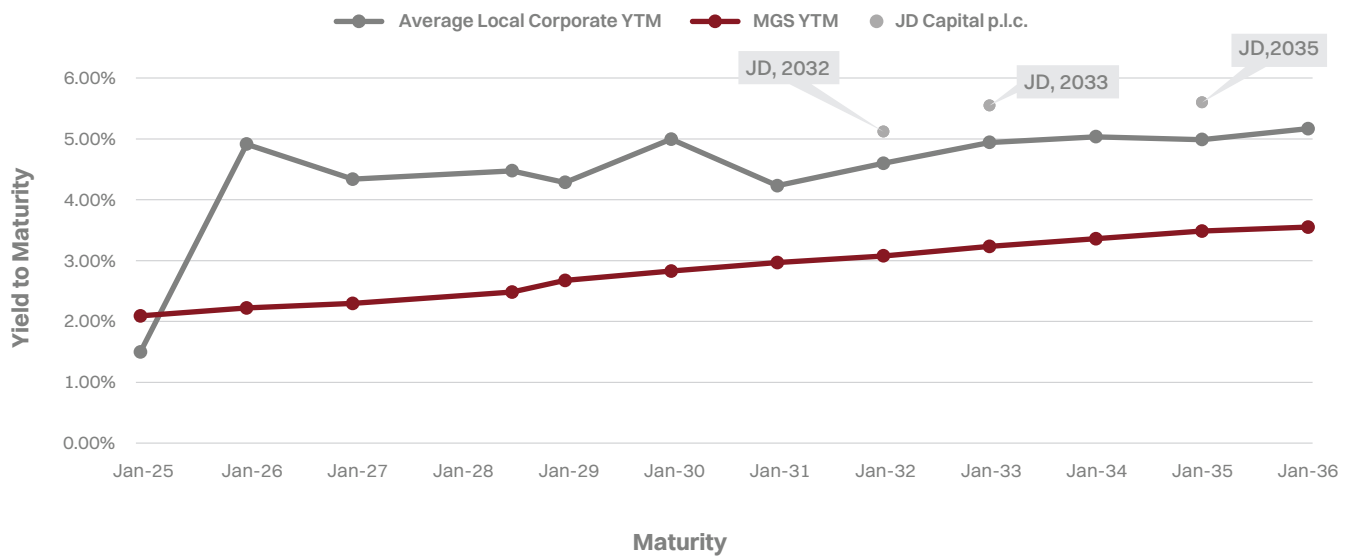
² Central Bank of Malta – Economic Projections 2024–2026

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
4.5% G3 Finance plc Secured € 2032	12,500	4.84%	(3.0)X	0.0	0.0	51.9%	37.9%	5.9X	0.7X	6.8%	12.1%	13.7%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1	25,000	4.00%	(2.3)X	99.1	56.4	43.1%	33.1%	8.1X	2.6X	3.7%	41.1%	22.8%
4.85% JD Capital plc Secured € 2032 S1 T1	14,000	5.12%	1.7X	76.3	20.3	73.3%	63.1%	16.9X	2.1X	0.1%	0.2%	9.6%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.94%	2.2X	37.6	17.1	54.7%	15.9%	3.0X	0.7X	0.0%	0.1%	19.0%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.55%	1.7X	76.3	20.3	73.3%	63.1%	16.9X	2.1X	0.1%	0.2%	9.6%
4.50% The Ona plc Secured € 2028-2034	16,000	4.54%	32.1X	29.5	8.4	71.4%	64.1%	9.8X	2.3X	19.4%	19.8%	534.1%
5.5% Juel Group plc € Secured 2035	32,000	4.99%	(20.2)X	73.0	25.3	65.4%	56.2%	26.4X	2.7X	17.2%	579.3%	13770.4%
5.4% Excel Finance plc € Secured Bonds 2031	50,000	5.16%	0.0X	0.0	0.0	0.3%	-	0.0X	0.0X	0.0%	0.0%	0.0%
5.6% JD Capital plc Secured Bonds 2035	40,000	5.60%	1.7X	76.3	20.3	73.3%	63.1%	16.9X	2.1X	0.1%	0.2%	9.6%
Average*		4.97%										

Source: Latest available audited financial statements
Last price as at 03/04/2025

*Average figures do not capture the financial analysis of the Issuer

Yield Curve Analysis



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 Malta Government Stocks (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 on the Issuer's bonds.

As at 3 April 2025, the average spread over the MGS for corporates with maturity range of 7-11 years was 145 basis points. Meanwhile, the 4.85% JD Capital plc 2032 bond is trading at a spread of 204 basis points over the equivalent MGSs. Moreover, as at 3 April 2025, the Bond traded at a premium of 60 basis points in comparison to the market of comparable corporate bonds.

Meanwhile, as at 3 April 2025, the 6% JD Capital plc 2033 bond was trading at a spread of 232 basis points over the equivalent MGSs which means that the Bond was trading at a premium of 87 basis points in comparison to the market of comparable corporate bonds.

The proposed JD Capital p.l.c. 2035 bond is issued with a coupon of 5.6% issued at par, meaning a spread of 212 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 67 basis points.

PART 4

GLOSSARY AND DEFINITIONS

INCOME STATEMENT

Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	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.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-Group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

PROFITABILITY RATIOS

Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	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).

Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative financial performance.
Cash Flow Statement	EBITDA as a percentage of total revenue.
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/ Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	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.

BALANCE SHEET

Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.

Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

FINANCIAL STRENGTH RATIOS

Current Ratio	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.
Quick Ratio (Acid Test Ratio)	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.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBIT of one period by finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

FINANCIAL STRENGTH RATIOS

FY	Financial Year.
Yield to Maturity (YTM)	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.

