



EXCEL FINANCE P.L.C.

2 December 2024

SECURITIES NOTE



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Dated 2 December 2024

This Securities Note is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the Prospectus Regulation. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of up to:

€50,000,000 5.4% Secured Bonds 2031

of a nominal value of €100 per Bond issued and redeemable at par

ISIN: MT0002851203

(the "Bonds") by



EXCEL FINANCE P.L.C.

**a public limited liability company duly incorporated under the laws of Malta
with company registration number C 108732
with the joint and several Guarantee* of**

EXCEL INVESTMENTS HOLDINGS LIMITED

a private limited company registered in Malta with company registration number C 94378

**Prospective investors are to refer to the Guarantee contained in Annex II of this Securities Note and section 6.2 of the Registration Document for a description of the Guarantee and the Collateral in general.*

SPONSOR &
CO-MANAGER

Calamatta Cuschieri

REGISTRAR
& CO-MANAGER

BOV
Bank of Valletta

SECURITY TRUSTEE

CSB | trustees &
fiduciaries ltd

LEGAL COUNSEL

salibastafrece
LEGAL

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

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

APPLICATION HAS BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE SECURITIES TO BE ADMITTED TO THE OFFICIAL LIST.

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 OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

APPROVED BY

A blue ink signature of Joseph Portelli, consisting of several overlapping loops and a long horizontal stroke.

Joseph Portelli

A blue ink signature of Richard Abdilla Castillo, featuring a stylized, cursive script with a prominent vertical stroke.

Richard Abdilla Castillo

in their capacity as directors of the Issuer and for and on behalf of
Albert Frendo, Jean Paul Debono, Daniel Refalo and Maria Agius

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY EXCEL FINANCE P.L.C. (THE **"ISSUER"**) OF UP TO €50,000,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.4% PER ANNUM, PAYABLE ON 30 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE (THE **"BONDS"**). THE ISSUER SHALL REDEEM THE BONDS AND PAY THE REDEMPTION VALUE THEREOF ON THE REDEMPTION DATE, UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION BY THE ISSUER.

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

THIS SECURITIES NOTE SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER DATED 2 DECEMBER 2024.

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

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

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

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

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

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

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS, OR ANY PART THEREOF, OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER 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. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

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

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

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

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

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

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

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

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1. DEFINITIONS

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

Applicant/s	A person or persons, in the case of joint applicants, who subscribe(s) for the Bonds;
Application	The application to subscribe for Bonds made by an Applicant/s through any of the Authorised Financial Intermediaries;
Authorised Financial Intermediaries	The financial intermediary/ies whose details appear in Annex I to this document;
Bond Issue Price	The nominal value of each Bond, namely €100 per Bond;
CSD	The Central Securities Depository of and operated by the Malta Stock Exchange set up and authorised in terms of the Financial Markets Act, 1990 (Cap. 345 of the laws of Malta), or any other central securities depository appointed by the Issuer from time to time;
Interest Payment Date	30 December of each year between and including each of the years 2025 and 2031, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	An offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements as further detailed in section 8.5 of this Securities Note;
Issue Date	Expected on 7 January 2025;
Placement Agreements	The conditional placement agreements which may be entered into between the Issuer and any Authorised Financial Intermediaries, as further described in section 8.4 of this Securities Note; and
Terms and Conditions	The terms and conditions of issue of the Bonds, set out in sections 5, 6 and 8 of this Securities Note.

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

Unless it appears otherwise from the context:

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

2. RISK FACTORS

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

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

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

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

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

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) IS OR

SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT AND IN THE PROSPECTUS BEFORE INVESTING IN THE BONDS.

Forward-looking Statements

This Securities Note contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's and, or the Guarantor'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 Guarantor's actual results of operations, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and performance, and trading results, of the Issuer and, or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

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

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

2.1 • Risks relating to the Bonds

Suitability of the Bonds

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

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

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits, and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. is able to assess whether the Bonds meet its investment objectives;

- c. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- d. understands thoroughly the terms of the Bonds; and
- e. is able to evaluate, either alone or with the help of a financial advisor, possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Interest rate risk

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

Risks relating to inflation

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

Trading and liquidity risks

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

Furthermore, the outbreak of the COVID-19 pandemic in 2020, has resulted in a highly volatile economy. Other pandemics or infectious diseases which may arise in future may have similar consequences on the market. The exact nature of the risks of such pandemics and infectious diseases for, and their negative impact on, national economies and on individual businesses, including the Group's business, is difficult to forecast and to guard against and plan for, particularly in view of the uncertainty as to their respective duration and reach. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia – Ukraine and the Middle East armed conflicts. No assurance can be given that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds.

Currency risk

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

Continuing compliance obligations

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

Changes in laws and regulations

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

Amendments to Terms and Conditions

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

Additional indebtedness and security

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

Ratings

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

2.2 • Risks relating to the Guarantor and the Group and the Collateral

Risks relating to the business of the Guarantor and the Group

The risk factors contained in section 2.2 of the Registration Document, entitled "Risks relating to the Guarantor and the Group", apply to the business of the Guarantor and the Group. If any of the risks mentioned in section 2.2 of the Registration Document were to materialise, they may have a material adverse effect on the ability of the Guarantor to satisfy its obligations under the Issuer-Guarantor Loan due to the Issuer and under the Guarantee.

Risks relating to the Guarantee

The Bonds, as and when issued and allotted, shall constitute the general, direct, and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest and the Redemption Value due under the said Bonds by the Guarantor and the Special Hypothec.

The Bonds are being guaranteed by the Guarantor on a joint and several basis, and accordingly the Security Trustee, for the benefit of itself and the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the Redemption Value of the said Bonds 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 Guarantee shall constitute a direct and unconditional obligation of the Guarantor, but it does not give a right of preference over other obligations of the Guarantor and the Guarantor's obligations under the Guarantee shall rank *pari passu* with all its other unsecured and unsubordinated obligations. The strength of the undertakings on the part of the Guarantor under the Guarantee and therefore, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor, which will be affected by the level of indebtedness and liabilities incurred by such Guarantor, as well as by the amount of payments received by the Guarantor from other Group companies, in the form of payments under shareholders' loans or other advances made to them or in the form of dividends or otherwise.

Risks relating to the Collateral constituted by the Special Hypothec over the Security Property and the value thereof

The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer but, in respect of Excel MJD Limited and Excel Housing Limited, and save for such exceptions as may be provided by applicable law, they shall rank with priority or preference over all unsecured indebtedness, if any, by virtue and to the extent of the first ranking Special Hypothec which the said Excel MJD Limited and Excel Housing Limited will constitute over the Security Property respectively owned by them in favour of the Security Trustee for the benefit of the Bondholders.

As noted in section 6.2 of the Registration Document, in its existing state, the Security Property has been professionally valued for a total amount which should be sufficient to cover payment of the Redemption Value of the Bonds. Whilst this Special Hypothec in respect of the Bonds grants the Security Trustee a right of preference and priority for repayment of the Bonds over the creditors of the Excel MJD Limited and Excel Housing Limited in respect of the Security Property owned by them respectively, there can be no guarantee that the value of the said Security Property over the term of the Bonds will be sufficient to cover the full amount of Redemption Value or interest outstanding under the said Bonds. This may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Security Property. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

Furthermore, there is no guarantee that the value of Security Property determined in the independent valuation is necessary correct or would actually be achieved on the market. The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including that of the Security Property, as referred to in the Prospectus, reflects actual values that would be achieved on a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made. There can be no assurance that such valuation of property will reflect actual market values at the time of enforcement of the Special Hypothec on the Security Property.

Risks relating to ranking of Special Hypothec forming part of the Collateral

The first ranking special hypothecs to be constituted by Excel MJD Limited and Excel Housing Limited over the Security Property respectively owned by them in favour of the Security Trustee 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. Privileged creditors include, but are not limited to, architects, contractors, masons and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work. However, Excel MJD Limited and Excel Housing Limited will not necessarily manage to obtain a waiver of privilege from other persons or entities entitled thereto at law. Moreover, there may be contractors or other persons which already enjoy such special privilege over the respective property/ies according to law, although not yet registered in the Public Registry. Any such privileged creditors will rank with preference to the Security Trustee in whose favour the Special Hypothec under the Collateral shall be constituted.

3. PERSONS RESPONSIBLE AND CONSENT FOR USE

3.1 • Persons responsible

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

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

3.2 • Consent for use of the Prospectus

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

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

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

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

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

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

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

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

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

Any Authorised Financial Intermediary using the Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using 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 Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.excel-group.eu

4. ESSENTIAL INFORMATION

4.1 • Interest of natural and legal persons involved in the Bond Issue

Without prejudice to the potential conflicts of interest of Directors disclosed in section 9.5 of the Registration Document, and save for any subscription for Bonds by the Authorised Financial Intermediaries, which include the Sponsor & Co-Manager and the Registrar & Co-Manager, and any fees payable in connection with the Bond Issue to the Sponsor & Co-Manager and the Registrar & Co-Manager, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

4.2 • Reasons for the offer and use of proceeds

The proceeds from the Bond Issue will be used by the Issuer to provide a loan facility to the Guarantor, to be used as provided below (the "**Issuer-Guarantor Loan**"). The Issuer-Guarantor Loan will bear interest at 6% *per annum* payable on 15 December of each year, and the outstanding loan amount thereof shall be repayable by not later than 15 December 2031.

In turn, the Issuer-Guarantor Loan will be used by the Guarantor for the following purposes, in the amounts and order of priority set out below:

- i. Re-financing of Relevant Bank Loans:** an amount of approximately €25,000,000 will be used to re-finance the outstanding Relevant Bank Loans due by Excel MJD Limited to FIMBank plc and by Excel Housing Limited to Bank of Valletta plc, which bank loans were originally principally utilised to finance site acquisition and development and finishing of the Q Hub and acquisition costs of the Housing Properties, and which Relevant Bank Loans are secured *inter alia* by the Bank Security Interests over the Security Property or parts thereof;
- ii. Development costs of Relevant Trading Property Projects:** an amount of approximately €8,000,000 will be used to finance the development costs of the Relevant Trading Property Projects described in paragraphs 1 to 10 under the heading 'Development and sale of real estate projects' under section 5.2 of the Registration Document, namely: (a) Orchidea Court in Għajnsielem, (b) Harruba Residences in Nadur, (c) Sunset Suites in Xlendi, (d) Ta' Dbiegi View Houses in Għarb, (e) Giovanni's in Xewkija, (f) Bugeja Court in Għajnsielem, (g) Misraħ il-Barrieri in Msida, (h) Vista Giuliana in St. Julians, (i) Narcisa in Sannat and (j) Millhouse in Qala; and
- iii. General corporate funding:** the amount of approximately €16,100,000 together with any residual amounts not utilised for the purposes identified in paragraphs (i) and (ii) above, shall be utilised for general corporate funding purposes of the Group
- iv. Bond Issue expenses:** the amount of approximately €900,000 will be used to finance the expected expenses of the Bond Issue, which are **agreed to be borne by the Guarantor**.

As set out in section 6.2 of the Registration Document, the Issuer-Guarantor Loan shall be drawn down as follows:

- a. the amount used to repay the Relevant Bank Loans to FIMBank plc and Bank of Valletta plc will be deemed immediately drawn down upon execution of the said Deed of Hypothec creating the Issuer-Guarantor Loan;
- b. the balance, less those funds required to fund the expenses of the Bond Issue, will be advanced in one or more subsequent drawdowns following a request by the Guarantor to the Issuer, whereupon the Security Trustee shall be requested and directed to release the respective amount/s to or to the order of the Guarantor;
- c. such part of the loan facility which is required by the Guarantor to fund the expenses of the Bond Issue, which the Guarantor has agreed to bear itself, which are expected to amount to approximately €900,000 and which will be retained by the Registrar and will not be forwarded to the Security Trustee, shall be forwarded by the Registrar to or to the order of the Issuer upon request.

It is expected that within 15 Business Days from the closing of the Offer Period, the Issuer, the Guarantor, Excel MJD Limited, Excel Housing Limited, the Security Trustee, FIMBank plc and Bank of Valletta plc shall appear on the Deed of Hypothec to repay the Relevant Bank Loans to FIMBank plc and Bank of Valletta plc and consequently obtain the cancellation of the Bank Security Interests over or in respect of the Security Property or parts thereof and/or rent receivable therefrom, securing the said Relevant Bank Loans. Pursuant to such Deed of Hypothec, the Security Trustee will concurrently obtain from Excel MJD Limited and Excel Housing Limited the Special Hypothec over the Security Property respectively owned by them, and the Issuer will agree to make the Issuer-Guarantor Loan to the Guarantor, namely to make available a loan facility in the total amount equal to the proceeds from the Bond Issue.

The sale or other realisation proceeds of any real estate projects of the Group, including projects which are to any extent financed by the proceeds of the Bond Issue, may upon the future completion and realisation of such projects, be employed by the Group for the acquisition of sites and for the development of new projects as deemed commercially appropriate and feasible by the Group. The Guarantor will however undertake towards the Issuer in the Deed of Hypothec, as a condition of the Issuer-Guarantor Loan, that the Guarantor will ensure, in its capacity as parent company of the Group, that no such new real estate development projects will be entered into at any time whilst the Issuer-Guarantor Loan is outstanding if in the reasonable opinion of the Guarantor the execution thereof and the projected revenue flow therefrom and the timing thereof are likely to jeopardise the timely payments under the Bonds. Furthermore, the Issuer-Guarantor Loan will also be made on the condition, as contained in the Deed of Hypothec, that the Guarantor must ensure that any new real estate development projects to be so undertaken by the Group and by any single Group company from time to time whilst the Issuer-Guarantor Loan is outstanding shall satisfy certain parameters and conditions agreed to between the parties mainly intended to ensure the necessary liquidity within the Group to be able to satisfy its payment obligations arising from time to time, including payment obligations under the Bonds, and the Guarantor shall be required to seek and obtain the prior approval of the Issuer in respect of, and before the Group unconditionally commits to, any proposed new project which is expected not to meet the said parameters and conditions.

The issue and final allotment of the Bonds is conditional upon the following events, in the chronological order set out below: (1) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed within 15 Business Days of the closing of the Offer Period; and (2) the Bonds being admitted to the Official List. In the event that any of the aforesaid Conditions Precedent is not satisfied, the Bond Issue proceeds shall be returned to the investors, as provided below. Indeed, the Bonds shall not be admitted to the Official List of the Malta Stock Exchange unless all security has been duly perfected, in accordance with the provisions of the Security Trust Deed.

Accordingly, following the Bond Issue, all proceeds of the Bond Issue, less the funds required to fund the expenses of the Bond Issue which are expected to amount to approximately €900,000, shall be forwarded by the Registrar to and shall be held by the Security Trustee who shall, save for the payment of the Relevant Bank Loans to FIMBank plc and Bank of Valletta plc on the Deed of Hypothec, as provided in the immediately following paragraph, retain all remaining net Bond Issue proceeds until (i) it receives appropriate assurance that publication and registration of the Deed of Hypothec and the Special Hypothec constituted thereunder will be effected and (ii) confirmation that the Bonds will be admitted to the Official List of the Malta Stock Exchange is communicated to the Security Trustee.

Once the aforesaid conditions are satisfied, the Security Trustee shall release the Bond Issue proceeds in its possession remaining after payment of the Relevant Bank Loans on the Deed of Hypothec as aforesaid, to or to the order of the Guarantor as instructed by the Issuer, following a request by the Guarantor to the Issuer.

The funds required to fund the expenses of the Bond Issue, which the Guarantor has agreed to bear itself and will form part of the Issuer-Guarantor Loan, which are expected to amount to approximately €900,000, shall remain with the Registrar and will not be forwarded to the Security Trustee, but shall instead be forwarded by the Registrar to the order of the Issuer upon request at any time following the satisfaction of the conditions referred to above.

4.3 • Funding of developments from other sources

Assuming that the Bond Issue is fully subscribed, it is anticipated that the net proceeds of such Bond Issue will be sufficient to repay the Relevant Bank Loans in full and to fund the development costs of the Relevant Trading Property Projects.

4.4 • Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, manager and registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €900,000. There is no particular order of priority with respect to such expenses.

The expenses pertaining to the Bond Issue shall be borne by the Guarantor and shall form part of the Issuer-Guarantor Loan, provided that these shall, following the satisfaction of the Conditions Precedent, be released and paid by the Registrar to or to the order of the Issuer upon request.

4.5 • Security

The Bonds are secured and Bondholders shall have the benefit of the following security:

- a. a first ranking special hypothec over the Security Property; and
- b. the Guarantee in respect of all Bonds and holders thereof.

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

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

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

The terms and conditions of the Security Trust Deed, which is available for inspection as set out in section 17 of the Registration Document, shall be binding on each registered Bondholder as if it had been a party thereto and as if the Security Trust Deed contained covenants on the part of each registered Bondholder to observe and be bound by all the provisions thereof applicable thereto, and the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed. The Security Trustee is also authorised to deal or allow the Group to deal with the Security Property and to allow or give effect to a reduction, cancellation and creation or otherwise redefinition of the special hypothec/s burdening any elements of the Security Property or a substitution of any part of the Security Property with another immovable property owned by the Group, always with due regard to the interests of all the Bondholders and with due protection to their interests, as further explained in section 6.3 of this Securities Note.

5. OFFER STATISTICS

Issue:	€50,000,000 5.4% Secured Bonds 2031.
Amount:	€50,000,000.
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.
Denomination (currency):	Euro (€).
ISIN:	MT0002851203
Bond Issue Price:	At par, namely €100 per Bond.
Minimum amount per subscription:	Minimum of €5,000 and integral multiples of €100 thereafter.
Offer Period:	The period commencing at 09:00 hours on 4 December 2024 and ending at 12:00 hours on 20 December 2024, both days included.
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, as further described in section 8.3 of this Securities Note.
Placement Agreements:	The Issuer may enter into conditional placement agreement/s with one or more Authorised Financial Intermediary/ies whereby an agreed portion of the nominal value of the Bonds will be made available for subscription to such Authorised Financial Intermediaries, for their own account or on behalf of their clients, as further described in section 8.4 of this Securities Note.
Intermediaries' Offer:	The Issuer may enter into subscription agreements with Authorised Financial Intermediaries for an aggregate amount equivalent to the remaining amount of the Bond Issue not covered by the Placement Agreements (if any), for subscription of Bonds by such Authorised Financial Intermediaries for their own account or on behalf of their clients, as further described in section 8.5 of this Securities Note.
Redemption Date:	30 December 2031.

Redemption Value:	At par (€100 per Bond).
Status of the Bonds:	The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves, and shall rank <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer. The Bonds shall be guaranteed in respect of both the interest and the Redemption Value due under said Bonds by the Guarantor in terms of the Guarantee and secured by the Special Hypothec to be constituted by Excel MJD Limited and Excel Housing Limited on the Security Property respectively owned by them. In respect of the said Excel MJD Limited and Excel Housing Limited, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future unsecured obligations of the said Excel MJD Limited and Excel Housing Limited, by virtue and to the extent of the first ranking special hypothec over the respective Security Property which they will respectively constitute in favour of the Security Trustee for the benefit of the Bondholders.
Guarantee	The joint and several guarantee dated 2 December 2024 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 shall constitute a direct and unconditional obligation of the Guarantor, and the Guarantor's obligations under the Guarantee shall rank <i>pari passu</i> with all its other unsecured and unsubordinated obligations.
Listing:	The Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Interest:	5.4% <i>per annum</i> , on the nominal value of each Bond.
Interest Payment Date(s):	Annually on 30 December as from 30 December 2025, being the first Interest Payment Date, with the last Interest Payment Date being effected on the Redemption Date.
Governing Law:	The Bonds are governed by and shall be construed in accordance with Maltese law.
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts.

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

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

6.1 • General

Each Bond forms part of a duly authorised issue of 5.4% Secured Bonds 2031 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €50,000,000, except as otherwise provided under section 6.12 of this Securities Note "Further Issues".

The Issue Date of the Bonds is expected to be 7 January 2025. The Bond Issue is guaranteed by the Guarantor and secured with the Collateral. The Bonds are created under Maltese law.

- a. The currency of the Bonds is Euro (€).
- b. The Bonds are expected to be listed on the Official List on or before 7 January 2025 and dealing can be expected to commence thereafter.
- c. Subject to admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned ISIN: MT0002851203.
- d. Unless previously purchased and cancelled, the Bonds shall be redeemable at the Redemption Value on the Redemption Date.
- e. The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.
- f. The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €5,000 and in multiples of €100 thereafter.
- g. In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, at the Applicant's sole risk.
- h. The Bond Issue is not underwritten.
- i. There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of the Redemption Value and interest and in accordance with the ranking specified in section 6.3 hereunder.
- j. All Applications 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 • Registration, form, denomination and title

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

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

When subscribing for Bonds, Bondholders who opt to subscribe for an online e-portfolio account with the CSD will be registered for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/help>.

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

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

6.3 • Ranking of the Bonds and the Collateral and undertakings regarding payment of Relevant Shareholders Loans

Status of the Bonds

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

Guarantee

The Bonds shall be guaranteed in respect of both the interest due and the Redemption Value by the Guarantor on a joint and several basis in terms of the Guarantee. Accordingly, the Security Trustee, for the benefit of itself and the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the Redemption Value under said Bonds 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 Guarantee shall constitute a direct, and unconditional obligation of the Guarantor, and the Guarantor's obligations under the Guarantee shall rank *pari passu* with all its other unsecured and unsubordinated obligations.

A copy of the Guarantee is included in Annex II to this Securities Note.

First ranking special hypothec over Security Property

In respect of Excel MJD Limited and Excel Housing Limited, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future unsecured obligations of the said Excel MJD Limited and Excel Housing Limited, by virtue and to the extent of the first ranking special hypothec over the Security Property respectively owned by them which they will constitute in favour of the Security Trustee for the benefit of the Bondholders.

Pursuant to the Security Trust Deed, the said Excel MJD Limited and Excel Housing Limited, have agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as beneficiaries, a special hypothec over the Security Property respectively owned by them.

The Special Hypothec in respect of the Security Property, which will be constituted by virtue of the Deed of Hypothec, will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders as beneficiaries, for the repayment of the Redemption Value and interest under the Bonds by a preferred claim over the said Security Property.

Accordingly, following the issue of the Bonds and application of the proceeds as set out above, the Security Trustee will have the benefit of a special hypothec over the Security Property for the full Redemption Value of the Bonds issued, for the benefit of Bondholders.

In the event of the enforcement of the Collateral, Bondholders shall be paid out of the said Security Property in priority to other creditors, except for privileged creditors. During the course of development and/or completion of the Security Property, in particular the Q Hub (which as at the date hereof is still being finished), situations may arise whereby the architects, contractors or suppliers may become entitled by law to register a special privilege over the Security Property, thereby obtaining a priority in ranking over the Security Trustee. PRA Construction Limited, as the main contractor responsible for the development of the Q Hub and the Housing Properties has contractually agreed to renounce to and that it will not seek to inscribe and/or register the special privilege for the price of works accorded to it by law over the respective property/ies. Whilst this is intended to minimise the possibility that any real rights are created over the Security Property that would have the effect of diminishing the value of the Collateral registered in favour of the Security Trustee, there can be no guarantee that Excel MJD Limited and Excel Housing Limited will manage to obtain a waiver of privilege from other persons or entities which may be entitled thereto at law. Moreover, there may be contractors or other persons which already enjoy such special privilege over the respective property/ies according to law, although not yet registered in the Public Registry. Any such privileged creditors will rank with preference to the Security Trustee in whose favour the Special Hypothec shall be constituted.

In terms of the Security Trust Deed, the parties thereto have agreed that (a) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, the Security Trustee may at the cost and request of Excel MJD Limited and Excel Housing Limited or any of them and with due regard to the interests of all the Bondholders do or concur with any of the said Excel MJD Limited and Excel Housing Limited in doing certain transactions in respect of the Security Property or part thereof, including without limitation, the sale, letting, exchange, surrender, development, dealing with or exercise any rights in respect of all or any part of the Security Property upon such terms or for such consideration or in any such manner as the Security Trustee may think fit, always having due regard to the interests of the Bondholders; and (b) the Security Trustee retained the discretion and/or right, upon a request of the Issuer or any of Excel MJD Limited and Excel Housing Limited, to reduce, cancel and create or otherwise redefine the special hypothec/s burdening any elements of the Security Property or to substitute any part of the Security Property with another immovable property owned by the Group or some affiliated company, subject to a property valuation report by an independent architect to be appointed by the Issuer or by the Guarantor or by any of the said Excel MJD Limited and Excel Housing Limited with the consent of the Security Trustee, confirming that the value of the elements of the Security Property as redefined, reconfigured or relocated (including through substitution of any part thereof with another immovable property as aforesaid) is at least equal to the Redemption Value of the outstanding Bonds in issue at the relevant time. Under the Security Trust Deed the Security Trustee also reserves the right to demand further immovable property owned by the Group as Security Property should at any given time the value of the Security Property, which shall be determined pursuant to an architect's independent valuation report, by an independent architect to be appointed by the Issuer or the Group with the consent of the Security Trustee, together with the value of any bond proceeds still held by the Security Trustee at the relevant time, be lower than the Redemption Value of outstanding Bonds in issue at the relevant time.

Payment of Relevant Shareholders Loans

The Relevant Shareholders Loans made by the Shareholders to the Guarantor have been made on terms whereby they are to be repaid when determined by the Guarantor, in its discretion, and that in any case they are not to be repaid before the maturity and repayment of the Bonds on the Redemption Date. In the Security Trust Deed, the Guarantor has undertaken towards the Security Trustee that it will not repay such Relevant Shareholders Loans before the maturity and repayment of the Bonds on the Redemption Date.

6.4 • Rights attaching to the Bonds

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

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

6.5 • Interest

The Bonds shall bear interest from and including 30 December 2024 at the rate of 5.4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date.

The first interest payment will be effected on 30 December 2025 (covering the period 30 December 2024 to 29 December 2025), and then annually thereafter on 30 December of each calendar year, with the last interest payment being effected on the Redemption Date.

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

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

6.6 • Yield

The gross yield calculated on the basis of the interest on the Bonds, the Bond Issue Price and the Redemption Value of the Bonds is 5.4% *per annum*.

6.7 • Redemption and purchase

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

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

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

6.8 • Payments

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

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

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

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

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

6.9 • Limits of the validity of claims

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

6.10 • Events of Default

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

- a. the Issuer fails to pay any interest under the Bonds when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- b. the Issuer fails to pay the Redemption Value of a Bond when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- c. the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee;

- d. there shall have been entered against the Issuer or the Guarantor a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed;
- e. the Issuer or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent, within the meaning of Article 214(5) of the Act;
- f. an order is made or an effective resolution passed for the dissolution, termination of existence, liquidation or winding-up of the Issuer or the Guarantor, except for the purpose of a reconstruction, amalgamation or division;
- g. a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or the Guarantor;
- h. the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof;
- i. the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited commits a breach of any covenants or provisions contained in the Security Trust Deed and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee, other than any covenant for the payment of interests or Redemption Value owing in respect of the Bonds;
- j. it becomes unlawful at any time for the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited to perform all or any of its obligations hereunder, where applicable, or under the Security Trust Deed;
- k. the Collateral or any part thereof becomes unenforceable against the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited, as applicable;
- l. the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited, as applicable, repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Security Trust Deed;
- m. all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government,

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

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

Provided that in the event of any breach by the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited of any of the covenants, obligations or provisions contained herein or in the Security Trust Deed, as applicable, due to any fortuitous event of a calamitous nature beyond the control of the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited, as the case may be, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer, the Guarantor, Excel MJD Limited or Excel Housing Limited, as the case may be, such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times, to the extent deemed to be in the best interests of Bondholders, act on and in accordance with any directions it may receive in a meeting of Bondholders satisfying the conditions set out in the Security 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, the Guarantor, Excel MJD Limited and Excel Housing Limited are each observing and performing all the obligations, conditions and provisions on their respective parts contained in the Bonds and the Security Trust Deed, as applicable.

6.11 • Transferability of the Bonds

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

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

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

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

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

6.12 • Further issues

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

6.13 • Resolutions and meetings of Bondholders

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

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

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

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

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

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

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

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

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

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

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

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

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* (in the same manner but with such modifications as are necessary) apply to meetings of Bondholders.

6.14 • Bonds held jointly

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

6.15 • Bonds held subject to usufruct

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

6.16 • Authorisations and approvals

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 22 November 2024. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 21 November 2024.

The Malta Financial Services Authority approved the Bonds as eligible to listing on the Official List of the Malta Stock Exchange pursuant to the Capital Markets Rules by virtue of a letter dated 2 December 2024.

6.17 • Representations and warranties

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

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

6.18 • Notices

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

6.19 • Governing law and jurisdiction

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

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

7. TAXATION

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

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

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

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

7.1 • Malta tax on interest

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

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

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

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

7.2 • Exchange of information

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

Relevant legislation includes, but is not limited to:

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

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

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

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

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

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

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

7.3 • Maltese tax on capital gains on transfer of the Bonds

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

7.4 • Duty on documents and transfers

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

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

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

8. TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 • Expected timetable

1. Offer Period:	4 December 2024 to 20 December 2024
2. Placement Date:	20 December 2024
3. Intermediaries' Offer Date:	20 December 2024
4. Commencement of interest:	30 December 2024
5. Expected announcement of basis of acceptance:	30 December 2024
6. Latest date of constitution of Special Hypothec on Security Property:	7 January 2025
7. Expected dispatch of allotment letters:	7 January 2025
8. Latest date of admission of Bonds to listing:	7 January 2025
9. Latest date of commencement of trading in the Bonds:	8 January 2025

The Issuer reserves the right to close the Offer Period earlier in the event of full or over-subscription, in which case the events set out in step 2 onwards and the Issue Date may be brought forward.

8.2 • Terms and conditions of Application

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

- a. The issue and final allotment of the Bonds is conditional upon the following events, in the chronological order set out below: (1) the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed, within 15 Business Days of the close of the Offer Period; and (2) the Bonds being admitted to the Official List. In the event that any of the aforesaid Conditions Precedent is not satisfied, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account.
- b. The Bonds may be applied for by all categories of investors. Investors who wish to subscribe for Bonds are to contact any of the Authorised Financial Intermediaries through whom they may participate in the Bond Issue. Investors may apply for the subscription of Bonds by submitting an Application to an Authorised Financial Intermediary, in the manner instructed thereby, during the Offer Period which will close at 12:00 hours on 20 December 2024, unless closed earlier by the Issuer as provided in section 8.1 above .
- c. By submitting an Application, the Applicant is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Registrar and the Authorised Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in

cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

- d. The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder through an Authorised Financial Intermediary shall be subject to all the Terms and Conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. By signing and submitting the Application, the Applicant, and in the case of joint applications, each individual joint Applicant, will be entering into a legally binding contract with the Issuer, which shall become binding on the Issuer if and when such Application is accepted by the Issuer, until which time the Application shall be irrevocable by the Applicant, except where otherwise expressly provided by law:
- i. whereby the Applicant acknowledges, declares and agrees, and will automatically be deemed to be acknowledging, declaring and agreeing, that he/she/it has made the Application solely on the basis of, and that he/she/it shall at all times be bound by and comply with, and shall be subscribing, acquiring and/or holding the relevant Bonds on the basis of, such Terms and Conditions;
 - ii. whereby he/she/it makes and gives, and will automatically be deemed to be making and giving, to the Issuer the declarations, confirmations, representations, warranties and undertakings contained in paragraph (t) below in this section 8.2 and all other applicable declarations, confirmations, representations, warranties and undertakings contained in the Prospectus and/or in the Application;
 - iii. which contract, and any non-contractual matter arising out of or in connection with it, shall be governed and construed in all respects in accordance with the laws of Malta, and any disputes arising out of or in connection with such contract or any non-contractual matter arising out of or in connection therewith shall be subject to the exclusive jurisdiction of the courts of Malta, as provided in section 6.19 ("Governing law and jurisdiction") of this Securities Note.
- e. If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these terms and conditions, in the Prospectus and/or in the Application on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application. In the case of corporate Applicants or Applicants having separate legal personality, Applications have to include a valid legal entity identifier (LEI) which must be unexpired; and Applications without such information or without a valid LEI will not be accepted. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be made available.
- f. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefore is joint and several as further detailed in section 6.14 ("Bonds held jointly") of this Securities Note.
- g. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register as further detailed in section 6.8 ("Payments") and section 6.15 ("Bonds held subject to usufruct") of this Securities Note. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the payment of the Redemption Value on the Bond, which shall be due to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries.

- h. Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the Malta Stock Exchange. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s until such time as the minor attains legal age, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained legal age.
- i. The Bonds have not been nor will they be registered under the United States Securities Act, 1933 as amended, or under any federal or state securities law and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or to or for the benefit of, directly or indirectly, any U.S. Person, as defined in Regulation "S" of the said Act. Furthermore, the Issuer will not be registered under the United States Investment Company Act, 1940.
- j. No person receiving a copy of the Prospectus or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use the Prospectus or make an Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or the Prospectus could lawfully be used and the Application could lawfully be made without contravention of any registration or other legal requirements.
- k. Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors, including tax and legal advisors, as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person, including without limitation nominees, custodians, depositaries and trustees, outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes of any nature whatsoever due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- l. The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €5,000. Submission of Application must be accompanied by the full price of the Bonds applied for, in Euro. Payments may be made through any method of payment as accepted by the respective Authorised Financial Intermediary.
- m. Subject to all other terms and conditions set out in the Prospectus, the Issuer, the Registrar and the relevant Authorised Financial Intermediary reserve the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, the Registrar or Authorised Financial Intermediary is not accompanied by the required documents.
- n. Without prejudice to the generality of paragraph (m) above, the Issuer reserves the right, in its discretion, to reject all Applications and revoke the issue and not to allot any Bonds if the Bond Issue is not fully subscribed and taken up during the Offer Period. The Issuer may however, in its discretion, accept Applications made and proceed with the issue and allotment of the Bonds in case the Bond Issue is subscribed only in part during the Offer Period, whatever the amount so subscribed.
- o. Without prejudice to paragraphs (m) and (n) above, the Issuer reserves the right to revoke the issue at any time before the closing of the Offer Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- p. The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earlier. By not later than 30 December 2024, the Issuer shall, through a company announcement to be uploaded on the Issuer's website, namely www.excel-group.eu, announce the basis of acceptance of Applications and allocation policy to be adopted.

- q. In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for (and the Issuer and Authorised Financial Intermediaries reserve the right to do so in case of oversubscription or otherwise in their absolute discretion), the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application, at the Applicant's sole risk. The respective Authorised Financial Intermediary or the Issuer shall not be responsible for any charges, loss or delay in transmission.
- r. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 372 of 2017, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the Malta Stock Exchange Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of applicable data protection legislation, in particular the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679, as amended from time to time, as applicable, for the purposes, and within the terms, of the Malta Stock Exchange's Data Protection Policy as published from time to time.
- s. It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("MiFIR"), as well as applicable Malta Financial Services Authority Rules for investment services providers.
- t. By completing, signing and delivering and/or otherwise by making an Application, the Applicant:
- i. irrevocably offers to purchase the number of Bonds specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus, the Terms and Conditions and the Memorandum and Articles of Association;
 - ii. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;
 - iii. authorises the Issuer, the Authorised Financial Intermediary and/or the Registrar and the Malta Stock Exchange, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679, as may be amended from time to time. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed in relation to the Bond Issue, in terms of applicable law. Any such request must be made in writing and sent, as applicable, to the Issuer and the relevant Authorised Financial Intermediary and to the Malta Stock Exchange. The request must further be signed by the Applicant to whom the personal data relates;
 - iv. warrants that the information submitted by the Applicant in or together with the Application is true and correct in all respects and in the case where a Malta Stock Exchange account number is indicated in the Application, such Malta Stock Exchange account number is the correct account of the Applicant. In the event of a discrepancy between the personal details, including the Applicant's name and surname and address, appearing on the Application and those held by the Malta Stock Exchange in relation to the Malta Stock Exchange account number indicated on the Application, the details held by the Malta Stock Exchange shall be deemed to be the correct details of the Applicant;
 - v. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

- vi. authorises the CSD, the Registrar and the Issuer to include his/her/its name or in the case of joint Applications, the first named Applicant, in the register of Bondholders in respect of the Bonds allocated to the Applicant;
- vii. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (a) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar, which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds; or (b) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds, other than return of such late payment, if any;
- viii. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- ix. agrees to provide the Registrar and/or the Issuer and/or the Authorised Financial Intermediary, as the case may be, with any information which it/they may request in connection with the Application;
- x. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any relevant territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
- xi. warrants that all applicable exchange control or other such regulations, including those relating to external transactions, have been duly and fully complied with;
- xii. represents that the Applicant is not a U.S. person, as such term is defined in Regulations under the Securities Act of 1933 of the United States of America, as amended, as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- xiii. warrants that, where an Applicant makes an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and accordingly will be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these Terms and Conditions, in the Prospectus and/or in the Application, and undertakes to submit the Applicant's power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- xiv. warrants that where the Application is being lodged in the name and for the benefit of a minor, the Application is made by the parent/s or legal guardian/s of the minor;
- xv. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address, or, in the case of joint Applications, the address of the first named Applicant, as set out in the Application;

- xvi. agrees that any returned monies will be returned without interest at the Applicant's risk and will be returned by direct credit into the bank account as specified in the Application, and the relevant Authorised Financial Intermediary and the Issuer shall not be responsible for any charges, loss or delay arising in connection therewith;
- xvii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- xviii. agrees that the advisors to the Bond Issue listed in section 3.4 of the Registration Document, in their capacity as such, will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;
- xix. agrees that the Application, the acceptance of the Application and the contract resulting therefrom, all the rights and obligations of the Applicant and the Issuer, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law and, and that he/she/it submits to the jurisdiction of the Maltese courts which shall have, and the Applicant agrees that such courts will have, exclusive jurisdiction to hear and determine any dispute, action, suit or proceeding arising out of or in connection with any such Application, acceptance of Application and contract resulting therefrom, rights and obligations and non-contractual matters as aforesaid;
- xx. agrees that the terms and conditions of the Security Trust Deed, which is available for inspection as set out in section 17 of the Registration Document, shall be binding on it once it becomes a registered Bondholder as if it had been a party thereto and as if the Security Trust Deed contained covenants on its part as a registered Bondholder to observe and be bound by all the provisions thereof applicable thereto, and agrees that the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed.

8.3 • Plan of distribution and allotment

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

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

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

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

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

8.4 • Placement agreements

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

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

In terms of each of the said Placement Agreements (if any), the relevant Authorised Financial Intermediary will have the right to subscribe for Bonds for its own account (where applicable) or for the account of underlying customers, and shall in addition be entitled to either: (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading, or (ii) complete a data file representing the amount being allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 20 December 2024, being the Placement Date. In any case, each underlying Application is subject to a minimum of €5,000 in Bonds and in multiples of €100 thereafter.

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

8.5 • Intermediaries' Offer

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

The subscription agreements shall be subject to the terms and conditions of the Prospectus and will be conditional on the Bonds being admitted to listing on the Official list of the Malta Stock Exchange, and other conditions set out in the relevant subscription agreement. Moreover, the subscription agreements shall become binding on each of the Issuer and the respective Authorised Financial Intermediary upon signing, provided that the Authorised Financial Intermediary would have paid the Registrar all subscription proceeds in cleared funds by latest 20 December 2024, this being the Intermediaries' Offer Date.

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

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by the Intermediaries' Offer Date. The Issuer acting through the Registrar shall communicate the amount allocated under each subscription agreement by latest 23 December 2024. Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Registrar to the Authorised Financial Intermediary to the account specified in the respective subscription agreement.

In terms of the subscription agreements to be entered into, Authorised Financial Intermediaries will have the right to subscribe for the Bonds either for their own account or for the account of underlying customers and shall in addition be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or to complete a data file representing the amount being allocated in terms of the respective subscription agreement as provided by the Registrar by latest 27 December 2024.

8.6 • Pricing

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

8.7 • Allocation policy

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

- i. the aggregate amount covered by Placement Agreements, if any, will be reserved for, and shall be allocated to, the Authorised Financial Intermediaries entering into the relevant Placement Agreements, as further detailed in section 8.4 of this Securities Note;
- ii. the remaining balance of Bonds which are not subject to Placement Agreements, if any, shall be allocated to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer subject to an allocation policy as determined by the Issuer, as further detailed in section 8.5 of this Securities Note.

The Issuer shall announce the result of the Bond Issue through a company announcement on the Issuer's website by not later than 30 December 2024.

8.8 • Admission to trading

The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 2 December 2024.

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

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 7 January 2025 and trading is expected to commence on 8 January 2025.

8.9 • Additional Information

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

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

Calamatta Cuschieri Investment Services Limited does not have any material interest in the Issuer or 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.

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

ANNEX I - LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Bank of Valletta p.l.c.

Address: Premium Banking Centre - 475, Triq il-Kbira San Guzepp, Sta Venera SVR 1011, Malta
Telephone: 22751732

Calamatta Cuschieri Investment Services Limited

Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta
Telephone: 25688688

FINCO Treasury Management Ltd

Address: The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281, Malta
Telephone: 21220002

MeDirect Bank (Malta) p.l.c.

Address: The Centre, Tigne` Point Sliema TPO 0001
Telephone: 25574400

Michael Grech Financial Investment Services Limited

Address: The Brokerage, St Marta Street, Victoria VCT 2550, Gozo
Telephone: 22587000

MZ Investment Services Ltd

Address: 63, St. Rita Street, Rabat RBT 1523, Malta
Telephone: 21453739

THIS GUARANTEE and INDEMNITY AGREEMENT is dated 2nd December 2024 and made between:

- i. **Excel Investments Holdings Limited**, a company incorporated under the laws of Malta with registration number C 94378 and whose registered office is at 72, Mattia Preti Street, Rabat, Ghawdex, VCT2833, Malta, (the "**Guarantor**");
- ii. **CSB Trustees & Fiduciaries Limited**, a company incorporated under the laws of Malta with registration number C 40390 and whose registered office is at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR4013, Malta (the "**Security Trustee**").

WHEREAS:

- A. Excel Finance p.l.c. (the "**Issuer**") shall issue up to €50,000,000 Secured Bonds at an annual interest rate of 5.4% to be redeemed and finally repaid on 30 December 2031 (the "**Secured Bonds**") by virtue of, and subject to the terms and conditions of, a prospectus dated 2nd December 2024 issued by the Issuer in connection with the issue of such Secured Bonds (such prospectus, as the same may be amended, varied or supplemented from time to time, hereinafter referred to as the "**Prospectus**");
- B. the majority of the Issuer's shares are owned by the Guarantor;
- C. the Prospectus provides that, and it is a condition of the issuance of the Secured Bonds that, *inter alia*, the Guarantor executes and grants this Guarantee and Indemnity Agreement (hereinafter referred to as "**Guarantee**") whereby it jointly and severally guarantees the punctual performance of the Issuer's payment obligations under the Bond Issue in favour of the Security Trustee for the benefit of the Bondholders; and
- D. the Guarantor has agreed to the conclusion and execution of this Guarantee in favour of the Security Trustee.

NOW, THEREFORE, IT IS BEING HEREBY AGREED AND COVENANTED AS FOLLOWS:

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

"Indebtedness" means all moneys, obligations and liabilities now or at any time 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;

"writing" or **"in writing"** shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

Capitalised terms used herein which are defined in the Prospectus shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings herein as in the Prospectus.

The Guarantor hereby acknowledges and declares that it has received a copy of the Prospectus as approved and issued by the Issuer.

2. GUARANTEE

2.1 COVENANT TO PAY

In satisfaction of the conditions of the issuance of the Secured Bonds, and in consideration of the Bondholders acquiring the Secured Bonds, the Guarantor, as duly authorised, as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of Bondholders 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 LIABILITY AMOUNT

This is a continuing Guarantee for the whole amount of Indebtedness due or owing by the Issuer under the Secured Bonds but, notwithstanding anything contained in this Agreement, the amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of the Redemption Value of Secured Bonds subscribed for and issued pursuant to the Bond Issue, 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/or the Guarantor and/or other provider/s of Collateral which shall be additional to the maximum amount herein referred to.

2.3 INDEMNITY

As a separate and independent stipulation, the Guarantor agrees, as a principal obligation, to indemnify the Security Trustee on demand for all costs, charges and expenses incurred by it relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and/or the Guarantor and/or other provider/s of Collateral as well as 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.

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 or until such time as the maximum amounts referred to in clause 2.2 above are paid by the Guarantor hereunder, and will not be prejudiced or affected by, 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) the release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person liable; or
- f) 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 This Guarantee provides the Security Trustee with the right of immediate recourse against the Guarantor, and the Security Trustee shall not be obliged before taking steps to enforce any of its rights and remedies under this Guarantee:
- a) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Issuer or any other person; or
 - b) to make, demand, enforce or seek to enforce any claim, right or remedy against the Issuer or any other person.

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

- 4.1 Without prejudice to clause 2.2 above, this Guarantee shall be for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor or any other person shall have made any irrevocable payment of the Indebtedness.
- 4.2 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;
 - b) demand or accept repayment, in whole or in part, of any Indebtedness now or hereafter due to the Guarantor from the Issuer or for repayment of same or demand any collateral in respect of same or dispose of same;
 - c) take any step to enforce any right against the Issuer arising pursuant to the Guarantee or any payment made by the Guarantor thereunder;
 - d) claim any set-off or counter-claim against the Issuer nor shall the Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or benefit or share any payment from or in composition with the Issuer.
- 4.3 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 thereafter 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;
 - b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Security Trustee against the Issuer shall be suspended.

5. 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. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

6. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

- 6.1 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.

- 6.2 The Guarantor shall not be entitled to assign or transfer (by novation or otherwise) any of its rights or obligations under this Guarantee.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 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 constitutional document and the laws of its incorporation;
 - 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 violate any law, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or the Guarantor's constitutional document; 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 it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature;
 - f) 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;
 - g) 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;
 - h) 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;
 - i) 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.
- 7.2 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.

8. DEMANDS AND PAYMENTS

- 8.1 Without prejudice to clause 2.2 above, all the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain, liquidated and due on the seventh (7th) day following the Security Trustee's first written demand to the Guarantor to pay. All demands shall be sent to the address or facsimile number or email address as are stated below as the same may be changed by notice in writing by one party to the other.
- 8.2 All sums payable by the Guarantor under this Guarantee shall be paid in full to the Security Trustee in the currency in which the Indebtedness is payable:
- a) without any set-off, condition or counterclaim whatsoever; and
 - b) free and clear of any deductions or withholdings whatsoever except as may be required by law or regulation which is binding on the Guarantor.

- 8.3 If any deduction or withholding is required by any law or regulation to be made by the Guarantor, the amount of the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.
- 8.4 The Guarantor shall promptly deliver or procure delivery to the Security Trustee of all receipts issued to it evidencing each deduction or withholding which it has made.

9. NOTICES

Every notice, request, demand, letter or other communication hereunder shall be in writing, in the English language, and shall be delivered by hand or by pre-paid post or email at the address or email address of the addressee set out below or as otherwise notified to the sender. Any such notice sent by prepaid post shall be deemed to have been received five (5) days after dispatch and evidence that the notice was properly addressed stamped and put into the post shall be conclusive evidence of posting. Any such notice sent by email, or delivered by hand shall be deemed to have been received on the date on which it is sent or delivered, and failure to receive any confirmation shall not invalidate such notice.

If to the Guarantor:

Address: 72, Mattia Preti Street, Rabat, Ghawdex, VCT2833, Malta
E-mail address: management@excel-group.eu
To the attention: The Chairman of the Board of Directors

If to the Security Trustee:

Address: Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR4013, Malta
E-mail address: trustee@csbgroup.com; franklin.cachia@csbgroup.com
To the attention: Dr. Franklin Cachia

10. APPLICABLE LAW AND JURISDICTION

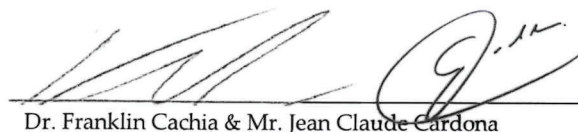
This Guarantee and any non-contractual matters in relation thereto shall be governed by and construed in accordance with the laws of Malta.

The parties agree that the Courts of Malta have exclusive jurisdiction to settle any disputes in connection herewith and in connection with any non-contractual matters in relation hereto, and accordingly submit to the jurisdiction of such Courts.

The parties waive any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agree that a judgement or order of such a Court shall be conclusive and binding on them and may be enforced against them in the Courts of any other jurisdiction.



duly authorised, on behalf of **Excel Investments Holdings Limited (Guarantor)**



Dr. Franklin Cachia & Mr. Jean Claude Cardona
duly authorised, on behalf of **CSB Trustees & Fiduciaries Limited (Security Trustee)**

The Directors
Excel Finance p.l.c.
72, Mattia Preti Street,
Ghawdex,
Rabat, Malta

2 December 2024

Re: Financial Analysis Summary – 2024

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Excel Finance p.l.c. (the **"Issuer"**) and Excel Investments Holding Ltd (the **"Guarantor"**), where the latter is the parent company of the **"Group"**. The data is derived from various sources, or is based on our own computations as follows:

- a. Historical financial data for the three years ended 31 December 2021, 2022 and 2023 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question.
- b. The forecast data for the financial years 2024 to 2027 has been provided by management.
- c. Our commentary on the Issuer and Guarantor's results and financial position is based on the explanations provided by management.
- d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- e. The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors and is meant to complement, and not replace, the content of the full Prospectus. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,



Patrick Mangion
Head of Capital Markets



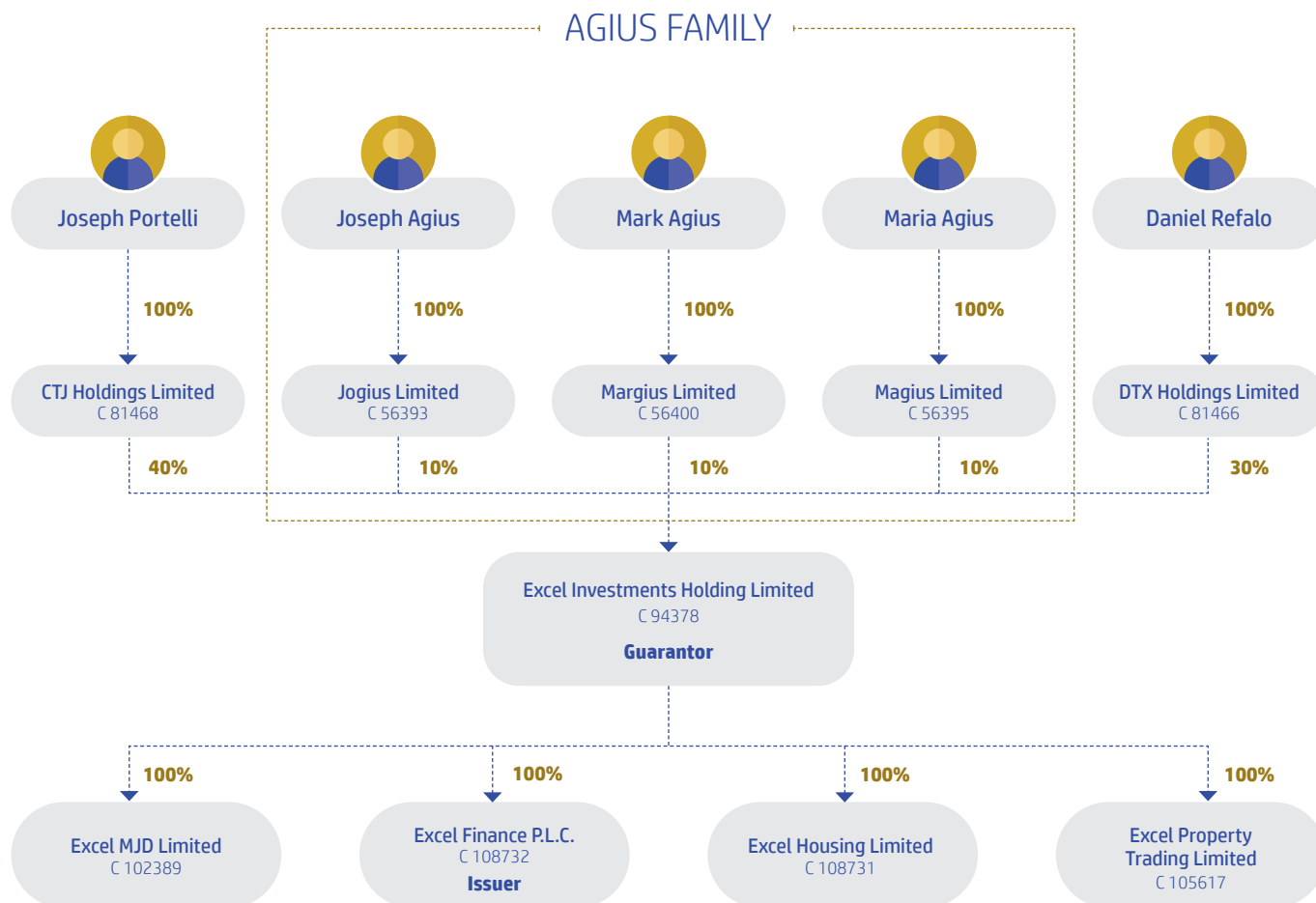
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PART 1 - INFORMATION ABOUT THE GROUP

1.1 • The Group's Key Activities and Structure

The Group structure is as follows:



Excel Finance p.l.c. (the **"Issuer"**) with company registration number C108732, is a public limited company registered in Malta on 12 June 2024. The Issuer has an authorised share capital of € 300,000 divided into 300,000 shares of nominal value €1 each, and has issued a share capital of € 250,000 divided into 250,000 ordinary shares of €1 each. The Issuer is for the majority owned by Excel Investments Holdings Limited (the **"Guarantor"**), with the exception of ten (10) shares. The sole purpose of the Issuer is to assist the Group's companies in the raise of capital for company related investment and finance operations.

The Guarantor, is a private liability company registered in Malta on 3 March 2020, with registration number C94378. The Guarantor has an authorised share capital of €5,000,000 divided into 2,000,000 Class A, 1,500,000 Class B, and 1,500,000 Class C ordinary shares of nominal value €1 each. The Guarantor's issued share capital as of today is € 5,000,000 divided into 2,000,000 Class A, 1,500,000 Class B, and 1,500,000 Class C ordinary shares. The shares are distributed/owned in the following order. Class A are fully owned and paid up by CTJ Holdings Ltd. Class B shares are fully owned and paid up by DTX Holdings Ltd. The Class C shares are divided equally (500,000 shares each) between Margius Ltd, Jogius Ltd, and Magius Ltd.

The Group is mainly involved in two activities, these being property rentals and real estate development and subsequent sale. Apart from the Issuer, the Group is composed of three other subsidiaries, namely Excel MJD Ltd, Excel Housing Ltd, and Excel Property Trading Ltd.

Excel MJD Ltd ("**Excel MJD**") owns and operates Q Hub which is the largest asset currently owned by the Group valued at €32.5m.

Excel Housing Ltd ("**Excel Housing**"), owns and manages residential apartments and garage/car spaces in five apartment blocks in Malta and Gozo which are currently being leased to the Housing Authority under the Government Housing Scheme, with 10 year lease agreement contracts.

The property including the garages owned by Excel Housing has a value of €27.2m.

Lastly, Excel Property Trading Ltd ("**Excel Property Trading**"), owns property in various sites in Malta and Gozo, of which its main intentions are to develop into residential or commercial properties for resale purposes. The properties were acquired for €5.4m from Excel Investments Ltd ("**Excel Investments**") a company outside of the Group.

1.2 • Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the board of directors of the Issuer is composed as follows:

NAME	OFFICE DESIGNATION
Mr Daniel Refalo	Executive Director
Ms Maria Agius	Executive Director
Mr Joseph Portelli	Non-Executive Director
Mr Albert Frendo	Chairman, Independent, Non-executive Director
Mr Richard Abdilla Castillo	Non-Executive Director
Mr Jean Paul Debono	Independent, Non-Executive Director

The business address of all of the directors is the registered office of the Issuer. Dr Joseph Saliba is the company secretary of the Issuer.

Board of Directors - Guarantor

As of the date of this Analysis, the board of directors of the Guarantor is composed as follows:

NAME	OFFICE DESIGNATION
Mr Joseph Portelli	Non-Executive Director
Mr Daniel Refalo	Executive Director
Mr Mark Agius	Executive Director
Mr Albert Frendo	Independent, Non-Executive Director
Mr Jean Paul Debono	Independent, Non-Executive Director
Mr Richard Abdilla Castillo	Non-Executive Director

The business address of the directors of the Guarantor is the registered office of the Issuer. Mr Mark Agius is the company secretary of the Guarantor.

1.3 • Major Assets owned by the Group

The Issuer was set up to carry out financing and investment operations for the Group's entities, ownership, development, operations and financing activities and therefore, going forward, its assets will mainly include loans advanced to the various related parties.

As mentioned previously, the Guarantor owns the subsidiaries of the Group (including the Issuer), which subsequently own the following major assets.

1.4 • Q Hub

Q Hub Centre is a major commercial mall managed by Excel MJD, valued at €32.5m upon its completion. Q-Hub consists of 4 basement levels and 6 levels above ground floor on an area of 3,820 sqm with 239 parking spaces to be used by its tenants. The property is situated on Triq Ħal-Qormi c/w Triq l-Erba Qaddisin c/w Triq Valletta, Qormi and is surrounded by four roads with each façade designed to best match the characteristics of the area.

1.5 • Apartment Blocks

Excel Housing Ltd owns and manages the residential properties of the Group which consist of five apartment blocks in Malta and Gozo currently leased to the Housing Authority under the Government Housing Scheme.

1.5.1.1 CITIWAY

Consisting of 32 apartments and 32 garages, valued at €9.0m in Triq il-Madonna tal-Ġebbla, Gżira.

1.5.1.2 D ROCK

Consisting of 36 apartments and 12 garages, valued at €9.0m, in Triq Ta' Xamghan, Sannat, Gozo.

1.5.1.3 IL-MIDRA

Consisting of 7 apartments, 2 penthouses, and 8 garages, valued at €2.5m in Triq il-Wileġ, San Lawrenz, Gozo.

1.5.1.4 INNUENDO

Consisting of 1 maisonette, 7 apartments, and 3 garages, valued at €1.9m in Triq Patri Anton Debono, Victoria, Gozo.

1.5.1.5 TRILOGY

Consisting of 4 maisonettes, 12 apartments, 3 penthouses and 17 underlying garages, valued at €4.8m in Triq Ġużeppi Bajada, Xagħra, Gozo.

1.6 • Various sites and properties

On 21 October 2024 Excel Property Trading acquired 11 sites of various sizes and in various localities which it intends to or is in the course of developing into residential and/or commercial complexes or buildings for eventual resale from Excel Investments. These sites were acquired through an exchange of shares, for a total price of €5.4m:

- Orchidea Court – Għajnsielem, Gozo
- Ħarruba Residences – Nadur, Gozo
- Sunset Suites – Xlendi, Gozo
- Ta' Dbiegi View Houses – Għarb, Gozo
- Giovanni's – Xewkija, Gozo
- Bugeja Court – Għajnsielem, Gozo
- Misraħ il-Barrieri – Msida, Malta
- Vista Giuliana – St. Julians, Malta
- Narcisa – Sannat, Gozo
- Millhouse – Qala, Gozo
- Bnghazi Site – Għajnsielem, Gozo

1.7 • Operational Developments

Corporate Restructuring

The Group in its current structure was formed in 2024. The salient points of the restructuring exercise will be summarised below.

- Acquisition of Excel MJD.
- Incorporation of Excel Housing and Excel Finance p.l.c. on 12 June 2024. The share capital was injected as cash by the shareholders.
- Following the incorporation of Excel Housing, the shareholders transferred residential apartments and garages/ car spaces in five apartment blocks in Malta and Gozo leased to the Housing Authority under the Government Housing Scheme.
- Waterloo Qormi Properties Limited was renamed Excel Property Trading on 14 August 2024. On 21 October 2024, the shareholders transferred various real estate projects at different stages of development to Excel Property Trading for a total value of €5.4m.

1.8 • Use of Proceeds

The proceeds from the proposed €50.0 m bond Issue (the **"Bond Issue"**) as identified in the prospectus dated 2 December 2024 published by the Issuer (the **"Prospectus"**), will be used by the Issuer to provide a loan facility to the Guarantor.

The proceeds shall be used in the amounts and order of priority:

- €25.0 m, to refinance existing bank loans by Excel MJD to FIMBank plc and by Excel Housing to Bank of Valletta plc, which were originally used to finance site acquisition and development
- €8.0 m, to develop real estate projects under management of Excel Property Trading
- €16.1 m, general corporate funding purposes and €0.9 m for bond issue cost

PART 2 - HISTORICAL PERFORMANCE AND FORECASTS

The Issuer is a company that has been registered in 2024 (as mentioned in section 1.1) and therefore there is no previous financial information for the Issuer. The Guarantor, which is the parent company of the Group was incorporated in 2020 and the Issuer is fully owned by the Guarantor. The report will present historical financial information from year end 31 December 2021, 2022 and 2023 of the Guarantor as a standalone company which are negligible in nature. The analysis will cover four years of projections of the Group for periods 2024 to 2027 following the corporate restructuring exercise.

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 • Group's Income Statement

Guarantor's Standalone Income Statement for the year ended 31 December	FY2021A	FY2022A	FY2023A
	€ 000s	€ 000s	€ 000s
Administrative Expenses	-	(1)	(3)
Loss For The Year	-	(1)	(3)

The Guarantor's primary activity is that of a holding company. Hence the company only incurred administrative expenses during the period under review. As a result of the restructuring process undertaken, there have been positive material changes in the prospects and financial position of the Guarantor since the date of publication of its latest audited financial statements.

Group's Income Statement for the year ended 31 December	FY2024F	FY2025P	FY2026	FY2027
	€ 000s	€ 000s	€ 000s	€ 000s
Revenue	1,311	34,340	27,892	35,336
<i>Sale of Properties</i>	880	31,420	24,788	32,143
<i>Rental Revenue</i>	431	2,920	3,104	3,194
Cost of Sales	(659)	(23,157)	(18,450)	(23,760)
Gross Profit	652	11,183	9,443	11,576
Administrative Expenses	(201)	(386)	(393)	(401)
EBITDA	451	10,797	9,049	11,175
Amortisation	(32)	(129)	(129)	(129)
EBIT	419	10,668	8,921	11,046
Finance Costs	(470)	(2,232)	(2,918)	(2,382)
Profit/(Loss) Before Tax	(51)	8,437	6,002	8,664
Tax Expense	(80)	(2,794)	(2,328)	(2,965)
Profit/(Loss) For The Year	(130)	5,642	3,675	5,699

Ratio analysis	FY2024F	FY2025P	FY2026P	FY2027P
Profitability				
Growth in Revenue (YoY Revenue Growth)	-	2519%	-19%	27%
EBITDA Margin (EBITDA/Revenue)	34.4%	31.4%	32.4%	31.6%
Operating (EBIT) Margin (EBIT/Revenue)	31.96%	31.1%	31.9%	31.3%
Return on Common Equity (Net Income/Average Equity)	-0.48%	13.7%	8%	11.25%
Return on Assets (Net Income/Average Assets)	-0.21%	5.6%	3.3%	4.4%
Interest Coverage Ratio 1 (EBIT/Finance costs)	0.89	4.8	3.1	4.7
Interest Coverage Ratio 2 (EBIT/Cash Interest Paid)	0.93	2.72	2.16	2.22

As detailed in section 1.7 the Group current structure was only finalised in 2024. Therefore operations were very limited in 2024. This fact should be taken in consideration when analysing 2024 performance. The Group's FY2024 forecast shows a revenue projection of €1.3 m, derived from two main sources: €880 k from property sales and €431 k from rental income. The revenue structure reflects a mix of short-term property sales and longer-term rental income, with property sales making up a larger portion of the total revenue.

For FY2024, the Group expects a gross profit of €652 k, resulting in a gross margin of 49.7%. This margin indicates that the Group retains nearly half of its revenue after covering the direct costs associated with property sales and rentals.

The Group's operating performance, as measured by EBITDA, is projected at €451 k, with an EBITDA margin of 34.4%. The forecast EBIT of €419 k, resulting in an EBIT margin of 31.96%, further demonstrates that the Group is profitable from its core operations before accounting for non-cash items such as depreciation and amortization. The Group reports administrative expenses of €201 k in FY2024.

Finance costs, which are projected to be €470 k in FY2024 outweigh the Group's operating profit, resulting in a loss before tax of €51 k and a net loss of €130 k for the year.

The interest coverage ratio 1 is forecast to be 0.89, indicating that the Group's earnings before interest and taxes (EBIT) are insufficient to cover its interest expenses. This is attributable to the limited operations reported in 2024. As detailed in projections interest cover for full years of operation is materially higher.

In terms of profitability ratios, the return on common equity for FY2024 is projected at -0.35%, and the return on assets is projected at -0.17%, both of which are negative due to the expected net loss.

Overall, the Group's FY2024 financial performance is not representative given that the Group was only formed in 2024 and this should be factored in when considering the analysis and ratios reported on the above.

In FY2025, the Group is projected to achieve revenue of €34.34 m, driven primarily by the sale of properties (€31.42 m), with rental revenue contributing an additional €2.92 m. The gross profit for FY2025 is projected to be €11.18 m, reflecting a gross profit margin of approximately 32.5%. Following this, administrative expenses are relatively stable at €386k, with EBITDA reaching €10.8 m, or 31.4% of revenue, indicating a healthy margin. EBIT stands at €10.67 m, while finance costs are forecast to be €2.23 m, resulting in a profit before tax of €8.5 m. The projected net profit for the year is €5.64 m, translating to a net profit margin of 16.4%. Key profitability ratios, including the Return on Equity (ROE) and Return on Assets (ROA), are relatively strong, with ROE projected at 13.7% and ROA at 5.6%. The Group also demonstrates a solid interest coverage ratio 1 of 4.8, indicating its capacity to cover interest expenses comfortably.

In FY2026, the Group's revenue is expected to drop by 19%, to €27.89 m, due to current projected property sales for the year (€24.79 m). Although rental income increases slightly to €3.1 m, overall revenue declines. The gross profit decreases to €9.44 m, and the EBITDA margin improves marginally to 32.4%, signaling some operational efficiency despite the drop in revenue. The EBIT margin also improves to 31.9%. Profit before tax falls to €6.0 m, and the net profit drops to €3.68 m, resulting in a net profit margin of 13.2%. Key ratios such as Return on Equity decrease to 8%, while Return on Assets drops to 3.3. The interest coverage ratio 1 declines to 3.1.

In FY2027, revenue is expected to rise by 27%, reaching €35.34 m, primarily driven by an increase in property sales (€32.14 m), with rental income remaining relatively stable at €3.19 m. This recovery in revenue leads to a gross profit of €11.58 m, with the EBITDA margin improving slightly to 31.6%, and the EBIT margin remaining stable at 31.3%. The Group is projected to report a profit before tax of €8.66 m and net profit of €5.7 m, resulting in a net profit margin of 16.1%. Return on Equity improves to 11.25%, and Return on Assets recovers to 4.4%, signaling a return to better profitability and asset utilization. The interest coverage ratio 1 also improves to 4.7, reflecting a return to a strong capacity to cover interest expenses.

Profitability margins (EBITDA and EBIT) are expected to remain relatively strong, even during the downturn in FY2026, though the overall net profit and return ratios experience a dip. The interest coverage ratio 1 demonstrates a reasonable ability to meet debt obligations. Overall the Group illustrates a healthy pipeline of development projects. Projected completion dates impact the annual revenue reported but not the margins to be earned on the project which remain stable throughout the entire period.

2.2 • Group's Statement of Financial Position

Guarantor's Standalone Statement of Financial Position for the year ended 31 December	FY2021A	FY2022A	FY2023A
	€ 000s	€ 000s	€ 000s
Assets			
Trade And Other Receivables	244	244	358
Cash And Cash Equivalents	1	1	1
Total Current Assets	245	245	359
Total Assets	245	245	359
Equity And Liabilities			
Equity			
Share Capital	1	1	1
Retained Earnings/(Losses)	(1)	(2)	(5)
Other Equity	-	-	362
Total Equity/(Deficiency)	0	(1)	358
Non-Current Liabilities			
Trade And Other Liabilities	244	245	-
Total Non-Current Liabilities	244	245	-
Current Liabilities			
Trade And Other Payables	1	1	1
Total Current Liabilities	1	1	1
Total Liabilities	245	246	1
Total Equity And Liabilities	245	245	359

As at 31 December 2023, the Guarantor's asset base amounted to €359 k, primarily consisting of trade and other receivables. These were financed by shareholders contributions. As at 31 December 2023, the Guarantor had no debt to third parties.

Group's Statement of Financial Position for the year ended 31 December	FY2024F	FY2025P	FY2026P	FY2027P
	€ 000s	€ 000s	€ 000s	€ 000s
Assets				
Non-Current Assets				
Investment Property	59,730	59,730	59,730	59,730
Deferred Tax Asset	13	-	-	-
Total Non-Current Assets	59,743	59,730	59,730	59,730
Current Assets				
Inventories	10,489	18,422	36,210	65,050
Trade And Other Receivables	2,349	-	-	-
Cash And Cash Equivalents	23,068	29,548	21,397	18,070
Total Current Assets	35,906	47,970	57,608	83,120
Total Assets	95,649	107,701	117,338	142,850
Equity And Liabilities				
Equity				
Share Capital	5,000	5,000	5,000	5,000
Retained Earnings/(Losses)	(254)	5,389	9,063	14,763
Other Equity	33,723	33,723	33,723	33,723
Total Equity/(Deficiency)	38,469	44,112	47,786	53,485
Non-Current Liabilities				
Borrowings (Bond)	49,132	49,261	49,389	49,518
Borrowings (Bank Loan)	-	-	4,734	12,463
Deferred Tax Liability	2,080	2,080	2,080	2,080
Total Non-Current Liabilities	51,212	51,341	56,203	64,061
Current Liabilities				
Trade And Other Payables	5,948	2,325	4,444	7,947
Borrowing: Bank Loan	-	9,576	8,521	16,963
Current Tax Liability	20	347	384	393
Total Current Liabilities	5,968	12,248	13,349	25,303
Total Liabilities	57,180	63,589	69,552	89,365
Total Equity And Liabilities	95,649	107,701	117,338	142,850

Ratio Analysis	FY2024P	FY2025P	FY2026P	FY2027P
Gearing 1 (Net Debt/Net Debt and Total Equity)	40%	40%	46%	53%
Gearing 2 (Total Liabilities/Total Assets)	60%	59%	59%	63%
Gearing 3 (Net Debt/Total Equity)	68%	66%	86%	114%
Quick Ratio (Current Assets – Inventory/Current Liabilities)	4.26	2.41	1.6	0.71
Net Debt/EBITDA	57.79x	2.71x	4.56x	5.45x
Current Ratio (Current Assets/Current Liabilities)	6.02	3.92	4.32	3.28

The Group's projected financial position for FY2024 through FY2027 reveals continued growth in both assets and liabilities. Over the four-year period, non-current assets are expected to remain stable at €59.73 m, with no additional investments in investment property projected. This stability in property holdings reflects a focus on maintaining the existing portfolio rather than expanding it aggressively. In contrast, current assets are projected to rise substantially, from €47.97 m in FY2025 to €83.12 m in FY2027. The largest driver of this increase is the anticipated growth in inventories, which are expected to expand from €18.42 m in FY2025 to €65.05 m by FY2027. This indicates that the Group plans to hold more property assets in the form of inventory, in preparation for future sales or developments. This increase in inventory is partially offset by a decrease in cash and cash equivalents, which is projected to fall from €29.55 m in FY2025 to €18.07 m in FY2027.

On the liabilities side, the Group's total liabilities are expected to increase steadily, from €63.59 m in FY2025 to €89.37 m in FY2027. This rise is driven by both non-current liabilities, which are projected to grow from €51.34 m in FY2025 to €64.06 m in FY2027, and current liabilities, which are expected to increase from €12.25 m in FY2025 to €25.30 m in FY2027. The growth in non-current liabilities reflects an increase in borrowings, particularly in the form of bank loans, which are expected to rise from €4.7 m in FY2026 to €12.4 m in FY2027. At the same time, bond borrowings remain stable, hovering around €49 m over the three years. The rise in current liabilities is primarily driven by an increase in trade and other payables, which are projected to grow from €2.33 m in FY2025 to €7.95 m in FY2027, indicating that the Group will likely be incurring more short-term obligations as it expands its operations.

The projections also suggest that the Group's equity will grow steadily over the period, from €44.11 m in FY2025 to €53.49 m in FY2027. This growth is driven by increases in retained earnings, which are projected to rise from €5.39 m in FY2025 to €14.76 m by FY2027, reflecting the Group's expectations of continued profitability. Other Equity remain constant at €33.723 m, indicating that there are no additional equity infusions expected from shareholders over the period.

Overall, the Group's gearing ratios suggest a rising reliance on debt financing. Gearing 1, which measures net debt relative to equity, is projected to increase from 40% in FY2025 to 53% in FY2027, indicating a higher debt-to-equity ratio. Similarly, gearing 2 (total liabilities to total assets) and gearing 3 (net debt to equity) both show an upward trend, highlighting the growing leverage.

2.3 • Group's Cashflow Statement

Guarantor's Standalone Cashflow Statement	FY2021A	FY2022A	FY2023A
	€ 000s	€ 000s	€ 000s
Net Cash From Operating Activities	(244)	(1)	(116)
Net Cash From Investing Activities	244	1	116
Net Cash Movements	-	-	-
Opening Cash & Cash Equivalents	1	1	1
Closing Cash & Cash Equivalents	1	1	1

The Group reported no major financial transactions prior to the restructuring.

Group's Cashflow Statement	FY2024F	FY2025P	FY2026P	FY2027P
	€ 000s	€ 000s	€ 000s	€ 000s
Cash Flows from Operating Activities				
EBITDA	451	10,797	9,049	11,175
CHANGES IN WORKING CAPITAL				
Movements In Inventory	(5,023)	(6,243)	(16,578)	(26,247)
Movements In Trade Receivables	(712)	2,349	-	-
Movements In Trade Payables	3,260	(3,623)	2,119	3,502
Cash From Operating Activities	(2,024)	3,281	(5,409)	(11,570)
Interest Paid	(447)	(3,923)	(4,129)	(4,975)
Net Taxation Paid	(73)	(2,454)	(2,291)	(2,955)
Net Cash From Operating Activities	(2,544)	(3,096)	(11,829)	(19,500)
Cash Flow Used In				
Acquisition Of Property, Plant And Equipment	(5,950)	-	-	-
Net Cash From Investing Activities	(5,950)	-	-	-
Cash Flow Generated				
Increase In Share Capital	260	-	-	-
Bond Movement	50,000	-	-	-
Increase/Decrease In Bank Borrowings	(21,112)	9,576	3,678	16,172
Increase In Other Equity	3,149	-	-	-
Issue Costs	(900)	-	-	-
Net Cash From Financing Activities	31,396	9,576	3,678	16,172
Net Cash Movements	22,902	6,480	8,151	(3,328)
Cash & cash equivalents at 1st Jan	166	23,068	29,548	21,397
Cash & cash equivalents at 31st Dec	23,068	29,548	21,397	18,070

The Group's projected cash flow statement for FY2024 through FY2027 outlines a clear picture of the Group's liquidity and financing activities, reflecting growth through an increase in financing and inventories whilst maintaining a healthy cash balance to ensure adequate liquidity.

Operating cash flow is negative throughout the entire period as a result of the material increases in inventory over the forecast period, which is expected to grow by €6.24 m in FY2025, €16.58 m in FY2026, and €26.25 m in FY2027. The significant buildup in inventory, likely due to ongoing property acquisitions or developments, indicates that cash is being invested in assets. Additionally, trade payables show positive movements in FY2026 and FY2027, contributing €2.12 m and €3.50 m, respectively, but these inflows are not sufficient to offset the cash outflows associated with rising inventory levels. Trade receivables, which had a positive movement of €2.35 m in FY2025, are not expected to change in FY2026 and FY2027.

The Group's interest payments are projected to increase over the three-year period, rising from €3.92 m in FY2025 to €4.98 m in FY2027, reflecting the growing debt load as indicated in the balance sheet projections. The net taxation paid is expected to remain relatively stable, ranging from €2.45 m in FY2025 to €2.96 m in FY2027.

In terms of investing activities, there are no projected cash outflows for the acquisition of property, plant, and equipment during this period, suggesting that the Group's capital expenditures are focused on property acquisitions or developments that are financed through working capital or debt rather than through direct investments in fixed assets. Therefore, there are no expected net cash flows from investing activities, and the Group's cash needs appear to be primarily met through financing activities.

On the financing side, the Group is projected to rely on bank borrowings to fund its operations. The net cash inflow from financing activities is expected to start at €9.58 m in FY2025, decrease to €3.68 m in FY2026, and increase again to €16.17 m in FY2027. This fluctuation reflects the Group's strategy of using debt to meet its growing funding needs, particularly as it increases its inventory of properties. There are no expected increases in share capital or Other Equity, which indicates that the Group is not seeking additional equity financing during this period, relying instead on debt financing for liquidity.

The Group's net cash movements show positive cash inflows in FY2025 and FY2026, amounting to €6.48 m and €8.15 m, respectively. However, by FY2027, the Group is projected to experience a negative net cash movement of €3.33 m, reflecting the fact that cash outflows from operating activities exceed the inflows from financing activities. Consequently, closing cash and cash equivalents are expected to reach €29.55 m in FY2025, decline to €21.40 m in FY2026, and further decrease to €18.07 m by FY2027.

PART 3 - KEY MARKET AND COMPETITOR DATA

3.1 • General Market Conditions

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, property prices, and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

*Malta Economic Update*¹

The Bank's Business Conditions Index indicates that in September 2024, annual growth in business activity was lower than that in August and stood slightly below its historical average estimated since January 2000.

Additional data show that in month-on-month terms, price expectations increased across all sectors, except among consumers. The largest increase was recorded by the retail sector. In September, the European Commission's Economic Uncertainty Indicator (EUI) for Malta increased compared with August, indicating higher uncertainty, with the largest increases recorded in the construction and services sectors.

In August, industrial production rose on a year-on-year basis while retail trade contracted. In July, services production accelerated when compared with the same month a year ago. The unemployment rate increased to 3.0% in August from 2.9% in July but stood below that of 3.7% in August 2023. Commercial building permits in August were lower when compared to a year earlier and were also lower when compared to a month earlier.

On the other hand, residential building permits increased on both a monthly and an annual basis. In September, the number of residential promise-of-sale agreements increased on a year earlier, as did final deeds of sale.

HICP excluding energy and food in Malta decreased to 1.9%, remaining firmly below the euro area average. Inflation based on the Retail Price Index (RPI) dipped to 1.2% in September, from 1.5% in August. In August, Maltese residents' deposits increased above their level a year ago, driven by balances belonging to households, financial and non-financial corporations. Meanwhile, credit to Maltese residents also increased in annual terms, reflecting higher lending to both households and the government sector.

In August, the Consolidated Fund registered a surplus of €38.3 million, which was lower than the large surplus registered a year earlier. This was due to the timing of current expenditure, which outweighed a rise in government revenue. Overall, the Consolidated Fund balance registered a €98.6 million surplus for the period from January, from a deficit of €90.2 million for the same period a year earlier.

*Economic Outlook*²

According to the Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to grow by 4.3% in 2024. Growth is then projected to ease to 3.5% in both 2025 and 2026. This implies a marginally downward revision in 2024 and 2025, when compared to the Bank's previous projections, while for 2026 the outlook is revised upwards.

¹ Central Bank of Malta – Economic Update 10/2024

² Central Bank of Malta – Economic Outlook 08/2024

In 2023, growth was primarily driven by net exports, while domestic demand is envisaged to be the main driver of growth in 2024. Private consumption growth continues at a brisk pace, and private investment, is expected to gradually recover. Net exports are also projected to contribute positively, driven mainly by services exports. Growth in 2025 and 2026 is expected to continue to be led by domestic demand.

Employment growth is set to moderate, albeit from high rates, in the projection horizon, while the average wage is expected to grow at a faster rate in 2024, partly in response to the pronounced inflation in the recent past and a tight labour market.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to drop significantly, from 5.6% in 2023 to 2.4% in 2024, before reaching 1.9% by 2026. Compared to previous projections, inflation has been revised down by 0.5 percentage point in 2024, largely reflecting the unexpected rapid drop experienced in the initial months of the year.

The general government deficit-to-GDP ratio is set to decline to 4.1% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 3.1% by 2026. The general government debt-to-GDP ratio is set to increase throughout the forecast horizon, reaching 54.3% by 2026. When compared with the previous projection round, the projected deficit ratio is higher, while the debt ratio is broadly unchanged.

Risks to activity are broadly balanced over the projection horizon. Downside risks largely emanate from possibly adverse trade effects related to ongoing geopolitical tensions. On the other hand, the labour market could exhibit even stronger dynamics than envisaged in this projection round, both in terms of employment and wages. This could then result in stronger private consumption growth.

Risks to inflation are balanced over the project horizon. Upside risks to inflation could stem from extreme weather events and effects of geopolitical developments. Other upside risks to headline inflation include the potential impact of measures to combat climate change. Furthermore, wage pressures could be stronger than envisaged in the baseline. On the downside, imported inflation could fall more rapidly than expected, while services inflation could normalise more quickly than envisaged in this projection round.

On the fiscal side, risks are tilted to the downside (deficit-increasing). These mainly reflect the likelihood of slippages in current expenditure, including higher-than-expected outlays on energy support measures if commodity prices are higher than envisaged. They also reflect the likelihood of additional increases in pensions and public sector wages in the outer years of the forecast horizon. Should these risks materialise, they are set to be partly offset by the likelihood of additional fiscal consolidation efforts to comply with the EUs fiscal rules.

The retail sector

The confidence indicator in the retail sector fell further below its long-term average. It stood at -10.1, down from -6.7 in the previous month. Contrary to July, retailers now assessed their stocks of finished goods to be above normal levels. Participants' assessment of sales over the past three months and to a lesser extent their expectations of business activity over the next three months, stood less negative compared to a month earlier.

Commercial property sector

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

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

Although the supply for commercial property has increased in recent years, rental demand is still greater than supply as can be seen in the increase in average asking rental rates for office space which increased to €213/sqm in 2023, up from €183/sqm in 2022. The largest increase in rental rates came from the central region which saw growth of 31.9%. Further analysis shows that the highest proportion of office space can be found in the Northern Harbour region (52% of all listings), followed by the Central region (31%).

When it comes to commercial property sales there was only a marginal increase in the asking price when compared to 2022 with this increasing by just 2%, with Central region properties increasing by 9.7%.

The ECB policy decisions to combat inflation have seen the key policy interest rate stand at a record high with the ECB charging banks 4.5% per annum on main refinancing operations. To date, these interest rate hikes have not been reflected in the local market. Should interest rates locally rise, the path that both rent and sale prices in the commercial property market would take depends on multiple factors and so is unclear.

On one hand as the general price level of goods and services rises, property values may appreciate accordingly as investors turn to property as a hedge for inflation. The development of new commercial properties may also slow down as financing becomes costlier, potentially limiting the supply of available space and therefore increasing the price of already available property. On the other hand, persistently, sticky inflation could dampen economic activity and lead to suppressed demand levels and put downward pressure on both rental and sales prices.

Comparative Analysis

The purpose of the table below compares the debt issuance of the Group to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such we included a variety of Issuers with different maturities.

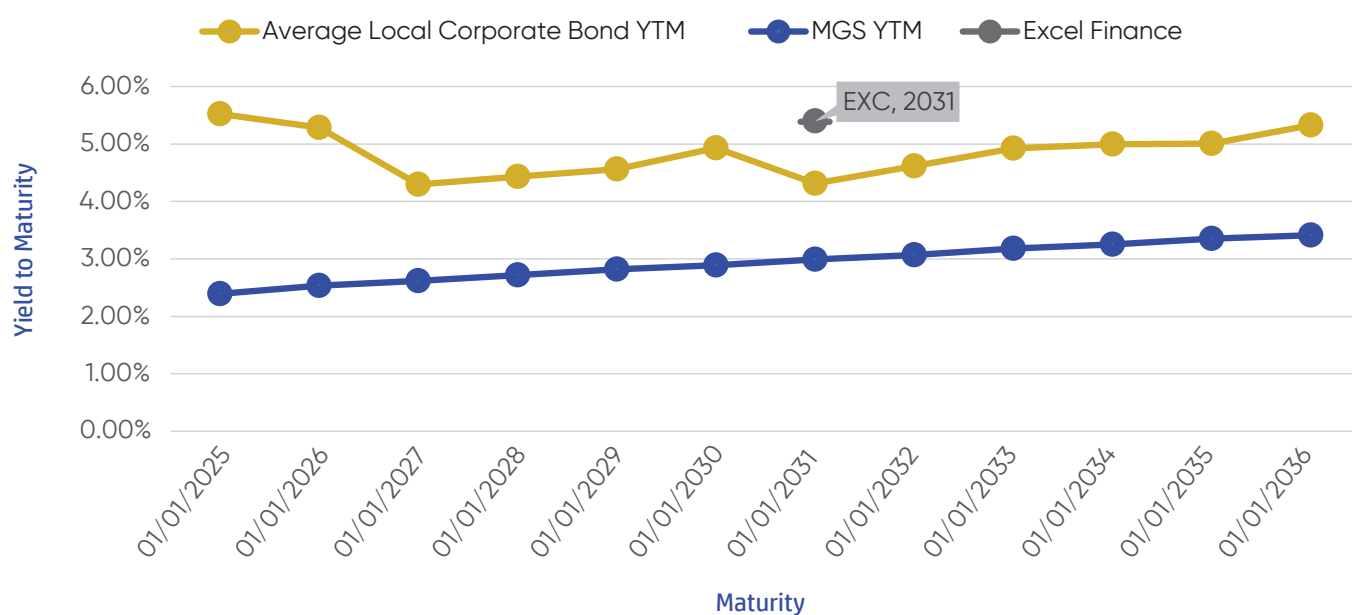
More importantly, we have included different Issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other Issuers is therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€millions)	(€millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
4.5% Hilli Properties plc Unsecured € 2025	37,000	5.58%	1.8x	255.6	127.1	50.3%	46.2%	9.0x	1.4x	5.1%	39.5%	32.8%
4% MIDI plc Secured € 2026	50,000	4.05%	(.5)x	236.3	74.7	68.4%	40.8%	(46.9)x	3.2x	-1.7%	-37.3%	19.2%
3.9% Gap Group plc Secured € 2024-2026	15,728	4.14%	36.6x	98.6	36.1	63.4%	54.8%	3.4x	2.3x	31.1%	22.7%	45.0%
4% Hilli Finance Company plc Unsecured € 2027	50,000	4.44%	4.4x	1,030.8	242.9	76.4%	68.2%	4.2x	0.7x	24.0%	5.5%	26.1%
3.75% Tumas Investments plc Unsecured € 2027	25,000	4.14%	7.2x	240.7	146.9	39.0%	22.5%	2.1x	1.8x	6.6%	18.1%	20.0%
4.75% Best Deal Properties Holding Plc Secured € 2025-2027 (xd)	15,000	4.57%	90.9x	34.3	8.9	74.1%	69.2%	5.8x	3.2x	12.5%	7.7%	4.6%
4.75% Gap Group plc Secured € 2025 - 2027	23,000	4.74%	36.6x	98.6	36.1	63.4%	54.8%	3.4x	2.3x	31.1%	22.7%	45.0%
3.85% Hilli Finance Company plc Unsecured € 2028	40,000	4.15%	4.4x	1,030.8	242.9	76.4%	68.2%	4.2x	0.7x	24.0%	5.5%	26.1%
4% Exalco Finance plc Secured € 2028	15,000	4.00%	4.4x	77.8	52.9	32.1%	21.1%	3.9x	0.7x	4.0%	40.9%	3.5%
5.75% Best Deal Properties Holding plc Secured € 2027-2029	15,000	4.73%	90.9x	34.3	8.9	74.1%	69.2%	5.8x	3.2x	12.5%	7.7%	4.6%
3.75% TUM Finance plc Secured € 2029	20,000	4.23%	4.1x	75.1	41.4	44.9%	37.3%	7.9x	1.6x	4.1%	46.1%	-1.4%
3.8% Hilli Finance Company plc Unsecured € 2029	80,000	4.16%	4.4x	1,030.8	242.9	76.4%	68.2%	4.2x	0.7x	24.0%	5.5%	26.1%
4% Malta Properties Company Plc Sec € 2032 S1/22 T1	25,000	4.00%	(2.3)x	99.1	56.4	43.1%	33.1%	8.1x	2.6x	3.7%	41.1%	22.8%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.35%	1.1x	65.7	23.8	63.7%	59.2%	24.9x	0.7x	0.2%	2.2%	-1.8%
4.50% The Ona plc Secured € 2028-2034	16,000	4.34%	32.1x	29.5	8.4	71.4%	64.1%	9.8x	2.3x	19.4%	19.8%	534.1%
5.5% Juel Group plc € Secured 2035	32,000	5.00%	(20.2)x	73.0	25.3	65.4%	56.2%	26.4x	2.7x	17.2%	579.3%	13770.4%
5% Hilli Finance Company plc Unsecured Bonds 2029	80,000	4.63%	4.4x	1,030.8	242.9	76.4%	68.2%	4.2x	0.7x	24.0%	5.5%	26.1%
5.4% Excel Finance plc Secured Bond 2031	50,000	5.40%	4.83	107.7	44.1	59%	39.9%	2.7	3.9	12.7%	16.4%	2519%

Source: Latest available audited financial statements
Last closing price as at 31/05/2024

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

Yield Curve Analysis



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of the 5.4% Excel Finance p.l.c. bond.

As at 20 November 2024, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 7 years was 132 basis points. The proposed Excel Finance p.l.c. 2031 bond is being priced with a 5.4% coupon issued at par, meaning a spread of 241 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 109 basis points.

It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer's industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

PART 4 - GLOSSARY AND DEFINITIONS

Income Statement

Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
EBIT (Operating Profit)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-Group companies on any loan advances.
Profit After Taxation	The profit made by the Group/Company during the financial year net of any income tax incurred.

Profitability Ratios

Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit	This is calculated as Revenues minus costs of goods sold.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).

Cash Flow Statement

Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet

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

Financial Strength Ratios

Current Ratio

The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.

Quick Ratio (Acid Test Ratio)

The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.

Interest Coverage Ratio 1

The interest coverage ratio is calculated by dividing EBIT of one period by Finance costs of the same period.

Interest Coverage Ratio 2

The interest coverage ratio is calculated by dividing EBIT of one period by cash interest paid of the same period.

Gearing Ratio

The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.

Gearing Ratio Level 1

Is calculated by dividing Net Debt by Net Debt and Total Equity.

Gearing Ratio Level 2

Is calculated by dividing Total Liabilities by Total Assets.

Gearing Ratio Level 3

Is calculated by dividing Net Debt by Total Equity.

Net Debt / EBITDA

The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions

Yield to Maturity (YTM)

YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

