

SECURITIES NOTE

Dated 8 November 2023

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the 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 up to €12,000,000 5.75% secured bonds 2028 of a nominal value of €100 per bond, issued and redeemable at par by

PLAN

GROUP

PLAN GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 103062

with the joint and several guarantee of
PLAN (BBG) Limited (C 106559)

ISIN: MT0002771203

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS. THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

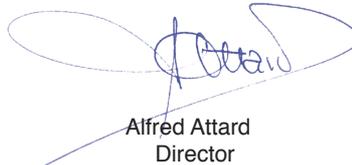
A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.

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

APPROVED BY THE BOARD OF DIRECTORS



Paul Attard
Director



Alfred Attard
Director

signing in their own capacity as directors of the Issuer and on behalf of each of
William Wait and Edward Grech as their duly appointed agents.

Legal Counsel to the Sponsor,
Manager and Registrar



CAMILLERI PREZIOSI
ADVOCATES

Legal Counsel
to the Issuer

Dr. Chris Cilia

Security Trustee

EQUINOX INTERNATIONAL
LIMITED

Sponsor,
Manager & Registrar



MZ INVESTMENTS

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1. IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY PLAN GROUP P.L.C. (THE “ISSUER”) OF UP TO €12,000,000 SECURED BONDS 2028 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.75% PER ANNUM PAYABLE ANNUALLY ON 23 NOVEMBER OF EACH YEAR. THE NOMINAL VALUE OF THE SECURED BONDS SHALL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION (THE “SECURED BONDS”).

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 OF THE SECURED BONDS, 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 SECURED BONDS OF THE ISSUER 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 ADVISERS.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (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) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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 ISSUE; (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING SAME.

THIS SECURITIES NOTE IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SECURITIES NOTE IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE AND, OR DOMICILE.

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

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.

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "ADVISERS" 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.

UNLESS INCORPORATED BY REFERENCE IN THIS SECURITIES NOTE, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS AND NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

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 ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES.

2 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, expressions and capitalised terms, as indicated in the Registration Document. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Admission	admission of the Secured Bonds to the Official List and to trading on the main market for listed securities of the MSE becoming effective in accordance with the Capital Markets Rules and the MSE Bye-Laws;
Applicant/s	a person or persons who subscribes for Secured Bonds by virtue of the completion and submission of an Application in accordance with the terms of this Securities Note;
Application/s	the application to subscribe for Secured Bonds through the Authorised Financial Intermediary in the form provided to the Applicant by the Authorised Financial Intermediary;
Authorised Financial Intermediary or MZI	M.Z. Investment Services Limited, a private limited liability company registered in Malta, bearing company registration number C 23936 and having its registered office at 63, MZ House, St Rita Street, Rabat RBT1523, Malta;
Bondholder	a holder of Secured Bonds whose name and other details are registered from time to time in the register of Bondholders maintained at the CSD;
Bondholders' Meeting	a meeting of Bondholders held in accordance with section 6.14 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;
Civil Code	the Civil Code (Cap. 16 of the laws of Malta);
Collateral or Security Interests	collectively, the following security interests to be constituted in favour of the Security Trustee: <ul style="list-style-type: none">(i) the first-ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;(ii) the first-ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Guarantor;(iii) the first-ranking special hypothec granted by the Guarantor for the full nominal value of the Secured Bonds over the Birzebbuga Site (and any developments and constructions thereon);(iv) the first-ranking special privilege over the Birzebbuga Site for the amount of €9,923,420;(v) the Pledge of Insurances Agreement; and(vi) the Share Pledge;
CSD	the Central Securities Depository of the Malta Stock Exchange having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Guarantee	the joint and several guarantee granted by the Guarantor to the Security Trustee, annexed to this Securities Note as Annex I hereto;
Interest Payment Date	23 November of each year between, and including, each of the years 2024 and 2028, 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 Bonds made by the Issuer to the Authorised Financial Intermediary through the Subscription Agreement, as further described in section 8.5 of this Securities Note;
Issue Date	expected on 29 November 2023;
Material Asset	an asset or several assets cumulatively, which has / have a value of 25% or higher of the respective company's balance sheet and shall include, albeit shall not be limited to, equity, immovable and movable property and, or any rights thereto;
Offer Period	the period between 08:30 hours on 13 November 2023 and 14:00 hours on 23 November 2023;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;

Pledge of Insurances Agreement	the pledge agreement to be entered into by and between the Guarantor, the Issuer, and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds as security for the full nominal value of the Secured Bonds and interest thereon;
Pledged Shares	600 Ordinary "A" Shares in the issued share capital of GAP Group Investments (II);
Redemption Date	23 November 2028;
Redemption Value	the nominal value of each Secured Bond (€100 per Secured Bond);
Registration Document	the registration document issued by the Issuer dated 8 November 2023, forming part of the Prospectus;
Subscription Agreement	the conditional subscription agreement pursuant to which the Authorised Financial Intermediary shall bind itself to subscribe to up to €12 million in Secured Bonds;
Securities Note	this document in its entirety;
Share Pledge	the pledge of the Pledged Shares by the Issuer (as pledgor) in favour of the Security Trustee (as pledgee) in accordance with the terms and conditions of a share pledge agreement; and
Terms and Conditions	the terms and conditions of the Secured Bonds set out in sections 5.5 and 6 of this Securities Note.

Unless it appears otherwise from the context:

- (i) words importing the singular shall include the plural and *vice-versa*;
- (ii) words importing the masculine gender shall also include the feminine gender and *vice-versa*; and
- (iii) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

3 RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE SECURED BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURED BONDS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

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

3.1 FORWARD LOOKING STATEMENTS

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

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

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

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

3.2 RISKS RELATING TO THE SECURED BONDS

3.2.1 Risks Relating to the Secured Bonds

3.2.1.1 No prior market for the Secured Bonds

Prior to the Bond Issue and Admission, 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 subsequent to the Bond Issue. 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 3 of the Registration Document.

3.2.1.2 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.

3.2.1.3 Future public offers

No prediction can be made about the effect which any future public offerings or listings 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.

3.2.1.4 Currency of reference

A Bondholder shall bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Secured Bonds (this being the Euro "€") 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.

3.2.1.5 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.

3.2.1.6 Amendments to the Terms and Conditions of the Secured Bonds

The Terms and Conditions of the Secured Bonds contain provisions for calling meetings of Bondholders 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 may call a Bondholders' Meeting in accordance with the provisions of section 6.14 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.

3.2.1.7 Continuing Obligations

After the Secured Bonds are admitted to trading on the Official List, the Issuer must remain in compliance with certain requirements. 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. Furthermore, the MFSA may 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/discontinuations described above, could have a material adverse effect on the liquidity and value of the Secured Bonds.

3.2.1.8 Subsequent changes in interest rates and the 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 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 will tend to rise.

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 Secured Bonds on the secondary market.

3.2.2 Risks relating to the Guarantor and the Collateral

3.2.2.1 Risks relating to the business of the Guarantor

The terms of the Guarantee are such that the Security Trustee may, upon an Event of Default, demand a cash payment in an amount equal to the principal and interest under the Secured Bonds from the Guarantor on first demand. The Guarantor's sole asset shall be the Birżebbuġa Site. The strength of the Guarantee (as a first-demand cash guarantee) depends on several factors, including (i) whether the permits submitted to the Planning Authority will be approved; and (ii) the timing for the development of the Birżebbuġa Site. No assurance can be given that the Guarantor will have sufficient funds available to make good for principal and interest payable to Bondholders following an Event of Default.

3.2.2.2 Risks relating to the Ranking of the Collateral

The Secured Bonds are secured by the Collateral. The hypothecs forming part of the Collateral shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim. A pledge confers upon the creditor the right to obtain payment out of the thing pledged with privilege over other creditors. Notwithstanding that the Security Trustee is a privileged creditor in respect of the payment out of the assets of the Share Pledge and the pledge of insurances in terms of the Pledge of Insurances Agreement, privileged creditors are afforded a ranking at law. Accordingly, the Security Trustee will rank after the claims of privileged creditors which rank higher than its privileged claim to the assets secured by the Share Pledge and the pledge of insurances in terms of the Pledge of Insurances Agreement.

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 of collateral has a bearing on the success of a creditor to get paid should the Issuer or the Guarantor not have sufficient assets to pay all its creditors. The Security Trustee will be paid out of the assets of the Issuer and, or the Guarantor after privileged creditors and those creditors which are given priority over the relevant 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.

3.2.2.3 Enforcement of security

There can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Secured Bonds in case of an Event of Default. The amount which may be recovered under the first-ranking general hypothecs constituted over the assets of the Issuer and the Guarantor depend on the nature and value of the assets forming part of the patrimony of the afore-mentioned collateral providers at the point in time that the Security Trustee enforces the general hypothecs.

The Guarantor has constituted a first-ranking special hypothec over the Birżebbuġa Site. As at 26 October 2023, the Birżebbuġa Site has been valued by independent experts as having a value of €14,000,000. There is no guarantee that the Bondholders will recover the value of the Birżebbuġa Site afforded to it by an independent expert in the Valuation Report. This may be caused by a number of factors, including but not limited to, general economic factors that could have an adverse impact on the value of the Birżebbuġa Site. If such circumstances were to arise or subsist at the time that the special hypothec is enforced by the Security Trustee, it could have a material adverse effect on the value of the Birżebbuġa Site and the recoverability of the value afforded to it in the Valuation Report.

In addition to the aforesaid, the valuation of the Birżebbuġa Site 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 Security Interests over the Birżebbuġa Site.

3.2.2.4 Risks relating to the Guarantee granted by the Guarantor

The Secured Bonds are being guaranteed by the Guarantor on a joint and several basis. Accordingly, the Security Trustee, for the benefit of the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the said Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

The strength of the undertakings given under the Guarantee and, accordingly, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Secured Bonds, is dependent upon, and directly linked, to the financial position and solvency of the Guarantor.

4 PERSONS RESPONSIBLE

This document includes information given in compliance with the Prospectus Regulation for the purpose of providing prospective investors with information with regards to the Issuer and the Secured Bonds. All of the Directors, whose names appear in section 4.2 of the Registration Document entitled "**Directors of the Issuer**" 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 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, Manager and Registrar, and the Issuer's advisers 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.

4.1 CONSENT FOR USE OF THE PROSPECTUS

Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediary:

For the purposes of any subscription for Secured Bonds through the Authorised Financial Intermediary in terms of this Securities Note and any subsequent resale, placement or other offering of the Secured Bonds by the Authorised Financial Intermediary 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 Intermediary pursuant to the Intermediaries Offer;
- (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, Manager and Registrar or any of their respective advisers take any responsibility for any of the actions of the Authorised Financial Intermediary, including its 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 nor the Sponsor, Manager and Registrar 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 or the Sponsor, Manager and Registrar and neither the Issuer nor the Sponsor, Manager and Registrar has any responsibility or liability for the actions of any person making such offers.

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

If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice.

In the event of a resale, placement or other offering of Secured Bonds by the Authorised Financial Intermediary, the Authorised Financial Intermediary shall provide investors with information 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 Secured Bonds to an investor by the Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between the Authorised Financial Intermediary and such investor including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it shall be the responsibility of the Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information.

The Authorised Financial Intermediary using this Prospectus in connection with a resale, placement, or other offering of 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 the 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 the Authorised Financial Intermediary unknown at the time of approval of this Securities Note shall be made available through a company announcement which shall also be made available on the Issuer's website: www.plangroup.com.mt

5 ESSENTIAL INFORMATION

5.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €11.7 million, shall be used as follows:

- (a) the amount of €10.7 million shall be utilised for the acquisition of the Birżebbuġa Site, including cost of acquisition; and
- (b) the remaining €1.0 million shall be utilised for general corporate funding purposes of the Group.

The Issuer has established a minimum aggregate subscription amount of €12,000,000 on which the Bond Issue is conditional. Accordingly, should the Secured Bonds not be fully subscribed to, the Secured Bonds will not be admitted to listing and trading on the Official List and all funds received from Applicants will be returned to Bondholders.

The Issuer (as lender) has entered into a conditional intra-group loan agreement (the "**Loan Agreement**") with the Guarantor (as borrower) pursuant to which the Issuer shall lend the amount of €10.7 million to the Guarantor for the purposes of financing the acquisition of the Birżebbuġa Site. The obligation of the Issuer to advance said funds to the Guarantor 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.

5.2 DYNAMICS FOR CLOSING

Following the Bond Issue, all proceeds shall be held by the Security Trustee. The Security Trustee shall, save for the payment of the expenses related to the Bond Issue, retain all remaining net bond proceeds until the Secured Bonds are admitted to the Official List. It is expected that within approximately 21 Business Days following listing of the Secured Bonds, the Collateral shall be constituted in favour of the Security Trustee.

The amount of €10.7 million from the net bond proceeds shall be utilised for the acquisition of the Birżebbuġa Site. The Security Trustee shall appear on the deed of sale to be entered into with the vendors of the Birżebbuġa Site pursuant to a delegation of authority granted by the Guarantor in its favour to pay the purchase price of the Birżebbuġa Site to the vendors and to settle related acquisition costs. Simultaneously upon the entry into this deed of sale, each of the Issuer and the Guarantor shall appear on a public deed with the Security Trustee to grant and constitute in favour of the Security Trustee the Collateral over their respective assets. The remaining balance of €1.0 million shall be released to the Issuer for general corporate funding purposes of the Group.

Upon the entry of the public deed relating to the acquisition of the Birżebbuġa Site by the Guarantor, the Issuer, the Security Trustee and GAP Group Investments (II) shall enter into the Share Pledge, pursuant to which the Issuer shall pledge the shares it holds in GAP Group Investments (II) in favour of the Security Trustee, for the benefit of Bondholders, subject to the terms stipulated therein.

The pledge of insurances in terms of the Pledge of Insurances Agreement shall be constituted if, and until, development works commence on the Birżebbuġa Site.

5.3 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 this Bond Issue are estimated not to exceed €300,000. There is no particular order of priority with respect to such expenses.

5.4 ISSUE STATISTICS

Amount:	up to €12,000,000;
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:	MT0002771203;
Minimum amount per subscription agreement:	minimum of €5,000 and multiples of €100 thereafter, applicable to the Subscription Agreement and to each underlying Applicant applying for the Secured Bonds through the Authorised Financial Intermediary;
Redemption Date:	23 November 2028;
Plan of Distribution:	the Secured Bonds are open for subscription by the Authorised Financial Intermediary (either for its own account or for the account of its underlying clients) pursuant to the Intermediaries Offer;
Bond Issue Price:	at par (€100 per Secured Bond);
Status of the Secured Bonds:	the Secured Bonds shall constitute general, direct, secured, and unconditional obligations of the Issuer, to be secured in the manner described in section 6.2 herein, guaranteed by the Guarantor and shall at all times rank <i>pari passu</i> and without any preference among themselves;
Guarantee:	the joint and several guarantee dated 8 November 2023 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bond Issue;
Status of the Guarantee:	the Guarantee granted by the Guarantor shall constitute a direct, secured, and unconditional obligation of the Guarantor;
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;
Allocation:	Applicants may apply for Secured Bonds through the Authorised Financial Intermediary during the Offer Period;

Offer Period:	08:30 hours on 13 November 2023 to 14:00 hours on 23 November 2023, both days included;
Interest:	5.75% per annum;
Interest Payment Date/s:	annually on 23 November as from 23 November 2024 (the first Interest Payment Date);
Governing Law of the Secured Bonds:	the Secured Bonds are governed by, and shall be construed in accordance with Maltese law; and
Jurisdiction:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Secured Bonds.

5.5 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE

Save for the subscription of the Secured Bonds by the Authorised Financial Intermediary pursuant to the Intermediaries Offer, and any fees payable in connection with the Bond Issue to MZI (in its capacity as Sponsor, Registrar and Manager), so far as the Issuer is aware, no person involved in the Bond Issue has an interest material to the Bond Issue.

6 INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED

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

6.1 GENERAL

The principal terms of the Secured Bonds are set out below:

- 6.1.1 Each Secured Bond forms part of a duly authorised issue of 5.75% Secured Bonds 2028 of a nominal value of €100 per Secured Bond issued by the Issuer at par up to the principal amount of €12,000,000 (except as otherwise provided under section 6.13 entitled “Further Issues”).
- 6.1.2 The Issue Date of the Secured Bonds is expected to be 29 November 2023.
- 6.1.3 The Bond Issue is guaranteed by the Guarantor and secured with the Collateral.
- 6.1.4 The currency of the Secured Bonds is Euro (€).
- 6.1.5 The Secured Bonds are expected to be listed on the Official List on 29 November 2023 and dealing can be expected to commence thereafter.
- 6.1.6 Subject to admission to listing of the Secured Bonds to the Official List, the Secured Bonds are expected to be assigned ISIN: MT0002771203.
- 6.1.7 Unless previously purchased and cancelled, the Secured Bonds shall be redeemable at par on the Redemption Date.
- 6.1.8 The issue of the Secured Bonds is made in accordance with the requirements of the Capital Markets Rules, the Companies Act, and the Prospectus Regulation.
- 6.1.9 Applications per underlying Applicant pursuant to the Intermediaries Offer are for a minimum amount of €5,000 per Applicant and in multiples of €100 thereafter.
- 6.1.10 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 by the Applicant to the Authorised Financial Intermediary 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.
- 6.1.11 The Bond Issue is not underwritten.
- 6.1.12 There are no special rights attached to the Secured Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with the ranking specified in section 6.2 hereunder.
- 6.1.13 All Applications submitted pursuant to the Intermediaries Offer shall be subject to the terms and conditions of the Bond Issue as set out in section 8 hereunder, the terms of which shall form an integral part hereof.

6.2 RANKING OF THE SECURED BONDS, THE COLLATERAL AND GUARANTEE

The ability of Bondholders to enforce their rights as creditors of the Issuer depends on whether other security holders or creditors have claims that would be viewed as senior, as having priority, or otherwise limiting the rights of the Bondholders to any payments on the Secured Bonds.

6.2.1 Status of the Secured Bonds

The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, and secured obligations of the Issuer, and shall be guaranteed in respect of both the interest due and the principal amount under the Secured Bonds, by the Guarantor. The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves.

6.2.2 Security Trustee and Collateral

The Collateral shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the CSD, as security for the payment of principal and interest under the Secured Bonds.

The Issuer and the Guarantor have entered into the Trust Deed with the Security Trustee which consists of the covenants of the Issuer to pay the principal amount under the Secured Bonds on the Redemption Date and interest thereon and the covenants of the Guarantor to pay principal and interest on the Secured Bonds in the event of a claim under the Guarantee, in accordance with its terms. The Trust Deed also regulates the constitution of the Collateral and the Guarantee in favour of the Security Trustee.

The Guarantee and the Collateral shall be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Secured Bonds. The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the Collateral upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Secured Bonds which remain exclusively the obligations of the Issuer (or, in the case of default by the Issuer, of the Guarantor, as applicable).

6.2.3 Ranking of Collateral

6.2.3.1 Hypothecs

First-ranking general hypothec granted by the Issuer

The Issuer shall secure its obligations under the Bond Issue by virtue of a first-ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all its assets, present and future. In terms of Maltese law, hypothecary debts are paid according to the order of registration in the Public Registry in Malta. Privileged debts rank with priority over hypothecary debts and accordingly, privileged creditors shall be paid before those creditors in whose favour a hypothec has been registered.

First-ranking general hypothec, first-ranking special hypothec and first-ranking special privilege granted by the Guarantor

The Guarantor shall constitute in favour of the Security Trustee a first-ranking general hypothec over all its assets, present and future, for the full nominal value of the Secured Bonds and interest thereon. It shall also constitute a first-ranking special hypothec over the Birżebbuġa Site (and any developments and constructions thereon) for the full nominal value of the Secured Bonds and interest thereon and a first-ranking special privilege over the Birżebbuġa Site for the amount of €9,923,420. Should the Security Trustee declare that an Event of Default has occurred which is continuing, the Security Trustee (for the benefit of Bondholders) shall, by virtue of the general hypothec, be paid out of the assets of the Guarantor and, by virtue of the special hypothec, be paid out of the funds received on the sale of the Birżebbuġa Site.

The special hypothec shall be registered as first-ranking special hypothec in the Public Registry in Malta. This means that said hypothec will rank in priority to other creditors, except for privileged creditors. During the course of the construction and development of the Birżebbuġa Site (assuming the necessary planning permits are issued) situations may arise whereby the contractors or suppliers may become entitled by law to register a special privilege over the Birżebbuġa Site thereby obtaining a priority in ranking over the Security Trustee.

In accordance with the terms of the Trust Deed, the Guarantor undertook to ensure that any contractors engaged for the development of the Birżebbuġa Site shall waive their right to register a special privilege over the said site to secure amounts due to them for works carried out.

6.2.3.2 The Share Pledge

The Share Pledge confers upon the creditor the right to obtain payment out of the Pledged Shares with privilege over other creditors. Accordingly, the Security Trustee will rank after the claims of privileged creditors which rank higher than its privileged claim to the assets secured by the Share Pledge and the Pledge of Insurances Agreement.

6.2.4 The Pledge of Insurances Agreement

In terms of the Trust Deed, the Guarantor shall enter into the Pledge of Insurances Agreement. A pledge creates a right of preference in favour of the collateral holder to be paid out of the asset so secured (the insurance policy) in priority to other creditors. Said pledge of insurances shall only be constituted by the Guarantor in favour of the Security Trustee if, and until, it develops the Birżebbuġa Site.

6.3 THE GUARANTEE

The Secured Bonds shall be guaranteed by the Guarantor on a joint and several basis. Accordingly, the Security Trustee, for the benefit of the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

Information on the Guarantor is contained in section 3.2 of the Registration Document entitled “**Directors of the Guarantor**”, section 4.3 of the Registration Document entitled “**The Guarantor**” (which section contains an overview of the Guarantor’s business), sections 10.2, 10.3 and 10.4 of the Registration Document entitled “**Historical Financial Information**”, “**Operating and Financial Review**” and “**Pro Forma Financial Information**”.

6.4 RIGHTS ATTACHING TO THE SECURED BONDS

This Securities Note in its entirety contains the terms and conditions of issue of the Secured Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Secured Bonds shall be construed as a reference to all and each section of this Securities Note. 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 the Security Interests through the Security Trustee;
- (iv) the benefit of the Guarantee;
- (v) the right to attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond Issue; and
- (vi) enjoy all such other rights attached to the Secured Bonds emanating from the Prospectus.

6.5 INTEREST

The Secured Bonds shall bear interest from, and including, 23 November 2023 at the rate of 5.75% 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 November 2024 (covering the period commencing 23 November 2023 to 22 November 2024). 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.

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

6.6 THE LIMITS OF THE VALIDITY OF CLAIMS

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.

6.7 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds is 5.75% per annum. The gross yield to call as at the Redemption Date (being 23 November 2028) is 5.75% per annum.

6.8 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 his / her / its entitlement to Secured Bonds held in the register kept by the CSD.

Upon subscribing for Secured Bonds, Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder’s statement of holdings evidencing entitlement to 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 facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such to the Authorised Financial Intermediary in the form of Application. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

The Secured Bonds shall be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription, the Secured Bonds shall be subscribed for a minimum of €5,000 per individual Bondholder. Should the Authorised Financial Intermediary subscribe to Secured Bonds through nominee accounts for and on behalf of clients, it 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 entitled **"Transferability of the Bonds"** in section 6.12 of this Securities Note.

6.9 PAYMENTS

Payment of the principal amount of Secured Bonds shall 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 and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Secured 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 shall 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 and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the 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 the Republic of 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.

6.10 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled the Secured Bonds shall be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 23 November 2028.

Subject to the provisions of this section 6.10, 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 re-issued or re-sold.

6.11 EVENTS OF DEFAULT

Pursuant to the 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 Bondholders, by notice in writing to the Issuer and the Guarantor 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 the 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 by the Security Trustee to the Issuer;
- (ii) the Issuer fails to pay the principal amount of a Secured Bond on the date fixed for its redemption; and such failure continues for a period of 60 days after written notice thereof by the Security Trustee to the Issuer;

- (iii) the Issuer duly fails to perform or shall otherwise be in breach of any other material obligation contained in the Prospectus and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by a Bondholder;
- (iv) the Collateral is not constituted and perfected in accordance with the ranking set out in the Prospectus;
- (v) the Guarantor distributes dividends without the consent of the Security Trustee;
- (vi) the Collateral and, or the Guarantee are not enforceable against the Issuer and, or the Guarantor (as applicable);
- (vii) in terms of article 214(5) of the Companies 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;
- (viii) the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business;
- (ix) the Issuer and, or the Guarantor are unable to pay their debts within the meaning of article 214(5) of the Companies Act, or any statutory modification or re-enactment thereof;
- (x) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer and, or the Guarantor and such appointment is certified by the Security Trustee to be prejudicial, in its opinion, to the Bondholders;
- (xi) an order is made, or an effective resolution is passed for winding up of the Issuer and, or the Guarantor, except for the purpose of a reconstruction, amalgamation or division, the terms of which have been approved in writing by the Security Trustee;
- (xii) the Issuer and, or the Guarantor substantially change the object or nature of business as currently carried on;
- (xiii) the Issuer and, or the Guarantor commit a breach of any of the covenants or provisions contained in the Trust Deed and on their part to be observed and performed and the said breach still subsists for 30 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);
- (xiv) the security constituted by any hypothec, pledge, or charge upon the whole or any part of the undertaking or assets of the Issuer and, or the Guarantor shall become enforceable, and steps are taken to enforce 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;
- (xv) any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer and, or the Guarantor is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee;
- (xvi) any material indebtedness of the Issuer and, or the Guarantor is not paid when properly due or becomes properly due and payable, or any creditor of the Issuer and, or the Guarantor (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 and, or the Guarantor 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 one million Euro (€1,000,000);
- (xvii) it becomes unlawful at any time for the Issuer or the Guarantors to perform all or any of their obligations hereunder;
- (xviii) in the sole opinion of the Security Trustee, a material part of the undertakings, assets, rights, revenues, shares or other ownership interests in the Issuer and, or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; and
- (xix) any Material Asset is transferred to a person which does not form part of the Group, without the prior consent of the Security Trustee.

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 of Default, which shall have happened as aforesaid.

Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may,

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

6.12 TRANSFERABILITY OF THE BONDS

The Secured Bonds are freely transferable and once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

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 (as 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 Issuer.

The Issuer shall 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.

6.13 FURTHER ISSUES

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

6.14 MEETINGS OF BONDHOLDERS

6.14.1 Authority of the Bondholders' Meeting

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

6.14.1.2 A Bondholders' Meeting may be called 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 or the Trust Deed require the approval of a Bondholders' Meeting and to effect any change to the applicable Terms and Conditions, including any change to a material term of issuance of the Secured Bonds or the Prospectus.

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

6.14.2 Procedural Rules for Bondholders' Meetings

6.14.2.1 A Bondholders' Meeting shall be held at the written request of:

- (i) the Issuer; or
- (ii) the Security Trustee.

- 6.14.2.2 The Bondholders' Meeting shall be called by the Security Trustee. A request for a Bondholders' Meeting shall be made in writing to the Security Trustee and shall clearly state the matters to be discussed.
- 6.14.2.3 If the Security Trustee does not call the Bondholders' Meeting within 21 days from the receipt of the said request, the requesting party may call the Bondholders' Meeting itself.
- 6.14.2.4 The Security Trustee shall, by not less than 14 days' notice in writing, call such meeting by giving all Bondholders listed in the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus or the terms of the Secured Bonds that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. If amendments to the Prospectus have been proposed, the main content of the proposal shall be contained in the notice.
- 6.14.2.5 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.
- 6.14.2.6 Once a quorum is declared present by the chairman of the meeting, the Bondholders' 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 for 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.
- 6.14.2.7 The Bondholders' Meeting shall be held on the premises designated by the Security Trustee. The Bondholders' Meeting shall be chaired by the Security Trustee, unless otherwise decided by the Bondholders' Meeting.
- 6.14.2.8 Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders and Secured Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting and the result of the voting. The minutes shall be signed by the chairman of the meeting. The minutes shall be deposited with the Security Trustee.
- 6.14.2.9 The Bondholders and the Security Trustee have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. A Bondholder may attend by a representative holding proxy.
- 6.14.2.10 The Security Trustee shall circulate proxy forms to Bondholders with the notice convening the Bondholders' Meeting.
- 6.14.2.11 Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present when voting takes place.
- 6.14.2.12 The Trustee may provide for virtual or remote meetings of Bondholders, provided that any such meetings allow Bondholders to ask questions and to exercise their right to vote at such meetings.
- 6.14.3 Resolutions passed at Bondholders' Meetings**
- 6.14.3.1 Unless otherwise specified in the Prospectus and, or the Trust Deed, the proposal placed before a Bondholders' Meeting shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 6.14.3.2 At the Bondholders' Meeting, each Bondholder may cast one vote for each Secured Bond held at close of business on the day prior to the date of the Bondholders' Meeting and as recorded on the register of Bondholders maintained by the CSD.
- 6.14.3.3 In all matters, the Issuer, the Security Trustee, and any Bondholder shall have the right to demand a poll.
- 6.14.3.4 The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

6.14.3.5 The Security Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented; however, the Security Trustee may refuse to carry out resolutions being in conflict with the Prospectus or any applicable law.

6.14.3.6 The Issuer and the Bondholders shall be notified of resolutions passed at the Bondholders' Meeting.

6.15 AUTHORISATIONS AND APPROVALS

The Directors authorised the Bond Issue pursuant to a Board resolution passed on 27 October 2023. The Guarantee being given by the Guarantor in respect of the Secured Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 27 October 2023.

6.16 NOTICES

Notices shall 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.

6.17 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 and, or the Guarantor arising out of or in connection with the Secured Bonds and, or the Prospectus shall be brought exclusively before the Maltese courts.

7 TAXATION

7.1 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.

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.

7.2 MALTA TAX ON INTEREST

Since interest is payable in respect of a Secured Bond which is the subject of a public issue and such interest should constitute "investment income" in terms of article 41(a)(iv)(1) of the Income Tax Act, Cap. 123 of the laws of Malta (the "**Income Tax Act**"), unless the Bondholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, 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, interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (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 abovementioned "investment income" final withholding tax and should seek advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term "recipient" for the purposes of the provisions applicable to "investment income", and includes, *inter alia*, a person (or a receiver, guardian, tutor, curator, judicial sequestrator, trustee, foundation or other fiduciary acting on behalf of a person) who is resident in Malta during the year in which "investment income" is payable to him/her, and EU/EEA nationals (and their spouse where applicable) who are not resident in Malta for Maltese tax purposes but who apply the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their worldwide income.

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

In the case of a valid election in terms of article 35 of the Income Tax Act 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 or her 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 Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

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

7.3 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 Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that the information contained in this section does not constitute tax advice and prospective investors in the Secured Bonds are to consult their own independent tax advisers in case of doubt.

7.3.1 The Common Reporting Standard and the Directive on Administrative Cooperation

The Organisation for Economic Co-operation and Development ('OECD') has developed a global framework, commonly known as the Common Reporting Standard ('CRS') for the identification and timely reporting of certain financial information on individuals, and controlling persons of certain entities, who hold financial accounts with financial institutions of participating jurisdictions in order to increase tax transparency and cooperation between tax administrations. Numerous jurisdictions, including Malta, have signed the OECD Multilateral Competent Authority Agreement, which is a multilateral agreement outlining the framework to automatically exchange certain financial and personal information as set out within CRS.

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by the OECD, CRS has also been adopted in the EU through the implementation of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of tax information in the field of taxation. This has been transposed in Malta by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 ("**CRS Legislation**"), and has been applicable since 1 January 2016. In terms of this legal notice, the automatic exchange of information obligations shall extend to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

Malta based financial institutions (defined as such for the purposes of CRS) are obliged to identify and annually report to the Malta Commissioner for Revenue financial accounts held by a reportable person, as defined under the CRS Legislation, including certain entities with one or more controlling persons, as defined under the CRS Legislation. Financial information relating to the Secured Bonds and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

Under CRS, financial institutions resident in a CRS participating jurisdiction (such as Malta) would be required to apply onerous due-diligence procedures for the identification of reportable accounts. Bondholders may be required to provide certain information and certifications to financial institutions, such as qualifying custodians or any intermediaries, in order to satisfy their obligations under CRS. Certain confidential information in relation to the Bondholders and, or other reportable persons may be reported to the Commissioner for Revenue or other relevant overseas tax authorities and automatically exchanged pursuant to these arrangements with the tax administrations of other participating jurisdictions.

Investors are also advised to assess any reporting obligations in terms of Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ('DAC 6'), as transposed into Maltese domestic law by way of Legal Notice 342 of 2019 amending the CRS Legislation.

Investors are advised to seek professional advice in relation to the CRS Legislation and EU Council Directive 2014/107/EU. Not complying with the CRS rules may give rise to certain fines or closure of financial accounts.

7.3.2 The Exchange of Information (United States of America) (FATCA) Order

The United States of America ('U.S.') has enacted rules, commonly referred to as 'FATCA', that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA in Malta which 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, financial institutions in Malta (defined as such for the purposes of FATCA) are required to satisfy applicable due diligence requirements 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 Malta Commissioner for Revenue. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the FATCA Legislation on an automatic basis.

Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations. In order to comply with its FATCA obligations, if any, the Issuer and, or its agent may be required to obtain certain information, forms and other documentation on the Bondholders to report information on reportable accounts to the Commissioner for Revenue, in accordance with applicable laws and regulations, which will in turn report this information to the Internal Revenue Service in the U.S. Bondholders should note that a specified U.S. person in terms of FATCA may include a wider range of investors than the current U.S. Person definition referred to in the Terms And Conditions of Application.

Financial institutions 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 any referring legislation. In the case of failure to provide satisfactory documentation and, or information, financial institutions may take such action as it thinks fit, including without limitation, the closure of the financial account.

7.4 MALTESE TAXATION ON CAPITAL GAINS ARISING ON TRANSFER OF THE SECURED BONDS

On the basis that the Secured Bonds should 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*", and to the extent that the Secured Bonds are held as capital assets by the Bondholder, no income tax or capital gains should be chargeable in respect of a transfer of the Secured Bonds.

7.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), (the "**Duty on Documents and Transfers Act**"), duty of 2% on the consideration or the real value (whichever is higher) is chargeable, *inter alia*, on the transfer *inter vivos* or transmission *causa mortis* of a "marketable security". However, on the basis that the Secured Bonds should not fall within the definition of a "marketable security", defined in the Duty on Documents and Transfers Act as "a holding of share capital in any company and any document representing the same", the transfer/transmission of the Secured Bonds should not be chargeable to duty.

Furthermore, in terms of article 50 of the Financial Markets Act, as the Secured Bonds should constitute qualifying financial instruments of a company quoted on a regulated market (that is, the MSE) any transfers or transmissions of the Secured Bonds should, in any case, be exempt from duty.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THE PROSPECTUS, 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 AND DEPENDS, AMONG OTHER THINGS, ON THE PARTICULAR INDIVIDUAL CIRCUMSTANCES OF THE INVESTORS AND OF THE CLASSIFICATION OF THE SECURED BONDS FROM A MALTESE TAX PERSPECTIVE.

8 TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1.	Offer Period	13 November 2023 to 23 November 2023
2.	Commencement of interest on the Secured Bonds	23 November 2023
3.	Expected date of announcement of basis of acceptance	24 November 2023
4.	Refunds of unallocated monies (if any)	29 November 2023
5.	Expected dispatch of allotment advices	29 November 2023
6.	Expected date of admission of the securities to listing	29 November 2023
7.	Expected date of commencement of trading in the securities	30 November 2023

8.2 TERMS AND CONDITIONS OF APPLICATION

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

- 8.2.1 The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Official List. In the event that said condition is not satisfied within 15 Business Days from the closing of the Offer Period, any Application monies will be returned without interest by direct credit into the Applicant's bank account.
- 8.2.2 Pursuant to the Intermediaries Offer, the Issuer shall enter into a Subscription Agreement with the Authorised Financial Intermediary pursuant to which the Issuer shall bind itself to allocate a total amount of €12,000,000 in nominal value of Secured Bonds to the Authorised Financial Intermediary and the Authorised Financial Intermediary shall bind itself to subscribe to a maximum of €12,000,000 in nominal value of Secured Bonds. As described in more detail under section 8.4 below, the Authorised Financial Intermediary (in the names of underlying clients) must provide details of Applicants representing the amount they have been allocated by completing a data file, as provided by the Registrar, by latest 23 November 2023, accompanied by full payment.
- 8.2.3 By submitting a form of Application to the Authorised Financial Intermediary, the Applicant is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Authorised Financial Intermediary, reserves the right to invalidate the relative form of Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Authorised Financial Intermediary, which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- 8.2.4 The contract created by the Issuer's acceptance of a data file submitted by the Authorised Financial Intermediary pursuant to the Subscription Agreement, shall be subject to all the terms and conditions set out in this Securities Note and the memorandum and articles of association of the Issuer. 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.
- 8.2.5 If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the 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 Authorised Financial Intermediary, but it shall not be the duty or responsibility of the Authorised Financial Intermediary to ascertain that such representative is duly authorised to submit an 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 made available.
- 8.2.6 In the case of joint Applicants, 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 first person, as designated in the respective MSE account number quoted by the Applicant or first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders designated in the MSE account number quoted by the Applicant or joint holders 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.

- 8.2.7 In the case of corporate Applicants or Applicants having separate legal personality, it shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such Applicant is, or are, in fact duly 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.
- 8.2.8 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 subscribing for Secured Bonds on the minor's behalf, 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.
- 8.2.9 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 meetings of the Bondholders 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 Bonds (which shall be due to the bare owner).
- 8.2.10 In the event that a cheque accompanying a form of Application is not honoured on its first presentation, the Authorised Financial Intermediary reserves the right to invalidate the form of Application.
- 8.2.11 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 Intermediary is 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 Cap. 3 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediary is an MSE Member or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 586 of the laws of Malta) (the "**Data Protection Act**") and the General Data Protection Regulation (GDPR) (EU) 2016/679 (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.
- 8.2.12 It shall be incumbent on the 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 ("**MiFIR**"), as well as applicable MFSA Rules for investment services providers.
- 8.2.13 No person receiving a copy of the Prospectus or any form of 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 form of Application unless, in the relevant territory, such an invitation or offer could lawfully be made to such person, or such form of Application could lawfully be used without contravention of any registration or other legal requirements.
- 8.2.14 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 advisers (including tax and legal advisers) 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 / herself / itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 8.2.15 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.
- 8.2.16 The Secured Bonds will be issued in multiples of €100. The minimum subscription amount of Secured Bonds that can be subscribed for by Applicants is €5,000.
- 8.2.17 Subject to all other terms and conditions set out in the Prospectus, the Authorised Financial Intermediary reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and, or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Authorised Financial Intermediary is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.

8.2.18 On completing and delivering a form of Application, the Applicant:

- (i) 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 applied for by the Applicant (or any smaller amount of Secured Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the form of Application and the memorandum and articles of association of the Issuer;
- (ii) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Secured Bonds contained therein;
- (iii) warrants that the information submitted by the Applicant in the form of Application is true and correct in all respects. All forms of Application 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) and subscription monies will be returned to the Applicant in accordance with section 8.2.1 above. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the form of Application and those held by the MSE in relation to the MSE account number indicated on the form of Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (iv) 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: www.plangroup.com.mt. 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 GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he / she / it has been provided with and read the privacy notice;
- (v) authorises the Issuer (or its service providers, including the CSD and, or the Sponsor, Manager and Registrar) and, or the Authorised Financial Intermediary, as applicable, to process the personal data provided by the Applicant 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/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the Malta Stock Exchange. The requests must be signed by the Applicant to whom the personal data relates;
- (vi) 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 Secured 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;
- (vii) agrees that any refund of unallocated Application monies, without interest, will be paid by direct credit, at the Applicant's own risk, to the bank account as indicated by the Applicant in the form of Application. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- (viii) 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 for such Secured Bonds and such payment is accepted by the Authorised Financial Intermediary (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the 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);
- (ix) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) (the "**Prevention of Money Laundering Act**") and regulations made thereunder, and that such monies will not bear interest;
- (x) warrants, in connection with the subscription of the Secured Bonds, 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 the subscription of Secured Bonds in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Sponsor, Manager and Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Secured Bonds;
- (xi) agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which may be requested in connection with the Application;
- (xii) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (xiii) agrees that all Applications, forms of Application, 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 Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, forms of Application, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (xiv) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “**United States**”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
 - (xv) agrees that the advisers to the Bond Issue (listed in section 4.5 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Secured Bonds or the suitability of the Applicant;
 - (xvi) warrants that, where an Applicant submits a form of 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 your power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
 - (xvii) 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 Applicants, the address of the first named Applicant) as designated in the respective MSE account quoted by the Applicant; and
 - (xviii) 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.

8.2.19 All forms of Application are to be lodged with the Authorised Financial Intermediary.

8.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Secured Bonds shall be made available for subscription to all categories of investors. The Secured Bonds shall be offered exclusively to the Authorised Financial Intermediary. During the Offer Period, the Authorised Financial Intermediary shall subscribe for Secured Bonds by virtue of the Subscription Agreement to be entered into by and between the Issuer, the Guarantor, and the Authorised Financial Intermediary.

Pursuant to the Subscription Agreement to be entered into during the Offer Period, the Authorised Financial Intermediary may subscribe for Secured Bonds for its own account or for its underlying clients. The allocation of the Secured Bonds shall be conditional upon the Secured Bonds being admitted to the Official List of the Malta Stock Exchange.

Applications may be made through the Authorised Financial Intermediary. It is expected that an allotment advice will be dispatched to Applicants within five Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

The Issuer has established a minimum aggregate subscription amount of €12,000,000 on which the Bond Issue is conditional. Accordingly, should the Secured Bonds not be fully subscribed to, the Secured Bonds will not be admitted to listing and trading on the Official List and all funds received from Applicants will be returned to Bondholders.

Dealings in the Secured Bonds shall not commence prior to the Secured Bonds being admitted to the Official List.

8.4 INTERMEDIARIES OFFER

By the close of the Offer Period, the Issuer shall enter into the Subscription Agreement pursuant to which the Issuer shall bind itself to allocate the full nominal value of the Secured Bonds, to the Authorised Financial Intermediary, and the Authorised Financial Intermediary shall bind itself to subscribe to up to €12,000,000 in nominal value of Secured Bonds, conditional upon the admission to listing of the Secured Bonds either for its own account or for the account of underlying clients, including retail clients, and shall in addition be entitled to either:

- (i) distribute to the underlying clients any portion of the Secured Bonds subscribed for upon commencement of trading; or
- (ii) complete a data file representing the amount its underlying clients have been allocated in terms of the Subscription Agreement as provided by the Registrar by latest 16:00 hours on 23 November 2023, being the closing of the Offer Period.

The Authorised Financial Intermediary must effect payment to the Issuer for the Secured Bonds subscribed to by not later than the closing of the Offer Period.

8.5 PRICING

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

8.6 ALLOCATION POLICY

The Issuer has reserved the full amount of the Secured Bonds to the Authorised Financial Intermediary, which shall enter into the Subscription Agreement by the close of the Offer Period.

The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 24 November 2023.

8.7 ADMISSION TO TRADING

The Malta Financial Services Authority has authorised the Secured Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 8 November 2023.

Application has been made to the Malta Stock Exchange 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 Malta Stock Exchange with effect from 29 November 2023 and trading is expected to commence on 30 November 2023.

8.8 ADDITIONAL INFORMATION

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

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, Manager and Registrar which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor, Manager and Registrar does not have any material interest in the Issuer and, or the Guarantor. The Issuer confirms that the financial analysis summary has been accurately reproduced in this Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The business address of the Sponsor, Manager and Registrar is at 63, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta.

ANNEX I – THE GUARANTEE

To: Equinox International Limited
Level 3, Valletta Buildings,
South Street,
Valletta VLT 1103, Malta

(Hereinafter, together with its lawful successors and assigns referred to as the “**Security Trustee**”).

8 November 2023

Dear Sirs,

Re: GUARANTEE & INDEMNITY

I, PLAN (BBG) Limited, a company registered in Malta bearing company registration number C 106559 (hereinafter together with its lawful successors and assigns, referred to as the “Guarantor”), having noted that:

- A. by virtue of a prospectus dated 8 November 2023 issued by PLAN Group p.l.c. (hereinafter, referred to as the “**Issuer**”) in connection with the issue of €12 million Secured Bonds 2028 (as the same may be amended, varied or supplemented hereinafter referred to as the “**Prospectus**”) the Issuer shall, under the joint and several guarantee of the Guarantor, issue up to €12 million Secured Bonds at an annual interest rate of 5.75% to be redeemed and finally repaid on 23 November 2028, on which the Issuer shall be entitled to prepay all or part of the principal amount of the Secured Bonds and all interests accrued up to the date of prepayment, subject to the terms and conditions of the Prospectus (hereinafter, referred to as the “**Secured Bonds**”);
- B. the Guarantor is a fully owned subsidiary company of the Issuer;
- C. it is a condition precedent for the issuance of the Secured Bonds that, *inter alia*, the Guarantor executes and grants this Guarantee and Indemnity (hereinafter referred to as the “**Guarantee**”) of the obligations of the Issuer above referred to, in favour of the Security Trustee; and
- D. the Guarantor has agreed to the conclusion and execution of this Guarantee in favour of the Security Trustee.

NOW, THEREFORE, THE GUARANTOR IS HEREBY COVENANTING IN FAVOUR OF THE SECURITY TRUSTEE AS FOLLOWS:

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) “**Indebtedness**” means any and all moneys, obligations, and liabilities now or hereafter due, owing or incurred by the Issuer under the Secured Bonds to the Bondholders (whether alone and, or with others) in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability; and
- (c) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include facsimile transmissions, telexes, and other such electronic methods.

2. GUARANTEE

2.1 Covenant to Pay

In satisfaction of the conditions precedent for the issuance of the Secured Bonds, and in consideration of the Bondholders acquiring the Secured Bonds, the Guarantor, as duly authorised, without proof of liability or evidence and as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of itself and the Bondholders (in proportion to their respective holding of Secured Bonds) the payment of, and undertakes on first demand in writing made by the Security Trustee on the Guarantor, to pay the Indebtedness to the Security Trustee or any balance thereof at any time due or owing under the Secured Bonds.

2.2 Maximum Liability of the Guarantor

This is a continuing Guarantee for the whole amount due or owing under the Secured Bonds or which may hereafter at any time become due or owing under the Secured Bonds by the Issuer but the amount due by Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of €12,000,000 (twelve million Euro) apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and the Guarantor which shall be additional to the maximum sum herein stated.

2.3 Collateral supporting Guarantee

The Guarantee shall be further supported by:

- (i) a first-ranking general hypothec over all the present and future property of the Guarantor for the full nominal value of the Secured Bonds and interest thereon;
- (ii) a first-ranking special hypothec granted by the Guarantor over the Birzebbuga Site, (and any developments and constructions thereon) for the full nominal value of the Secured Bonds and interest thereon;
- (iii) a first-ranking special privilege granted by the Guarantor over the Birzebbuga Site, (and any developments and constructions thereon) for the amount of €9,923,420; and
- (iv) a pledge agreement to be entered into by and between the Guarantor, the Issuer, and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds as security for the full nominal value of the Secured Bonds and interest thereon.

2.4 Indemnity

As a separate and independent stipulation, the Guarantor agrees to indemnify the Security Trustee on demand for any damages, losses (excluding loss of profit), costs and expenses arising from any failure on the part of the Issuer to perform any obligation to the Security Trustee and the Guarantor so agrees to indemnify the Security Trustee even in the event that any obligation of the Issuer to the Security Trustee is invalid or ceases to be valid and enforceable against the Issuer for any reason whatsoever including, but without limitation, any legal limitation or any disability or incapacity of the Issuer. In such an event the Guarantor shall be liable towards the Security Trustee as if that obligation was fully valid and enforceable and as if the Guarantor were the principal debtor in respect thereof and shall pay all sums due to the Security Trustee within seven days of a demand in writing by the Security Trustee.

3. CONTINUING AND UNCONDITIONAL LIABILITY

3.1 The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of:

- (a) the bankruptcy, insolvency or winding up of the Issuer; or
- (b) the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or
- (c) any change in the name, style, constitution, any amalgamation, or reconstruction of either the Issuer, or the Guarantor; or
- (d) the Security Trustee conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or
- (e) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Security Trustee.

- 3.2** The Security Trustee is being expressly authorised to vary the Prospectus and, or modify the Indebtedness or to release or modify any guarantees or any security the Security Trustee may hold as security for the Indebtedness and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee hereunder. The Guarantor is also hereby expressly consenting to any assignments and transfers made by the Issuer in accordance with the Prospectus and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee hereunder.

4. WAIVER OF THE GUARANTOR'S RIGHTS AND THE GUARANTOR'S WARRANTIES

- 4.1** Until the Indebtedness has been paid in full, the Guarantor agrees that it will not, without the prior written consent of the Security Trustee:

- (a) exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness;
- (b) demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same;
- (c) take any step to enforce any right against the Issuer or any other person liable for the Indebtedness;
- (d) claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness;

- 4.2** Subject to the overriding provisions of the Prospectus until the Indebtedness has been paid in full the Guarantor further agrees that:

- (a) if an Event of Default under the Prospectus occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Security Trustee and shall be paid to the Security Trustee immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Prospectus;
- (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Security Trustee against the Issuer and any other person who may be liable for the Indebtedness, shall be suspended;
- (c) the Security Trustee may and shall receive and retain the whole of the liquidation dividends to the exclusion of the rights (if any) of the Guarantor in competition with the Security Trustee and pursuant to the above the Security Trustee is entitled to hold all payments made by the Guarantor or the Issuer on account of the Indebtedness in suspense for a period of six (6) months from the date of payment and any such payments on account shall not be applied in reduction of the Indebtedness for a period of six (6) months as stated. The Security Trustee may accordingly prove for the whole Indebtedness of the Issuer in liquidation after excluding any and all payments made within a period of six (6) months prior to the liquidation of the Issuer;
- (d) the Security Trustee shall not be required to exhaust any remedy or remedies it may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against the Guarantor under this Guarantee which is to be construed as entirely independent from the relationship between the Security Trustee and the Issuer and providing immediate recourse against the Guarantor under this Guarantee. The Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

5. APPROPRIATION OF PAYMENTS

The Security Trustee is entitled to appropriate payments received by it from the Issuer for such purposes as contemplated in the Prospectus.

6. SETTLEMENTS CONDITIONAL

Any release, discharge or settlement between the Guarantor and the Security Trustee shall be conditional upon no security, disposition or payment to the Security Trustee by the Issuer or the Guarantor or any other third party liable to being void or set aside for any reason whatsoever and if, for any reason whatsoever, this condition is not fulfilled, such release, discharge or settlement shall be of no effect whatsoever and this Guarantee shall again come into force for all effects and purposes of law.

7. ADDITIONAL GUARANTEE

This Guarantee is to be construed as being in addition to and in no way prejudicing any other securities or guarantees which the Security Trustee may now or hereafter hold from or on account of the Issuer and is to be binding on the Guarantor as a continuing Guarantee until full and final settlement of all the Issuer's indebtedness towards the Security Trustee. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

8. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

8.1 This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Security Trustee and the liability hereunder is not subject to any conditions as to additional security being received by the Security Trustee or otherwise.

8.2 The Guarantor shall not be entitled to assign or transfer any of its obligations under this Guarantee.

9. REPRESENTATIONS AND WARRANTIES

9.1 The Guarantor represents and warrants:-

- (a) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (b) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (c) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (d) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (e) that this Guarantee shall not result in or cause the creation or imposition of or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
- (f) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and nor is it threatened with any such procedures;
- (g) that the obligations binding it under this Guarantee rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
- (h) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;
- (i) that all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts;
- (j) that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

9.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Security Trustee, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good, and valid all the representations and warranties given under this clause, except for representations and warranties in limbs (f) and (h) which are given only as at the date of this Guarantee.

10. DEMANDS AND PAYMENTS

- 10.1 All the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain, liquidated, and due on the seventh day following the Security Trustee's first written demand to the Guarantor to pay. All demands shall be sent to the address or facsimile or other numbers as are stated below in Article 11 as the same may be changed by notice in writing by one party to the other.

The demand shall be accompanied by a statement by the Security Trustee confirming that to the best of its knowledge there exist, at the time of the demand, circumstances which constitute an Event of Default or such that may render the underlying obligations of the Issuer to the Security Trustee invalid and unenforceable for any reason whatsoever.

It is expressly agreed that the requirement of such statement is not a condition of liability of the Guarantor under this Guarantee and is entirely without prejudice to the on-demand nature of this Guarantee. Any disagreement by the Guarantor as to the contents of the statement shall not entitle the Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.

- 10.2 The statement by the Security Trustee of the amount due under this Guarantee shall be binding on the Guarantor and shall be conclusive evidence of the sum due, saving only manifest error.
- 10.3 All payments shall be made to the Security Trustee without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Security Trustee. The Guarantor authorises the Security Trustee to apply any credit balance the Guarantor may have with the Security Trustee towards the satisfaction of the Indebtedness. The Security Trustee shall notify the Guarantor forthwith of the exercise of this right giving full details relating thereto.

11. NOTICES

- 11.1 Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by facsimile, at the time of transmission of the facsimile.
- 11.2 For the purposes of this Guarantee, the proper addresses and facsimile numbers of the parties are:

PLAN (BBG) Limited

Address: PLAN Group Head Office, Triq il-Wirt Naturali,
Baħar iċ-Ċagħaq, Naxxar NXR5232, Malta
Tel. No.: 2145 6700
Contact Person: Paul Attard

Equinox International Limited

Address: Level 3, Valletta Buildings, South Street,
Valletta VLT 1103, Malta
Tel. No.: 2123 8989
Contact Person: Louis de Gabriele

Provided that each party may at any time change such address or telefax number by giving seven days' prior written notice to the other party. Every notice, request, demand, letter, or other communication hereunder shall be in writing and shall be delivered by hand or by post or through any other communication methods including telex, telefax or otherwise and shall be deemed to be received in case of post within seven days of dispatch or in case of other methods immediately upon confirmed transmission.

12. APPLICABLE LAW AND JURISDICTION

12.1 This Guarantee shall be governed by and construed in accordance with Maltese law.

12.2 Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance, or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

Yours faithfully,

The original copy has been signed by

Name: Paul Attard
duly authorised, for and on behalf of
PLAN (BBG) Limited

Yours faithfully,

The original copy has been signed by

Name: Paul Attard
duly authorised, for and on behalf of
PLAN Group p.l.c.

WE ACCEPT

The original copy has been signed by

Name: Louis de Gabriele
duly authorised, for and on behalf of
Equinox International Limited

The original copy has been signed by

Name: Donald Vella
duly authorised, for and on behalf of
Equinox International Limited

**FINANCIAL
ANALYSIS
SUMMARY**

8 November 2023

ISSUER

PLAN
GROUP

Prepared by:



MZ INVESTMENTS



MZ INVESTMENTS

MZ Investment Services Limited

63, 'MZ House', St Rita Street, Rabat RBT 1523, Malta

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The Directors
PLAN Group p.l.c.
PLAN Group Head Office
Triq il-Wirt Naturali
Baħar iċ-Ċagħaq Naxxar NXR 5232
Malta

8 November 2023

Dear Directors,

Financial Analysis Summary

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 in 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 PLAN Group p.l.c. (the “**Issuer**”, “**Company**”, “**Group**” or “**PLAN Group**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the financial year ended 31 December 2022 and the six-month interim period from 1 January 2023 to 30 June 2023 has been extracted from the respective pro forma consolidated financial information of the Issuer.
- (b) The projected consolidated financial data relating to the Issuer for the financial years ending 31 December 2023, 31 December 2024 and 31 December 2025 has been provided by the Group.
- (c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by the Group.
- (d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 - ‘Explanatory Definitions’ of this report.
- (e) Relevant financial data in respect of the companies included in Part 3 - ‘Comparative Analysis’ of this report has been extracted from public sources such as the websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial data.

This Analysis is meant to assist potential investors in the Issuer’s securities by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to potential investors. This 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 or not 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 financial advice before investing in the Issuer’s securities.

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

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DEFINITIONS

AACCD	the Active Ageing and Community Care department of the Government of Malta;
GAP Group p.l.c.	GAP Group p.l.c., a public limited liability company duly registered under the laws of Malta, bearing company registration number C 75875 and having its registered office at PLAN Group Head Office, Triq il-Wirt Naturali, Baħar iċ-Ċagħaq, Naxxar, NXR 5232, Malta;
GAP Group Investments (II)	GAP Group Investments (II) Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 75856 and having its registered office at PLAN Group Head Office, Triq il-Wirt Naturali, Baħar iċ-Ċagħaq, Naxxar, NXR 5232, Malta;
Golden Care	Golden Care Limited (C 89549);
Group	the Issuer and its Subsidiaries;
Guarantor or PLAN BBG	PLAN (BBG) Limited, a private limited liability company duly registered under the laws of Malta, bearing company registration number C 106559 and having its registered office at PLAN Group Head Office, Triq il-Wirt Naturali, Baħar iċ-Ċagħaq, Naxxar NXR 5232, Malta;
Issuer	PLAN Group p.l.c., a public limited liability company duly registered under the laws of Malta, bearing company registration number C 103062, and having its registered address at PLAN Group Head Office, Triq il-Wirt Naturali, Baħar iċ-Ċagħaq, Naxxar NXR 5232, Malta;
MZI	M.Z. Investment Services Limited (C 23936);
PLAN C&T Services	PLAN C&T Services Limited (C 102262);
PLAN Developments	PLAN Developments Limited (C 89550);
PLAN Property Holdings	PLAN Property Holdings Limited (C 70860);
PLAN Property Holdings 2	PLAN Property Holdings 2 Limited (C 85298);
PLAN (Mosta)	PLAN (Mosta) Limited (C 96506);
Subsidiary	an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "Subsidiaries" shall collectively refer to the said entities.



PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

1.1 INTRODUCTION

The Issuer was incorporated on 26 August 2022 with the name Katari Group Limited and was subsequently converted to a public limited liability company on 29 September 2023. Historically, the companies forming part of the Group, save for PLAN (Mosta) in which Paul Attard held an 80% interest, were wholly owned directly by Paul Attard.

In 2023, the operating Subsidiaries of the Issuer were the subject of a restructuring exercise resulting in the creation and formation of the Group in its present form. Pursuant to the restructuring of the Group, the Issuer became the holding and finance company of the Group.

Furthermore, in September 2023, the Issuer acquired 33.3% of the Ordinary A shares (carrying voting rights and the right to receive dividends) of GAP Group Investments (II), which is the 99.99% shareholder of the GAP Group, a group of companies which operates in the industry of property development. GAP Group p.l.c., the parent company of the GAP Group, has debt instruments admitted to listing on the Official List of the Malta Stock Exchange.

The Group operates in two main areas of business, namely: (i) the operation of care homes for the elderly; and (ii) the acquisition and development of real estate properties.

The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and associate companies, and interest receivable due under intra-group loan agreements. In view of the principal activity of the Issuer as the holding and finance company of the Group, it is economically dependent on the operational results, the financial position, and the financial performance of its Subsidiaries and associate company.

2. DIRECTORS AND SENIOR MANAGEMENT

2.1 DIRECTORS OF THE ISSUER

The Issuer is managed by a board of directors comprising four directors who are entrusted with its overall direction and management. The board members of the Issuer as at the date of this report are:

Paul Attard	Executive Director
Alfred Attard	Independent Non-Executive Director
William Wait	Independent Non-Executive Director
Edward Grech	Independent Non-Executive Director

2.2 DIRECTORS OF THE GUARANTOR

PLAN (BBG) Limited is managed by a Board comprising two directors who are entrusted with its overall direction and management. The Board members of the Guarantor as at the date of this report are:

Paul Attard	Director
Alfred Attard	Director

2.3 SENIOR MANAGEMENT

Paul Attard is the sole Executive Director of the Issuer entrusted with the day-to-day management of the Group. Mr. Attard is also a director or officer of other companies forming part of the Group.

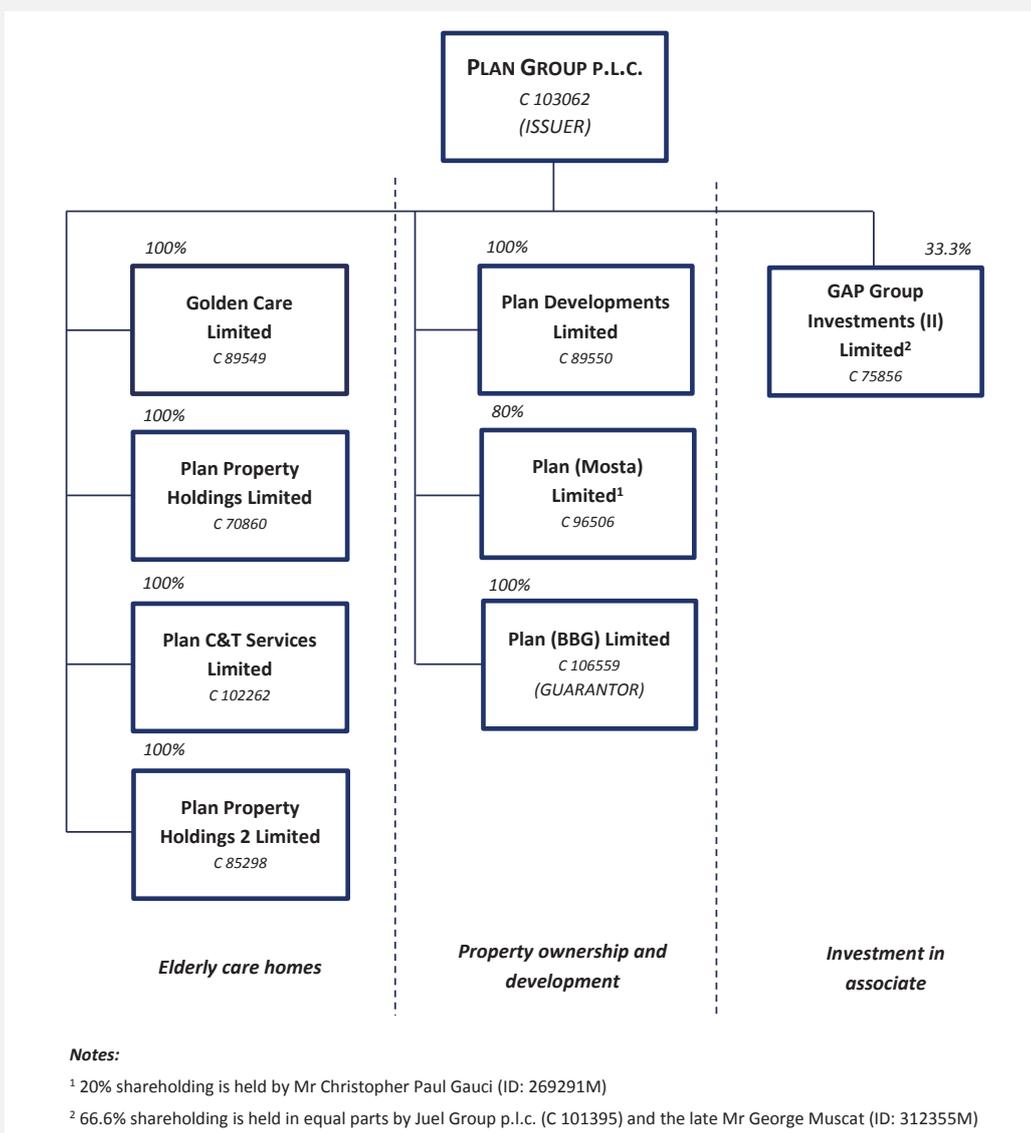


The Group adopts a centralised management structure whereby it can deploy senior management personnel to perform duties in different parts of the Group depending on the requirements of each Subsidiary. Those services are then re-charged to the Subsidiary where they are from time to time deployed. In addition to the senior management team, the Subsidiaries of the Issuer employ management personnel and, or other employees devoted to the operations undertaken by a respective company.

The overall management of the Guarantor is entrusted to its board of directors who are the persons responsible for establishing the strategy of the Guarantor, including the responsibility for the appointment of all executive officers and other key members of management.

Jackie Camilleri	Chief Executive Officer of the elderly care homes
Keith Fenech	Group Chief Financial Officer
Stephen Grech	Project Manager
Chris Gauci	Sales Manager

3. ORGANISATIONAL STRUCTURE



The organisational structure of the Group is depicted above. The Issuer is owned by Paul Attard as to 99.99%, whilst one share is held by Lorraine Attard. The Issuer also holds 33.3% of the Ordinary A shares (carrying voting rights and the right to receive dividends) of GAP Group Investments (II).



4. OPERATION OF CARE HOMES FOR THE ELDERLY

4.1 OPERATION OF GOLDEN CARE HOME

Golden Care Home was developed by the Group and has been in operation since 2019. It provides accommodation to a maximum of 235 residents in a fully serviced home consisting of six different wards with single and double rooms. The care home also comprises a fully equipped clinic, multiple nursing stations with back-up treatment rooms, a fully equipped kitchen, a common dining area, a chapel, a multipurpose crafts room, an outdoor garden, lobbies on each floor, laundry facilities, a library, and car park facilities.

The care home focuses on providing personalised care plans to its residents, based on their mental, emotional, physical, and physiological needs. Golden Care home offers long-term as well as rehab and respite services for a variety of care and dependency levels allowing residents to reside at the home for as long necessary. In addition to the 24-hour day-to-day care of residents, the care home also provides a number of health care services to its residents, including physiotherapy services, occupational therapy services, speech therapy services, phlebotomy services and podiatry services.

In 2019 Golden Care entered into a service agreement with AACCD for a fixed period of five years, by virtue of which the AACCD shall have the facility of allocating accommodation to eligible ageing persons within the Golden Care Home. Pursuant to this services agreement, Golden Care shall make available a number of long-term care beds to the AACCD. As at the date of this report, 216 long-term care beds have been allocated to the Government of Malta, through the AACCD. The services agreement stipulates fixed rates for three different categories of residents, ranging from low, medium, or high dependency residents.

Pursuant to an agreement entered into in 2021 with the Ministry for Health, a further number of long-term care beds at Golden Care Home are made available to the Ministry for Health. Although the said agreement expired on 2 March 2022, the terms in place as at the date of such expiration continued to apply in respect of the occupants who were still residing at the Golden Care Home at expiration date. As at the date of this report, only nine beds continue to be occupied on this basis and on the same terms.

The remaining long-term care beds at Golden Care Home are made available for private residents or for contingency isolation purposes. For the remainder of the AACCD agreement, the revenue received from the AACCD under this services agreement, is the primary source of revenue for Golden Care. The agreement with AACCD expires in May 2024 and may be further renewed for a period of one year on the same terms and conditions. As at the date of this report, management and the AACCD are in discussions for the purposes of entering into a new agreement prior to or upon expiration of the present agreement.

Since its commencement of operations, the Golden Care Home has sustained occupancy levels ranging from 78.7% in its first year of operations to 96% in the first half of 2023.

4.2 PORZIUNCOLA CARE HOME

In 2022, the Group was granted by title of temporary emphyteusis for a period of 67 years, the property known as “Porziuncola”, measuring 16,900 sqm and located in Baħar iċ-Ċagħaq, in the limits of Madliena. The Group has since developed “Porziuncola by Golden Care”, a second care home for the elderly.

The Porziuncola Care Home comprises six floors and has a total of 200 twin bedrooms, each with an ensuite bathroom. The care home, which accommodates a total of 400 residents, shall open its doors to the public in the last quarter of 2023. The development has been part-financed through a 20-year bank loan facility.

The Porziuncola Care Home will offer a wide range of additional services to residents including long term care services, respite services, rehabilitation services, and dementia and memory loss care services. Management plans to adopt a symbiotic relationship in the Group’s operation of both care homes in order to ensure that the individual needs of residents are continuously met, regardless of their selected Group care home. Management is of the view that a complementary approach in the Group’s operation of both care homes, once the Porziuncola Care Home opens its doors to the public, is conducive to ensuring that residents of either home are cared for in a dedicated and enabling environment, which reflects the individual needs of residents.



Given the success of the business model adopted for the operation of the Golden Care Home, management is seeking to replicate such model in the operation of the Porziuncola Care Home. Specifically with respect to the allocation of a number of beds within the Porziuncola Care Home, once operational, to the AACCD, as at the date of this report negotiations are ongoing. Conclusion of the relevant service agreement is expected to take place upon issuance of the licenses necessary for the operation of the care home and the approval to procure the beds from the Department of Contracts.

5. PROPERTY ACQUISITION AND DEVELOPMENT

The Group is also active in the property development sector. The Group's business model is to identify small or medium sized sites or old buildings within building schemes for re-development, with a focus on residential developments, focusing on a diversified portfolio of smaller projects rather than commit to larger scale developments that could place its financing structure under strain. Since 2020 it has successfully identified business opportunities in this sector and undertaken a number of developments in Luqa, Iklin, Mellieħa and Mosta, and it is currently developing another two developments: one in Fgura and one in St. Paul's Bay. The Group also intends to develop, following issuance of development permits, a site in Birzebbuġa.

5.1 COMPLETED PROJECTS

5.1.1 LUQA DEVELOPMENT

The Group developed the Luqa Development over the portion of land that was exclusively transferred to it by virtue of a public deed published in 2020. Construction works on this portion of land commenced in Q1 2020 and were completed in Q1 2021. The development of the site was covered by permit number PA/09616/17.

The Luqa Development is a residential development comprising 14 apartments and ten basement garages, situated on Triq Indri Micallef and Triq l-Aħwa Vassallo in Luqa, Malta. As at 30 June 2023, all the units within the Luqa Development have been sold, except for one apartment which has been committed to by prospective purchasers by virtue of a promise of sale agreement. The Luqa Development was internally financed.

5.1.2 IKLIN DEVELOPMENT

The Group acquired a site in Iklin, Malta, on 9 June 2020 over which it developed the Iklin Development. Development of the site commenced in Q3 2020. The construction and finishing works were completed in Q4 2021 and the Iklin Development was covered by permit number PA/07681/19.

The Iklin Development is a residential development comprising 12 apartments over four floors, two penthouses at a recessed floor level, and 9 basement garages. The development is situated on Triq Stefano Erardi corner with Triq Ċensu Triq Censu Bugeja in Iklin, Malta.

All units forming part of the Iklin Development have been sold. The Iklin Development was partly financed through a €1.7 million bank loan, which was fully repaid following sale of residential units.

5.1.3 MELLIEĦA DEVELOPMENT

In December 2021, the Group acquired a site in Mellieħa, Malta, over which it developed the Mellieħa Development, following the demolition of the existing dwelling. Development of the site commenced in Q4 2021. The construction and finishing of the Mellieħa Development were completed in Q3 2022 and the project was covered by permit number PA/00239/21.

The Mellieħa Development is a residential development comprising three apartments, one maisonette, one basement garage and a setback floor unit. The development is situated on Triq Santa Marija in Mellieħa, Malta. As at 30 June 2023 all of the Mellieħa Development had been sold except for one apartment which is committed through a promise of sale agreement to be converted to final sale in 2024. The Mellieħa Development was internally financed.



5.1.4 MOSTA DEVELOPMENT

The Group acquired a site in Mosta, Malta, on 10 June 2021 over which it developed the Mosta Development. In January 2021, the Planning Authority in Malta issued the permit with permit number PA/5580/20 to demolish the existing dwelling and to excavate and construct the Mosta Development. Development of the site commenced in Q2 2021 and was completed in Q4 2022.

The Mosta Development comprises one office, three maisonettes, 17 apartments and three penthouses over five floors and 29 garages and is located in Triq il-Kbira c/w Triq il-Ħmistax t'Awissu and Triq il-Wej in Mosta, Malta. As at 30 June 2023 all of the units / garages within the Mosta Development had been sold except for two apartments, of which one apartment is under promise of sale agreement. All units within the development are expected to be sold by the end of 2024.

The acquisition and completion of the Mosta Development was partly financed through bank financing of *circa* €3 million.

5.2 CURRENT PROJECTS

5.2.1 FGURA DEVELOPMENT

The Group acquired a site in Fgura, Malta, on 3 August 2023, over which it plans to develop the Fgura Development. In April 2023, the Planning Authority in Malta issued the permit with permit number PA/05815/22 which covers the demolition of three existing terraced houses over the site and the excavation and construction of 22 apartments at first, second, third and receded floor levels, three maisonettes, three apartments at ground floor level and 19 garages at lower and upper basement levels. The site is located on Triq is-Sardinella c/w Triq Kent, in Fgura, Malta.

Development works commenced in Q4 2023 and are expected to be completed in Q4 2024. The Fgura Development is being partly financed through a bank loan of *circa* €3.2 million.

5.2.2 SAINT PAUL'S BAY DEVELOPMENT

The Group acquired a vacant site in St. Paul's Bay, Malta, on 13 July 2023, over which it plans to develop the Saint Paul's Bay Development. In June 2023, the Planning Authority in Malta issued the permit with permit number PA/06148/22 which covers the excavation of the vacant site and the construction of eight apartments over eight floors and three garages at basement levels. The site is located on Triq il-Mazzola and Triq l-Imsell in St. Paul's Bay, Malta. Development works are expected to commence in Q4 2023 and to be completed by the end of 2024.

The acquisition of the site over which the Saint Paul's Bay Development shall be developed was internally funded which is expected to be refinanced through a bank loan facility. The development shall be partly financed through bank financing.

5.3 NEW IDENTIFIED PROPERTY DEVELOPMENT PROJECTS

5.3.1 BIRŻEBBUĠA DEVELOPMENT

PLAN Developments entered into a promise of sale agreement on 12 June 2021 for the purchase of the Birżebbuġa Site, in Birżebbuġa Malta. In accordance with this promise of sale agreement, PLAN Developments agreed to purchase the property for the amount of €9.8 million, which was subsequently adjusted to €9.9 million to reflect the precise total area of land, following the conclusion of an independent survey. The Group is seeking to fund the cost of acquisition of the Birżebbuġa Site through the Bond Issue.



The Birżebbuġa Site comprises a divided portion of land having an area of not less than 14,000 sqm, consisting of:

- (a) 8,700 sqm directly accessible from Triq I-Għannejja in Birżebbuġa (Portion of Land A)
- (b) 5,130 sqm without access to an official road (Portion of Land B)
- (c) 270 sqm of land accessible from Triq I-Għannejja in Birżebbuġa (Portion of Land C).

Portion of Land B and Portion of Land C fall within a development zone, whilst Portion of Land A falls outside the development zone.

The promise of sale agreement entitles PLAN Developments to assign its rights under said agreement to a third party and accordingly, PLAN Developments shall assign its rights to PLAN BBG so as to enable the latter to appear on the final deed of sale for the purchase of the Birżebbuġa Site.

As at the date of this report, no permits have been issued for the development of the Birżebbuġa Site. A comprehensive planning control application has been submitted with the Planning Authority in Malta in respect of the prospective development of Portion of Land B and Portion of Land C by the Group.

Given that the development permit required for the development of the Birżebbuġa Site has not yet been issued by the Planning Authority in Malta, the Group is making no reliance on any income generated from the development of the Birżebbuġa Site for the purposes of making any payments of interest as well the repayment of the Bond upon maturity.

6. ECONOMIC AND SECTOR ANALYSIS

6.1 ECONOMIC UPDATE¹

The Maltese economy grew by 7.1% in real terms in 2022, driven by strong private domestic demand and investment as well as the better-than-expected recovery in tourism. Furthermore, the unemployment rate remained low at 3% of the labour supply despite the high level of inflation which stood at 6.1%.

Economic growth is projected to ease to 3.7% in 2023 and stabilise at 3.6% in both 2024 and 2025. Net exports are expected to be the main contributor to growth in 2023 reflecting the projected decrease in imports (following the upsurge of investment equipment in 2022) as well as the growth in exports. The rate of growth in government consumption expenditure is also projected to increase, to 4.2% from 2.4% in 2022, and stabilise near the 4% level in 2024 and 2025. On the other hand, the rate of growth in private consumption expenditure is anticipated to slow to 4.3% from 9.8% in 2022 and remain close to the 4% level in both 2024 and 2025. This slowdown reflects the normalisation of consumer demand following the strong post-pandemic recovery, as well as slower growth in real disposable income due to high inflation. The latter is projected to ease to 5.9% in 2023 and drop further to 3.1% and 2.3% in 2024 and 2025 respectively. In parallel, however, the unemployment rate is projected to remain very low and only increase marginally to 3.1% by 2025.

Despite the upsurge in inflation, pandemic-related savings are expected to remain a catalyst to private consumption. Nevertheless, the saving ratio is envisaged to retreat from 28.8% in 2022 to 26.1% in 2025 which would be close to the level prior to the outbreak of the pandemic.

Investment is projected to decline by 21.9% in 2023 before registering a growth of 1.5% in 2024 and 2.7% in 2025. Private investment is expected to contract by around 26% in 2023, mostly reflecting the extraordinary outlays in the aviation sector in 2022. Furthermore, both residential and non-residential construction are projected to contract in 2022 reflecting a softening in sentiment across this sector. Growth in private investment is projected to stand at 3.5% and 3.1% for 2024 and 2025 respectively.

¹ Central Bank of Malta – ‘Outlook for the Maltese Economy’, 24 August 2023.

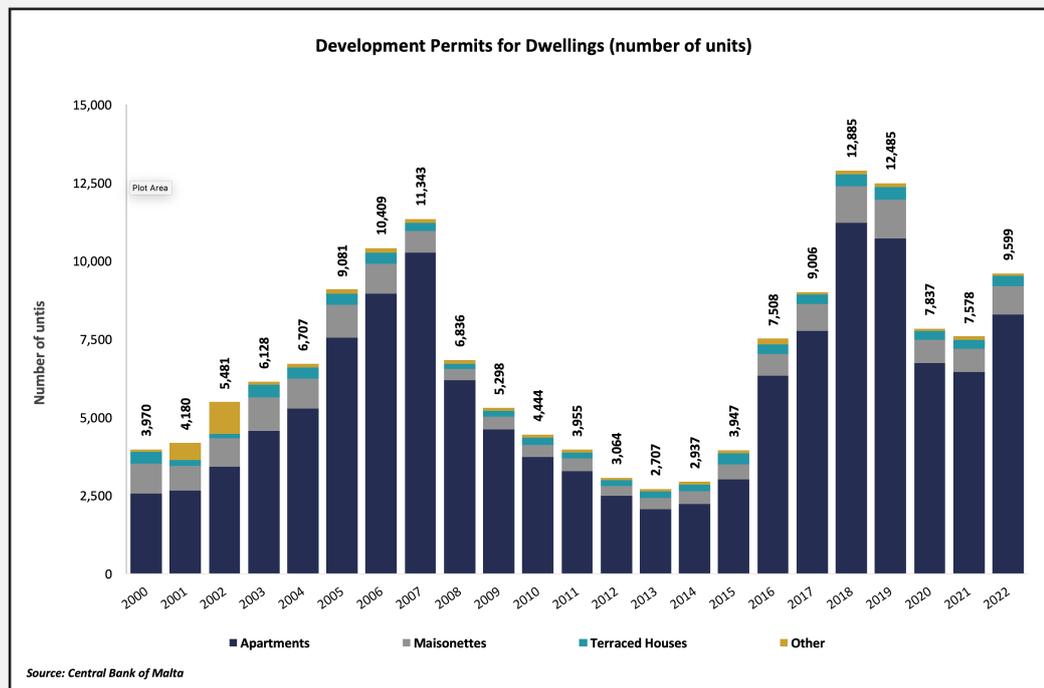


After dropping by around 8.5% in 2022, government investment is projected to grow by 4.3% in 2023, decline by 7.2% in 2024, and grow again by 0.8% in 2025. These dynamics are partly driven by the expected take up of EU funds, notably the full absorption of funds from the 2014-2020 financing framework by 2023, and the increased take up of the Recovery and Resilience Facility grants in 2023 and 2024. Furthermore, domestically funded investment is set to be lower than the level reached in 2022.

The general government deficit is projected to decline gradually to 3.3% by 2025 from 5.8% in 2022, driven by a declining share of expenditure in GDP mainly due to the profile of inflation-mitigation measures. On the other hand, the general government debt-to-GDP ratio is expected to increase to 54.8% by 2025 from 53.2% in 2022, due to the expected level of primary deficits which are projected to offset the debt-decreasing impact of the interest-growth differential.

6.2 PROPERTY MARKET

Data provided by the Central Bank of Malta show that the number of residential building permits issued in 2022 amounted to 1,271 permits (2021: 1,633 permits) for the development of 9,599 residential units (2021: 7,578 residential units). As shown in the below chart, the number of units in 2022 (9,599) reflects a decrease of 26% from the all-time high of 12,885 units in 2018.



The NSO's Property Price Index – which is based on actual transactions involving apartments, maisonettes, and terraced houses – continued to show increases in property prices in Malta in Q1 2023. Indeed, the annual rate of change stood at 6.59%, whilst quarter-on-quarter property prices increased by 1.12%. The strongest year-on-year increase was registered for apartments which increased in prices by 6.83%, followed by maisonettes which increased by just under 5.10%.²

Residential property prices continue to be supported by a number of factors, including the Government schemes supporting demand for property, such as the first-time and second-time buyers' schemes, the purchase of properties located in Urban Conservation Areas, purchases of property in Gozo, as well as refund schemes for restoration expenses. The recovery of tourism and normalisation of migrant workers flows from pandemic lows may have also shored up demand for property and contributed to the recent increase in property prices.³

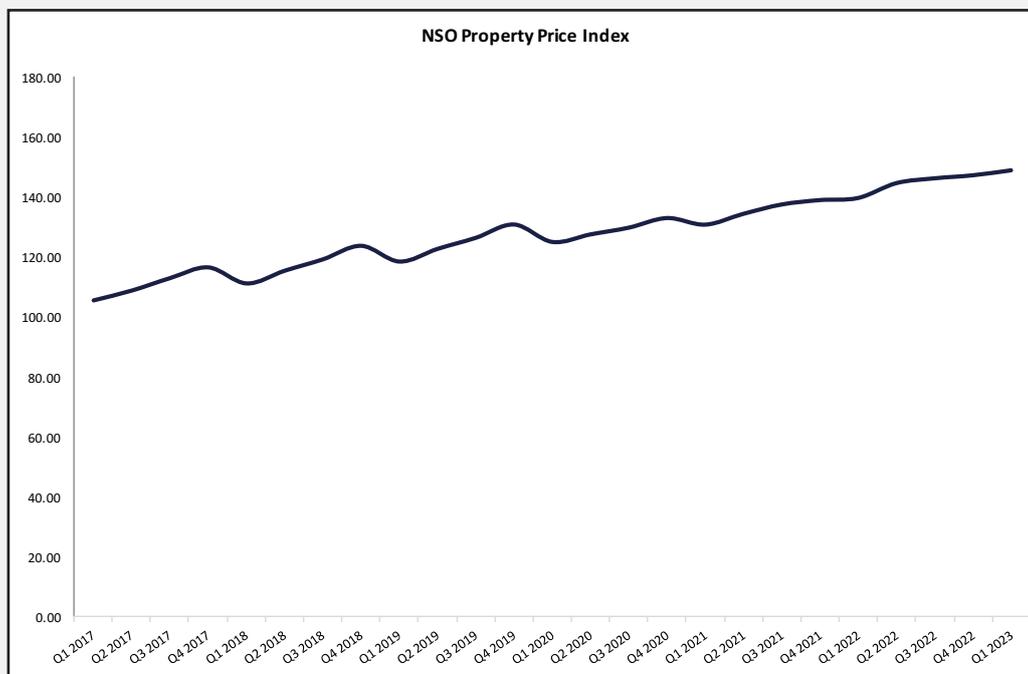
² National Statistics Office.

³ Central Bank of Malta Quarterly Review (2023 Vol. 56 No. 1; page 43).



Additional data provided by the National Statistics Office shows that between January and July 2023, the total number of final deeds of sale relating to residential property amounted to 7,130 – a decline of 13.49% compared to the previous corresponding period. In 2022, a total of 14,331 deeds of sale were executed compared to 14,368 in 2021 and 11,057 in 2020 (+30%).

The value of deeds completed between January and July 2023 amounted to just under €1,845 million, representing a drop of just 1.85% compared to the same period in 2022. In 2022, the total value of deeds that were executed amounted to €3,294.2 million compared to €3,162 million in 2021 and €2,126.6 million in 2020.⁴



6.3 LONG-TERM CARE

Demand for long-term care in Malta is expected to rise progressively in the coming years as the population ages. The total population of Malta and Gozo at the end of 2022 was estimated at 542,051, an increase of 28% over a 10-year period.⁵ Furthermore, the number of persons aged over 60 years was estimated at 125,660, representing around 23% of the total population, and these are projected to increase further over the next 50 years.

Long-term care systems available to elderly persons comprise: (i) informal care through the support of own family; (ii) community care services aimed at enabling the elderly to continue living at home and/or in the community; (iii) long-term care services in state-run institutions; and (iii) long-term care services in facilities operated by the Church and the private sector.

As a result of the projected growth in elderly persons relative to the population, combined with the fact that the average family size is on the decline, there will be fewer family dependents available to care for their elderly relatives. Hence, it is envisaged that the demand for care and support services provided to this category of the population will continue to gain importance and further develop in the foreseeable future.

In consequence, Government of Malta introduced a Public Private Partnership ('PPP') scheme in 2001, coupled with a Buying of Beds ('BoB') scheme, so as to address existing demand. Moreover, in 2020, Government of Malta agreed to build and operate an additional four blocks at St Vincent De Paul, each consisting of 126 beds, through a PPP scheme. Despite Government's efforts to meet the overwhelming demand, the availability of elderly homes with spare beds currently presents a challenge in Malta with an increasing number of elderly people being placed on the waiting list for admission to elderly homes.

⁴ National Statistics Office.

⁵ National Statistics Office.



PART 2 – GROUP PERFORMANCE REVIEW

7. PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The financial information set out below consists of the Group's pro forma consolidated income statement for the year ended 31 December 2022, and the pro forma consolidated income statement and pro forma consolidated statement of financial position for the six-month period ended 30 June 2023. The pro forma financial information has been prepared for illustrative purposes only to show how the Issuer's consolidated income statement for the year ended 31 December 2022 and for the six-month period ended 30 June 2023 and the Issuer's consolidated statement of financial position as at 30 June 2023 would have looked like had the corporate restructuring, implemented in September 2023, been hypothetically carried out by the aforementioned dates.

PLAN Group p.l.c.			
Pro forma Consolidated Statement of Comprehensive Income			
for the year ended 31 December 2022			
	Combined	Adjustments	Pro forma
	€'000	€'000	€'000
Revenue - elderly care homes	5,286		5,286
Revenue - property development	2,370		2,370
Revenue	7,656		7,656
Cost of sales and operating expenses	(5,893)		(5,893)
EBITDA	1,763		1,763
Depreciation and amortisation	(265)		(265)
Operating profit	1,498		1,498
Share of results of associated company	-	1,690	1,690
Net finance costs	(428)		(428)
Profit before tax	1,070		2,760
Taxation	(180)		(180)
Profit for the year	890	1,690	2,580
Total comprehensive income for the year	890	1,690	2,580

The pro forma adjustments represent the 33.3% share of profit of GAP Group Investments (II), reflective of the acquisition by the Issuer in September 2023 of 33.3% of the voting shares in GAP Group Investments (II).

During the financial year under review, the Group's revenue was mainly generated through the operation of Golden Care Home and property developments undertaken by PLAN Developments. Revenue relating to property sales amounted to €2.4 million and comprised contracts of residential units and garages forming part of the Luqa Development, Iklin Development and Mellieħa Development.

After accounting for cost of sales and operating expenses, which predominantly relate to costs incurred by Golden Care, the Group reported an operating profit of €1.5 million. Share of results of GAP Group Investments II amounted to €1.7 million, while net finance costs and taxation amounted to €0.4 million and €0.2 million respectively.

Overall, in FY2022, the Group on a pro forma basis would have registered total comprehensive income of €2.6 million.



PLAN Group p.l.c.
Pro Forma Consolidated Statement of Comprehensive Income
for the six-month period ended 30 June 2023

	Combined €'000	Adjustments €'000	Pro forma €'000
Revenue - elderly care homes	2,773		2,773
Revenue - property development	6,746		6,746
Revenue	9,519		9,519
Cost of sales and operating expenses	(5,973)		(5,973)
EBITDA	3,546		3,546
Depreciation and amortisation	(138)		(138)
Operating profit	3,408		3,408
Share of results of associated company	-	2,176	2,176
Net finance costs	(205)		(205)
Profit before tax	3,203		5,379
Taxation	(476)		(476)
Profit for the period	2,727	2,176	4,903
Total comprehensive income for the period	2,727	2,176	4,903

The pro forma adjustment represents the 33.3% share of profit of GAP Group Investments (II), reflective of the acquisition by the Issuer in September 2023 of 33.3% of the voting shares in GAP Group Investments (II).

During the financial period under review, the Group generated €9.5 million in total revenue, principally from the operation of Golden Care Home and property developments undertaken by PLAN Developments and PLAN (Mosta). Over 90% of property sales related to the Mosta Development.

Cost of sales and operating expenses amounted to €6.0 million, of which, circa 40% reflected costs incurred by Golden Care. In the six-month period, the Group reported an operating profit of €3.4 million.

Share of results of GAP Group Investments II amounted to €2.2 million, while net finance costs and taxation amounted to €0.2 million and €0.5 million respectively.

In the six-month period ended 30 June 2023, the Group on a pro forma basis would have registered total comprehensive income of €4.9 million.



PLAN Group p.l.c.
Pro Forma Consolidated Statement of Financial Position
as at 30 June 2023

	Actual	Adjustments			Pro forma
		(I)	(II)	(III)	
	€'000	€'000	€'000	€'000	€'000
ASSETS					
Non-current assets					
Property, plant and equipment	24,458				24,458
Right-of-use asset	7,035				7,035
Investment in associate	-		7,915	2,176	10,091
trade and other receivables	1,425				1,425
	<u>32,918</u>	<u>-</u>	<u>7,915</u>	<u>2,176</u>	<u>43,009</u>
Current assets					
Inventory	5,412				5,412
Trade and other receivables	1,865				1,865
Cash and cash equivalents	2,904				2,904
	<u>10,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,181</u>
Total assets	<u>43,099</u>	<u>-</u>	<u>7,915</u>	<u>2,176</u>	<u>53,190</u>
EQUITY					
Capital and reserves					
Called up share capital	1,853	400	20,807		23,060
Revaluation reserve	7,590		(7,590)		-
Shareholder contribution	2,100	(400)			1,700
Retained earnings	5,562		(5,302)	2,176	2,436
Non-controlling interest	439				439
	<u>17,544</u>	<u>-</u>	<u>7,915</u>	<u>2,176</u>	<u>27,635</u>
LIABILITIES					
Non-current liabilities					
Borrowings	15,948				15,948
Lease liability	7,323				7,323
Trade and other payables	72				72
	<u>23,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,343</u>
Current liabilities					
Borrowings	600				600
Trade and other payables	1,482				1,482
Lease liability	130				130
	<u>2,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,212</u>
	<u>25,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,555</u>
Total equity and liabilities	<u>43,099</u>	<u>-</u>	<u>7,915</u>	<u>2,176</u>	<u>53,190</u>

The pro forma adjustments are as follows:

- (I) Represents the capitalisation of shareholder loans;
- (II) Represents the acquisition of Golden Care, PLAN Holdings, PLAN C&T Services, PLAN Holdings 2 and 80% of PLAN (Mosta), based on their respective net asset value as at 30 June 2023; and the acquisition of PLAN Developments and 33.3% of the voting shares in GAP Group Investments II based on their respective net asset value as at 31 December 2022;
- (III) Represents the share of profits of GAP Group Investments (II) for the six-months period ended 30 June 2023.

On a pro forma basis, total equity of the Group as at 30 June 2023 amounted to €27.6 million.



Total assets amounted to €53.2 million and principally comprised:

- (a) Property, plant and equipment of €24.5 million primarily reflecting the carrying value of Golden Care Home and Porziuncola Care Home;
- (b) Right-of-use asset of €7.0 million reflects the temporary emphyteutical concession for 67 years relating to the Porziuncola Care Home;
- (c) Investment in associate refers to the 33.3% shareholding in GAP Group Investments (II);
- (d) Inventories amounting to €5.4 million includes €1.4 million relating to property development (works-in-progress and apartments for sale) and the balance includes inventories of Golden Care Home and works-in-progress on the Porziuncola Care Home development.

The borrowings of the Group as at 30 June 2023 amounted to €16.5 million and comprise bank loan facilities originally drawn for the purposes of developing the Golden Care Home and Porziuncola Care Home.

Lease liability amounting to €7.5 million is connected to the right-of-use assets mentioned above.

8. PROJECTED CONSOLIDATED FINANCIAL INFORMATION

The Issuer was incorporated on 26 August 2022 and as such has not published its first set of audited financial statements.

The projected consolidated financial information of the Group for the years ending 31 December 2023, 31 December 2024 and 31 December 2025 has been provided by the Issuer.

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

PLAN Group p.l.c.			
Consolidated Statement of Comprehensive Income			
for the year ending 31 December			
	2023	2024	2025
	Projection	Projection	Projection
	(16 months)		
	€'000	€'000	€'000
Revenue - elderly care homes	6,018	12,441	16,426
Revenue - property development	7,216	300	10,747
Revenue	13,234	12,741	27,173
Cost of sales and operating expenses	(9,897)	(10,235)	(19,466)
EBITDA	3,337	2,506	7,707
Depreciation and amortisation	(285)	(1,533)	(1,548)
Operating profit	3,052	973	6,159
Share of results of associated company	2,537	1,842	1,692
Net finance costs	(513)	(1,909)	(1,872)
Profit before tax	5,076	906	5,979
Taxation	(584)	(39)	(820)
Profit for the year	4,492	867	5,159
Other comprehensive income			
Revaluation, net of tax	4,465	(68)	(68)
Total comprehensive income for the year	8,957	799	5,091



Key Accounting Ratios

	FY2023 Projection	FY2024 Projection	FY2025 Projection
EBITDA margin (%) <i>(EBITDA / revenue)</i>	25.22	19.67	28.36
Operating profit margin (%) <i>(Operating profit / revenue)</i>	23.06	7.64	22.67
Net profit margin (%) <i>(Profit after tax / revenue)</i>	33.94	6.80	18.99
Return on equity (%) <i>(Profit after tax / average equity)</i>	15.23	2.73	14.86
Return on assets (%) <i>(Profit after tax / average assets)</i>	6.72	1.05	6.20
Return on invested capital (%) <i>(Operating profit / average equity and net debt)</i>	5.04	1.31	8.39
Interest cover (<i>times</i>) <i>(EBITDA / net finance costs)</i>	6.50	1.31	4.12

Source: MZ Investment Services Limited

Over the projected period (FY2023 to FY2025), the Group's revenue is expected to total €53.1 million. This is mainly driven by the following income streams:

- Golden Care Home and Porziuncola Care Home operations (66% of total revenue). Porziuncola Care Home is expected to commence operations in Q4 2023, and therefore FY2024 marks the first full year of operations. The Porziuncola Care Home is expected to reach full occupancy in FY2025.
- Sale of developed property (34% of total revenue). As at 30 June 2023, the Group sold practically all residential units forming part of the Mosta Development. The remaining inventory of residential units in Mosta and other developments is projected to be sold during FY2023 and FY2024. The St Paul's Bay Development and Fgura Development are expected to be fully sold in FY2025.

Due to the volatility in timing of property sales coupled with the commencement of operations at Porziuncola, EBITDA is projected to fluctuate from a low of €2.5 million in FY2024 to a high of €7.7 million in FY2025. In the last projected financial year, the Group expects to achieve an EBITDA margin of 28% and register an interest cover of 4.12 times.

Share of results of associated company primarily represents the 33.3% share of GAP Group profits which is projected to amount to €6.1 million over the three projected financial years.

Total comprehensive income in FY2023 is expected to amount to €9.0 million and shall comprise a net profit of €4.5 million and an uplift (net of tax) of €4.5 million on completion of development of the Porziuncola Care Home. In the subsequent financial years, total comprehensive income is projected to amount to €0.8 million (FY2024) and €5.1 million (FY2025).



PLAN Group p.l.c.**Consolidated Cash Flow Statement**

for the year ending 31 December

	2023	2024	2025
	Projection	Projection	Projection
	(16 months)		
	€'000	€'000	€'000
Net cash from / (used in) operating activities	1,872	(3,886)	11,427
Net cash used in investing activities	(23,108)	-	(150)
Net cash from / (used in) financing activities	23,040	2,245	(6,540)
Net movement in cash and cash equivalents	1,804	(1,641)	4,737
Cash and cash equivalents at beginning of year	1,157	2,961	1,320
Cash and cash equivalents at end of year	2,961	1,320	6,057
Free cash flow¹	(21,236)	(3,886)	11,277

¹Free cash flow is arrived at by deducting capital expenditure from cash generated from operating activities.

The projected cash flows from operations will be generated from the operation of the Golden Care Home and Porziuncola Care Home as well as sale of residential units. During the projected years, the Group is projected to generate cash inflows amounting to €9.4 million (in aggregate).

The cash used in investing activities of €23.1 million in FY2023 mainly pertains to the construction of the Porziuncola Care Home (€12.4 million) and the acquisition of the Birzebbuga Site (€10.7 million).

In FY2023, net cash from financing activities is projected to amount to €23.0 million and shall principally comprise net proceeds of €11.7 million from the proposed bond issue and net drawdowns of €10.5 million from existing credit facilities. Financing activities in FY2025 are expected to principally include bank loan repayments.



PLAN Group p.l.c.
Consolidated Statement of Financial Position
as at 31 December

	2023	2024	2025
	Projection	Projection	Projection
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Property, plant and equipment	32,710	34,423	33,193
Right-of-use asset	13,852	13,640	13,428
Investment property	10,700	10,700	10,700
Investment in associate	10,452	12,293	13,985
Other non-current assets	1,032	1,057	1,117
	<u>68,746</u>	<u>72,113</u>	<u>72,423</u>
Current assets			
Inventory	6,412	7,315	157
Trade and other receivables	2,338	3,217	3,870
Cash and cash equivalents	2,961	1,320	6,057
	<u>11,711</u>	<u>11,852</u>	<u>10,084</u>
Total assets	<u>80,457</u>	<u>83,965</u>	<u>82,507</u>
EQUITY			
Capital and reserves			
Called up share capital	23,065	23,065	23,065
Revaluation reserve	4,466	4,397	4,329
Shareholder contribution	1,700	1,700	1,700
Retained earnings	2,136	3,005	7,742
Non-controlling interest	(2)	(4)	418
	<u>31,365</u>	<u>32,163</u>	<u>37,254</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	23,554	19,815	18,660
Debt securities	11,715	11,775	11,835
Lease liability	7,470	7,638	7,805
Deferred taxation	2,405	2,368	2,331
	<u>45,144</u>	<u>41,596</u>	<u>40,631</u>
Current liabilities			
Bank borrowings	1,065	5,789	1,155
Trade and other payables	2,701	4,231	3,271
Lease liability	130	137	143
Other current liabilities	52	49	53
	<u>3,948</u>	<u>10,206</u>	<u>4,622</u>
	<u>49,092</u>	<u>51,802</u>	<u>45,253</u>
Total equity and liabilities	<u>80,457</u>	<u>83,965</u>	<u>82,507</u>



Key Accounting Ratios

	FY2023 Projection	FY2024 Projection	FY2025 Projection
Net debt-to-EBITDA (<i>times</i>) (<i>Net debt / EBITDA</i>)	12.28	17.49	4.35
Net debt-to-equity (<i>times</i>) (<i>Net debt / total equity</i>)	1.31	1.36	0.90
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	56.64	57.68	47.38
Debt-to-asset (<i>times</i>) (<i>Total debt / total assets</i>)	0.55	0.54	0.48
Leverage (<i>times</i>) (<i>Total assets / total equity</i>)	2.57	2.61	2.21
Current ratio (<i>times</i>) (<i>Current assets / current liabilities</i>)	2.97	1.16	2.18

Source: MZ Investment Services Limited

The Group's asset base is expected to amount to €80.5 million as at 31 December 2023 and is projected to remain broadly at same level to 31 December 2025. An analysis thereof (2023) is provided hereunder:

- (a) Property, plant and equipment of €32.7 million primarily reflects the carrying value of Golden Care Home and Porziuncola Care Home;
- (b) Right-of-use asset relates to Porziuncola Care Home which is expected to increase from €7.0 million as at 30 June 2023 to €13.9 million as at 31 December 2023, as the temporary emphyteutical concession is expected to be revalued to €14.0 million. The right-of-use asset is amortised over 67 years;
- (c) Investment property relates to the Birżebbuġa site which is expected to be acquired in December 2023 through the Bond proceeds;
- (d) Investment in associate refers to the 33.3% shareholding in GAP Group Investments II. It will increase in line with the share of profits of associate since the investment is accounted for under the equity method;
- (e) Inventory is projected to increase in FY2023 and FY2024 as a result of the Fgura Development and St Paul's Bay Development. The projections assume that by 31 December 2025, the residential units on these developments will be sold and hence the inventory balance relates to Golden Care Home and Porziuncola Care Home;
- (f) Trade and other receivables relate mainly to receivables from the operations of the elderly care homes, being amounts due from the AACCD contract.

The Group's equity is projected to increase from €31.4 million as at 31 December 2023 to €37.3 million as at 31 December 2025 mainly on account of accumulated profits expected to be generated by the Group. The revaluation reserve of €4.5 million refers to the uplift in the carrying value of the temporary emphyteutical concession on Porziuncola Care Home, net of tax, which is expected to take place in the second half of 2023.

Bank borrowings of the Group as at 31 December 2023 are expected to amount to €24.6 million, mainly comprising bank loan facilities originally drawn for the purposes of developing the Golden Care Home and Porziuncola Care Home. During the projected period, the Group will utilise €4.7 million of loan facilities for the purposes of developing the Fgura Development and St. Paul's Bay Development. Such loans are expected to be repaid by 31 December 2025 following the sale of the residential units.



Debt securities relate to the proposed issue of €12 million in Bonds to finance the acquisition of the Birzebbuga Site.

Lease liability amounting to €7.5 million is connected to the right-of-use assets mentioned above.

The Group's net gearing is expected to decrease from 57% in 2023 to 47% in 2025, while net-debt-to-EBITDA is projected to strengthen from 12 times in 2023 to 4 times in 2025. The projected improvement in net gearing is reflective of the generation of cash inflows from sales of residential units and operational performance of the care homes.

9. RELATED PARTY DEBT SECURITIES

The Issuer owns 33.3% of the Ordinary A shares of GAP Group Investments (II) which is the 99.99% shareholder of the GAP Group. Below is a list of outstanding debt securities listed on the Malta Stock Exchange of the GAP Group as at 3 October 2023:

Security ISIN	Security Name	Amount Outstanding * (€'000)
MT0001231225	3.70% GAP Group p.l.c. Secured Bonds 2023-2025	12,308,300
MT0001231233	3.90% GAP Group p.l.c. Secured Bonds 2024-2026	21,000,000
MT0001231241	4.75% GAP Group p.l.c. Secured Bonds 2025-2025	23,000,000
		<u>56,308,300</u>

* As at 2 October 2023



PART 3 – COMPARATIVE ANALYSIS

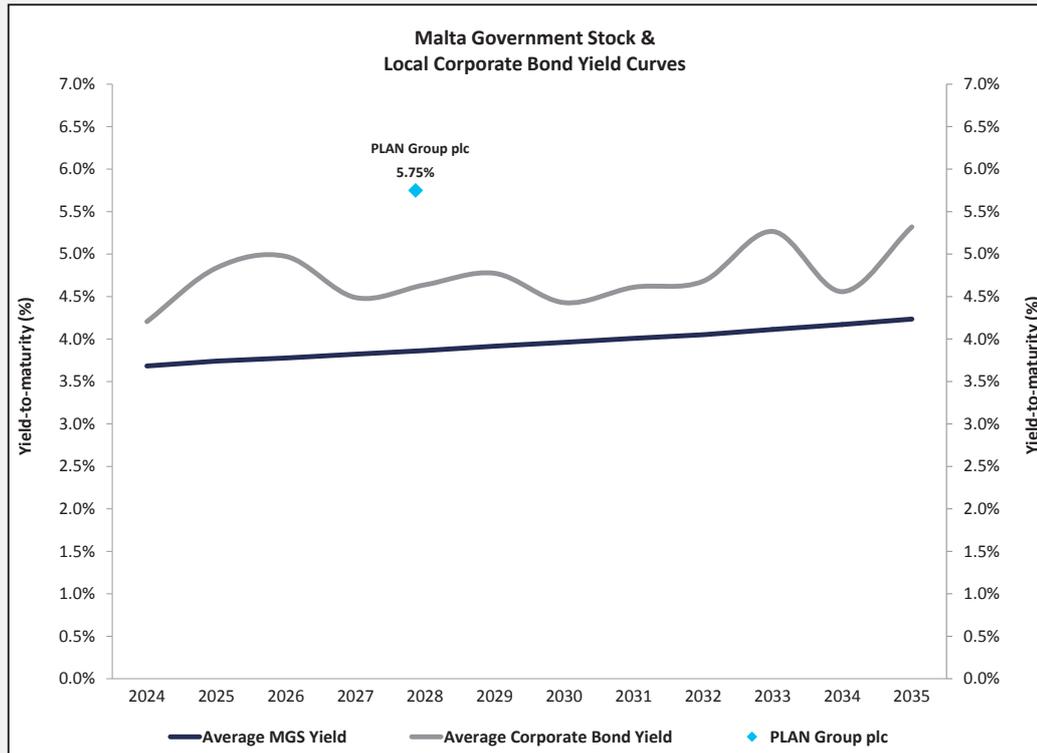
The table below provides a comparison between the Issuer and its Bond Issue with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are a number of variances between the activities of the Issuer and other issuers (including principal markets, competition, corporate life cycle, capital requirements, etc), and also differences between the risks associated with the Group's business model and that of other issuers, the comparative analysis serves as an indication of the financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
6.00% AX Investments plc Unsecured & Guaranteed 2024	40,000	2.88	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2024	35,000	4.22	1.87	11.42	41.92	0.40
5.30% Mariner Finance plc Unsecured 2024	17,684	5.29	4.72	5.95	49.91	0.49
5.00% Hal Mann Vella Group plc Secured 2024	30,000	4.85	2.42	9.45	51.80	0.44
5.10% 1923 Investments plc Unsecured 2024	36,000	5.08	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024	6,308	3.37	13.29	4.71	63.61	0.65
5.75% International Hotel Investments plc Unsecured 2025	45,000	5.06	1.87	11.42	41.92	0.40
5.10% 6PM Holdings plc Unsecured 2025	13,000	5.68	10.95	0.38	11.16	0.17
4.50% Hili Properties plc Unsecured & Guaranteed 2025	37,000	4.51	1.80	12.53	45.87	0.46
3.70% Gap Group plc Secured & Guaranteed 2023/2025	12,308	3.69	33.21	4.85	56.20	0.69
4.35% Hudson Malta plc Unsecured & Guaranteed 2026	12,000	4.77	6.11	4.89	71.67	0.57
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	4.67	1.66	12.42	42.45	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	4.00	1.87	11.42	41.92	0.40
5.00% Dizz Finance plc Unsecured & Guaranteed 2026	8,000	5.00	1.91	10.70	79.93	0.59
3.75% Premier Capital plc Unsecured 2026	65,000	4.27	11.25	2.09	61.67	0.56
4.00% International Hotel Investments plc Unsecured 2026	60,000	4.51	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	4.97	1.75	14.74	30.01	0.28
3.90% Gap Group plc Secured & Guaranteed 2024/2026	21,000	4.57	33.21	4.85	56.20	0.69
4.00% Hili Finance Company plc Unsecured & Guaranteed 2027	50,000	5.46	4.64	4.84	69.79	0.63
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.97	4.68	1.74	22.08	0.26
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	4.18	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027	30,000	5.24	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	4.00	5.61	4.81	28.97	0.26
4.75% Best Deal Properties Holding Plc Secured & Guaranteed 2025/2027	15,000	4.68	13.29	4.71	63.61	0.65
4.75% Gap Group plc Secured & Guaranteed 2025/2027	23,000	4.61	33.21	4.85	56.20	0.69
3.85% Hili Finance Company plc Unsecured & Guaranteed 2028	40,000	4.56	4.64	4.84	69.79	0.63
5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed 2028	20,000	5.24	3.79	3.30	22.75	0.21
5.75% PLAN Group plc Secured & Guaranteed 2028	12,000	5.75	1.31	17.49	57.68	0.54
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	4.04	5.61	4.81	28.97	0.26
3.80% Hili Finance Company plc Unsecured & Guaranteed 2029	80,000	4.79	4.64	4.84	69.79	0.63
3.75% AX Group plc Unsecured 2029	10,000	4.60	1.75	14.74	30.01	0.28
6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030	18,144	6.24	1.73	7.63	94.01	0.75
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.89	1.87	11.42	41.92	0.40
3.50% AX Real Estate plc Unsecured 2032	40,000	4.30	2.31	13.83	42.36	0.41
5.00% Mariner Finance plc Unsecured 2032	36,930	5.00	4.72	5.95	49.91	0.49
4.50% The Ona plc Secured & Guaranteed 2028/2034	16,000	4.56	44.17	9.76	64.11	0.59
5.50% Juel Group plc Secured & Guaranteed 2035	32,000	5.32	3.35	11.26	55.24	0.51

***As at 03 October 2023**

Sources: Malta Stock Exchange
M.Z. Investment Services Limited
Most recent audited annual financial statements except for Juel Group plc (FY2024 – forecast) and PLAN Group plc (FY2024 – forecast)





To date, there are no corporate bonds which have a redemption date beyond 2035. The Malta Government Stock yield curve has been included as it is widely considered to be the benchmark risk-free rate for Malta.

The 5.75% PLAN Group plc secured and guaranteed bonds have been priced at 111 basis points above the average yield-to-maturity of 4.64% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity as at 3 October 2023 stood at 189 basis points.

PART 4 - EXPLANATORY DEFINITIONS

INCOME STATEMENT

Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation.
Operating profit	Profit from core operations excluding interest and tax.
Profit after tax	Net profit generated from all business activities.

PROFITABILITY RATIOS

EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit as a percentage of total revenue.
Net profit margin	Profit after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on the company's net assets and is computed by dividing the net profit by average equity.



Return on assets	Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets.
Return on invested capital	Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt.
Return on assets	Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets.
Return on invested capital	Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt.

CASH FLOW STATEMENT

Net cash flow from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Cash flow from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Cash flow from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.

BALANCE SHEET

Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises the cost of the asset over the number of years for which the asset will be in use instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

FINANCIAL STRENGTH/CREDIT RATIOS

Interest cover	Measures the extent of how many times a company can pay its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity.
Debt-to-asset	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets.
Leverage	Shows how much equity a company is using to finance its assets.
Current ratio	Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets.

