

# REGISTRATION DOCUMENT

Dated 12 December 2023

by



a public limited liability company registered and incorporated in terms of the Companies Act  
with company registration number C 82098 and having its registered office at  
HHF 303, Hal Far Industrial Estate, Birzebbugia BBG 3000, Malta

*Nominee and Placement Agent*



THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE REGULATION. THE MFSA ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE ISSUER. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MFSA 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 ISSUED BY THE ISSUER.

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

APPROVED BY THE DIRECTORS

A stylized, handwritten signature in grey ink, appearing to be "JD", with a long horizontal stroke extending to the right.

Josef Dimech

in his capacity as Director of the Issuer and on behalf of  
Jonathan Pace, Stanley Portelli, Stephen Muscat and Jesmond Manicaro

## IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE ISSUER AND THE BUSINESS OF THE GROUP IN ACCORDANCE WITH THE REQUIREMENTS OF THE ACT AND THE REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

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

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

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

**THIS REGISTRATION DOCUMENT 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 SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.**

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

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. 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 SECURITIES DESCRIBED IN THE SECURITIES NOTE SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.**

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE FINANCIAL MARKETS ACT AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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

THE ADVISERS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "ADVISERS" IN SECTION 3 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 CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

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

## TABLE OF CONTENTS

<b>IMPORTANT INFORMATION .....</b>	<b>2</b>
<b>1 DEFINITIONS.....</b>	<b>5</b>
<b>2 PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL.....</b>	<b>9</b>
2.1 <i>Authorisation Statement.....</i>	<i>9</i>
2.2 <i>Persons Responsible .....</i>	<i>9</i>
<b>3 ADVISORS AND AUDITORS .....</b>	<b>9</b>
3.1 <i>Nominee and Placement Agent.....</i>	<i>9</i>
3.2 <i>Statutory Auditors .....</i>	<i>9</i>
<b>4 RISK FACTORS .....</b>	<b>10</b>
4.1 <i>Forward-looking Statements.....</i>	<i>10</i>
4.2 <i>Risks relating to the Company's role as the holding and financing company of the Group.....</i>	<i>11</i>
4.3 <i>Economic and Financial Risks .....</i>	<i>11</i>
4.4 <i>Business and operational risks .....</i>	<i>12</i>
4.5 <i>Risks relating to the value of the Secured Property .....</i>	<i>17</i>
<b>5 INFORMATION ABOUT THE ISSUER.....</b>	<b>17</b>
<b>6 BUSINESS OVERVIEW .....</b>	<b>19</b>
6.1 <i>Principal Activities and Markets.....</i>	<i>19</i>
6.2 <i>Business Overview of the Issuer and the Group.....</i>	<i>19</i>
<b>7 ORGANISATIONAL STRUCTURE OF THE ISSUER.....</b>	<b>22</b>
<b>8 TREND INFORMATION.....</b>	<b>22</b>
8.1 <i>Trend Information of the Issuer.....</i>	<i>22</i>
8.2 <i>Trend Information of the Group .....</i>	<i>23</i>
<b>9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.....</b>	<b>23</b>
9.1 <i>Directors and Company Secretary.....</i>	<i>23</i>
9.2 <i>Conflict of Interest .....</i>	<i>24</i>
9.3 <i>Employees.....</i>	<i>25</i>
9.4 <i>Audit Committee .....</i>	<i>25</i>
9.5 <i>Internal Audit.....</i>	<i>26</i>
9.6 <i>Compliance with Corporate Governance Requirements .....</i>	<i>26</i>
<b>10 SHARE CAPITAL AND MAJOR SHAREHOLDERS .....</b>	<b>27</b>
10.1 <i>Shareholding of the Issuer.....</i>	<i>27</i>
10.2 <i>Major Shareholders.....</i>	<i>27</i>
<b>11 LEGAL AND ARBITRATION PROCEEDINGS .....</b>	<b>27</b>
<b>12 HISTORICAL FINANCIAL INFORMATION .....</b>	<b>28</b>
12.1 <i>Historical financial information of the Issuer .....</i>	<i>28</i>
12.2 <i>Historical financial information of the Group.....</i>	<i>28</i>
<b>13 ADDITIONAL INFORMATION .....</b>	<b>30</b>
<b>14 MATERIAL CONTRACTS.....</b>	<b>31</b>
<b>15 DOCUMENTS AVAILABLE FOR INSPECTION.....</b>	<b>31</b>
<b>16 ARCHITECT'S VALUATION .....</b>	<b>31</b>
<b>ANNEX I - ARCHITECT'S VALUATION .....</b>	<b>32</b>



# 1 DEFINITIONS

In this Registration Document, the following words and expressions shall bear the following meaning whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>Act</b>	the Companies Act (Chapter 386 of the Laws of Malta);
<b>Architect's Valuation</b>	the independent valuation report dated 7 November 2023 on the Secured Property and annexed to this Registration Document as Annex I;
<b>Base Prospectus</b>	the base prospectus published in terms of the Regulation by the Issuer on 3 October 2022;
<b>Capital Markets Rules</b>	the capital markets rules issued by the MFSA, as may be amended from time to time;
<b>Cash Collateral</b>	the proceeds of this Offer which shall be held on escrow by the Security Trustee in terms of section 6.12.2 of the Securities Note and the Security Trust Deed;
<b>Completion</b>	the Issuer's perfecting the Special Hypothec in favour of the Security Trustee on behalf of and for the benefit of the Noteholders. " <b>Completion Date</b> " shall be construed accordingly;
<b>Deed of Hypothec</b>	a public deed to be entered into by and between JD Real Estate and the Security Trustee on or around the Issue Date in the acts of Notary Andre Farrugia whereby JD Real Estate will constitute the Special Hypothec in favour of the Security Trustee (for the benefit of the Noteholders);
<b>Directors or Board</b>	the directors of the Issuer whose names are set out in section 9.1 of this Registration Document;
<b>Euro or €</b>	the lawful currency of the Republic of Malta and the Eurozone at the time of issue of the Prospectus;
<b>Eurozone</b>	the area consisting of those Member States of the European Union that have adopted the Euro as their currency;
<b>Global Note</b>	the Global Note to be issued by the Issuer in favour of the Nominee and Placement Agent representing the amount due by the Issuer to the Nominee and Placement Agent and creating, acknowledging and representing the indebtedness of the Issuer to the Nominee and Placement Agent under the terms and conditions set out in the form of Annex 1A to the Securities Note;
<b>Global Note Obligations</b>	the punctual performance by the Issuer of all of its obligations under the Global Note, including the repayment of principal and payment of interest thereon;
<b>Global Noteholder</b>	the holder of the Global Note;
<b>Group or JD Group</b>	collectively, the Issuer and its subsidiaries, namely JD Birkirkara Limited (C 82135), JD Operations Limited (C 82100), and JD Real Estate (C 106933);
<b>Hal Far Factory</b>	the manufacturing plant situated on the Hal Far Site, from which JDO operates, together with any extensions or re-developments of existing buildings and any additional buildings to be developed in addition thereto;
<b>Hal Far Site</b>	the site measuring <i>circa</i> 16,245m <sup>2</sup> (divided into a built-up area of <i>circa</i> 5,308m <sup>2</sup> and a surrounding unbuilt area of 10,937m <sup>2</sup> ), at the Hal Far Industrial Estate, Birzebbugia, Malta over which the Hal Far Factory is situated;
<b>INDIS</b>	INDIS Malta Ltd (formerly Malta Industrial Parks Limited), a private limited liability company registered and incorporated in terms of the Act with company registration number C 28965 and having its registered office at 88, Msida Valley Road, Birkirkara BKR 9020, Malta;

<b>Initial Security Interest</b>	the Cash Collateral and the Special Hypothec;
<b>Issue or Offer</b>	the issue of Notes;
<b>Issuer or Company</b>	JD Capital plc, a public limited liability company registered and incorporated in terms of the Act with company registration number C 82098 and having its registered office at HHF 303, Hal Far Industrial Estate, Birzebbugia BBG 3000, Malta;
<b>J&amp;J Development</b>	J&J Developments Ltd., a private limited liability company registered under the Act with company registration number C 91498 and having its registered office at J&J Group, Blue Harbour, No. 41, Triq ix-Xatt ta' Ta' Xbiex, Ta' Xbiex, Malta;
<b>JDO</b>	JD Operations Limited, a private limited liability company registered under the Act with company registration number C 82100 and having its registered office at HHF 303, Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta;
<b>JD Real Estate</b>	JD Real Estate Development Ltd., a private limited liability company registered and incorporated in terms of the Act with company registration number C 106933 and having its registered office at HHF 303, Hal Far Industrial Estate, Birzebbugia BBG 3000, Malta;
<b>Malta Business Registry</b>	the Malta Business Registry established in terms of the Malta Business Registry (Establishment as an Agency) Order, LN 144/2018 as amended;
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Memorandum and Articles</b>	the Memorandum and Articles of Association of the Issuer drawn up in terms of the Act and registered with the Malta Business Registry. <b>"Memorandum"</b> and <b>"Articles"</b> shall be construed accordingly;
<b>MFSA or Malta Financial Services Authority</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta);
<b>Nominee and Placement Agent</b>	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered in Malta, with company number C 13729 and having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, licensed by the MFSA and a member of the MSE;
<b>Notes</b>	collectively, the Global Note and the Participation Note/s;
<b>Noteholders</b>	collectively, the Global Noteholder and the Participation Noteholder;
<b>Participation Note/s</b>	a transferable note of a nominal value of €1,000 issued by the Nominee and Placement Agent to a Participation Noteholder acknowledging the interest of the person named therein in the Global Note and evidencing an entry in the Register of Investors;
<b>Participation Noteholder</b>	a holder of a Participation Note;
<b>Prospectus</b>	collectively, the Summary, this Registration Document and the Securities Note;
<b>Register of Investors</b>	the register to be maintained by the Nominee and Placement Agent identifying the Participation Noteholders from time to time;
<b>Registrar of Companies</b>	the Registrar of Companies in Malta appointed in terms of the Act;
<b>Registration Document</b>	this document in its entirety;
<b>Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing directive 2003/71/EC;

**Secured Property**

collectively:

- (i) The temporary *directum dominium* and the relative annual and temporary ground rent for the remaining period from one hundred (100) years that commenced on the first (1<sup>st</sup>) day of January of the year one thousand and nine hundred and sixty-nine (1969) and the subsequent ownership after the lapse of the said term of the four (4) studio flats all situated at the ground floor level of the block number two (2), which four (4) studio flats are numbered thirteen (13), fourteen (14), fifteen (15) and sixteen (16), each studio flat being subject to the annual and temporary ground rent of ninety-three Euro and seventeen cents (€93.17c), and which are better shown outlined in red and described as Block (Two) 2 in the Architect's Valuation. These properties are situated within a block unofficially known as Block Two (2) and which was previously also referred to as Block B, forming part of the officially unnumbered complex named Ta' Monita Residence, in Marsascala, which block comprises seven (7) studio flats described hereunder and its surrounding open spaces, gardens, passages and pathways, in all having a superficial area of approximately one thousand and fifty square meters (1,050 sqm), and bounded on the South East by Triq il-Bajja, on the North West by Triq il-Papa Gwanni Pawlu it-Tieni and on the West by Triq San Luqa, as are better shown outlined in red in the Architect's Valuation;
- (ii) the (2) studio flats numbered eighteen (18) and nineteen (19) on the first-floor level of the same block number two (2) with vacant possession and freehold, which are better shown outlined in green as Block One (1) in the Architect's Valuation together with their overlying roofs and airspace which roofs are subject to the right of use by the temporary emphyteutae of the abovementioned studio flats numbered thirteen (13) to sixteen (16), both numbers included;
- (iii) the garage and airspace marked in yellow on page 11 "Fig 1." of the Architect's Valuation;
- (iv) the airspaces, freehold and rights in relation to airspaces of the blocks of apartments of Blocks number 1 and 4 marked in yellow in the Architect's Valuation; and
- (v) The pool area measuring 1,000 square meters, as described within the deed in the records of Notary Pierre Attard dated first day of September of the year two thousand and fifteen (01/09/2015), without its underlying airspace and in favour of all third parties' servitudes.

**Securities Note**

the securities note issued by the Issuer dated 12 December 2023, forming part of the Prospectus;

**Security Interest**

The Special Hypothec and the Cash Collateral as may be carried from time to time in terms of section 4.6 of the Securities Note and in terms of the Security Trust Deed as further described in section 4.7 of the Securities Note;

**Security Trust Deed**

the security trust deed entered into between the Security Trustee, the Issuer and JD Real Estate on the 12 December 2023;

**Security Trustee**

Alter Domus Trustee Services (Malta) Limited, a private limited liability company registered under the Act with company registration number C 63887 and having its registered office at Vision Exchange Building, Triq it-Territorjals, Zone 1, Central Business District, Birkirkara CBD 1070, Malta;

**Skorba Developments**

Skorba Developments Ltd., a private limited liability company registered under the Act with company registration number C 95344 and having its registered office at J&J Group, Blue Harbour, No 41, Triq ix-Xatt ta' Ta' Xbiex, Ta' Xbiex, Malta;

**Skorba POSA**

the promise of sale agreement entered into on or about the date of the Prospectus between Mr Josef Dimech and Mr Jonathan Donald Pace for the acquisition of the shares in J&J Development by JD Real Estate;

<b>Skorba Property</b>	the property consisting of 99 underground garages set on four basement levels, 42 apartments set on four floors, 9 receded floor dwellings and 2 ground floor maisonettes to be constructed on the divided portion of land having a superficial area of <i>circa</i> two thousand one hundred and ninety-six point six square meters (2,196.6 m <sup>2</sup> ) including its relative subsoil and airspace having its facades on and is accessible from Triq Ras il-Gebel and another unnamed road which abuts unto Triq il-Fuhhar l-Ahmar in the locality of Zebbiegh, in the limits of Mgarr, Malta, free and unencumbered with all its rights and appurtenances;
<b>Special Hypothec</b>	a special hypothec to be granted by JD Real Estate in favour of the Security Trustee (for the benefit of Noteholders), pursuant to the Deed of Hypothec, over the Secured Property for the full amount of principal and interest due by the Issuer to the Noteholders in respect of the Notes;
<b>Summary</b>	the summary issued by the Issuer dated 12 December 2023, forming part of the Prospectus; and
<b>Ta' Monita Agreement</b>	the agreement entered into on 11 May 2023 by JDO and third parties for the acquisition by JDO of the Secured Property.

Unless it appears otherwise from the context:

- a. Words importing the singular shall include the plural and *vice-versa*;
- b. Words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c. The word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- d. Any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
- e. Any reference to a person includes that person’s legal personal representatives, successors and assigns;
- f. Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- g. Any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Registration Document.

## 2 PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

Save for the Architect's Valuation reproduced in Annex I of this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert. The Architect's Valuation reproduced in Annex I of this Registration Document has been included with the consent of Architect Melanie Spiteri as the author of the said valuation, contents of which have been accurately reproduced herein. As far as the Issuer is aware and is able to ascertain from the contents of the Architect's Valuation, no facts have been omitted which would render the said valuation inaccurate or misleading.

### 2.1 Authorisation Statement

This Registration Document has been approved by the MFSA as the competent authority under the Regulation. The MFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer or the Notes.

### 2.2 Persons Responsible

Each and all of the Directors of the Issuer whose names appear in sub-section 9.1 of this Registration Document accept responsibility for all the information contained in the Prospectus. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

## 3 ADVISORS AND AUDITORS

### 3.1 Nominee and Placement Agent

Name: Calamatta Cuschieri Investment Services Limited

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

### 3.2 Statutory Auditors

Name: RSM Malta (Registration No: AB/26/84/53)

Address: Triq l-Imdina, Haz-Zebbug ZBG 9015, Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2020, 2021 and 2022 have been audited by RSM Malta.

RSM Malta is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta).

## 4 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

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

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND/OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER OR GROUP FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND/OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, OR ANY OF THE ADVISERS LISTED IN SECTION 3 BELOW, THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE NOTES, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

### 4.1 Forward-looking Statements

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

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company's and, or the Group's actual operational results, financial condition and performance, 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 the operational results, financial condition and performance, and trading prospects of the Company and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under section 4 of this Registration Document, headed "Risk Factors", and elsewhere in the Prospectus.

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

## 4.2 Risks relating to the Company's role as the holding and financing company of the Group

As further described in section 6 of this Registration Document, the Company is the holding company and financing arm of the Group, having as its main activity the carrying on of the business of a holding, financing, re-financing and investment company within the Group.

The only assets of the Company are its investments in the equity securities of its Subsidiaries, together with loans or other facilities that may be advanced by it to its Subsidiaries from time to time. As a result, the Company does not itself carry out any trading activities or operations of its own, with the only cash generating activities of the Company being the receipt of interest income on funds advanced to Group entities and dividends received from its Subsidiaries, if any, from time to time. The Company is thus economically dependent on the operational results and the financial position and financial performance of the companies forming part of the Group, as well as any other entities it may establish, acquire, or otherwise have an interest in, whether by way of joint venture, partnership, merger, or other arrangement, in the future.

Consequently, the financial performance and financial position of the Company is directly affected by the financial and operational results of its Subsidiaries, as well as any other entities it may establish, acquire or have an interest in, in the future, and as such the risks faced by the Company are those risks that are inherent or attributable to the business and operations of the Subsidiaries and any such other entities. In particular, the Company is dependent on the full and timely repayment of capital and interest payable on the loans advanced by it to its Subsidiaries from time to time, including the intra-group loan agreements subsisting as at the date of the Prospectus, as well as the additional intra-group loans that are to be advanced by the Company to JD Real Estate from the proceeds raised from the Notes, which payment shall, in turn, depend on the positive cash flows generated by the Group.

In the event that any one or more of the Subsidiaries, and, or any other entities the Company may establish, acquire or otherwise in future have an interest in, underperforms in any one financial year or otherwise experience adverse fluctuations in cash flows, volatility in cash flows, liquidity strains or other financial difficulties, such underperformance or adverse financial position and operational results may, in turn, adversely affect the financial position and operational results of the Group, and in turn, the Company. This may negatively impact the market value of the securities issued by the Company from time to time, including the Notes, and, or, the ability of the Company to meet its obligations towards holder of its debt or other securities, including its obligations towards the Noteholders.

## 4.3 Economic and Financial Risks

### 4.3.1 Risks relating to the Group's financing and investment strategies and historical gearing level

The Group may not be able to obtain the financing it requires for the continued operation of its business, completion of major projects, and investments, including for the acquisition, development, or expansion or improvement of existing or new properties or industrial manufacturing and production facilities and, or other strategic investments, on commercially reasonable terms, or at all. Failure to obtain, or delays in obtaining, the financing required to complete current or future operations, projects and, or strategic investments on commercially reasonable terms, including increases in borrowing costs or decreases in debt capacity or funding availability, may limit the Group's growth and adversely affect its business, financial condition, results of operations and its prospects.

The Group has a number of bank credit facilities and loan facilities outstanding as at the date of the Prospectus and the Group's capital structure is, and is expected to remain, relatively highly geared and the debt service obligations resulting from such leveraged capital structure are expected to absorb a significant portion of cash flows generated by the Group's operations. Adverse movements in the Group's actual or projected cash flows will reduce the actual or projected level of debt service cover and the ability of the Company to fulfil its obligations under its debt or other securities, including the Notes, as well as the ability of the Group to fulfil its obligations under any financial indebtedness outstanding from time to time, including any lump-sum commitments and, or monthly indebtedness repayment obligations. In addition, the Group may be subject to adverse movements in interest rates where it has entered into third-party financing arrangements that are subject to interest rates with a fluctuating or variable interest rate component, increasing its borrowing cost and debt servicing obligations.

Furthermore, the Group is subject to various covenants and restrictive undertakings stipulated by the terms and conditions of its third-party financing arrangements. These restrictions and covenants could limit the Group's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary operational activities. If the Group were to default on its obligations under its third-party financing arrangements, including, without limitation, for late payment or breach of such covenants and undertakings, the Group may be liable to default interest and, or contractual penalties and third-party financiers may exercise seek measures to enforce any security interests constituted in their favour, or to exercise early termination rights and to request immediate repayment of the loans or other financial indebtedness, together with any and all accrued interest.

Furthermore, the occurrence of an event of default under one loan or other third-party financing arrangement may give rise to cross-defaults across the third-party financing arrangements of the Group and, if such breach or default were to materialise,

the Group's financial position, operational results and its business and trading prospects may be materially adversely effected, and the ability of the Company to satisfy its obligations towards holders of debt or other securities, including its obligations towards the Noteholders, may be materially adversely affected.

#### **4.3.2 Dependence on the Maltese market and exposure to economic conditions**

To date, the business activities and operations of the Group have been concentrated in and aimed at the Maltese market. Accordingly, the Group is highly susceptible to the economic trends that may from time to time be felt in Malta, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors. Negative economic factors and trends in Malta, particularly those having an effect on the property construction and development, would have, in turn, a negative impact on the business of the Group and demand for its industrial and manufacturing works in the steel, glass, aluminium and related industries.

In particular, even though the Maltese economy has been performing well in recent years, characterised by healthy and steady economic growth and low unemployment levels, any deterioration in the economy or market segments thereof, whether actual or perceived, could adversely affect the financial performance and financial condition of the Group. Challenging economic and socio-political conditions could reduce demand for the Group's product and service offerings, increase expenses, lower disposable income, increase impairments and negatively impact the value of security interests or collateral constituted by the Group under its financing or other contractual arrangements (in particular, land and property values). Moreover, prolonged periods of socio-political uncertainty, unrest and, or government deadlock could, in turn, have a negative effect on the demand for the Group's product and service offering, which could have a material adverse effect on the results of its operations and its financial performance and condition. The Group's business, results of operation, financial condition or prospects may also be affected by such financial, economic and socio-political developments in or affecting such countries.

Furthermore, even though the Group's business and activities are concentrated in, and aimed at, the Maltese market, the Group's customers and suppliers and other key stakeholders are spread across different regional and international markets, and is consequently susceptible to adverse economic developments and trends overseas. In particular, weak economic conditions or tightening of the credit markets may affect the solvency of its suppliers or customers, which could lead to disruptions in its business operations, accelerated payments to suppliers, increased bad debts or a reduction in its revenue, which may impact the Group's ability to recoup the debts owed to it, and in turn, to fulfil its own obligations. Any future expansion of the Group's operations into other markets would render it susceptible to adverse economic developments and trends affecting such other markets.

#### **4.3.3 Risks related to changing industry trends and competitive forces**

The business of the Group is subject to constantly and rapidly evolving industry demands, preferences and trends. Consequently, the success of the Group's business operations is dependent upon the priority and preferences of its historical and prospective client base, and its ability to swiftly anticipate, identify and capitalise upon these priorities and preferences relating to, among other factors, innovative design, manufacturing processes and techniques, safety features, project delivery and installation methods, cost-effectiveness, quality and variety of materials, equipment and other supplies, the expertise and experience of personnel, the variety of post-installation services and the Group's overall manufacturing, processing and project delivery services offering. If the Group is unable to do so, the Group could experience a loss in market share, an impaired ability to win competitive tenders or other bids, and reductions in its turnover, which losses, inability and, or reduction could have a material adverse effect on the Group's, operational results, financial condition and its prospects.

In addition, the business of the Group is also susceptible to local and global competition, influenced by a variety of determining factors, including price, variety and quality of goods, supplies and other materials, the type and depth of product and service offering, availability, reliability, post-delivery services, project management, and logistical arrangements in respect of both competing or substitute goods and services. Furthermore, the Group's current and potential competitors, particularly international operators, may have greater name recognition, larger customer bases and greater financial and other resources than the Group. Moreover, the Group's competitive strength is dependent on its ability to keep up with changes in technology, production and manufacturing processes and techniques so enhance its product and services offerings, reduce costs and improve margins. A decline in the relative competitive strength of the Group could adversely affect the Group's results of its operations, financial condition, and its prospects.

#### **4.4 Business and operational risks**

The Group's core operations entail the design, fabrication, manufacturing, processing, supply and installation of industrial aluminium, steel and glass works, and the delivery and completion of projects in relation thereto, as described in detail in section 6 of this Registration Document, and the results of the Group are subject to a number of factors that could adversely affect the Group's business, many of which are common to the industries in which it operates and are beyond the Group's control.



The purpose of this section is to set out an overview of the risks factors inherent in, or associated with, the industry sector in which the Group operates, as well as specific risk factors that are associated with the Group's own business and operational model, history, development and strategy and, therefore, those risk factors that are specific to the Group, from both an operational as well as compliance perspective.

#### **4.4.1 Risks relating to industrial aluminium, steel and glass works, design, manufacturing, supply and project delivery**

The Group's principal operational risks relate to its ability to deliver projects within agreed upon project deliverables, including project design specifications, quantity requirements, quality and quality control procedures, secured storage, handling and delivery procedures, involvement of qualified and skilled personnel, adequacy of resources and equipment, technical and industry standards, certification requirements, scheduled programme of works, fitting and finishing specifications, principles of good workmanship and best industry practice, legal and regulatory requirements and, ultimately, within project budgeted costs and stipulated project deadline, including deadlines for phases or sub-phases thereof.

Non-compliance with the Group's committed projected deliverables, contractual arrangements, or applicable regulatory and legal requirements relating thereto, could result in significant penalties (including daily penalties for mere delay), fines, pre-liquidated damages or other damages, and, or early termination of project contracts and related contracts. Furthermore, the Group may be susceptible to liability for costs, expenses, losses, forfeit of or reduction in project revenue, or other liabilities incurred to remedy defects, repairs or replacement of goods, supplies or other materials that were rejected. The Group may also be liable to forfeiture of any performance guarantees put up by the Group as security for the due performance of its project delivery commitments.

Project contractual arrangements may also limit the Group's ability to recover cost overruns or other additional expenses incurred in the delivery of the project, which could reduce the revenue and margin generated by the Group on its project works. The Group may also be susceptible to the right of its customers to reject goods or other supplies, or to request a variation in the project works, which variation may not always be subject to a corresponding equivalent adjustment in project fees, or as a result of which the Group may not be able to recover the additional charges, expenses or other costs incurred as a result of such variation. In addition, the Group may not have the capacity to provide the additional services requested.

Inability to comply with such obligations could adversely impact the Group's relations with its customers, prejudice its goodwill, and, or could result in a material adverse effect on the financial position, financial performance and operational results of the Group.

#### **4.4.2 Risks relating to the temporary title over the Hal Far Factory**

The core operations of the Group relating to the design, fabrication, manufacturing, processing, supply and installation of industrial aluminium, steel and glass works are principally carried out at the Hal Far Factory situated at the Hal Far Site. The Hal Far Site and Hal Far Factory are held by JD Operations Limited under a title of a 65-year temporary emphyteusis granted unto JD Operations Limited by INDIS, effective as from 6 March, 2018. The grant is subject to a number of onerous terms and conditions, including terms relating to minimum employment commitments, permitted use, payment of annual ground-rent, maintenance of adequate insurance cover, development permits, and maintenance and repairs, among others. Failure to abide with the terms and conditions to which the emphyteutical grant is subject may have an adverse material effect on the operations of the Group, including as a result of the imposition of contractual penalties or the enforcement of an event of default under the said emphyteutical deed, the occurrence of which may entitle the INDIS to terminate the temporary emphyteusis. The inability of the Group to carry out its operations at the Hal Far Factory at any time due to failure to adhere with the terms and conditions of the emphyteutical grant could have a material adverse effect on the results of the operations of the Group and its financial performance and financial condition.

#### **4.4.3 Risks relating to claims and litigation relating to industrial manufacturing, processing and works**

Since the Group's core operations involve industrial manufacturing, processing, production and project delivery works, its operations necessarily involve the use and operation of heavy and specialist equipment, apparatus, machinery, vehicles and the operation of production facilities that inherently involve health and safety risks and hazards to its employees and other third-parties, including its customers, suppliers, on-site inspectors, engineers, architects and other personnel involved in the production manufacturing, production and works processes of the Group.

Consequently, the Group is exposed to the risk of liability for death, sickness, personal injury or damage to third-party property or equipment arising out of, or in the course of, the design, execution and completion of its processing, production and works, or for wilful or negligent acts of its employees or other personnel, and, is therefore, susceptible to the risk of being liable for penalties, fines, costs, expenses, losses, liabilities, revocation of authorisations and, or other sanctions made against it. Furthermore, the Group may be liable to claims for breaches of intellectual property rights or breach of design, manufacturing, production, storage, delivery, assembly and installation procedures under the applicable contractual arrangements, legal or regulatory requirements, as well as industry standards and certifications.

Litigation is expensive, time consuming and may divert management's attention away from the operation of the business of the Group. In addition, the Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims, adverse publicity from such allegations, claims or proceedings may also adversely affect the turnover generated by the Group, its goodwill and trading prospects, regardless of whether such allegations or claims are true or whether the Group is ultimately held liable. Furthermore, it is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Group, the latter could also be affected due to the adverse publicity brought against it, and concerns raised in respect of the industry in general.

No assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though the monetary consequences may not be significant.

#### **4.4.4 Risks arising from reliance on material suppliers and third-party contractors and sub-contractors**

For completion of projects for which it has been contracted to undertake, the Group places a degree of reliance on counterparties such as its material and key suppliers, specialist manufacturers, contractors, subcontractors, or other agents engaged in design, supply and manufacturing of goods, supplies, equipment and other materials, preparatory works and ancillary services that are necessary or otherwise complimentary to the design, manufacturing, supply, and project works and delivery activities of the Group.

The Group is thus dependent, to an extent, on the ability of the Group to establish, maintain and expand its relations with a diverse range of suppliers, contractors, sub-contractors and other agents who are able to offer competitive, cost-effective, and high-quality solutions, have adequate resources and capacity, including appropriate technical expertise and experience and technological capabilities, and who are reliable, of good repute and standing. Moreover, the Group relies on such third parties to manufacture, produce and deliver designs, goods, supplies, equipment, and other materials, preparatory works or other services purchased by the Group in accordance with the agreed upon purchase orders, design specifications, intended use and purpose, technical and industry standards, quality and quality control procedures, packaging and labelling, certification requirements, and delivery methods and timeframes. Failure of these third parties to meet their contractual obligations towards the Group could have a material adverse impact on the business of the Group, including the ability of the Group to complete projects within budgeted costs, stipulated deadlines or technical and design specifications, failure of which may result in the suspension or cessation of works, the early termination of contractual arrangements with clients, the imposition of contractual or regulatory fines or penalties, including daily penalties for mere delays, risk of cost of budget overruns or incurrance of additional costs, expenses or liabilities as a result of such delay or failure, and loss of revenue and reduced profitability of the Group. Furthermore, where the Group engages such contractors, sub-contractors, and other agents, it generally remains responsible for its obligations to its principal contractual counter-party, and may, therefore, not only be susceptible to a breach of such obligations, but also to limitation on warranties and limitations of liability of its contractors, sub-contractors or other agents engaged by it, in accordance with the agreed to contractual terms and conditions.

In addition, any deterioration in the Group's ability to maintain long-standing and commercially attractive relations with its suppliers, contractors, sub-contractors and other agents, including its ability to negotiate favourable exclusivity and other commercially viable or attractive arrangements, and the termination of any of its material relations from time to time, could have a material adverse effect on the results of the operations of the Group, its financial condition and financial performance, and its trading prospects. Moreover, the Group's ability to source alternative third-party contractors or sub-contractors having the suitable and appropriate sector-specific expertise, experience or resources necessary to bid for, undertake, continue and successfully complete industrial works and projects could have an adverse effect on the Group's competitive positioning in the industries and market segments in which it operates.

#### **4.4.5 Risks associated with exposure to environmental liabilities**

The Group may become liable for the costs of removal, investigation or remediation of any hazardous substances or materials utilised in the process of its industrial production and manufacturing processes, storage, delivery or its works relating to project installation, construction, and finishings, the costs of which may be substantial. The Group may also be required to remove or remediate any hazardous substances that it causes or knowingly permits at its facilities or any site at which it carries out works. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property investment and such presence, release or migration could form the basis for liability to third parties for personal injury, sickness, diseases, damage to property or other damages. These environmental liabilities, if realised, could have a material adverse effect on the Group's business, financial condition and results of operations.

There is also a growing demand for businesses to ensure that they conduct their business in a sustainable and environmentally sound manner, including by taking pro-acting measures to reduce their carbon footprint, maximise the use of recycled and recyclable or biodegradable materials, reduce use of plastic, and increasing the use of alternative and sustainable means of design, production, manufacturing, and construction. This trend is not only drawn from a growing concern surrounding the

depletion of the natural environment and natural resources, the adverse effects of climate change, and the consequential negative effects of unsustainable practices, but also by legal and regulatory requirements. The failure of the Group to ensure that it satisfies environmental and sustainability laws and regulations, or meet market pressures and consumer expectations concerning sustainability could in future, in the event of introduction of measures aimed at fostering increased sustainability and environmental protection, have a material adverse effect on the Group's business, financial condition and, or results of operations, including a loss of business or business retention, exposure to regulatory fines, and inability of the Group to obtain the necessary permits or other authorisations to carry out its business operations, projects or investments.

#### **4.4.6 Risk of loss of key senior personnel and specialist personnel**

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key or specialist personnel, including executive management, its project management personnel, sector-specific experts and professionals and other personnel, and upon its ability to attract, develop and retain such key personnel to manage and grow the Group's business.

The Group's inability to attract, develop and retain key and highly skilled and qualified personnel with sector-specific experience and expertise or leadership capabilities, could have an adverse effect on its relationships with stakeholders and the operational results, financial position, and, or the growth prospects and strategic objectives of the business of the Group. Furthermore, if one or more of such persons, currently or in future, employed by the Group were unable or unwilling to continue in their position, particularly if such members are lost to competitors of the Group, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Employee retention may be particularly challenging following acquisitions or divestures as the Group must continue to motivate employees and keep them focused on its strategies and goals. Moreover, the Group's inability to train and motivate its key personnel to meet the evolving trends in the industries and markets in which the Group operates could cause a decrease in the overall quality, efficacy and efficiency of such personnel. Such consequences could adversely affect the Group's business, results of operations or cash flows. Additionally, unless skills are supported by a sufficient infrastructure to enable knowledge and skills to be passed on, the Group risks losing accumulated knowledge if key employees leave.

In addition, the Group is ultimately beneficially wholly owned by Mr. Josef Dimech. Accordingly, Mr. Dimech exercises effective control over the Company and the Group. The unexpected loss or prolonged absence or indisposition of Mr. Josef Dimech or a dilution in his shareholding, control or influence over the Company and, or the Group and its business could have an adverse effect on the Company and the Group. There can be no assurance that Mr. Dimech will not, at any time, dispose of any interest, direct or indirect, in the Company and, or the Group, nor can there be any assurance that Mr. Dimech will maintain his involvement in the strategic management and direction of the Group. Moreover, Mr. Dimech is not under any obligation or firm commitment to continue to financially support or invest in the Group and the financial strength and condition of the Group, and in turn, of the Company, may be adversely affected if Mr. Josef Dimech is unwilling or unable to provide the necessary financial resources, as and when required.

#### **4.4.7 Risks relating to the production processes, information systems and technology utilised by the Group**

As the Group is increasingly dependent on the proper and uninterrupted operations of its equipment, machinery, tools, production and manufacturing processes, computer systems, information processing and management systems software and telecommunications networks, electronic communication networks, access to the internet, as well as the systems and services of other third parties (collectively the "I.T. Systems") that are necessary to carry out its production at its manufacturing facilities or project sites, and the supporting and ancillary activities relating thereto, its operational activities may become subject to a failure, disruption or other interruption in its I.T. Systems. Such event may arise as a result of a various factors that may be out of the control of the Group, as a result of (without limitation) natural disasters, electricity outages and, or technical malfunctions which could be malicious (including, but not limited to, the risks of increasingly sophisticated cyber-attacks such as malware attacks, ransomware, phishing, hacking, or any other form or type of cyber-attack, data theft or other unauthorised use of data), due to errors, negligence or force majeure. In addition, service level agreements, business continuity plans, and disaster recovery plans intended to ensure continuity and stability of these systems may not necessarily prove sufficient to avoid any type of disruption to the Group's business.

If such failure, disruption or other interruption, even temporary, were to occur, the activities of the Group could be interrupted for the period of time for which such event subsists, which lack of access could adversely affect the Group's information management systems, manufacturing and processing systems, operational processes, and its ability to deal with its stakeholders in a timely, proper and effective manner. In addition, a failure or disruption in the I.T. Systems that support the Group's business could lead to loss of control over critical business, project information or systems and adversely impact its ability to operate. Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

#### 4.4.8 Risks relating to rental income

As the Group is expecting to lease certain areas of the Hal Far Factory to third parties, the revenue which is expected to be generated from these leases is dependent, in the main part, on tenants fulfilling their obligations under their lease agreements. There can be no assurance that the tenants will not fail to perform their obligations, whether due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control, which failure may have a material adverse effect on the financial condition of the Group, the results of its operations and its prospects. In addition, the Group is susceptible to the risk that tenants may terminate, or elect not to renew, their respective lease agreements. Failure to maintain a good relationship with existing tenants, or to renew lease agreements, or enter into new lease agreements, on similar or more favourable terms, could have a material adverse effect on the Group's business, the results of its operations and its prospects.

#### 4.4.9 Risks connected with the Group's insurance cover

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover, the nature and volume of its activities, its legal and contractual minimum insurance cover obligations and commitments, and the risk profiles of the business in which the Group operates, including insurance relating to public liability, employers liability, directors and officers liability, personal accident liability, accidental damage liability, contract works all risks liability and marine cargo liability insurance. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer, including but not limited to, procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, de minimis liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licencing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto. Furthermore, its insurance policies may be pledged or otherwise granted as security in favour of third-party financiers or other third parties and the Group may not be able to recover amounts thereunder where such security subsists.

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders or other measures (whether interim or otherwise), by the relevant authorities (including but not limited to, governmental departments or authorities, planning and development authorities, health and safety authorities, environmental authorities, among others) may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of any of its contractors, sub-contractors, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

#### 4.4.10 Risks relating to the complex and constantly evolving regulatory environment in which the Group operates

The Group operates in a complex regulatory environment, as a result of which it is subject to a vast array of rules and regulations, including but not limited to, the requirements prescribed by the Occupational Health and Safety Authority Act (Cap. 424 of the laws of Malta), the Work Place (Minimum Health and Safety requirements for Work at Construction Site) Regulations (subsidiary legislation 424.36), the Development Planning Act (Cap. 552 of the laws of Malta), the Environmental Management Construction Site Regulations (subsidiary legislation 552.09), the Building Regulation Act (Cap. 513 of the laws of Malta), and the Avoidance of Damage to Third Party Property Regulations (subsidiary legislation 513.06) as each may be amended or otherwise supplemented from time to time, as well as other rules and regulations generally relating and applicable to industrial manufacturing, product standards, product liability, delivery and international consignments, environmental protection, property construction and development, among others. The regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones.

Furthermore, the Group's business and activities may be subject to a variety of terms and conditions under the relevant permits, licences, or other authorisations, technical specifications, drawings, standards and other conditions relating to its manufacturing, processing and production activities, as well as the on-site works, which terms and conditions may vary on a project-by-project basis, may depend on the nature, scale and complexity of the project in question, and are susceptible to changes in the application and, or interpretation thereof from time to time.

The inability of the Group to meet its ongoing regulatory and legal requirements, whether in whole or in part, or the inability of the Group to equip itself to comply with forthcoming legislation or regulation in a timely and suitable manner, may expose the Group to the risk of regulatory sanctioning, including but not limited to, the imposition of public reprimands, administrative or punitive fines or penalties, temporary suspension of activities, or even revocation of licences, permits, or other authorisations, whether in whole or in part. In addition, lack of compliance with legal and regulatory requirements may negatively affect the reputation and goodwill of the Group and may result in a loss of existing or potential business, and, or a weakened competitive advantage.

If any of these risks were to materialise, they could have a material adverse effect on the operational results, financial performance and financial position of the Group.

#### **4.4.11 Risks relating to the failure to implement sustainable and/or environmental, social and governance considerations in the Group's business model**

There is a growing expectation for companies to implement sustainability as a feature in their business strategies to reflect changing social norms and practices. With an increased emphasis on environmental, social and governance ("ESG") considerations at global level, the implementation of sustainable factors in the Issuer's business model is expected to come under increased scrutiny by investors, regulators, and the public at large.

ESG considerations for the purposes of the Group's business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

Should the Group fail to operate its business in a sustainable manner, the failure to implement sustainable factors in the Group's business operations may also have a material adverse effect on the Group's reputation and public image in both sectors as well as its relationship with clients, suppliers, business partners and other stakeholders. This in turn, may have a material adverse impact on the Group's business activities, revenues, financial condition, and operations.

#### **4.5 Risks relating to the value of the Secured Property**

Given that the subsidiaries are property holding companies, they are exposed to fluctuations in the property and real estate markets. Property investments are subject to varying degrees of risks. Property and real estate values are affected (amongst other things) by changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The capital value of the Secured Property may also be adversely affected as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation, planning and the property market in general), political conditions, the conditions of the financial markets, interest and inflation rate fluctuations and higher accounting and control expenses. The Architect's Valuation prepared by an independent qualified architect in respect of the Secured Property contains certain assumptions. The actual value of the Secured Property may be materially different from any future values that may be expressed or implied in any forward-looking statements or anticipated on the basis of historical trends, as the eventual reality might not match the assumptions. There can no assurance that the Architect's Valuation reflects what the actual market value of the Secured Property will be at the time of enforcement of the Special Hypothec, and a lower market value at the time of enforcement will therefore have an adverse effect on the level of recoverability of amounts than might have otherwise been expected as of the date of this Registration Document.

Any of the factors described above could have a material adverse effect on the Group's business, its financial condition and accordingly, on the repayment of the Notes and Interest thereon.

## **5 INFORMATION ABOUT THE ISSUER**

Full legal and commercial name of the Issuer:	JD Capital p.l.c.
Registered address:	HHF 303, Hal Far Industrial Estate, Birzebbugia BBG 3000
Place of Registration and Domicile:	Malta
Registration number:	C 82098
Legal Entity Identification (LEI) Number:	391200C8XW0F6K1ROJ82
Date of Registration:	9 August 2017
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone numbers:	+356 21653689
Email:	info@jsdimech.com
Website:	www.jsdimech.com/investor-relations/

The Issuer is a holding and financing company that does not undertake any trading activities of its own. Accordingly, the Issuer is economically dependent on the financial and operating performance of the businesses of Group entities. The Issuer was incorporated on 9 August 2017 and was established as the holding company, financing, refinancing and investment arm of the Group. The Issuer, therefore, does not carry out any trading or operating activities of its own, other than the carrying out of financing and re-financing activities, including the advancing of funds to companies forming part of the Group to fund the Group's funding requirements as and when the demands of the Group's business so requires. Accordingly, the Issuer is economically dependent on the operations undertaken by its subsidiaries, as described in the next section hereunder.

As at the date of this Registration Document, the authorised and issued share capital of the Issuer is €7,546,700 divided into 7,543,621 Ordinary shares of a nominal value of one Euro (€1.00) each and 3,079 Ordinary A shares of a nominal value of one Euro (€1.00) each.

As at the date of this Registration Document, the entire issued share capital of the Issuer has been fully subscribed for as follows:

Name of Shareholder	Number of Shares	Class of Shares	Percentage (%) paid up
<b>JD Holdings Limited</b> (C 82095) HHF 303, Industrial Estate Hal Far, Birzebbugia, BBG 3000, Malta	7,543,590	Ordinary Shares	100
<b>Mr Josef Dimech</b> (ID 326179M) Blue Harbour Frobisher, B11 Ta' Xbiex Seafront, Ta' Xbiex, Malta	31	Ordinary Shares	100
<b>Dr Stanley Portelli</b> (ID 163472M) Dar il-Barbagann, Triq Strejnu, Zejtun, Malta	3,079	Ordinary A Shares	100

All ordinary shares rank *pari passu* in all respects, save that Ordinary A shares do not confer any rights in the Issuer except for the right to the return of capital upon winding up of the Issuer.

The shares of the Issuer are not listed on the Malta Stock Exchange or any other regulated exchange, and no application for such listing has been made to date.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. To the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Prospectus which may, at a subsequent date, result in a change in control of the Issuer.

The Issuer's objects include, *inter alia*, that of borrowing or raising finance in connection with the ownership, development, operation and financing of its business activities on such terms as the Directors may deem expedient, and also to invest and deal with the money of the Issuer in or upon such investments and in such manner as the Directors may, from time to time, deem expedient. The issue of the Notes and other debt securities, therefore, falls within the objects of the Issuer.

As at the date of this Registration Document, in addition to the information published by the Company in section 5.1 of the Base Prospectus, the aggregate financing obtained by the Group consists of:

- a. On 25 November 2022, the Issuer issued series 1 of tranche 1 of €14,000,000 4.85% secured bonds due in 2032 (ISIN: MT0001831206) of a nominal value of €100 per bond issued at par (the "Series I Bonds") pursuant to the Base Prospectus (the "Tranche 1 Bonds"). An amount of €5,000,000 from the net proceeds were used by way of a bond exchange offer to the holders of €5,000,000 5% unsecured bonds 2028 (the "Prospects Bonds"). An amount of €5,000,000 was loaned by the Company to JDO, pursuant to the terms of a loan agreement entered into between the Issuer (as lender) and JDO (as borrower), for the purpose of financing phase 1 of the redevelopment of the Hal Far Factory (as defined in the Base Prospectus), as described in section 6.2.5 of the Base Prospectus. The remaining balance of €4,000,000 was used by the Issuer for general corporate funding of the Group (€3,600,000) and bond programme expenses (€400,000).
- b. On the 19 July 2023, the Issuer issued the second series of a secured bond issuance programme pursuant to the Base Prospectus which series was made up of €11,000,000 6% secured bonds due in 2033 (the "Series II Bonds"). Proceeds in the amount of €7,000,000 from the Series II Bonds, were loaned by the Issuer to JDO, pursuant to the terms of an extension to the loan agreement entered into by the Issuer (as lender) and JDO (as borrower) for the purpose of financing phase 2 of the redevelopment of the Hal Far Factory, as described in section 6.2.5 of the Base Prospectus. An additional amount of €2,000,000 has been released by the security trustee, in favour of the Company, which has been loaned by the Issuer to JD Birkirkara Limited (JDB), pursuant to the terms of a loan agreement entered into by the Issuer (as lender) and JDB (as borrower), for the purpose to front finance the initial works which are to be undertaken on the Birkirkara project. The remaining €2,000,000 are expected to be released by the security trustee, in favour of the Issuer, over the course of the first half of 2024 in one or more installments.

- c. The Group also has loan financing with local banks for the aggregate amount of €6,200,000 consisting of four outstanding loan facilities with Bank of Valletta p.l.c. (BOV) and Izola Bank p.l.c (Izola) as follows:
- (i) The BOV balance consists of two loan facilities: (i) an overdraft facility of €700,000 and (ii) a working capital loan of €700,000 (currently drawn down to *circa* €463,000). The overdraft comprises an overdraft facility at an interest rate of 3.0% per annum over the business lending bank base rate and is to be used by the Group to finance working capital requirements in connection with steel and aluminium works. The working capital loan was made available to the Group by BOV to support cashflow shortfalls resulting from adverse business conditions due to the COVID-19 pandemic. This type of loan was made available through a scheme issued by the Malta Development Bank, backed by the Government of Malta. The Group obtained this facility for a maximum term of six years from the first drawdown at an interest rate of 2.5% per annum for the first 2 years and thereafter at the rate of the aggregate of the margin of 2.75% per annum and the three-month Euribor, and was secured by a first general hypothec for the full amount over the present and future assets of the Group, a general hypothecary guarantee for the full amount over the present and future assets of Mr Josef Dimech.
  - (ii) The Izola balance consists of two loan facilities: (i) a revolving facility of €6,000,000 (currently drawn down €4,600,000) and (ii) a working capital loan of €2,000,000 (currently drawn down to *circa* €406,000). The revolving facility was obtained to finance works related to projects which are, or will be, undertaken by the Group, and is subject to an interest rate of 5% plus the Euribor rate. The working capital loan was part of the scheme issued by the Malta Development Bank to support cashflow shortfalls resulting from adverse business conditions due to the COVID-19 outbreak. This term loan was obtained for a maximum term of four years from the first drawdown at an interest rate of 3.15% plus the Euribor rate.

Going forward, the Directors expect the Group's working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the Group's operations, and/or (ii) external facilities.

There has been no material adverse change in the prospects of the Issuer since the date of their last published financial statements and neither has there been any significant change in the financial performance of the Group since the last financial period for which financial information has been published to the date of this Registration Document.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

## 6 BUSINESS OVERVIEW

### 6.1 Principal Activities and Markets

The principal objects of the Issuer are set out in Article 4 of its Memorandum and Articles and include, but are not limited to, the carrying on the business of a holding, financing, re-financing and investment company in connection with the ownership, development, operation and financing of the group of companies of which the Issuer forms part. The Issuer therefore intends to serve as a vehicle through which the Group will continue to finance its future projects, and for such purpose: (i) to subscribe for or otherwise acquire and hold shares, stocks, debentures or other securities of any other company, and to finance and manage the business or operation of any company in which the Issuer holds any such interest; (ii) to purchase, sell, lease, hire, or otherwise acquire, hold, or dispose of under any title any interest in an estate, land, buildings, assets, liabilities, or any other movable or immovable property of any kind, whether situated in Malta or elsewhere; (iii) to construct, reconstruct, renovate, furnish, maintain, develop and manage any immovable property of any type; and (iv) to borrow or raise money, including through the issuance of debentures, bonds, notes, loans, or other securities, and to secure the repayment of any money borrowed or raised, including through the hypothecation, privilege, charge or lien upon the whole or any part of the Issuer's property or assets.

In pursuance of the said principal objects, the Issuer will enter into loan agreements with its subsidiaries for the purpose of financing their investment needs from time to time, including intra-group loans that are to be advanced by the Issuer to its subsidiaries from the proceeds raised from the Notes.

### 6.2 Business Overview of the Issuer and the Group

The core operational activities of the Group are undertaken by JDO, the operating subsidiary of the Group engaged in the aluminium, steel and glass industries. Today, JDO employs over 130 individuals, making it one of the largest local operators in this industry.

JDO has garnered a strong reputation in the market for delivering a considerably large portfolio of large-scale and complex aluminium, steel and glass works projects, ranging from installations of entire steel and stainless steel structures (including

apertures, partitions, and railings) to aluminium and PVC works, structural glazing for facades or roofing, curtain walling, cladding, louvering, specialist painting, automatic doors (hinged, sliding or revolving), glass work, glass skylights and flooring, solar shading, and other steel, aluminium or glass installations. JD Operations is the local representative for world-renowned brands such as Record & Sesamo (automatic & revolving doors), Metra & Reynaers (aluminium apertures & curtain wall & louveres for façade shading) and Secco Sistemi (steel apertures), Faraone (glass railing & spider glass), La Tecnica Nel Vetro, Cricursa and 3A Composites, James & Taylor & TTM Rossi (aluminium composite cladding) amongst others.

JDO is involved in various phases of the project including design, fabrication, manufacturing and processing of the necessary goods, supplies and other materials, to the delivery, installation and project implementation phase, including civil, structural, electrical and mechanical works, as well as internal and external finishings. JDO has undertaken close to 100 major projects across commercial, retail, and residential units for both private and public or government entities, with some of its landmark projects including those listed hereunder:

<b>Completed Projects</b>	<b>Location</b>	<b>Year of Completion</b>
1. <b>Mgarr Sea Passenger Terminal</b>	Mgarr, Gozo	2007
2. <b>Joinwell Flagship Department Store</b>	Qormi	2008
3. <b>TG Complex (Deloitte Malta)</b>	Mriehel	2009
4. <b>The Atrium Homestore</b>	Mriehel	2010
5. <b>The George Hotel</b>	St. Julian's	2010
6. <b>MCM Aircraft Hangar</b>	Luqa	2010
7. <b>Gauci Automobiles Showroom</b>	Birkirkara	2010
8. <b>Pender Gardens</b>	St. Julian's	2011
9. <b>Barrakka Lift</b>	Valletta	2012
10. <b>RS2 Software</b>	Mosta	2012
11. <b>MCAST Campus</b>	Paola	2012
12. <b>Fort Cambridge</b>	Sliema	2012
13. <b>Smart City (Phase II)</b>	Kalkara	2013
14. <b>MIDI Tigne Point Q1</b>	Sliema	2015
15. <b>Intercontinental Hotel</b>	St. Julian's	2016
16. <b>Baystreet Hotel</b>	St. Julian's	2016
17. <b>Hugo's Boutique Hotel</b>	St. Julian's	2016
18. <b>Approved Office Building</b>	St. Julian's	2016
19. <b>Central Bank of Malta</b>	Valletta	2017
20. <b>Salini Resort</b>	Salini Coastline	2017
21. <b>MIDI Tigne Point T14 - The Centre</b>	Sliema	2017
22. <b>Pender Gardens (T1/T2/B17)</b>	Sliema	2018
23. <b>Waterfront Hotel</b>	Gzira	2018
24. <b>Hugo Hotel</b>	St. Julian's	2018
25. <b>MITA Head Office</b>	Blata L-Bajda	2018
26. <b>Malta Aquarium Centre</b>	Qawra	2018
27. <b>14 East Tower</b>	Gzira	2019
28. <b>Bilom Apartment Block</b>	Gzira	2019
29. <b>KPMG Head Office</b>	Msida	2019
30. <b>Centrepark Shopping Centre</b>	Marsa	2019
31. <b>Crane Currency</b>	Hal Far	2019
32. <b>Playmobil Factory</b>	Hal Far	2019
33. <b>BT Commercials Head Office</b>	Mriehel	2020
34. <b>KIA Showroom</b>	Qormi	2020
35. <b>Cavalli Mansions</b>	Qawra	2020
36. <b>Baystreet Hotel Zone B</b>	St. Julian's	2020
37. <b>Fimbank Head Office</b>	St. Julian's	2020
38. <b>Pinto Business Centre</b>	Qormi	2020
39. <b>St. Vincent de Paul Home</b>	Marsa	2020
40. <b>Hyatt Regency Hotel</b>	St. Julian's	2020
41. <b>Fafner House</b>	Blata L-Bajda	2021
42. <b>Marina Di Valletta</b>	Pieta'	2021
43. <b>Panorama Hotel</b>	Mellieha	2021
44. <b>Y&amp;P Building</b>	Naxxar	2021
45. <b>Halmann Apartments</b>	Mellieha	2021
46. <b>Young Investments Ltd</b>	Handaq	2021
47. <b>EPAM JV</b>	Luqa	2021



Such projects included the provision of services such as steel works; aluminium works; PVC works; fabrication and installation of stainless-steel apertures, steel and stainless-steel railings, glazed partitions and louvers; façade cladding; construction of steel structures; and manufacturing, installation and finishing of offices.

Ongoing Projects	Location
1. The Quad Towers	Mriehel
2. Hotel (Msida)	Msida
3. Offshore Suites	St. Julian's
4. The Ferris Business Centre	Sliema
5. Land's End	Sliema
6. Palm Court	Qawra
7. Ivory Apartments	Bugibba
8. Hotel (Bugibba)	Bugibba
9. Clover Apartments	St. Paul's Bay
10. Empire Hotel	St. Julian's
11. Avenue 77	Mriehel
12. Burmarrad Commercials	Marsa

Through its successful implementation of projects entrusted to it, often subject to tight delivery deadlines, JDO has been involved in some of the most avant-garde and unique structural designs, setting new standards for the local industry. JDO's diverse projects and involvement in iconic buildings has demonstrated its capabilities of working with a range of building structures, each with its own unique challenges and complexities, utilising the latest technologies and materials to ensure high-quality fitting and installations.

With the steady historical growth in the production and manufacturing activities of JDO, as well as the nature and volume of projects for which JDO has been engaged and expects to be engaged to carry out, the Group has taken a strategic decision to further invest in the operational capacity and capabilities of the Hal Far Factory. This investment complements JDO's plans to expand further in industrial activities which are related to its core business, as well as its intention to make an amount of *circa* 10,000m<sup>2</sup> available for subleasing for industrial use in economic activities falling within the ambit of the Business Promotion Act.

To this end, on 29 September 2021, JDO obtained a development permit (application number DN/00886/21) to increase the built-up area of the Hal Far Factory from 5,308 m<sup>2</sup> to *circa* 27,011m<sup>2</sup>, through a capital expenditure investment programme of €12.0 million, to be funded in full by the proceeds raised through the two tranches of the Secured Bonds Issuance Programme (as described in further detail in section 15.2.3 of the Base Prospectus entitled 'Use of Proceeds'). Once completed, the works will result in the Hal Far Factory comprising:

- i. an office block suspended over a three-story-high steel truss, covering a footprint of 1,722m<sup>2</sup>
- ii. an industrial area of 19,812m<sup>2</sup>;
- iii. loading yards and storage areas of 3,427m<sup>2</sup>; and
- iv. roads comprising an area of 2,050m<sup>2</sup>.

In addition, on 21 March 2022 INDIS approved in principle the right of the JDO to lease the Hal Far Site, provided that:

- i. the design of the development at Hal Far Site will be directed towards the maximisation of land resources;
- ii. leasing will be limited to industrial projects which create an adequate number of jobs and are of benefit to the Maltese economy;
- iii. preference in choosing the lessee is to be given to holders of letters of intent issued by Malta Enterprise pursuant to the Business Promotion Act;
- iv. a premium will be payable to INDIS by the JD Operations Limited; and
- v. any undertaking designated by INDIS shall be given the right of first refusal.

Steel framing systems manufactured by JDO are to be used. Inclined trusses will cover the factory to allow for the installation of photovoltaic panels. The Group envisages that 14,600m<sup>2</sup> of the Factory will be rented out to third parties as from early 2025.

## 6.2.1 Acquisition and development of the Skorba Property and the Secured Property

### 6.2.1.1 The Skorba Property

In terms of the Skorba POSA entered into between Mr Josef Dimech and Mr Jonathan Donald Pace, Mr Josef Dimech has committed to acquire six hundred (600) ordinary shares in J&J Development (the "J&J Development Shares"). It is anticipated that JD Real Estate shall be assigned the rights of Mr Dimech emanating from the Skorba POSA whereby JD Real Estate shall acquire the J&J Development Shares. On or about the date of the acquisition by JD Real Estate of the J&J Development Shares,

Mr Josef Dimech shall transfer unto JD Real Estate, his remaining fifty percent (50%) ownership of J&J Development whereby JD Real Estate shall wholly own the entirety of the shares in J&J Development.

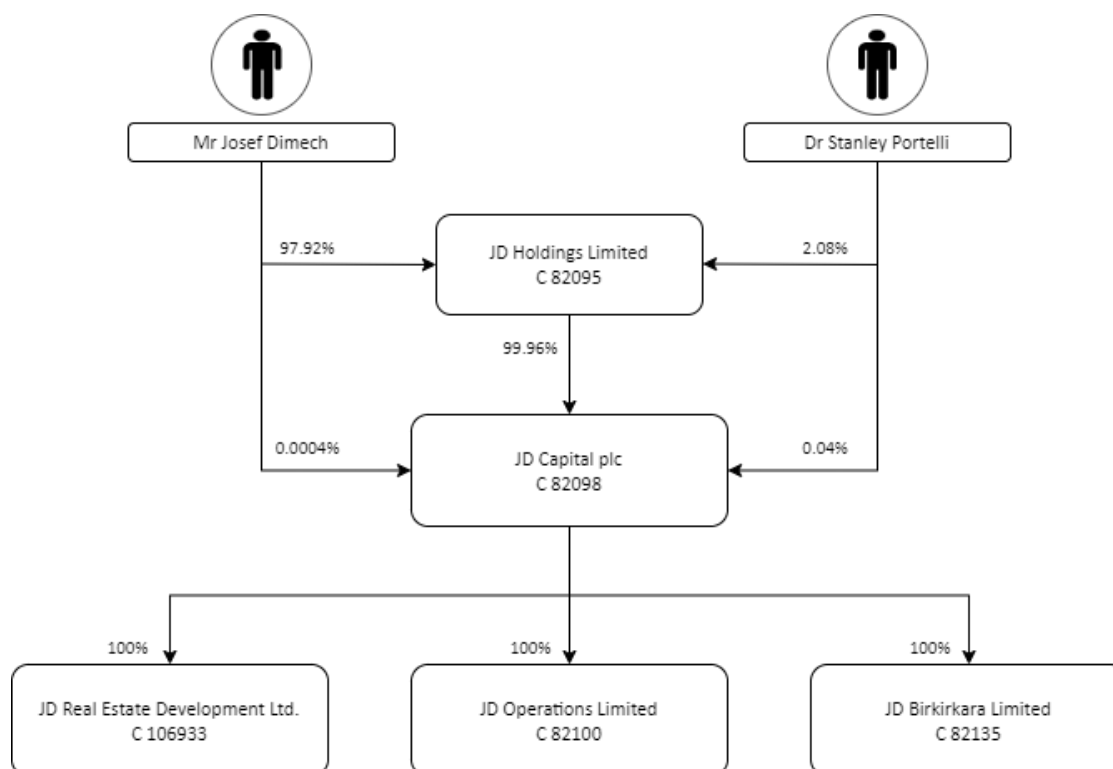
J&J Development is the holding company of Skorba Developments which owns the Skorba Property. In terms of the building permit PA6974/20, the Skorba Property shall be developed in a residential complex for resale consisting of ninety-nine (99) underground garages set on four (4) basement levels, forty-two (42) apartments set on four (4) floors (from ground floor to third (3<sup>rd</sup>) floor), nine (9) receded floor dwellings (set on the fourth (4<sup>th</sup>) floor), and two (2) ground floor maisonettes.

#### 6.2.1.2 The Secured Property

In terms of the Ta' Monita Agreement, JDO has committed to acquire the Secured Property against a consideration of six million five hundred thousand Euro (€6,500,000). In terms of the said agreement, three million Euro (€3,000,000) from the said consideration would be set-off with the equivalent amount due by way of receivable to JDO by the third parties with the balance payable by JDO to the vendors. The Parties to the Ta' Monita Agreement and JD Real Estate have agreed for JDO to assign the rights emanating from the Ta' Monita Agreement in relation to the right to acquire the Ta' Monita Property from JDO to JD Real Estate whereby in terms of the contract of sale to be entered into upon the successful issuance of the Notes, JD Real Estate shall pay unto the vendors from the proceeds of the Notes the sum of three million Euro (€3,000,000) which the Vendors shall utilise to settle the receivable due by them to JDO. The balance of three million five hundred thousand Euro (€3,500,000) due by JD Real Estate to the vendors shall be borrowed by the Issuer from JDH and on-lent to JD Real Estate in order to enable the aforesaid acquisition. The resulting receivable from the Issuer to JDH shall be repayable at the discretion of the Issuer and shall bear no interest.

## 7 ORGANISATIONAL STRUCTURE OF THE ISSUER

As the holding company of the Group, the Issuer is ultimately dependent upon the operations, performance and business prospects of its subsidiaries. The diagram below illustrates the principal subsidiaries within the organisational structure of the Group as at the date of this Registration Document.



## 8 TREND INFORMATION

### 8.1 Trend Information of the Issuer

In view of the Issuer's purpose of acting as a financing company to the Group, its business is limited to raising of capital for the financing of capital projects and the loaning of such capital to entities forming part of the Group, the collection of interest from the Group entities and the settlement, in turn, of the interest payable on capital raised from third parties, including the payment of interest payable by the Issuer in respect of the Bonds. The Issuer is thus dependant on the business prospects of the Group and, therefore, the trend information relating to the Group has a material effect on its financial position and prospects.

## 8.2 Trend Information of the Group

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

There has been no significant change in the financial position and the prospects of the Group since the date of publication of its latest interim financial statements.

## 9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 9.1 Directors and Company Secretary

As at the date of the Prospectus, the Board of Directors of the Issuer is constituted by the following persons:

Name and Identity Card number	Address	Designation
Josef Dimech (326179M)	Blue Harbour Frobisher, B11, Ix-Xatt Ta' Xbiex, Ta' Xbiex, Malta	Executive Director
Jesmond Manicaro (146078M)	55/4, St Michael's Court, Dajma Road, Tarxien TXN 9032, Malta	Independent Non-Executive Director
Jonathan Pace (248874M)	Ivy, Triq il-Kappella Ta' San Mikiel, Naxxar, Malta	Non-Executive Director
Stephen Muscat (460561M)	17/1, Kevman Apartments, Triq id-Denci, Mellieha MLH 4410, Malta	Independent Non-Executive Director
Stanley Portelli (163472M)	Dar il-Barbagann, Triq Strejnu, Zejtun, Malta	Independent Non-Executive Director

Mr Dimech is an executive Director within the Issuer. The other Directors serve on the Board of the Issuer in a non-executive capacity. Except for Mr Pace, they are considered as independent Directors since that are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement.

Dr Malcolm Falzon (129280M) is the Company Secretary of the Issuer.

#### 9.1.1 Curriculum Vitae of Directors

##### Mr Josef Dimech (Executive Director)

Mr Josef Dimech is the ultimate beneficial owner of the JD Capital Group. Mr Dimech's roots are in wrought iron works during his time working in his father's garage in Msida on a part-time basis at the very young age of 16. What initially was seen as a part-time hobby quickly turned out in regular work with a steady and growing flow of established clients. In 2004, at the age of 25, he set up JSDimech Limited. Since then, Mr Josef Dimech has been the driving force behind the gradual expansion, development and diversification of the JD Capital Group, playing a leading role in formulating and implementing the vision for the Group's long-term growth and development. Mr Josef Dimech has been central to the drive to grow the customer base of the Group, overseeing the Group's evolution towards large-scale projects.

##### Mr Jonathan Pace (Executive Director)

Mr Jonathan Pace is involved in several businesses in various capacities (shareholder, director, and even CEO), spanning across a number of industry sectors, from retail, manufacturing and leisure industries with a successful track record spanning over 30 years. Mr Pace commenced his career with a number of startups in the early 1990s, partnering in a freight forwarding company and opening an auto customization shop branded as Pace Auto Centre. In 1994, Mr Pace established the Logografix signs, specialising in signage such as banners, billboards and wall papers as well as vehicle, boat and airplane wrapping. During the mid-1990s, Mr Pace also became involved in companies relating to water sports operators, namely Yellow Fun Watersports and D1 Watersport. In 2014, Mr Pace together with a partner founded 360 Manufacturing Limited (C-49513) which specialises in the apertures market by offering the Finestral Brand. Mr Pace is also involved in the property industry by buying, developing and selling properties including both commercial and residential developments.

**Dr Stanley Portelli (Independent Non-Executive Director)**

Dr Stanley Portelli is a partner of the law firm GS Advocates, based in Sliema Malta, where his area of practice focuses on assisting corporate clients, as well as shipping and employment legislation. Until March 2013, Dr Portelli was the Chief Executive Officer of the Authority for Transport in Malta and of Malta Maritime Authority.

Between 2001 and 2009, Dr Portelli held the position of executive Director for Human Resources, Legal and Corporate Affairs as well as Company Secretary at Malta Freeport Terminals Limited (C 27581) where he was also on the Board of Directors from 1999 to 2004. From 1994 to 2001, Dr Portelli was employed with the Financial Services Unit at Coopers Lybrand and eventually PricewaterhouseCoopers. He was also a director of Malta Investment Management Company Limited (C-9588) and Malta Government Investments Ltd (C-10175) between 2004 and 2008. In 2007, Dr Portelli was appointed member of the Port Workers Board representing Malta Freeport Terminals, and in 2008 was appointed member of the Board of the Lotteries and Gaming Authority (now the Malta Gaming Authority). Dr Stanley Portelli is a member of the Chamber of Advocates and the Institute of Financial Services Practitioners.

**Mr Stephen Muscat (Independent Non-Executive Director)**

Mr Stephen Muscat is a Certified Public Accountant and a graduate of the University of Malta with a B.A. Accountancy degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors. Mr Muscat is a former CEO and Director of Maltacom p.l.c. (today GO p.l.c. – C-22334). Since 2006, Mr Muscat has acted a corporate services provider with his own advisory practice and serves as an independent non-executive director of a number of companies operating in financial services, including a locally licensed bank, as well as resident director of various companies. Within locally regulated entities, Mr Muscat practices as a member of Audit, Investment and Risk Committees. Mr Muscat is also a member of the Board of Directors as well as Chairman of the Audit Committee of SD Finance p.l.c. (C 79193), AgriHoldings p.l.c. (C 57008), and Mercury Projects Finance p.l.c. (C 89117), which issued bonds on the Malta Stock Exchange.

**Dr Jesmond Manicaro (Independent Non-Executive Director)**

Dr Jesmond Manicaro's background is in both the practice of law and business management, having graduated with a Master of Laws (LL.M.) specialising in Information Technology, Telecommunications, Cultural Property, International Air Law from University College London, University of London. In 2015, Dr Manicaro was appointed administrator of the Gaming Malta Foundation, a non-profit making organisation which was launched in March 2015 and whose main objective is the promotion of Malta as a leading jurisdiction and a centre of excellence in the gaming industry. Dr Manicaro also serves as a director on a number of Maltese companies involved in various cross-border and overseas activities. In 2019, Dr Manicaro continued his professional development through the Institute of Directors (UK), with attaining the status of Chartered Director. Dr Manicaro is a member of the Chamber of Advocates and currently sits on its executive board.

**9.2 Conflict of Interest**

As at the date of this Registration Document, Messrs Pace and Dimech, are also the directors and beneficial owners of J&J Development which holds the entirety of the shares in issue in Skorba Developments which owns the Skorba Property subject to the Skorba POSA referred to in section 6.2.1 of this Registration Document, and as such may be susceptible to conflicts between potentially diverging interests.

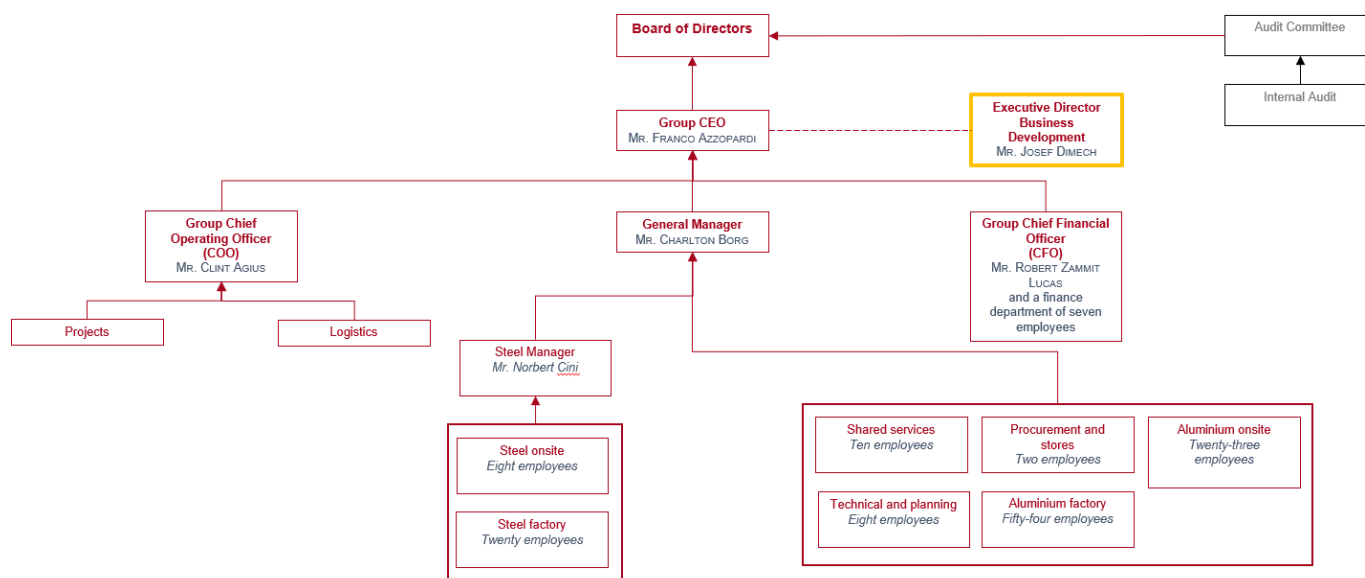
The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different involvements of the Directors are handled in the best interest of the Issuer, the Noteholders, the bondholders in terms of the Base Prospectus, and according to law. The fact that the Audit Committee is constituted solely of independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis. Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer on a quarterly basis. To this effect, the Issuer is to submit to the Audit Committee bi-annual accounts, as well as at least bi-annual comparisons of actuals against projections.

Save for what is stated herein, no private interests or duties unrelated to the Issuer have been disclosed by the management teams of the companies within the Group which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

To the extent known or potentially know to the Issuer, as at the date of the Prospectus, there are no other potential conflicts of interest (save for those mentioned herein) between the duties of the Directors and executive officers of the Issuer and their respective private interests and/or their other duties, which require disclosure in terms of the Regulation.

### 9.3 Employees

The Board of Directors is supported by the senior management team of the Group, all of whom report directly to the CEO. Group employees, in turn, report directly to either of the General & Aluminium Manager or the Steel Manager:



### 9.4 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of, *inter alia*, its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three (3) months, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the Board, management and the independent auditors;
- (c) facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- (d) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transaction to be entered into by the Issuer and a related party, given the role and position of the Issuer within the Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer. In this regard, the Audit Committee of the Issuer has the task of ensuring that any potential abuse which may arise as a consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and the subsidiaries quarterly.

The Audit Committee is made up entirely of independent non-executive Directors. The Audit Committee is composed of Mr Stephen Muscat (independent non-executive director), Dr Stanley Portelli (independent non-executive director) and Dr Jesmond Manicaro (independent non-executive director). Mr Stephen Muscat is considered by the Board to be competent in accounting and, or auditing in terms of the Capital Markets Rules. The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Mr Stephen Muscat currently occupies the post of Chairman of the Audit Committee.

## 9.5 Internal Audit

In addition to the above, the Audit Committee of the Issuer is tasked with the setting up and oversight of the internal audit function of the Group. This function acts as an independent internal auditor and provides independent and objective assurances to the Board through the Audit Committee.

The internal audit function supports the Audit Committee in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the internal risk management, control, and governance processes.

In carrying out the internal audit function role, the internal auditor reports to the Audit Committee on emerging trends and standards in internal auditing at least on a quarterly basis. The internal auditor further assists the Issuer in identifying, analysing, responding, gathering information and monitoring strategic risks that could actually or potentially impact the ability of the Issuer and the Group to achieve their objectives and meet their obligations at law.

As at the date of this Registration Document, the internal auditor of the Issuer is Embark (Malta) Limited (C 91184), of Trident Park, No. 1 Level 4, Notabile Gardens, Mdina Road, Zone 2, Central Business District, Birkirkara CBD 2010, Malta.

## 9.6 Compliance with Corporate Governance Requirements

The Issuer has supported and adopted the principles set out in the provisions of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the “Code”). Going forward, the Issuer remains committed to fully supporting the Code and undertakes to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Company is confident that the application of the Code has resulted, and is expected to continue to result, in positive effects accruing to the Issuer, its management and organisational set-up, its corporate strategy and its day-to-day activities.

In view of the reporting structure adopted by the Code, the Company reports, on an annual basis in its annual report, on the level of the Issuer’s compliance with the principles of the Code, in line with the “comply or explain” philosophy of the Code, explaining the reasons for non-compliance, if any.

As at the date of this Registration Document, the Board considers the Issuer to be in compliance with the Code, save for the following exceptions:

### ***Principle 4: Succession Policy for the Board (Code provision 4.2.7)***

Although the Board of Directors is responsible for the recruitment and appointment of senior management, the Company has not established a formal succession plan. In practice, however, the Board is actively engaged in succession planning and in ensuring that appropriate schemes to recruit, retain and motivate employees and senior management are in place.

### ***Principle 7: Evaluation of the Board’s Performance (Code provision 7.1)***

The Board believes that the size of the Company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Company’s Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad hoc committee for this purpose. The Board shall retain this matter under review over the coming year.

### ***Principle 8A: Remuneration Committee (Code provision 8.A.1) and Nominations Committee (Code provision 8.B.1)***

The Board has not established a Remuneration and, or Nominations Committee. The Board has formulated the view that the size, structure and management of the Company are such that the establishment of an ad hoc Remuneration Committee is not warranted, and the responsibility for the establishment, review and implementation of the Company’s remuneration policies has been retained within the remit of the Board itself. In particular, the current remuneration policy of the Company comprises purely fixed-rate remuneration, with no entitlement to any performance-based remuneration, or any entitlement to share options, retirement pensions benefit or other retirement based benefits. Furthermore, the Board believes that the procedure for the nominations and appointment of directors as contained in the

Articles of Association are commensurate to the size and operations of the Company, and does not consider the requirement to establish an ad hoc Nominations Committee to be necessary for the Company. Instead, the Board takes on the role of periodically assessing the skills, knowledge and experience of individual directors for the Board to have the appropriate level of collective skill, knowledge and experience that would endow the Board with the requisite collective competence for the proper functioning, management and oversight of the Company by the Board.

## 10 SHARE CAPITAL AND MAJOR SHAREHOLDERS

### 10.1 Shareholding of the Issuer

As at the date of the Prospectus, the authorised and issued share capital of the Issuer is €7,546,700 divided 7,543,621 ordinary shares of a nominal value of one Euro (€1.00) each and 3,079 Ordinary A shares of a nominal value of one Euro (€1.00) each. As at the date of the Prospectus, the entire issued share capital of the Issuer has been fully subscribed for as follows:

Name of Shareholder	Number of Shares	Class of Shares	% Paid Up
<b>JD Holdings Limited</b> (C 82095) HHF 303, Industrial Estate Hal Far, Birzebbugia, BBG 3000, Malta	7,543,590	Ordinary Shares	100%
<b>Mr Josef Dimech</b> (ID 326179M) Blue Harbour Frobisher, B11 Ta' Xbiex Seafront, Ta' Xbiex, Malta	31	Ordinary Shares	100%
<b>Dr Stanley Portelli</b> (ID 163472M) Dar il-Barbagann, Triq Strejnu, Zejtun, Malta	3,079	Ordinary A Shares	100%

All ordinary shares rank *pari passu* in all respects, save that Ordinary A shares do not confer any rights in the Issuer except for the right to the return of capital upon winding up of the Issuer.

The shares of the Issuer are not listed on the Malta Stock Exchange or any other regulated exchange, and no application for such listing has been made to date.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. To the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Prospectus which may, at a subsequent date, result in a change in control of the Issuer.

### 10.2 Major Shareholders

Mr Josef Dimech is the sole ultimate beneficial owner of the Issuer, ultimately holding *circa* 98% of the ownership interests of the Issuer: (i) directly as the registered holder of 0.0004% of the issued share capital of the Issuer; and (ii) indirectly as the registered holder of 97.92% of the issued share capital of the JD Holdings Limited, the immediate parent company and majority registered shareholder of the Issuer.

## 11 LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

## 12 HISTORICAL FINANCIAL INFORMATION

### 12.1 Historical financial information of the Issuer

The historical information relating to the issuer for the three financial years ended 31 December 2020, 2021, and 2022 as audited by RSM Malta are set out in the consolidated financial statements of the Issuer. Such audited financial statements are available for inspection as set out in section 15 of this Registration Document and may be accessed on the Issuer's website <https://www.jsdimech.com/investor-relations>. The unaudited interim financial statements for the six-month period ended 30 June 2023 are also being incorporated by reference in, and form part of, this Registration Document and may be accessed on the Issuer's website.

Information incorporated by reference in this Registration Document	Page number in financial statements			
	Financial year ended 31-Dec-22	Financial year ended 31-Dec-21	Financial year ended 31-Dec-20	6 months period ended 30-Jun-23
Statement of Comprehensive Income	12	17	18	5
Statement of Financial Position	13	18	19	6
Statement of Cash Flows	15	20	21	8
Notes to the Financial Statements	16 - 47	21 - 46	22 - 46	9 – 11
Independent Auditor's Report	48 - 55	10 - 16	11 - 17	-

### 12.2 Historical financial information of the Group

Extracts from the historical consolidated financial information covering financial years ended 31 December 2020, 2021 and 2022 as well as the unaudited interim financial information for the periods 1 January 2022 to 30 June 2022 and 1 January 2023 to 30 June 2023 are set out below.

	31-Dec	31-Dec	31-Dec	30-Jun	30-Jun
<b>JD Capital p.l.c.</b>					
<b>Consolidated Statement of Comprehensive Income</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2023</b>	<b>2022</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>
Revenue	11,832	16,268	15,145	5,242	4,524
Cost of sales	(10,705)	(14,448)	(12,876)	(3,850)	(3,873)
<b>Gross profit</b>	<b>1,127</b>	<b>1,820</b>	<b>2,269</b>	<b>1,392</b>	<b>651</b>
Selling and distribution expenses	(141)	(151)	(111)	(87)	(47)
Administrative expenses	(1,013)	(807)	(768)	(693)	(400)
Other income	213	294	5	131	98
<b>Operating profit</b>	<b>186</b>	<b>1,156</b>	<b>1,395</b>	<b>743</b>	<b>302</b>
Revaluation of investment property	971	-	-	-	-
Finance and dividend income	42	206	241	25	21
Finance costs	(724)	(584)	(525)	(638)	(300)
Other losses	(2)	(12)	(90)	-	-
Movement in expected credit loss provision	(56)	(297)	(200)	87	(41)
<b>Profit / (loss) before tax</b>	<b>417</b>	<b>469</b>	<b>821</b>	<b>217</b>	<b>(18)</b>
Taxation charge	(199)	(309)	(412)	(148)	(92)
<b>Profit / (loss) for the year</b>	<b>218</b>	<b>160</b>	<b>409</b>	<b>69</b>	<b>(110)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation of land and buildings, net of tax	-	7,857	-	4,600	141
<b>Total comprehensive income / (loss) for the year</b>	<b>218</b>	<b>8,017</b>	<b>409</b>	<b>4,669</b>	<b>31</b>

Revenue comprises income generated from the design, production and installation of industrial aluminium, steel and glassworks. Revenue increased during 2020 (2019: €11 million) by approximately €3.8 million, driven by the Group's ability to secure the Quad Towers project. In addition, the Group supported this increase in revenue with an investment of €1.2 million



during 2019 and 2020 to upgrade the Group's factory in Hal Far. Revenue in the financial year 2021 is primarily composed of the execution of outstanding projects from the financial year 2020 and the commencement of works on the Hotel (Bugibba) and Fafner House. Revenue for financial year 2022 was lower than expected due to the general election which took place that year, which resulted in a number of contracts being put on hold pending political stability.

Revenue for the interim period 1 January 2023 to 30 June 2023 increased compared to the same period of the financial year 2022. Even though revenue increased, it is important to note that the Group experienced a slow start to the year 2023, mainly attributable to the after effects of the COVID-19 pandemic. During the pandemic, there was a decline in the development permits issued by the respective authorities. This decline in issuing permits, affected the Group's revenue in the first half of the year since the Group's trading operations services the last part of a building, mainly the apertures and railings. This is expected to change in the second half of the year.

We also note that the Group currently has a strong order book reaching a total value of €21.4 million amongst which is the landmark project of MIDI p.l.c. Q3 residential block at Tigne Point. Works started in Q3 of 2023 and are expected to be completed in Q3 of 2024.

<b>JD Capital p.l.c.</b>	<b>31-Dec 2022</b>	<b>31-Dec 2021</b>	<b>31-Dec 2020</b>	<b>30-Jun 2023</b>
<b>Consolidated Statement of Financial Position</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	22,812	23,627	15,039	27,608
Investment property	5,494	4,523	4,523	5,625
Intangible assets	224	224	224	224
Financial assets at amortised cost	1,664	1,619	5,925	1,690
Trade and other receivables	2,313	1,085	-	1,058
Deferred tax asset	-	-	5	-
<b>Total non-current assets</b>	<b>32,507</b>	<b>31,078</b>	<b>25,716</b>	<b>36,205</b>
<b>Current assets</b>				
Financial assets at amortised cost	5,394	3,151	1,789	6,105
Inventories	1,364	1,529	1,375	1,226
Contract assets	6,517	4,514	1,984	9,496
Trade and other receivables	10,813	6,647	2,385	9,459
Cash and cash equivalents	891	361	11	231
<b>Total current assets</b>	<b>24,979</b>	<b>16,202</b>	<b>7,544</b>	<b>26,517</b>
<b>Total assets</b>	<b>57,486</b>	<b>47,280</b>	<b>33,260</b>	<b>62,722</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital	7,547	7,547	245	7,547
Other equity	-	-	7,302	-
Revaluation reserve	7,857	7,857	-	12,457
Retained earnings	1,402	1,183	1,024	1,470
<b>Total equity</b>	<b>16,806</b>	<b>16,587</b>	<b>8,571</b>	<b>21,474</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	17,050	7,398	8,167	16,775
Lease liabilities	3,446	3,492	3,528	3,421
Trade and other payables	3,564	3,899	3,810	3,081
Deferred tax liabilities	1,638	1,593	360	2,038
Non-current tax liabilities	459	508	661	439
<b>Total non-current liabilities</b>	<b>26,157</b>	<b>16,890</b>	<b>16,526</b>	<b>25,754</b>
<b>Current liabilities</b>				
Borrowings	3,085	3,602	2,018	2,907
Lease liabilities	45	36	34	49
Contract liabilities	2,890	2,212	696	4,630
Current tax liabilities	1,073	1,080	556	1,077
Trade and other payables	7,430	6,873	4,859	6,831
<b>Total current liabilities</b>	<b>14,523</b>	<b>13,803</b>	<b>8,163</b>	<b>15,494</b>
<b>Total liabilities</b>	<b>40,680</b>	<b>30,693</b>	<b>24,689</b>	<b>41,248</b>
<b>Total equity and liabilities</b>	<b>57,486</b>	<b>47,280</b>	<b>33,260</b>	<b>62,722</b>

The Group's main assets comprise the Hal Far factory site and the Birkirkara site. Pre-financial year 2019, the Hal Far factory site was carried at cost less depreciation and was increased by €2.7 million in 2019 following the adoption of International Financial Reporting Standard 16 – Leases. Further revaluations by an independent architect took place in financial years 2021 and 2023 with an increase in the value of the Hal Far factory site to €17 million and €22 million respectively. The 2023 revaluation was carried out following modifications to planning legislation, which allowed the height for buildings in industrial areas to extend up to 21 metres.

The Birkirkara Site is classified as an investment property, and as such is carried in the books at fair value in accordance with International Accounting Standard 40 (IAS 40) *Investment Property*, since it is being held for appreciation and carried at the revalued amount following an independent architect's valuation carried out in 2022. The Group's other principal assets include financial assets mainly comprising a loan to the ultimate parent. The loan to the ultimate parent is repayable by 1st October 2024 and attracts interest at 4.5% per annum.

Group borrowings of €20 million in 2023 are primarily due to bondholders (70%) and the amount payable to the banks (30%). Interest payable per annum on the bank loans varies from 2.5% to 4.88% and will be fully repaid by 30 August 2026.

In 2021, the Group converted the 'Other Equity' balance into share Capital. Total equity as at 30 June 2023 stands at €21.4 million and is mainly attributable to the revaluation of the Hal Far site.

<b>JD Capital p.l.c.</b>	<b>31-Dec 2022</b>	<b>31-Dec 2021</b>	<b>31-Dec 2020</b>	<b>30-Jun 2023</b>	<b>30-Jun 2022</b>
<b>Consolidated Statement of Cash Flows</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>	<b>Euro '000</b>
Net cash flows generated from / (used in) operating activities	(7,491)	(1,728)	(1,008)	404	1,018
Net cash flows generated from / (used in) investing activities	(186)	1,542	(304)	(301)	(1,866)
Net cash flows generated from / (used in) financing activities	8,700	35	1,756	(754)	1,496
<b>Net movement in cash and cash equivalents during the period</b>	<b>1,023</b>	<b>(151)</b>	<b>444</b>	<b>(651)</b>	<b>648</b>
Cash and cash equivalents at beginning of period	(140)	11	(433)	883	(140)
<b>Cash and cash equivalents at end of period</b>	<b>883</b>	<b>(140)</b>	<b>11</b>	<b>232</b>	<b>508</b>

During financial year 2020 and financial year 2021, the Group undertook a number of initiatives to address the negative working capital suffered during the previous year. These initiatives included:

- the restructuring of privileged creditors from current to long-term;
- ensuring that the amount receivable from the related party followed a fixed repayment date;
- re-negotiation of trade creditors' terms in favour of the Group; and
- better use of the facility made available by Izola to cover any delays in the collectability of the trade receivables.

During financial year 2022, the Board gave additional remit to the Audit Committee to further monitor the working capital and the cashflow position of the Group. The Group reported a profit before tax of €0.4 million at the end of the financial year 2022. Following adjustments for non-cash items, tax paid, and movements in its working capital, the Group reported an outflow of €7.5 million in operating activities. This outflow is higher than the previous years as a result of a negative movement in trade and other receivables which included bond proceeds held by the security trustee and which have been accounted for as a receivable. During the first six months of the interim financial year 2023, the Group reported a profit before tax of €0.2 million. The Group generated positive cash flows from its operating activities. On the other hand, the group recorded negative cash flows in its investing activities, mainly attributable to investment in fixed assets, and also negative cash flows in financing activities mainly attributable to repayment of borrowings. Overall, during the interim financial year 2023, the Group experienced a better cash flow performance, resulting in a positive position in cash and cash equivalents of €0.2 million by 30 June 2023.

### 13 ADDITIONAL INFORMATION

The Memorandum and Articles of the Issuer are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 4 of the Memorandum.

## 14 MATERIAL CONTRACTS

The Issuer or the Group have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued pursuant to, and described in, the Securities Note.

## 15 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of this Registration Document, the following documents shall be available for inspection at the registered address of the Company during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the consolidated audited financial statements of the Issuer for the years ended 2020, 2021, 2022;
- iii. the half-yearly results for the period ended June 2023;
- iv. the Base Prospectus and final terms published by virtue thereof;
- v. the Architect's Valuation; and
- vi. the Security Trust Deed.

The documents listed above are also available for inspection in electronic form on the Issuer's website:  
<https://www.jsdimech.com/investor-relations>.

## 16 ARCHITECT'S VALUATION

The Issuer commissioned architect Melanie Spiteri B.E. & A. (Hons.), A&CE, MSc (Cons. Tech) to issue a property valuation report in relation to the Secured Property. The business address of architect Melanie Spiteri is Pjazza Lorry Sant 13, Marsaskala, Malta. Architect Melanie Spiteri does not have any financial interest in the Issuer or the Group.

A copy of the report prepared by architect Melanie Spiteri is annexed to this Registration Document as Annex I.

JD Capital p.l.c.  
HHF 303 Industrial Estate,  
Hal Far, Birzebbugia  
Malta

7<sup>th</sup> November 2023

**Valuation of Property:** Site at Ta' Monita, Malta

**Tenure / Possession:** Freehold site for development

**1. Introduction**

The undersigned, in the capacity of a warranted architect and civil engineer, has been commissioned by JD Capital p.l.c., to carry out a valuation of the Site at Ta' Monita, Malta, presently consisting of four (4) studio flats all situated at the ground floor level of the block number two (2), which four (4) studio flats are numbered thirteen (13), fourteen (14), fifteen (15) and sixteen (16) as indicated in red in Figure 1 and as described further on in this valuation report as Block Two (2). These properties are situated within a block unofficially known as Block Two (2) and which was previously also referred to as Block B, forming part of the officially unnumbered complex named Ta' Monita Residence, in Marsascala, which block comprises seven (7) studio flats described hereunder and its surrounding open spaces, gardens, passages and pathways, in all having a superficial area of approximately one thousand and fifty square meters (1,050 sqm), and bounded on the South East by Triq il-Bajja, on the North West by Triq il-Papa Gwanni Pawlu it-Tieni and on the West by Triq San Luqa, Marsaskala.

The (2) studio flats numbered eighteen (18) and nineteen (19) on the first floor level of the same block number two (2) with vacant possession and freehold, and which are better shown outlined in green as Block One (1) in Fig.1 together with their overlying roofs and airspace which roofs are subject to the right of use by the temporary emphyteutae of the abovementioned studio flats numbered thirteen (13) to sixteen (16), both numbers included;

Perit Melanie Spiteri B E & A, A & CE (Hons.) architect & civil engineer  
+356 7953 9511 • melanie@peritms.com • Triq L Sant, M'Scala - Malta

The garage and airspace marked in yellow in Fig. 1.

The airspaces, freehold and rights in relation to airspaces of the blocks of apartments of Blocks number 1 and 4 marked in yellow in Fig.1; and the pool area measuring 1,000 square meters, as described within the deed in the records of Notary Pierre Attard dated first day of September of the year two thousand and fifteen (01/09/2015), without its underlying airspace and in favour of all third parties servitudes.

The valuation is being carried out as at present market conditions.

The valuation is being made without a formal structural or technical assessment. The valuation covers the building as a whole in its existing state. The property is being valued on a Market Value basis, as defined by the Royal Institute of Chartered Surveyors ('RICS') Standards, namely, the price at which land and buildings could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of sale.

## 2. Purpose of Valuation

It is understood that the purpose of the valuation is for inclusion with the Prospectus, to be published in connection with a proposed Notes issue by JD Capital p.l.c. in accordance with the Prospectus Regulation and the Companies Act (Chapter 386 of the Laws of Malta).

I understand that my express consent will be needed in writing for this report, or parts thereof, to be included in the Prospectus of Notes issue by JD Capital p.l.c.

The valuation has been carried out by the undersigned, as an external and independent valuer in terms of, and with regard given to, the RICS Valuation and Professional Standards Manual.



As a non-RICS regulated member of a firm over which RICS cannot exert control, the undersigned declares that in preparing this valuation the undersigned has complied with the RICS valuation standards and guidelines.

The undersigned declares that he has visited the site at Ta' Monita, Marsaskala. This visit was intended to better understand the characteristics and qualities of the Property and its surroundings, to evaluate the construction being carried out and to establish what could influence the values of the Property, and to confirm their current uses.

The Property was inspected by the undersigned on the 7<sup>th</sup> of November 2023.

This valuation has been prepared solely for the abovementioned purpose and is not suitable for any other use. In accordance with standard practice, neither the whole, not any part of this valuation, nor any reference thereto, may be included in any document published without the prior written approval of the undersigned for the context in which it may appear.

### 3. Declaration of Independence

The undersigned declares that she has not been involved in any project related to the Site at Ta' Monita, Malta.

The undersigned confirms her status as an external independent valuer, without any financial interest in JD Capital p.l.c.

### 4. Basis of Valuation

An opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation assuming:

- A willing seller;
- That, prior to the date of valuation, there had been a reasonable period, (having regard to the nature of the property and the state of the market) for the

proper marketing of the interest, for the agreement of price and terms and conditions of the sale;

- That the state of the market, level of values and other circumstances were, on an earlier assumed date of exchange of contracts, the same as on the date of valuation;
- That no account is taken of any additional bid by a purchaser with a special interest;
- That both parties to the transaction had acted knowledgeably, prudently and without compulsion.

The Guidance Notes refer to the fact that certain types of property designed or adapted for particular uses, invariably change hands in the open market at prices based directly on trading potential for a strictly limited use.

## 5 Valuation

### i. Current State of site in question:

Presently Block 2 consists of a block of low-lying dwellings set on two floors together with a plot of unused land and drive to an internal piazza.

Presently Block 1 consists of a block of dwellings together with individual garages at ground floor level and it is set over four floors.

Presently the garage adjacent to Block 1 consists of a large garage at ground floor level with its airspace.

### Property Description

Most part of block 1 was built pre-1967 as it is clearly indicated in the PA site plan – 1968. However original permits for both Block 2 cannot be traced as most PA maps linked to permits from pre-1990s in Marsaskala are lost.



In drawing up this report, I have relied on the information provided to me by JD Capital p.l.c, its management or its advisors or which was otherwise in the public domain.

*ii. Ownership*

- Based on information provided by the owner the land is freehold. The undersigned has not undertaken any check to confirm or otherwise.
- The undersigned has also been informed that there are no hypothecs on the site.

*iii. Planning History*

Application No.	Type of Application	Project Description	Issue Date
N/A	N/A	N/A	N/A

*iv. Built up complete property valuation*

The purpose of the valuation in question is to evaluate the airspace over Block 1, airspace over garage adjacent to Block 1 and the land in replacement to Block 2 together with the vacant space around it as marked in the attached block plan (**Fig1**).

*v. Land Valuation*

**Block 1 - Airspace**

- Footprint area – circa 345.00m<sup>2</sup>
- As per DC2015 -P36 and Local Plan 2006, an additional two floors and a receded floor can be erected.
- By excluding the common parts (2 in number) approximately 6 x 3 bedroom apartments of gross floor area of circa (128.58m<sup>2</sup>) each can be built together with 2 x 3 bedroom receded dwellings of gross floor area of circa (150.00m<sup>2</sup>) each.



- By comparison evaluation method, through the architect's own data base, the current market value for the airspace is that of €1,100.00/m<sup>2</sup>.
- Therefore, the market value for the airspace of Block 4 is that of €1,138,500.00 – (CPPS & UIF fee for Planning Authority - €57,000.00) = **€1,081,500.00**

#### **Block 2 - Land**

- Site area – circa 900.00m<sup>2</sup>
- As per DC2015 -P36 and Local Plan 2006, it is allowable to demolish, excavate and construct a basement parking level, residential units at ground, 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> floor and receded floor.
- By excluding the common parts (2 in number) approximately 40 x 2 and 1 bedroom apartments of gross floor area of circa (95.00m<sup>2</sup>) each can be built including receded dwellings.
- By comparison method and by the residual evaluation method, through the architect's own data base, the current market value for the land including the demolition cost of the existing and the excavation of the parking area is that of €950.00/m<sup>2</sup>.
- Therefore, the market value for the land at Block 2 is that of €4,950,000.00 – (CPPS & UIF fee for Planning Authority – short fall of approximately 21 parking spaces €167,000.00) = **€4,783,000.00**

#### **Garage - Airspace**

- Footprint area – circa 131.56m<sup>2</sup>
- As per DC2015 -P36 and Local Plan 2006, an additional five floors and a receded floor can be erected.
- By excluding the common parts (1 in number) approximately 5 x 2 bedroom apartments of gross floor area of circa (95.00m<sup>2</sup>) each can be built together with 1 x 1 bedroom receded dwellings of gross floor area of circa (90.00m<sup>2</sup>).
- By comparison method and by the residual evaluation method, through the architect's own data base, the current market value for the airspace is that of €1,100.00/m<sup>2</sup>.
- Therefore, the market value for the airspace of the garage is that of €723,580.00 – (CPPS & UIF fee for Planning Authority - €35,000.00) = **€688,580.00**

After taking into consideration all the above facts together with Present Times, Conditions, and Planning Zoning, I estimate the total value of the property as being around

**€6,500,000.00.** This value reflects all the parts of the properties being transferred which can be built through a Planning Authority application as per current planning policies.

In addition, the pool area and its amenities are also being transferred with the properties listed above. This will give an additional value to the whole complex. Also, to be transferred are vacant areas and parts of the airspace which would require a Planning Authority PC application that will increase substantially the market value at a later stage.

#### 6. General Considerations

- No allowance has been made for the balance of outstanding loans or other charges which may exist, either in respect to capital or interest thereon.
- No allowances have been made in our valuation for any expenses of purchase or realization.
- The undersigned draws attention to the fact that valuations stated within this report are exclusive of any VAT liability which may be incurred in development or disposal.
- Unless otherwise stated, the undersigned has assumed that the freehold and leasehold properties are capable of unrestricted transfer to third party purchasers (in the case of leasehold properties subject to the lessor's consent, not to be unreasonably withheld).
- The undersigned's valuation reflects only the goodwill which is transferable. It excludes goodwill which attaches to personal reputations and qualities.

In the event of a future change in the trading potential, the open market value of the existing use could vary.

#### 7. Additional Considerations

- In view that the proposal is based on already committed land, the environmental impact to its surroundings is minimal. This is in view that the proposal is also already surrounded by built up blocks of apartments.



- The proposal will also be promoting sustainability in view that the existing building will also be part of a retrofitting exercise, rather than demolishing the existing building, excavating, and re-building.

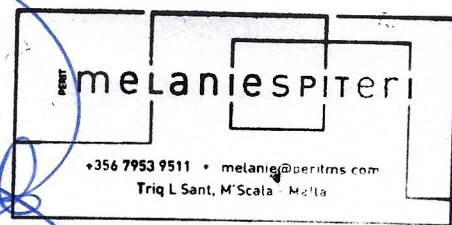
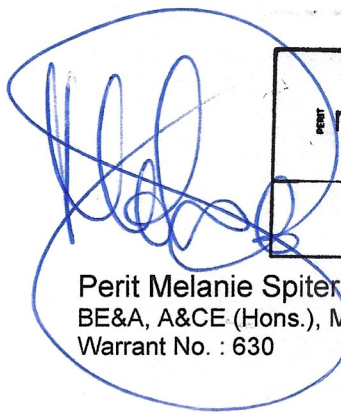
8. Valuation Methodology

The valuation is based on a comparative valuation methodology. This is a relative valuation method in which one compares the current value of a property to another with similar characteristics. This method involves comparing the subject property with similar properties that have been recently sold and those that are currently being offered for sale in the vicinity of other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the subject property.

Note should be taken to the fact that the valuation was based on an analysis of the selling price of several sites in the area and a projection as to the demand for properties of the same characteristics in the vicinity.

**The undersigned confirms that there is no conflict of interest, at the date of this report, related to this valuation.**

Regards,



Perit Melanie Spiteri  
BE&A, A&CE (Hons.), MSc (Cons.Tech)  
Warrant No. : 630

## ANNEX A-PHOTOS AND VISUALS

### Block 2



Perit Melanie Spiteri B E & A, A & CE (Hons.) architect & civil engineer  
+356 7953 9511 • melanie@peritms.com • Triq L Sant, M'Scala - Malta



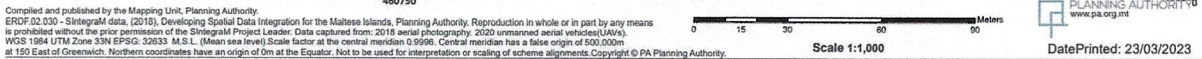
## Block 1 & Garage



Perit Melanie Spiteri B E & A, A & CE (Hons.) architect & civil engineer  
+356 7953 9511 • [melanie@peritms.com](mailto:melanie@peritms.com) • Triq L Sant, M'Scala - Malta



Fig 1.



+356 7953 9511 • [melanie@peritms.com](mailto:melanie@peritms.com) • Triq L Sant, M'Scala - Malta

This document is a Securities Note issued in accordance with the provisions of the 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.

## SECURITIES NOTE

Dated 12 December 2023

In respect of an issue of up to €5,000,000 7.25% Secured Callable Notes 2025-2027 of a nominal value of €1,000 per Note, issued and redeemable at par by



a public limited liability company registered and incorporated in terms of the Companies Act  
with company registration number C 82098 and having its registered office at  
HHF 303, Hal Far Industrial Estate, Birzebbugia BBG 3000, Malta

*Nominee and Placement Agent*



THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE 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.

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

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

APPROVED BY THE DIRECTORS

Josef Dimech

in his capacity as Director of the Issuer and on behalf of  
Jonathan Pace, Stanley Portelli, Stephen Muscat and Jesmond Manicaro

## IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY JD CAPITAL PLC (THE “ISSUER”) IN ITS CAPACITY AS ISSUER IN ACCORDANCE WITH THE REQUIREMENTS OF THE ACT AND THE REGULATION.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE GLOBAL NOTE IS ISSUED BY THE ISSUER IN FAVOUR OF THE NOMINEE AND THE SUBSEQUENT TRANSFER OF PARTICIPATIONS IN THE GLOBAL NOTE THROUGH THE ISSUE OF PARTICIPATION NOTES, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE GLOBAL NOTE.

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

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

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

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

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

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

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

THE GLOBAL NOTE HAS 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 MFSA IN SATISFACTION OF THE FINANCIAL MARKETS ACT AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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

THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER SECTION 3.1 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 NOTES ARE ISSUED SUBJECT TO THE TERMS AND CONDITIONS AS SET OUT IN THIS SECURITIES NOTE, AND THE RELEVANT SCHEDULES OF THE FIDUCIARY AGREEMENT. **INVESTORS PARTICIPATING IN THE GLOBAL NOTE THROUGH SUBSCRIPTION FOR PARTICIPATION NOTES ARE ENTITLED TO THE BENEFIT OF, ARE BOUND BY, AND ARE DEEMED TO HAVE NOTICE OF, ALL THE PROVISIONS OF THE FIDUCIARY AGREEMENT APPLICABLE TO THEM.**

THE PARTICIPATION NOTES REPRESENT PARTICIPATION IN THE GLOBAL NOTE. THE PARTICIPATION NOTES ARE TRANSFERABLE NOTES WHICH MAY BE REDEEMED BY THE ISSUER OR THE NOMINEE AND PLACEMENT AGENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS CONTAINED THEREIN.

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

THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY NOMINEE AND PLACEMENT AGENT IN ITS EFFORT TO PLACE OR RE-SELL THE NOTE SUBSCRIBED BY IT.

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

## TABLE OF CONTENTS

<b>IMPORTANT INFORMATION .....</b>	<b>2</b>
<b>1 DEFINITIONS .....</b>	<b>5</b>
<b>2 PERSONS RESPONSIBLE.....</b>	<b>6</b>
<b>3 RISK FACTORS.....</b>	<b>6</b>
3.1 General .....	6
3.2 Forward-looking statements.....	7
3.3 Risks Relating to the Notes .....	7
3.4 Risks relating to the underlying .....	9
<b>4 CONSENT FOR USE OF THE PROSPECTUS &amp; AUTHORISATION STATEMENT.....</b>	<b>10</b>
4.1 Consent required in connection with the use of the Prospectus by the Nominee and Placement Agent 10	
4.2 Statement of authorisation.....	11
<b>5 KEY INFORMATION .....</b>	<b>11</b>
5.1 Reasons for the Issue and use of proceeds .....	11
5.2 Estimated expenses and proceeds of the Issue.....	11
5.3 Offer statistics.....	11
5.4 Interest of natural and legal persons involved in the Issue .....	12
5.5 Expected timetable of principle events .....	12
<b>6 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED TO THE PUBLIC .....</b>	<b>12</b>
6.1 General .....	12
6.2 Description of the Offer .....	13
6.3 Plan of distribution and allotment.....	14
6.4 Ranking of the Notes .....	14
6.5 Rights attaching to Participation Notes.....	14
6.6 Transferability .....	14
6.7 The Nominee and Placement Agent .....	14
6.8 Interest.....	15
6.9 Limits of validity.....	15
6.10 Yield .....	16
6.11 Redemption and Purchase .....	16
6.12 The Security Interest .....	16
6.13 The Security Trust Deed .....	17
6.14 Events of Default.....	19
6.15 Governing law and jurisdiction .....	20
6.16 Taxation .....	20
<b>ANNEX 1A – TERMS AND CONDITIONS OF THE GLOBAL NOTE .....</b>	<b>23</b>
<b>ANNEX 1B – TERMS AND CONDITIONS OF THE PARTICIPATION NOTES.....</b>	<b>28</b>

# 1 DEFINITIONS

In this Securities Note, the following words and expressions shall bear the following meaning except where the context otherwise requires:

<b>Applicant/s</b>	Any person or persons, natural or legal, subscribing for the Participation Notes;
<b>Applications</b>	the application to subscribe for the Participation Notes made by an Applicant/s through the Nominee and Placement Agent in accordance with the terms of this Securities Note;
<b>Appropriateness Test</b>	shall have the meaning set out in section 6.7 of this Securities Note;
<b>Business Day</b>	any day between Monday and Friday, both days included, on which commercial banks in Malta settle payments and are open for normal banking business;
<b>CET</b>	Central European Time;
<b>Civil Code</b>	the Civil Code (Cap. 16 of the Laws of Malta);
<b>Conditional Early Redemption</b>	subject to the condition that the Issuer makes an application to the MFSA for admissibility to listing of an offering of securities to the public, the Global Note issued may be redeemed by the Issuer on a Conditional Early Redemption Date;
<b>Conditional Early Redemption Date</b>	any date falling between 30 January 2024 and 30 January 2025, at the sole option of the Issuer, on which the Issuer shall be entitled to prepay the principal amount of Notes and all interests accrued up to the date of prepayment, by giving not less than ten (10) nor more than sixty (60) days' notice to the Noteholders;
<b>Early Redemption Date</b>	any date falling between 30 January 2025 and 30 January 2027, at the sole option of the Issuer, on which the Issuer shall be entitled to prepay all or part of the principal amount of Notes and all interests accrued up to the date of prepayment, by giving not less than thirty (30) days' notice to the Noteholders and the term " <b>Early Redemption</b> " shall be construed accordingly;
<b>Fiduciary Agreement</b>	the agreement entered into by and between the Issuer and the Nominee and Placement Agent dated 14 December 2023;
<b>Fiduciary Asset</b>	the rights attaching to and emanating from the Global Note and the Fiduciary Agreement including the right of payment of principal and interest under the Global Note;
<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
<b>Interest Payment Date</b>	30 January of each year between and including each of the years 2025 and the year 2027;
<b>Issue Date</b>	expected 30 January 2024;
<b>Offer Amount</b>	up to €5,000,000;
<b>Offer Period</b>	18 December 2023 to 26 January 2024 at 12:00 CET, both days included provided that the Offer Period may be extended by the Nominee and Placement Agent by giving written notice thereof to the Issuer by not later than 26 January 2024;

<b>Redemption Date or Maturity Date</b>	30 January 2027 unless earlier redeemed, purchased or cancelled;
<b>Redemption Value</b>	the nominal value of each Participation Note (€1,000) per Participation Note;
<b>Registered Investor</b>	the holder of a Participation Note as identified in the Register of Investors;
<b>Register of Global Noteholders</b>	the register maintained by the Issuer identifying the holder of the Global Note;
<b>Subscription Agreement</b>	the agreement to subscribe to the Participation Notes;
<b>Suitability Test</b>	shall have the meaning set out in section 6.7 of this Securities Note; and
<b>Terms and Conditions</b>	the terms and conditions of the Offer set out in Annex 1A and Annex 1B to this Securities Note.

Unless it appears otherwise from the context:

- a. Words importing the singular shall include the plural and *vice-versa*;
- b. Words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c. The word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- d. Any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
- e. Any reference to a person includes that person’s legal personal representatives, successors and assigns;
- f. Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- g. Any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Securities Note.

## 2 PERSONS RESPONSIBLE

This Securities Note includes information given in compliance with the Regulation for the purpose of providing prospective investors with information with regard to the Issuer and the Offer. Stephen Muscat, Jesmond Manicaro, Stanley Portelli, Jonathan Donald Pace and Josef Dimech, being all of the Directors of the Issuer as further detailed in sub-section 9.1 of the Registration Document, accept responsibility for the information contained in the Prospectus.

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 hereby accept responsibility accordingly.

## 3 RISK FACTORS

### 3.1 General

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

THE NOMINAL VALUE OF THE NOTES WILL BE REPAYABLE IN FULL UPON MATURITY ON THE REDEMPTION DATE UNLESS THE NOTES ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE PARTICPATION NOTES. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED, OTHER THAN THE FIRST RISK FACTOR PRESENTED IN EACH CATEGORY, IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES: (A) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, (B) NOR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER

INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY NOTES, SHOULD PURCHASE ANY PARTICIPATION NOTES.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

### 3.2 Forward-looking statements

The Prospectus 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, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the Issuer’s and the Group’s strategies and business plans, results of operations, financial condition, liquidity and prospects of the Issuer and the markets in which it operates.

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 actual results of operations, financial condition, liquidity and the strategic development of the Issuer and the Group may differ materially from the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and/or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

- (i) Continued, sustained or worsening global economic conditions and in particular economic weakness in the areas in which the Issuer and/or the Group operates;
- (ii) Increased competition; and
- (iii) Increased regulation.

Potential investors are advised to read the Prospectus in its entirety and, in particular, this section titled “Risk Factors” for a further discussion of the factors that could affect the Issuer’s and/or the Group’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date hereof. 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 statement is based.

### 3.3 Risks Relating to the Notes

An investment in the Participation Notes includes certain risks including, but not limited to, the following:

#### i. Notes not traded on any regulated market

The Participation Notes are transferable but shall not be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility and Participation Noteholders may find it more difficult to identify willing buyers for their Participation Notes. Participation Noteholders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all if insufficient liquidity exists in the market for the Participation Notes. The ease of transferability of the Participation Notes depends on factors beyond the Issuer’s control which could impact the trading value of the Participation Notes, such as the willingness or otherwise of potential buyers and sellers of the Participation Notes. The trading value of the Participation Notes may also be impacted by other factors, such as the time remaining for maturity of the Global Note and Participation Notes, the outstanding amount of the Global Note and Participation Notes, and the level, direction and volatility of market interest rates generally.

#### ii. Status and ranking of the Notes and additional indebtedness or security

The Global Note and Participation Notes (their repayment and the payment of interest thereon), as an when issued, shall constitute the general, direct and unconditional obligations of the Issuer to the Global Noteholder and the Participation Noteholder/s secured in the manner described in section 6.12 of this Securities Note and shall at all times rank *pari passu* without any priority or preference among themselves. The Global Note and the Participation Notes shall rank subsequent to any other prior ranking indebtedness of the Issuer. In terms of Maltese law, hypothecary debts are paid according to the order of their registration in the Public Registry of Malta. The Issuer shall secure its obligations under the Global Note and, in turn, the Participation Notes by virtue of a special hypothec over the Secured Property (the “**Special Hypothec**”).

Further to the above, there can be no guarantee that any other prior ranking privileges or security in specific situations will not arise by operation of law during the course of the Issuer's or JD Estates' business which may rank with priority or preference to the Special Hypothec. Moreover, it is also possible that additional third-party security interests may be registered that will rank in priority to the Global Note and, in turn, the Participation Notes against the unencumbered assets of the Issuer and JD Estates for so long as such security interests remain in effect.

As a result, in the event of the insolvency of the Issuer, or of a default under the Terms and Conditions, the Global Noteholder and, in turn, the Participation Noteholders, may not be able to recover their investment under the Global Note and the Participation Notes, respectively (in whole or in part) until such time as the claim/s of higher-ranking creditors are duly satisfied.

### iii. Complex Financial Instrument and Suitability Risk

The Participation Notes are complex financial instruments and may not be suitable for all recipients of the Prospectus. Prospective investors are urged to consult an investment advisor licensed under the Investment Services Act as to the suitability or otherwise of an investment in the Participation Notes before making an investment decision. In the event that the prospective investor does not seek financial 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.

### iv. Notes are Redeemable at the Option of the Issuer

The Global Note may be redeemed by the Issuer on any Early Redemption Date on at least thirty (30) Business Days' prior written notice to the relevant Noteholder.

Moreover, subject to the condition that the Issuer make an application to the MFSA for admissibility to listing of an offering to the public, the Global Note issued may be redeemed by the Issuer at any time from the date of Issue upon not less than 10 nor more than 60 days' notice to the Noteholders.

Once the Notes are redeemed the Noteholders will no longer be entitled to any interest or other rights in relation to those Notes. If Notes are redeemed prior to the Maturity Date, a Noteholder would not receive the same return on investment that it would have received if they were redeemed on the Maturity Date. In addition, Noteholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Notes.

### v. Interest Rate Risk of the Notes and the Possible Impact of Inflation

The Notes shall carry fixed interest rates. Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. Investors should also be aware that the price of fixed-rate debt securities should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising as a result of inflationary pressures, *inter alia*, the price of fixed debt securities decline and conversely, if market interest rates are declining, the prices of fixed-rate debt securities rise. This is called market risk since it arises only if a Participation Noteholder decides to sell the Notes before maturity on the secondary market.

### vi. Future public offers

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

### vii. Currency of reference

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

### viii. Amendments to or waivers of the terms and conditions of the Notes

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Global Note it shall call upon the Nominee and Placement Agent to call a meeting of Participation Noteholders in accordance with the provisions of sub-section 12 of Annex 1B of this Securities Note. These provisions permit defined majorities to bind all Participation Noteholders, including Participation Noteholders who do not attend and vote at the relevant meeting and Participation Noteholders who vote in a manner contrary to the majority.

ix. Changes in law

The Terms and Conditions of the Global Note and the Terms and Conditions of the Participation Notes are based on Maltese law in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.

### 3.4 Risks relating to the underlying

i. Enforcement Rights

The Notes shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, they shall rank without priority or preference over all unsecured indebtedness of the Issuer, if any, by virtue and to the extent of the first ranking special hypothec over the Secured Property which the Issuer has agreed to constitute in favour of the Security Trustee for the benefit of the Noteholders.

In terms of the Security Trust Deed, the Security Trustee retains the discretion to substitute any one of the immovable properties subject to the Special Hypothec with another immovable property owned by the Issuer or some affiliated company, subject to a property valuation report by an independent architect to be appointed by the Issuer with the consent of the Security Trustee, confirming that the value of the property substituting and being added to the immovable properties subject to the Special Hypothec is at least equal to the value of the immovable property on which the charge has been lifted.

Notwithstanding that the Notes constitute the general, direct, unconditional and secured obligations of the Issuer, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer which may rank with priority or preference to the Special Hypothec. Moreover, whilst this special hypothec grants the Security Trustee a right of preference and priority for repayment of the Notes over the creditors of the Issuer in respect of the Secured Property, there can be no guarantee that the value of the said Secured Property over the term of the Notes will be sufficient to cover the full amount of interest and principal outstanding under the said Notes. This loss in value may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Secured Property. If such circumstances were to arise or subsist at the time that the Special Hypothec 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 Notes. Whilst the independent valuation opines that the value of the Secured Property, once developed, actually exceeds the aggregate nominal value of the Global Note outstanding as at that date, there is no guarantee that such value determined in the independent valuation would be achieved, particularly if the Special Hypothec is enforced at a time when the Secured Property is still not completed and unfinished, in which case various pressures in the market may push the price down (including the perceived weakness in the financial situation of the Group by potential buyers, the hesitation of potential buyers to take up the commitments, efforts and challenges of completing the same, the lost opportunity of fetching a good price typically offered by an immovable which is finished and which can be sold immediately).

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 the Secured Property reflects actual values that could be achieved on a sale, even where any such sale was 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.

ii. Value of the Secured Property

Given that JD Real Estate is a property holding company, it is exposed to fluctuations in the property and real estate markets. Property investments are subject to varying degrees of risks. Property and real estate values are affected (amongst other things) by changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The capital value of the Secured Property may also be adversely affected as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation, planning and the property market in general), political conditions, the conditions of the financial markets, interest and inflation rate fluctuations and higher accounting and control expenses.

The Architect's Valuation prepared by an independent qualified architect in respect to the Secured Property contains certain assumptions. The actual value of the Secured Property may be materially different from any future values that may be expressed or implied in any forward-looking statements or anticipated on the basis of historical trends, as the eventual reality might not match the assumptions. There can be no assurance that the Architect's Valuation reflects what the actual market value of the Secured Property will be at the time of enforcement of the Special Hypothec, and a lower market value at the time of enforcement will, therefore, have an adverse effect on the level of recoverability of amounts than might have otherwise been expected as of the date of the Prospectus.

## 4 CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

### 4.1 Consent required in connection with the use of the Prospectus by the Nominee and Placement Agent

The Issuer has given its express written consent to the Nominee and Placement Agent for the use of the Prospectus by the same Nominee and Placement Agent for the purpose of final placement and, or subsequent resale of the Participation Notes taking place within the period of 60 days from the date of this Securities Note. The Issuer accepts full responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of the Participation Notes by the Nominee and Placement Agent.

The Nominee and Placement Agent will only be permitted to use the Prospectus in the Republic of Malta.

There are no other conditions attached to the consent given by the Issuer to the Nominee and Placement Agent which are relevant for the use of the Prospectus.

The Nominee and Placement Agent is the only financial intermediary that is permitted to use the Prospectus for the purpose of final placement of the Participation Notes. Should there be any new information with respect to the Nominee and Placement Agent, such information shall be made available on its website. Provided that the Participation Notes are deemed to be complex instruments, they may not be distributed to retail clients before at least an Appropriateness Test has been carried out. Particularly, to the extent that the Nominee and Placement Agent provides investment advice in respect of a purchase of the Participation Notes by an Applicant, the Nominee and Placement Agent shall also be required to conduct a Suitability Test in respect of that Applicant and, based on the result of such test, be satisfied that an investment in the Participation Notes may be considered suitable for the Applicant.

**All information on the Terms and Conditions of the Participation Notes which are offered to any investor by the Nominee and Placement Agent is to be provided by the Nominee and Placement Agent to the investor prior to such investor subscribing to any Participation Note. Any interested investor has the right to request that the Nominee and Placement Agent provide the said prospective investor with any and all information on the Prospectus, including the Terms and Conditions of the Participation Notes.**

**The Nominee and Placement Agent using the Prospectus in connection with the resale or placement of Participation Notes subsequent to the Offer 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 and placement 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, if applicable.**

Other than as set out above, neither the Issuer, nor the Nominee and Placement Agent, 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 Participation Notes by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Nominee and Placement Agent and neither the Issuer nor the Nominee and Placement Agent has any responsibility or liability for the actions of any person making such offers.

If the investor is in doubt as to whether he/she can rely on the Prospectus and, or who is responsible for its contents, the investor should obtain legal advice in that regard. 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, such information and, or representation must not be relied upon as having been authorised by the Issuer or the Nominee and Placement Agent. The Issuer does not accept responsibility for any information not contained in the Prospectus.

Any resale, placement or offering of Participation Notes to an investor by the Nominee and Placement Agent will be made in accordance with any terms and other arrangements in place between such Nominee and Placement Agent 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 Nominee and Placement Agent at the time of such resale, placement or offering to provide the investor with that information, and the Issuer has no responsibility or liability for such information.



## 4.2 Statement of authorisation

This Securities Note has been approved by the MFSA, as the competent authority under the Regulation. The MFSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Prospective investors should make their own assessment as to the suitability of investing in the Participation Notes.

## 5 KEY INFORMATION

### 5.1 Reasons for the Issue and use of proceeds

The proceeds from the Issue, will be utilised for the following purposes which funds shall be applied in the below-mentioned order of priority in the event that the Issue is not fully subscribed to:

- (i) €3,000,000 to be on-lent to JD Real Estate for its utilisation by way of part consideration for the acquisition of the Secured Property in terms of the Ta' Monita POSA;
- (ii) Approximately €600,000 to be on-lent to JD Real Estate to cover the costs associated with the acquisition of the Secured Property; and
- (iii) €1,400,000 by way of general corporate funding.

In the event that the Issue is subscribed for an amount of less than €4,000,000 (the “**Minimum Subscription Amount**”), no allotment of Participation Notes shall be made, the subscription of Participation Notes shall be deemed not to have been accepted by the Issuer and all money received from the Nominee and Placement Agent shall be returned by the Issuer, acting through the Nominee and Placement Agent, without interest, by direct credit transfer to the respective account number indicated in the respective subscription agreement by latest 30 January 2024. Neither the Issuer nor the Nominee and Placement Agent will be responsible for any loss or delays in transmission of the refunds or any charges in connection therewith.

In the event that the Minimum Subscription Amount is reached by the Issue is not fully subscribed, the Issuer will proceed with the Issue of the amount of Participation Notes subscribed for equal to or above the Minimum Subscription Amount and the proceeds of the Issue shall be applied for the purpose and in the order of priority set out above. The residual amount required by the Issuer for the purpose of the uses specified in this sub-section 5.1 which shall not have been raised through the Issue shall be financed from the Group's own funds, bank financing and/or shareholder's funding.

### 5.2 Estimated expenses and proceeds of the Issue

Professional fees and costs related to publicity, advertising, printing, registration, nominee and placement agent, management, selling commission, and other miscellaneous expenses in connection with the Issue are estimated not to exceed €150,000 and shall be borne by the Issuer. There is no particular order of priority with respect to such expenses.

### 5.3 Offer statistics

Amount	€5,000,000;
Denomination	Euro (€);
Form	the Global Note will be issued in fully certified and registered form without a coupon;
Issue Price	€1,000 per Participation Note;
ISIN	MT0001831230
Governing law and jurisdiction	The Global Note is governed by and shall be construed in accordance with Maltese law and the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Global Note;
Interest	7.25% payable annually in arrears on the Interest Payment Dates;
Interest Payment Date	Annually on the 30 January of each year between and including each of the

	years 2025 and 2027, as from 30 January 2025, being the first Interest Payment Date, provided that 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;
Issue Date	30 January 2024;
Listing	no application has been made, nor is it intended that an application be made, for the Global Notes and Participation Notes to be admitted on a regulated market or other trading platform;
Minimum subscription amount	should subscriptions for a total of at least €4,000,000 not be received, no allotment of the Participation Notes shall be made, the Applications for Participation Notes shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Participation Notes shall be refunded accordingly;
Minimum amount per Application	minimum of €5,000 and multiples of €1,000 thereafter, applicable to each subscription agreement and to each underlying Applicant applying for Participation Notes;
Offer Period	08:30 hours on 18 December 2023 to 12:00 hours on 26 January 2024, both days included;
Plan of distribution	the Participation Notes are open for subscription through the Nominee and Placement Agent;
Redemption Date	30 January 2027 unless earlier purchased and cancelled or redeemed in the case of an Early Redemption or Conditional Early Redemption;
Redemption Value	at par (€1,000 per Participation Note);
Underwriting	the Notes are not underwritten.

## 5.4 Interest of natural and legal persons involved in the Issue

Save for possible subscription of the Participation Notes by the Nominee and Placement Agent and any fees payable to the Nominee and Placement Agent in connection with the Offer, so far as the Issuer is aware, no person involved in the Offer has an interest material to the Offer.

## 5.5 Expected timetable of principle events

1. Offer Period*	18 December 2023 – 26 January 2024 at 12:00 CET
2. Commencement of Interest on Participation Notes	30 January 2024
3. Announcement of basis of acceptance through a company announcement	30 January 2024
4. Refunds of unallocated monies, if any	30 January 2024
5. Issue of Participation Notes certificates	30 January 2024
6. Issue date of Global Note	30 January 2024

*\*The Issuer reserves the right to close the Offer Period before 30 January 2024 in the event of oversubscription, in which case the remaining events set out in 2-6 above will be brought forward and will take place in the same chronological order as set out above.*

## 6 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED TO THE PUBLIC

Each Global Note shall be issued on the Terms and Conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Participation Notes, the Participation Noteholders are deemed to have knowledge of all the Terms and Conditions of the Notes hereafter described and to accept and be bound by the said Terms and Conditions.

### 6.1 General

- (i) The Issuer is making an offer to the public for participation in the Global Note through the issuance of the Participation Notes.

- (ii) The Global Note represents a principal amount of five million Euro (€5,000,000) due by the Issuer to the Nominee and Placement Agent under the terms of the Global Note. The Global Note is redeemable on the Redemption Date.
- (iii) The Global Note constitutes the general, direct, unconditional and secured obligations of the Issuer.
- (iv) The Participation Notes represent participations in the Global Note corresponding to the amount stated in the Participation Notes. A Participation Note represents the proportionate entitlement of a Participation Noteholder to the rights over the Global Note and in particular shall entitle the Participation Noteholder to receive the repayment of principal and interest on the Global Note. By executing the Subscription Agreement, the Participation Noteholder acknowledges and accepts that all enforcement action against the Issuer shall vest in the Nominee and Placement Agent and the Participation Noteholder shall not have the right to make any claim against the Issuer other than through the Security Trustee to the Nominee and Placement Agent. By subscribing to the Participation Notes, the Participation Noteholders irrevocably authorise the Nominee and Placement Agent for and on their behalf to exercise such rights, powers and discretions as are specifically delegated to it in terms of the Fiduciary Agreement, subject to the provisions of the Security Trust Deed, together with all such rights, powers and discretions as are incidental thereto, and to give a good discharge for all moneys payable under the Global Note.

## 6.2 Description of the Offer

- (i) The Offer by the Issuer consists of the issue of up to five million Euro (€5,000,000) seven point two five per cent (7.25%) Global Note 2027, to be issued to the Nominee and Placement Agent pursuant to and under the Terms and Conditions of the Global Note. Investors in Malta can participate in the Global Note by virtue of the subscription to Participation Notes.
- (ii) The Participation Notes relating to the Global Note shall be available for subscription during the Offer Period. Such subscription shall be for an amount of up to five million Euro (€5,000,000) and the Issuer shall make use of such proceeds in the manner set out in sub-section 5.1 above.
- (iii) The Offer Period shall close immediately upon attaining full subscription. The Issuer has not established an aggregate minimum subscription level for the Global Note. Accordingly, in the event that the Participation Notes representing the rights and interests of the Participation Noteholders in the Global Note are not fully subscribed, the subscribed portion of the Global Note shall be allocated in accordance with the terms of this Securities Note.
- (iv) The Global Note and Participation Notes will **NOT** be listed on the Official List or on any other regulated market on the Issue Date. The Directors have no intention of submitting an application for the admissibility of the Global Note and Participation Notes to listing and subsequent trading on any regulated market or other trading facility.
- (v) In the event that Applicants applying for Participation Notes have not been allocated any Participation Notes or have been allocated a number of Participation Notes which is less than the number applied for, the respective Applicant shall receive a full refund or, as the case may be, the balance of the price of the Participation Notes applied for but not allocated, without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Subscription Agreement by not later than 30 January 2024. Neither the Issuer nor the Nominee and Placement Agent will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to the Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Cap. 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- (vi) There are no special rights attached to the Participation Notes other than the right of the Noteholders to the payment of interest and capital (as detailed in sub-section 6.5 below).
- (vii) The minimum subscription amount of Participation Notes that can be subscribed for by Applicants is €5,000 and in multiples of €1,000 thereafter.
- (viii) Participation Notes shall be placed by the Nominee and Placement Agent.
- (ix) The issue of the Global Note is made in accordance with the requirements of the Act and the Regulation.
- (x) The Notes are not underwritten. In the event that the Global Note and Participation Notes are not fully subscribed to, subject to the Minimum Subscription Amount, the Issuer will proceed with the issue of the amount of Participation Notes subscribed for.
- (xi) All Subscription Agreements shall be subject to the Terms and Conditions of the Participation Notes as set out in Annex 1B below, the terms of which shall form an integral part hereof.

### 6.3 Plan of distribution and allotment

Applications for subscriptions to the Participation Notes may be made through the Nominee and Placement Agent subject to a minimum Application of €5,000 and in multiples of €1,000 thereafter.

It is expected that Participation Notes certificates will be dispatched to Applicants by latest 30 January 2024. The said certificate 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, 1994 (Cap. 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

By not later than 30 January 2024, the Issuer shall announce the results and basis of acceptance of the Offer through a company announcement. Dealings in the Participation Notes shall not commence prior to the said notification.

### 6.4 Ranking of the Notes

The Notes, 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. The Notes shall rank with priority or preference to all other present and future unsecured obligations of the Issuer, save for such exceptions as may be provided by applicable law, by virtue and to the extent of the Special Hypothec. Pursuant to the Trust Deed, the Issuer has agreed to constitute in favour of the Security Trustee for the benefit of Noteholders as beneficiaries, the Special Hypothec. The Special Hypothec will secure the claim of the Security Trustee, for the benefit and in the interest of Noteholders as beneficiaries, for the repayment of the principal and interest under the Notes by a preferred claim over the Secured Property.

### 6.5 Rights attaching to Participation Notes

Prospective Investors wishing to participate in the Global Note will be able to do so by duly executing a Subscription Agreement in relation to the Participation Notes. Execution of the Subscription Agreement will entitle such investor:

- (i) to participate in the Global Note with respect to the rights and benefits under the Global Note in the proportion that the amount of that subscription constitutes in relation to the face value of the Global Note;
- (ii) to have his/her/its name entered into the Register of Investors by the Nominee and Placement Agent as a Registered Investor in the Global Note;
- (iii) to receive from the Nominee and Placement Agent an acknowledgement of his/her/its interest in the Global Note by the issue of a Participation Note;
- (iv) to all such rights and benefits applicable to the Participation Noteholders as set out in the Prospectus; and
- (v) to all such rights and benefits applicable to Participation Noteholders as set out in the Fiduciary Agreement.

Upon execution of the Subscription Agreement, an investor will also be bound by and be deemed to have notice of all the provisions of the Fiduciary Agreement and the Terms and Conditions of the Global Note.

The Participation Note shall entitle the Participation Noteholders to rank *pari passu* according to the rights and interests held by each Participation Noteholder in the Fiduciary Asset in accordance with the terms of the Fiduciary Agreement.

### 6.6 Transferability

Participation Notes are transferable certificates issued by the Nominee and Placement Agent to a Registered Investor acknowledging the interest of the Registered Investor named therein in the Fiduciary Asset and evidences an entry in the Register of Investors held by the Nominee and Placement Agent. The Participation Notes will be issued in registered form and will not be issued in bearer form.

### 6.7 The Nominee and Placement Agent

The Issuer, as principal, has entered into the Fiduciary Agreement pursuant to which Calamatta Cuschieri Investment Services Ltd has been appointed as the Nominee and Placement Agent to hold the Fiduciary Asset on behalf of and as nominee for the Registered Investors *pari passu* according to the rights and interests held by each Registered Investor in the Fiduciary Asset as evidenced in the Register of Investors in accordance with the provisions of the Fiduciary Agreement.

The Nominee and Placement Agent will be the legal owner of the Fiduciary Asset which consists of the covenants of the Issuer to pay the principal under the Participation Notes and interests thereon and all the rights and benefits emanating from the Fiduciary Agreement. The Nominee and Placement Agent recognises the interests of the Registered Investors and in effect holds the Fiduciary Asset in the interest of and acts for the benefit of the Registered Investors under the Fiduciary Agreement. The Nominee and Placement Agent's role therefore includes the status of the Nominee and Placement Agent to enforce all the rights under the Participation Notes and the Fiduciary Agreement as well as to hold the Fiduciary Asset. As the legal owner of the Global Note and all rights attaching thereto the Nominee and Placement Agent will receive all payments of interest for distribution to the Registered Investors.

Similarly, the Issuer has appointed Calamatta Cuschieri Investment Limited as the Nominee and Placement Agent to hold the Global Note for the benefit of the Registered Investors *pari passu* according to the rights and interests held by each Registered Investor in the Global Note as evidenced in the Register of Investors in accordance with the provisions of the Prospectus. As the holder of the Global Note, the Nominee and Placement Agent will receive all payments of interest and principal for distribution to the Registered Investors.

It shall be incumbent on the Nominee and Placement Agent to ascertain that all other applicable regulatory requirements relating to subscription of Participation Notes by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR") as well as applicable MFSA Rules for investment services providers. Provided that the Participation Notes are deemed to be complex instruments, they may not be distributed to retail clients before at least an Appropriateness Test has been carried out. Particularly, to the extent that the Nominee and Placement Agent provides investment advice in respect of a purchase of the Participation Notes by an Applicant, the Nominee and Placement Agent shall also be required to conduct a Suitability Test in respect of that Applicant and, based on the results of such test, be satisfied that an investment in the Participation Notes may be considered suitable for the Applicant.

For the purpose of this Securities Note, the term "Appropriateness Test" means the test conducted by the Nominee and Placement Agent, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of the Participation Notes, for the purpose of the Nominee and Placement Agent determining (after collecting the necessary information) whether the investment service or the Participation Notes are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the Nominee and Placement Agent shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee's knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Participation Notes or investment service offered or demanded, in accordance with the Conduct of Business Rulebook issued by the MFSA. In the event that the Nominee and Placement Agent considers, on the basis of the test conducted, that the subscription or transfer of Participation Notes is not appropriate for the Applicant or prospective transferee, the Nominee and Placement Agent shall warn the Applicant or transferee that an investment in the Participation Notes is not appropriate for the Applicant or transferee.

For the purpose of this Securities Note, the term "Suitability Test" means the process through which the Nominee and Placement Agent when providing investment advice or portfolio management services in relation to the subscription for and trading of Participation Notes obtains such information from the Applicant or prospective transferee as is necessary to enable the Nominee and Placement Agent to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Participation Notes that are considered suitable for him/her, in accordance with the Conduct of Business Rulebook issued by the MFSA.

## 6.8 Interest

The Global Note shall bear interest from and including 30 January 2024 at the rate of 7.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be affected on 30 January 2025 (covering the period 30 January 2024 to 29 January 2025). Any Interest Payment Date which falls on a day other than a Business Day shall be carried over to the next following day that is a Business Day. When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

## 6.9 Limits of validity

In terms of article 2156 of the Civil Code, the right of Noteholders to bring claims for payment of interest and repayment of the principal on the Notes is barred by the lapse of five (5) years.

## 6.10 Yield

The gross yield calculated on the basis of the Interest, the Offer Price and the Redemption Value of the Notes is 7.25% per annum. The table below illustrated the gross yield at the different Early Redemption Dates:

Year	Redemption Price	Yield
2025	103.625	10.681%
2026	101.812	8.083%
2027	100.000	7.250%

## 6.11 Redemption and Purchase

Unless previously purchased and cancelled or redeemed in the case of an Early Redemption or Conditional Early Redemption, the Notes shall be redeemed at their nominal value (together with Interest accrued to the date fixed for redemption) on 30 January 2027. Subject to the provisions of this section 6.11, the Issuer may at any time purchase Participation Notes from willing sellers as agreed between both parties from time to time. Any purchase by tender shall be made available to all Participation Noteholders alike. All Participation Notes so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold. The Nominee and Placement Agent shall accordingly cancel the participations in accordance with the terms of the Fiduciary Agreement and the Participation Note.

The Issuer reserves the right to redeem any or all of the Participation Notes on any Early Redemption Date on giving not less than thirty (30) Business Day's prior written notice to the Noteholders specifying the date on which such redemption shall be effected. Each Note may be redeemed only in whole and not in part and any partial redemption of the Participation Notes held by a Participation Noteholder shall be made only in multiples of €1,000. Any redemption of the Participation Notes prior to the Maturity Date shall take place by payment of all principal together with interest accrued and unpaid on the Participation Notes being so redeemed until the relevant Early Redemption Date. The notice of redemption shall be effective only on actual receipt by the relevant Participation Noteholders, shall be irrevocable and shall oblige the Issuer to make, and the Participation Noteholders to accept, such redemption on the date specified in the notice.

Any partial redemption of Participation Notes by the Issuer shall be effected by means of a redemption of Participation Notes held by each Participation Noteholder on a *pro rata* basis.

At any time prior to 30 January 2025, the Issuer may on any one or more occasions elect to initiate a Conditional Early Redemption by redeeming the aggregate principal amount of the Bonds issued, upon not less than 10 nor more than 60 days' notice to Noteholders, at a redemption price equal to 7.25% of the principal amount of the Participation Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to (but not including) the date of redemption. The Conditional Early Redemption prior to 30 January 2025 is subject to the condition that the Issuer make an application for the admissibility to listing of an offering to the public.

On or after 2025, the Issuer may on any one or more occasions redeem all or a part of Participation Notes as follows;

Year	Redemption Price
2025	103.625
2026	101.812
2027	100.000

## 6.12 The Security Interest

### 6.12.1 The Special Hypothec

The Notes shall be secured, upon Completion, by the Special Hypothec which shall be registered in favour of the Security Trustee, in terms of the Security Trust Deed. Details of the Security Trust Deed are contained in sub-section 6.13 of this Securities Note.

The Special Hypothec may be varied or reduced from time to time, as provided for in clauses 9.7 and 9.8 of the Security Trust Deed, insofar as the value of the property charged by the Special Hypothec from time to time shall not be less than the aggregate nominal amount of the Notes outstanding at the time together with an amount equivalent one (1) years' Interest payments on such outstanding Notes. In the event that the Special Hypothec be varied as aforesaid, the ranking of the Special

Hypothec may not be the same as the ranking of the Initial Security Interest. Moreover, the Security Trustee, if it is deemed to be in the interest of the Noteholders, may provide its consent for security to be granted by the Issuer which shall rank prior to the Initial Security Interest in terms of and under the conditions set out in clauses 9.7 and 9.8 of the Security Trust Deed, described in section 4.7 of this Securities Note. In such cases, the Security Trustee shall, in giving its consent, act for the benefit of Noteholders as he is obliged to do in terms of law (Article 3.1 of the Trusts and Trustees Act (Cap. 331 of the Laws of Malta)).

In terms of Article 1995 of the Civil Code, the property of a debtor is the common guarantee of his creditors, all of whom have an equal right over such property unless there exist between them 'lawful causes of preference'. Hypothecs are 'lawful causes of preference'.

A hypothec is a right created over the property of a debtor or of a third party for the benefit of the creditor, as security for the fulfilment of an obligation (Article 2011 of the Civil Code); a special hypothec is a hypothec which affects particular immovables (Article 2012 of the Civil Code).

The Special Hypothec created in favour of the Security Trustee for the benefit of the Noteholders shall secure the principal amount of the Notes still outstanding together with accrued interest thereon. However, in the event of enforcement, the Special Hypothec would be subordinate to any security interest which may arise by operation of law over the Secured Property.

#### **6.12.2 The Cash Collateral**

Furthermore, the Security Trustee shall, upon Completion, retain the Cash Collateral as additional security for the benefit of the Noteholders. The Cash Collateral shall be held on escrow by the Security Trustee for the on-lending to JD Real Estate for the acquisition of the Secured Property and the Skorba Property on the date of the deed of acquisition in relation to the Secured Property and the date of the share transfer agreement for the acquisition of J&J Developments in relation to the Skorba Property.

In terms of the Security Trust Deed, the Security Trustee may retain and pay to itself out of any monies or the proceeds of any investment in its hands upon the trusts of the Trust Deed all sums owing to it in respect of remuneration costs, charges, expenses or interest or by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Noteholders.

### **6.13 The Security Trust Deed**

The following does not purport to constitute an exhaustive summary of the Security Trust Deed. This sub-section 6.13 is simply intended to give an overview of the more salient provisions of the Security Trust Deed. For more information on the provisions of the Security Trust Deed, please refer to the Security Trust Deed which is available for inspection as indicated in section 14 of the Registration Document.

Terms in this sub-section 6.13 have the meaning assigned to them in the Security Trust Deed.

#### **6.13.1 General provisions**

The trust is constituted in terms of Article 2095E of the Civil Code, and is to be treated as constituted in the context of a commercial transaction in terms and for the purposes of the Trusts and Trustees Act (Cap. 331 of the Laws of Malta).

#### **6.13.2 Safeguards for the Applicants**

##### *6.13.2.1 Conditions*

The proceeds from the issue of the Notes shall be held by the Security Trustee for the on-lending to JD Real Estate the funds required for (i) the part-financing of the acquisition by it of the Secured Property including costs, taxes and expenses related thereto; and (ii) general corporate funding. All proceeds shall be released by the Security Trustee to the Issuer against the presentation by the Issuer to the Security Trustee of documentation to the satisfaction of the Security Trustee evidencing that the funds allocated for the acquisition of the Secured Property are required. Release of funds by the Security Trustee shall be subject to Completion.

##### *6.13.2.2 Registration of the Special Hypothec*

The Issuer shall, upon acquiring the Secured Property, register a special hypothec in favour of the Security Trustee, over the Secured Property, which shall be constituted for the aggregate amount of Notes outstanding on the Completion Date.

### 6.13.3 Variation or reduction of the Special Hypothec

The Security Trust Deed makes provision for the following:

- (i) In the event that any of the Notes are either redeemed or purchased and cancelled by the Issuer, the value of the Special Hypothec is to be reduced by an amount equivalent to the principal amount of the Notes so redeemed or purchased and cancelled.
- (ii) The Issuer has the right to have a part or parts of the property being secured by the Special Hypothec to be released from the effects of the Special Hypothec and/or to have the relative Special Hypothec waived or postponed, without substituting other property or money, provided that the property remaining immediately after such release or waiver shall have an aggregate value as shown by a valuation of not less than the aggregate nominal amount of the Notes and the interest payable thereon for a period of one (1) years. The Security Trust Deed defines 'valuation' as a valuation made by such professional valuer as may be nominated or approved by the Security Trustee (the 'Valuer') on the basis of applicable international standards or such other basis as the Security Trustee may approve, in the case of immovable property. The Issuer and the Security Trustee have the right to require a valuation at any time, at the Issuer's expense, and may require the release, waiver or postponement of the Special Hypothec as aforesaid within twelve (12) months of the date of the valuation. The Security Trustee may, subject to agreement with the Issuer, instead of requiring a valuation, treat the value of the property as being its proposed sale price.

### 6.13.4 Covenants and representations and warranties

The Issuer has covenanted various obligations with the Security Trustee which apply for the duration of the continuance of the Security Interest. These covenants may be enforced by the Security Trustee. Moreover, the Issuer has made a number of representations and warranties to the Security Trustee, that relies on such representations and warranties.

### 6.13.5 Functions and powers of the Security Trustee

The Security Trust Deed makes provision for various powers of the Security Trustee. Most notably, the Security Trustee may, by notice in writing to the Issuer, declare the Notes to have become immediately due and repayable in the case of an Event of Default under the Prospectus and may, through the Nominee and Placement Agent, take any proceedings against the Issuer as it may deem fit including the enforcement of the Security Interest if the Issuer fails to pay the principal amount as and when the Notes are due to be redeemed and failure continues for 30 days after written notice is given to the Issuer or at any time after the Notes have become immediately due and payable. The functions and powers of the Security Trustee shall not be liable for any error of judgement committed in good faith unless it is proved that it was grossly negligent in ascertaining the pertinent facts and the Security Trustee, its officer, employees and agents are entitled to be indemnified out of the property subject to the Security Interest so far as may be lawful in respect of all liabilities incurred in the execution of the trusts of the Security Trust Deed.

The Security Trustee may pay to itself out of the trust fund all sums owing to it in respect of remuneration costs, charge, expenses or interest, or by virtue of any indemnity from the Issuer to which it is entitled under the Security Trust Deed or by law or by virtue of any release of indemnity granted to it, out of any monies or the proceeds of any investments in its hands upon the trusts of the Security Trust Deed. All such sums shall be retained and paid in priority to the claims of the Noteholders and shall constitute an additional charge upon the property charged with the Security Interest.

### 6.13.6 Resignation and removal of Security Trustee

The Security Trustee may resign as security trustee by giving not less than three (3) months' notice in writing to the Issuer. The Issuer may remove the Security Trustee by giving him at least one (1) months' notice.

In the event of the Security Trustee giving notice or being removed, the Issuer undertakes to procure a new trustee to be appointed (the 'Successor Trustee'). The retirement or removal shall not become effective until such time as a Successor Trustee is appointed and the Security Interest is transferred to the Successor Trustee. Upon appointment of the Successor Trustee, references contained in the Security Trust Deed and the Prospectus to the Security Trustee shall be deemed to refer to the Successor Trustee.

**The terms and conditions of the Security Trust Deed shall, upon subscription or purchase of any Participation Notes, be binding on such subscriber or purchaser as a beneficiary under the trust as if the Participation Noteholder had been a party to the Security Trust Deed and as if the Security Trust Deed contained covenants on the part of each Participation Noteholder to observe and be bound by all the provisions hereof, and the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed.**



## 6.14 Events of Default

Pursuant to the Trust Deed, the Security Trustee may in its absolute discretion, and shall upon the request in writing of the Global Noteholder, by notice in writing to the Issuer declare the Notes to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events ("Events of Default"):

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

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Notes, shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid. Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions contained herein or in the Trust Deed due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Noteholders.

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 Noteholders, act on and in accordance with any directions it may receive from the Global Noteholder satisfying the conditions set out in the Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any event of default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such event of default or condition, event or other circumstance has happened and that the Issuer are each observing and performing all the obligations, conditions and provisions on their respective parts contained in the Notes and the Trust Deed.

## 6.15 Governing law and jurisdiction

The Notes, all the rights and obligations of the Noteholders 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. Any dispute, legal action, suit or proceedings against the Issuer arising out of or in connection with the Notes 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 Noteholder therefore irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any dispute, action, suit or proceedings as aforesaid.

## 6.16 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 Participation Notes, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Participation Notes.

The following is a summary of the anticipated tax treatment applicable to Noteholders 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 Participation Notes from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

### Malta tax on interest

Since interest is payable in respect of a Note which is the subject of a public issue and such interest should constitute “investment income” in terms of article 41(a)(iv)(1) of the Income Tax Act, Cap. 123 of the laws of Malta (the “Income Tax Act”), unless the Noteholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, to receive the interest gross of any withholding tax, or if the Noteholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, interest shall be paid to such Noteholder net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Noteholders who do not fall within the definition of a “recipient” do not qualify for the abovementioned “investment income” final withholding tax and should seek advice on the taxation of such income as special rules may apply.

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

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

In the case of a valid election in terms of article 35 of the Income Tax Act made by an eligible Noteholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Noteholder 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 Noteholder 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, Noteholders who are not resident in Malta and who satisfy the applicable conditions set out in the Income Tax Act should be exempt from tax in Malta on the interest received, they will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

### **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 Noteholders) 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. Please note that the information contained in this section does not constitute tax advice and prospective investors in the Participation Notes are to consult their own tax advisers in case of doubt.

### **The Common Reporting Standard and the Directive on Administrative Cooperation**

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

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

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

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

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

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

### **The Exchange of Information (United States of America) (FATCA) Order**

The United States of America ("U.S.") has enacted rules, commonly referred to as 'FATCA', that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA.

The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA in Malta which has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 ("FATCA Legislation").

Under the FATCA Legislation, financial institutions in Malta (defined as such for the purposes of FATCA) are required to satisfy applicable due diligence requirements to identify and report financial accounts held by specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities, which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Malta Commissioner for Revenue. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the FATCA Legislation on an automatic basis.

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

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

#### **Maltese taxation on capital gains arising on transfer of the Participation Notes**

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

#### **Duty on documents and transfers**

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), (the "Duty on Documents and Transfers Act"), duty of 2% on the consideration or the real value (whichever is higher) is chargeable *inter alia* on the transfer *inter vivos* or transmission *causa mortis* of a "marketable security". However, on the basis that the Participation Notes should not fall within the definition of a "marketable security", defined in the Duty on Documents and Transfers Act as "a holding of share capital in any company and any document representing the same", the transfer/transmission of the Participation Notes should not be chargeable to 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 NOTES AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE NOTES AND TO NOTEHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO PARTICIPATION NOTEHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## ANNEX 1A – TERMS AND CONDITIONS OF THE GLOBAL NOTE

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €5,000,000 7.25% GLOBAL NOTE, REDEEMABLE ON 30 JANUARY 2027 BY JD CAPITAL PLC (THE “ISSUER” OR THE “COMPANY”) IN TERMS OF THE FIDUCIARY AGREEMENT AND THE PROSPECTUS.

THE ISSUE OF THE GLOBAL NOTE IS BEING MADE SUBJECT TO THE PROVISIONS OF THE FIDUCIARY AGREEMENT DATED 14 DECEMBER 2023 (HEREINAFTER REFERRED TO AS THE “FIDUCIARY AGREEMENT”) AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE GLOBAL NOTE IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE FIDUCIARY AGREEMENT.

ALL TERMS USED HEREIN SHALL UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE FIDUCIARY AGREEMENT.

### 1. General

- a) The issuance of the Global Note has been duly authorised by a resolution of the Board of Directors of the Issuer of 30 November 2023 by virtue of the powers contained in the Memorandum and Articles of Association.
- b) The Global Note shall be issued to the Nominee and Placement Agent, as nominee for and for the benefit of the Registered Investors, which shall constitute the Fiduciary Asset.
- c) The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors.
- d) Unless previously purchased and cancelled or redeemed in the case of an Early Redemption or Conditional Early Redemption, the Global Note shall be redeemable at the nominal value including accrued but unpaid interest on the Redemption Date.

### 2. Form, Denomination and Title

The Global Note shall be issued in fully certificated and registered form, without a coupon. The Global Note shall be issued to the Nominee and Placement Agent for the Offer Amount and the Nominee and Placement Agent shall be entered in the Register of Global Noteholders as the holder of the Global Note. The Nominee and Placement Agent shall hold the Global Note as nominee for the benefit of the Registered Investors.

### 3. Interest

- a) The Global Note shall bear interest from and including 30 January 2024 at the rate of 7.25% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be affected on 30 January 2025 (covering the period 30 January 2024 to 29 January 2025). 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.
- b) The Global Note shall cease to bear interest from and including the Redemption Date unless, upon due presentation, payment of the principal in respect of the Global Note is improperly withheld or refused, or unless the Issuer defaults in respect of payment, in any of which event interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Global Noteholders to bring claims for payment of interest and repayment of the principal on the Notes is barred by the lapse of five (5) years.
- c) 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 three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

#### 4. Status of the Notes

- a) The Global Note shall constitute the general, direct, unconditional and secured obligations of the Issuer. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.
- b) The Issuer undertakes, for as long as any principal or interest under the Global Note remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of their present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless, at the same time or prior thereto the Issuer's indebtedness under the Global Note is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"Financial Indebtedness" means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, exceeding 70% of the gearing ratio which shall be calculated by dividing the Group's net debt by its equity and net debt;

"unencumbered assets" means assets which are not subject to a Security Interest.

#### 5. Payments

- a) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Global Note shall be made in euro to the person in whose name such Global Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Global Note at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. Such payment shall be affected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Global Noteholder. The Issuer shall not be responsible for any loss or delay in transmission. Such payment shall be affected within seven (7) days of the date set for redemption or the Interest Payment Date (as the case may be).
- b) All payments with respect to the Global Note are subject in all cases to any pledge (duly constituted) of the Global Note and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Global Note shall be made gross of any amount to be deducted or withheld for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- c) No commissions or expenses shall be charged to the Global Noteholder in respect of such payments

#### 6. Redemption

- a) Unless previously purchased and cancelled or redeemed in the case of an Early Redemption or Conditional Early Redemption, the Global Note shall be redeemed at the nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.
- b) The redemption of the Global Note shall take place by payment of all principal and interest accrued until the date of redemption. The notice of redemption shall be effective only on actual receipt by the Nominee and Placement Agent, shall be irrevocable and shall oblige the Issuer to make and the Nominee and Placement Agent to accept such redemption on the date specified in the notice.
- c) All or part of the Global Note being repurchased or redeemed shall be cancelled forthwith and may not be re-issued or re-sold.

## 7. Covenants by the Issuer

The Issuer hereby covenants in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:

- a) It shall, until the Global Note has been redeemed, pay to the Nominee and Placement Agent for the benefit of the Participation Noteholders interest at the rate of 7.25% per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date;
- b) It shall keep proper books of account, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer certified by the auditors of the Issuer respectively and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;
- c) It shall carry on and conduct its business in a proper and efficient manner.

## 8. Representations and Warranties

1. The Issuer represents and warrants to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:
  - (a) It is duly registered 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 properties and other assets under valid legal title;
  - (b) It has the power to execute, deliver, and perform its obligations under this document and the Fiduciary Agreement; and that all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on the powers of the Issuer to borrow or guarantee shall be exceeded as a result of the Fiduciary Agreement;
  - (c) This document and the Fiduciary Agreement constitute valid and legally binding obligations of the Issuer;
  - (d) The execution and performance of its obligations under and in compliance with the provisions of this document and the Fiduciary Agreement by the Issuer shall not:
    - i. contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
    - ii. conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;
    - iii. contravene any provision of the Issuer's Memorandum or Articles of Association;
  - (e) No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on its business, assets or financial condition of the Issuer and/or the Group;
  - (f) The Prospectus contains all material information with respect to the Issuer and the Group and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, the Group, their business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect.
2. The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:
  - (a) Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Fiduciary Agreement or the performance of its obligations under the Fiduciary Agreement have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed on, or in connection with, any of the same;
  - (b) No default mentioned in this document or the Fiduciary Agreement has occurred and is continuing.

## 9. Functions and Powers of the Nominee and Placement Agent

The Nominee and Placement Agent may, but shall not be bound to, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, enforce or take any step to enforce the covenants in clause 7 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.

The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer, on behalf of the Registered Investors, as shall be forwarded to the Nominee and Placement Agent by the Issuer on an annual basis.

Without prejudice to the powers and reliefs conferred on the Nominee and Placement Agent by applicable law and by the Fiduciary Agreement, the Nominee and Placement Agent shall have the following powers:

- a) To employ and pay at the reasonable cost of the Issuer in discharge of its duties any agent to do anything or transact any business to be done or transacted under the Fiduciary Agreement or this document, without being under any liability for any default of such agent; PROVIDED THAT prior to employing any agent as aforementioned, notice in writing of the estimated costs to be incurred is to be given to the Issuer;
- b) To rely on the advice of any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;
- c) To delegate any of its discretions under the Prospectus and the Fiduciary Agreement to any officer or servant of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus and the Fiduciary Agreement to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated; and generally
- d) the Nominee and Placement Agent shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts and the Nominee and Placement Agent, its officers and agents shall be entitled to be indemnified by the Issuer so far as may be lawful in respect of all liabilities incurred in the execution of the nominee relationship arising in terms of the Fiduciary Agreement.

## 10. Events of Default

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer declare the Global Note to have become immediately payable on the occurrence of any of the following events ("Events of Default"):

- a) the Issuer shall fail to pay any interest on the Global Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of this Annex 1A and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- c) if the Issuer defaults for sixty (60) days in the payment of any principal monies owing in respect of the redemption of the Global Note when due; and/or
- d) if a Court order or other judicial process is levied or enforced upon or sued out against any material part of the properties of the Issuer and is not paid out, withdrawn or discharged within one month; and/or
- e) if the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business; and/or
- f) if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise insolvent; and/or
- g) within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) months; and/or
- h) if a receiver is appointed of the whole or any material part of the properties of the Issuer and such appointment is certified by the Nominee and Placement Agent to be prejudicial in its opinion to the Registered Investors; and/or
- i) if an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division the terms of which have been approved in writing by the Nominee and Placement Agent; and/or



- j) if the Issuer commits a breach of any of the covenants or provisions herein contained 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 Nominee and Placement Agent (other than any covenant for the payment of interests or principal monies owing in respect of the Global Note); and/or
- k) if any representation or warranty made, or deemed to be made, or repeated by, or in respect of the Issuer is or proves to have been incorrect in any material respect; and/or
- l) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of two million Euro (€2,000,000) 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; and/or
- m) if it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder; and/or
- n) if the Issuer repudiates or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Global Note;
- o) all, or in the sole opinion of the Nominee and Placement Agent, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Company are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due payable at the time of the event which shall have happened as aforesaid.

#### **11. Register of Global Noteholders**

The Issuer shall maintain a register, at its registered office or at such other place in Malta as the directors of the Issuer may determine, in which it shall enter the name and address of the Nominee and Placement Agent as the holder of the Global Note, together with particulars of the Global Note. A copy of such register shall at all reasonable times during business hours be open to inspection by the Nominee and Placement Agent at the registered office of the Issuer.

In the event that any Global Note represented by a certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Issuer may at its discretion require and in accordance with the Global Note register, and in the case of wearing out, or defacement, or change of address of the Global Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of €50 (fifty euro). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Issuer all expenses incidental to the investigation by the Issuer of the evidence of such destruction or loss and to such indemnity

#### **12. Further Issues**

The Issuer may, from time to time, without the consent of the respective Global Noteholder, create and issue further bonds, notes, debentures or any other debt securities having such terms as the Issuer (as applicable) may determine at the time of their issue.

#### **13. Governing Law and Jurisdiction**

The Global Note has been created, and the Offer relating thereto is being made, in terms of the Act. From its inception the Global Note, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law.

Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Global Note shall be brought exclusively before the Maltese Courts and the Global Noteholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

#### **14. Notices**

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

## ANNEX 1B – TERMS AND CONDITIONS OF THE PARTICIPATION NOTES

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €5,000,000 7.25% PARTICIPATION NOTES, IN TERMS OF THE PROSPECTUS REDEEMABLE ON 30 JANUARY 2027 BY THE NOMINEE AND PLACEMENT AGENT.

THE ISSUE OF THE PARTICIPATION NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE FIDUCIARY AGREEMENT DATED 14 DECEMBER 2023 (HEREINAFTER REFERRED TO AS THE “FIDUCIARY AGREEMENT”) AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE PARTICIPATION NOTES IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THE PROSPECTUS AND THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THE PROSPECTUS AND THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE FIDUCIARY AGREEMENT.

ALL TERMS USED HEREIN SHALL UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE FIDUCIARY AGREEMENT.

### 1) General

- a) The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors. The Participation Notes constitute the beneficial interest of the Participation Noteholders in the Global Note including the right to payment of principal and interest under the Global Note.
- b) The Participation Notes shall bear interest at a rate of seven point two five percent (7.25 per cent) per annum in accordance with the terms and conditions as set out in the Prospectus.
- c) The Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date.
- d) The Participation Notes are freely transferable, provided that any individual holder of Participation Notes shall maintain at all times a minimum holding of €5,000 in the said Notes.

### 2) Form, Denomination and Title

- a) The Participation Notes shall be issued in fully certificated and registered form, without coupons. Participation Notes shall be issued under the signature of a duly authorised signatory of the Nominee and Placement Agent.
- b) The Nominee and Placement Agent shall maintain a Register of Investors which shall identify the Registered Investors from time to time. An entry in the Register of Investors shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Global Note. The Register of Investors shall contain the following information:
  - i. Name of the Registered Investor;
  - ii. Address of the Registered Investor;
  - iii. Identity Card number (in the case of an individual);
  - iv. Company Registration Number (in the case of a company);
  - v. The value expressed in euro (€) of the beneficial interest of the Registered Investor in the Global Note; and
  - vi. Date of entry into the Register of Investors.

Every Registered Investor shall be entitled to be entered in the Register of Investors as a participant in the Global Note and shall be entitled to receive from the Nominee and Placement Agent a Participation Note acknowledging the Registered Investors' beneficial interest in the Global Note and evidencing the appropriate entry in the Register of Investors.

- c) Any such Participation Note issued by the Nominee and Placement Agent in favour of a single or joint Registered Investor shall be for an amount not below five thousand euro (€5,000) and in multiples of one thousand euro (€1,000) each thereafter.
- d) In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application, or first-named in the Register of Investors shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application or joint holders in the Register of Investors, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note/s so held.

### **3) Interest**

- a) The Participation Notes shall bear interest from and including 30 January 2024 at the rate of 7.25% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be affected on 30 January 2025 (covering the period 30 January 2024 to 29 January 2025). 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.
- b) 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 three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.
- c) The Participation Notes shall cease to bear interest from and including the Redemption Date

### **4) Payments**

- a) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Participation Notes shall be made in euro to the person in whose name such Participation Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Participation Note at the registered office of the Nominee and Placement Agent or at such other place in Malta as may be notified by the Nominee and Placement Agent. Such payment shall be affected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Participation Noteholder. The Nominee and Placement Agent shall not be responsible for any loss or delay in transmission. The Nominee and Placement Agent shall affect payments of principal or interest within three (3) business days from the date of actual receipt of payment thereof from the Issuer.
- b) All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Nominee and Placement Agent in respect of the Participation Note shall be made net of any amount which the Nominee and Placement Agent is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- c) No commissions or expenses shall be charged to the Participation Noteholder in respect of such payments.
- d) The Nominee and Placement Agent shall only be under an obligation to effect payments of principal or interest to the Participation Noteholders if it has effectively received such payments from the Issuer. No liability shall attach to the Nominee and Placement Agent if it fails to affect such payments to Participation Noteholders when such failure is due to the nonpayment thereof by the Issuer.
- e) Payment of the principal and/or interest by the Issuer to the Nominee and Placement Agent under the Global Note shall relieve the Issuer from any further liability, to the extent of the payment made, towards the Participation Noteholders and the Participation Noteholders shall have no right or claim against the Issuer should they not receive the relative payment from the Nominee and Placement Agent.

### **5) Redemption**

- a) Unless previously repurchased and cancelled or redeemed in the case of an Early Redemption or Conditional Early Redemption, the Participation Notes shall be redeemed at their nominal value (together with interest accrued to the date set for redemption) on the Redemption Date.
- b) Each Registered Investor may, even before the Redemption Date, apply to the Nominee and Placement Agent to have its Participation Notes or any part thereof cancelled, provided that in the case of a request for cancellation, the

cancellation request shall be for a minimum face value of €1,000 and multiples of €1,000 thereafter. The Nominee and Placement Agent may, but shall be under no obligation to, accede to such request, to be made in writing, by a Registered Investor. In the event that the Nominee and Placement Agent accedes to the Registered Investor's request it shall cancel the entry of such Registered Investor in the Register of Investors and the Participation Note of the Registered Investor concerned in whole or in part, as the case may be, for the nominal value of the Participation Note or that part thereof which is being cancelled. In such event (i) the Nominee and Placement Agent shall pay to the Registered Investor concerned the nominal value of that Registered Investor's Participation Notes and accrued and unpaid interest thereon; and (ii) the Nominee and Placement Agent shall be deemed to have a beneficial interest in the Global Note for the value corresponding to the cancellation.

- c) The Nominee and Placement Agent may also receive requests from persons willing to have a beneficial interest in the Global Note. The Nominee and Placement Agent may, from its own beneficial interest in the Global Note, if any, accede to such request, but shall be under no obligation to do so. In the event that the Nominee and Placement Agent accedes to such request it shall register the beneficial interest of such person in the Global Note in the Register of Investors and issue a Participation Note in terms of the provisions of these terms and conditions, against payment by the applicant of the value of his/her/its Participation Note.
- d) In the event that the Issuer repurchases the Global Note in whole or in part, the Nominee and Placement Agent shall repurchase an equivalent amount of Participation Notes, such amount to be split between the Participation Noteholders according to their participation in proportion to the aggregate holding of Participation Notes.
- e) In the event of a repurchase, the Participation Notes shall be cancelled in whole or in part. The Participation Noteholder shall hand over the Participation Note, and in case of a repurchase in part, receive a new Participation Note stating the new amount of the Participation Note.
- f) The Nominee and Placement Agent may, at its discretion, charge a fee to Registered Investors for each cancellation and subsequent entry made in the Register of Investors, which fee shall not exceed €60 per cancellation or subsequent entry.

## 6) Covenants by the Issuer

The Issuer hereby covenants in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:

- (a) It shall, until the Global Note has been redeemed, pay to the Nominee and Placement Agent for the benefit of the Participation Noteholders interest at the rate of 7.25% per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date, subject to the Issuer's option to redeem all or part of the Global Note on an Early Redemption Date;
- (b) It shall keep proper books of account, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer certified by the auditors of the Issuer and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto; and
- (c) It shall carry on and conduct its business in a proper and efficient manner.

## 7) Representations and Warranties of the Issuer

- (1) The Issuer represents and warrants to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:
  - a. It is duly registered 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 properties and other assets under valid legal title;
  - b. It has the power to execute, deliver, and perform its obligations under this document;
  - c. The Global Note constitutes valid and legally binding obligations of the Issuer;
  - d. The execution and performance of its obligations under and in compliance with the provisions of the Global Note by the Issuer shall not:
    - i. contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
    - ii. conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;

- iii. contravene any provision of the Issuer's Memorandum or Articles of Association;
  - e. No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer;
  - f. The Prospectus contains all material information with respect to the Issuer and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, the Group and their business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect.
- (2) The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:
- a. Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Fiduciary Agreement or the performance of its obligations under the Fiduciary Agreement has been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same; and
  - b. No default mentioned in this document or the Fiduciary Agreement has occurred and is continuing

## **8) Functions and Powers of the Nominee and Placement Agent**

- (1) The Nominee and Placement Agent may, but shall not be bound, unless requested to do so in writing by not less than seventy five percent (75%) in value of the Registered Investors, to enforce or take any step to enforce the covenants in clause 6 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.
- (2) The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer, on behalf of the Registered Investors, as may be forwarded to the Nominee and Placement Agent by the Issuer on an annual basis.
- (3) The Nominee and Placement Agent shall have the following powers:
  - a. To rely on the advice, opinion, direction, report, statement, certificate, or other information furnished by any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic; and
  - b. To delegate any of its discretions under the Prospectus to any officer or agent of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus to such persons (including any such officer or agent as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions, powers or duties are delegated or sub-delegated.

## **9) Events of Default under the Global Note**

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy-five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer declare the Global Note to have become immediately payable on the occurrence of any of the following events ("Events of Default"):

- a) the Issuer shall fail to pay any interest on any Global Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in these Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- c) if the Issuer defaults for sixty (60) days in the payment of any principal monies owing in respect of redemption of the Global Note when due; and/or
- d) if a Court order or other judicial process is levied or enforced upon or sued out against any material part of the properties

of the Issuer and is not paid out, withdrawn or discharged within one month; and/or

- e) if the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business; and/or
- f) if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- g) within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or
- h) if a receiver is appointed of the whole or any material part of the properties of the Issuer and such appointment is certified by the Nominee and Placement Agent to be prejudicial in its opinion to the Registered Investors; and/or
- i) if an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division the terms of which have been approved in writing by the Nominee and Placement Agent; and/or
- j) if the Issuer commits a breach of any of the covenants or provisions herein contained and on their part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Nominee and Placement Agent (other than any covenant for the payment of interests or principal monies owing in respect of the Global Note);
- k) if any representation or warranty made, or deemed to be made, or repeated by, or in respect of the Issuer is or proves to have been incorrect in any material respect;
- l) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of two million Euro (€2,000,000) 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; and/or
- m) if it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder;
- n) if the Issuer repudiates or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Global Note;
- o) all, or in the sole opinion of the Nominee and Placement Agent, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due payable at the time of the event which shall have happened as aforesaid.

#### **10) Registration and replacement of the Participation Notes**

- a) A register of the Participation Notes shall be maintained by the Nominee and Placement Agent at its registered office or at such other place in Malta as the Nominee and Placement Agent may determine, wherein there will be entered the names and addresses of the Participation Noteholders and particulars of the Participation Notes held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection by Participation Noteholders at the registered office of the Nominee and Placement Agent.
- b) Any person becoming entitled to a Participation Note in consequence of bankruptcy or winding-up of a Participation Noteholder may, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the redemption and cancellation of such Participation Note followed by the issuance of a new Participation Note of the same amount and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.

All redemptions are subject to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.

- c) In the event that any Participation Note represented by certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Nominee and Placement Agent may at its discretion require and in accordance with the Participation Note register, and in the case of wearing out, or defacement, or change of address of the Participation Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of fifty euro (€50). In case of destruction or loss, the person to whom such replacement certificate is given shall

also bear and pay to the Nominee and Placement Agent all expenses incidental to the investigation by the Nominee and Placement Agent of the evidence of such destruction or loss and to such indemnity.

- d) The Nominee and Placement Agent shall be required to provide the Issuer with an updated copy of the register of Participation Noteholders, including extracts therefrom, as may be required by the Issuer from time to time, and the Participation Noteholder shall by entering into the Subscription Agreement relative to the Participation Notes taken up by him be deemed to have given his express, unequivocal and irrevocable consent to the communication of such information to the Issuer.

#### **11) Transferability of the Participation Notes**

- a) The Participation Notes are freely transferable and once registered by the Nominee and Placement Agent, may be transferable in whole for a minimum face value of €1,000 (one thousand euro) and multiples of €1,000 (one thousand euro) thereafter.
- b) All transfers are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.
- c) The cost and expenses of effecting any registration of transfer, 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 person to whom the transfer has been made.
- d) Any person to whom the transfer has been made shall, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the transfer of such Participation Note from a registered Participation Noteholder and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.
- e) The Nominee and Placement Agent will not register the transfer of Participation Notes for a period of fifteen (15) days preceding the due date for any payment of interest on the Participation Notes.

#### **12) Meetings of Participation Noteholders**

- a) The provisions of the Prospectus and of the Fiduciary Agreement may be amended with the approval of Registered Investors at a meeting called for that purpose by the Nominee and Placement Agent in accordance with the terms hereunder.
- b) In the event that the Issuer wishes to amend any of the provisions set out in the Prospectus or of the Fiduciary Agreement, it shall call upon the Nominee and Placement Agent, in writing, seeking its consent to such amendment or amendments. The Nominee and Placement Agent, prior to granting or refusing such consent, shall call a meeting of Participation Noteholders registered in the Register of Investors as at that date, by giving such Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Prospectus or the Fiduciary Agreement that is proposed to be voted upon at the meeting and seeking the approval of the Participation Noteholders registered as aforesaid. Following a meeting of Participation Noteholders held in accordance with the provisions contained hereunder, the Nominee and Placement Agent shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Noteholders in accordance with the terms set out hereunder at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Prospectus or Fiduciary Agreement shall subsequently be given effect to by the Issuer in consultation with the Nominee and Placement Agent.
- c) For all intents and purposes it is hereby set out that any meeting of Participation Noteholders, including but not limited to meetings held for the purposes set out in paragraphs (a) and (b) above, shall be held in accordance with the provisions of the Fiduciary Agreement and the procedure set out below.
- d) A meeting of Participation Noteholders shall be called by giving Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- e) A meeting of Participation Noteholders 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 (2) Participation Noteholders present, in person or by proxy, representing not less than fifty per cent (50%) in nominal value of the Participation Notes 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 Participation Noteholders present at that meeting. An adjourned meeting shall be held not earlier than five (5) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Participation Noteholders 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.

- f) Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the memorandum and articles of association of the Issuer would chair a general meeting of members of the Issuer), the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the directors or their representative shall present to the Participation Noteholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken, including but not limited to why the Terms and Conditions of Issue of the Participation Notes ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Participation Noteholders to present their views to the Issuer and the other Participation Noteholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Participation Noteholders present at the time at which the vote is being taken, and any Participation Noteholders 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.
- g) The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- h) The proposal placed before a meeting of Participation Noteholders shall only be considered approved if at least seventy-five percent (75%) in nominal value of the Participation Noteholders present at the meeting at the time at which the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- i) Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders of the Issuer shall apply mutatis mutandis to meetings of Participation Noteholders.

### **13) Participation Notes held jointly**

In respect of a Participation Note held jointly by several persons (including but not limited to husband and wife), the joint Participation Noteholders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Participation Note shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. The Nominee and Placement Agent shall not be bound to register more than three (3) persons as the joint Registered Investors.

### **14) Participation Notes held subject to usufruct**

In the respect of a Participation Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall for all intents and purposes be deemed, vis-a-vis the Nominee and Placement Agent, to be the holder of the Participation Note so held and shall have the right to receive interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.

### **15) Governing law and jurisdiction**

The Participation Notes and all contractual arrangements arising therefrom are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Participation Note shall be brought exclusively before the Maltese Courts and the Participation Noteholders shall be deemed to acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

### **16) Notices**

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



This Summary is issued in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

## SUMMARY

Dated 12 December 2023

In respect of an issue of up to €5,000,000 7.25% Secured Callable Notes 2025-2027 of a nominal value of €1,000 per Note, issued and redeemable at par by



a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 82098 and having its registered office at HHF 303, Hal Far Industrial Estate, Birzebbugia BBG3000, Malta

*Nominee and Placement Agent*



**Calamatta Cuschieri**

**YOU ARE ABOUT TO PURCHASE SECURITIES THAT ARE NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND. THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY IN MALTA UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.**

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

APPROVED BY THE DIRECTORS

Josef Dimech

in his capacity as Director of the Issuer and on behalf of  
Jonathan Pace, Stanley Portelli, Stephen Muscat and Jesmond Manicaro

**This Summary is prepared in accordance with the requirements of the Regulation. This Summary contains key information which will enable investors to understand the nature and the risks of the Issuer, the Group and the Notes.**

Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

## 1 INTRODUCTION AND WARNINGS

<b>Full legal and commercial name of the Issuer</b>	JD Capital p.l.c.
<b>Registered address</b>	HHF 303, Industrial Estate, Hal Far, Birzebbugia BBG 3000.
<b>Place of Registration and Domicile</b>	Malta
<b>Registration number</b>	C 82098
<b>Legal Entity Identification (LEI) Number</b>	391200C8XW0F6K1ROJ82
<b>Date of Registration</b>	9 August 2017
<b>Telephone number</b>	+356 21653689
<b>Email</b>	info@jsdimech.com
<b>Website</b>	<a href="https://www.jsdimech.com/investor-relations/">https://www.jsdimech.com/investor-relations/</a>
<b>ISIN</b>	MT0001831230
<b>Date of Approval</b>	12 December 2023
<b>Details of the competent authority approving the prospectus</b>	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval shall not be considered as an endorsement of the Issuer
<b>Name of the securities</b>	7.25% Secured Callable Notes 2025-2027 issued by the Issuer
<b>Address, telephone number and official website of the competent authority approving the prospectus</b>	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010  Telephone number: +356 2144 1155 Official website: <a href="https://www.mfsa.mt">https://www.mfsa.mt</a>

Prospective investors are hereby warned that:

- i. This Summary is being provided to convey the essential characteristics and risks associated with the Issuer, the Group and the Global Note being offered pursuant to the Prospectus. This section of the Prospectus is merely a Summary and, therefore, should only be read as an introduction to the Prospectus. It is not, and does not purport to be, exhaustive and Investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this Prospectus. Any decision to invest in the Participation Notes should be based on consideration of the Prospectus as a whole by the investor;
- ii. An investment in the Participation Notes could result in the Investor's losing all or part of the investor's capital;
- iii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- iv. Civil liability attaches only to those persons who have tabled this Summary, including any translation thereof, and who applied for its notification, but only if this Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent, or does not provide key information in order to aid Investors when considering whether to invest in such securities; and
- v. You are about to purchase securities that are not simple and may be difficult to understand.

## 2 KEY INFORMATION ON THE ISSUER

### 2.1 Who is the Issuer of the Notes?

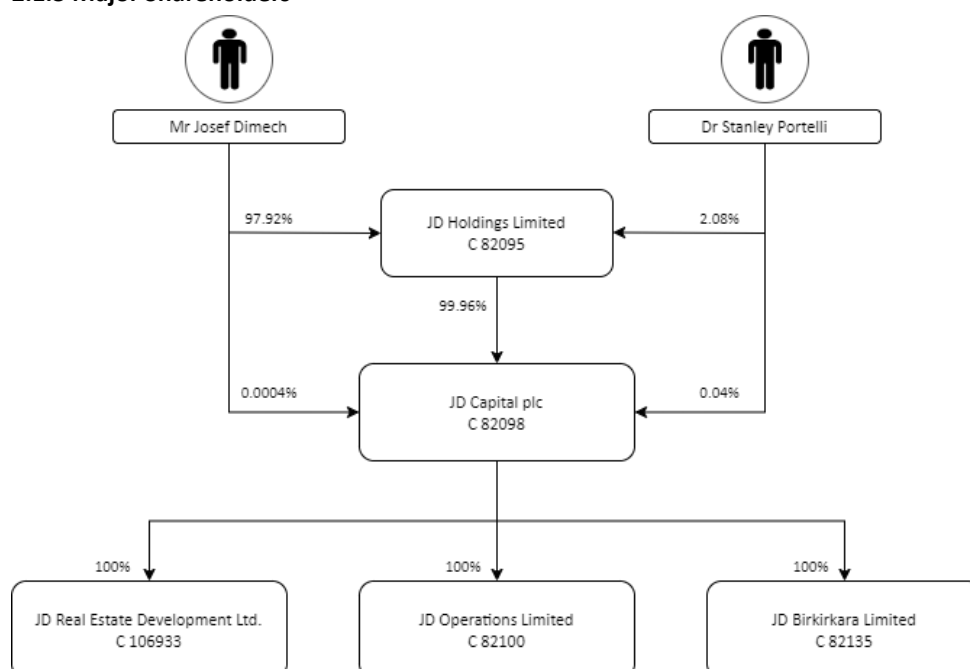
#### 2.1.1 Domicile and legal form

The Issuer has been incorporated and is domiciled in Malta as a public limited liability company in terms of the Companies Act. The Issuer's registered address is HHF 303, Industrial Estate, Hal Far, Birzebbugia BBG3000, Malta. The Issuer is incorporated and domiciled in Malta. Its LEI number is 391200C8XW0F6K1ROJ82.

#### 2.1.2 Principal activities of the Issuer

The Issuer is a holding and financing company that does not undertake any trading activities of its own. Accordingly, the Issuer is economically dependent on the financial and operating performance of the businesses of Group entities. The Issuer was incorporated on 9 August 2017 and was established as the holding company, financing, refinancing and investment arm of the Group. The Issuer, therefore, does not carry out any trading or operating activities of its own, other than the carrying out of financing and re-financing activities, including the advancing of funds to companies forming part of the Group to fund the Group's funding requirements as and when the demands of the Group's business so requires. Accordingly, the Issuer is economically dependent on the operations undertaken by its subsidiaries.

#### 2.1.3 Major Shareholders



As at the date of the Prospectus, the authorised and issued share capital of the Issuer is €7,546,700 divided 7,543,621 ordinary shares of a nominal value of one Euro (€1.00) each and 3,079 Ordinary A shares of a nominal value of one Euro (€1.00) each.

As at the date of the Prospectus, the entire issued share capital of the Issuer has been fully subscribed for as follows:

Name of Shareholder	Number of Shares	Class of Shares	Percentage (%) paid up
<b>JD Holdings Limited</b> (C 82095) HHF 303, Industrial Estate Hal Far, Birzebbugia, BBG 3000, Malta	7,543,590	Ordinary Shares	100
<b>Mr Josef Dimech</b> (ID 326179M) Blue Harbour Frobisher, B11 Ta' Xbiex Seafront, Ta' Xbiex, Malta	31	Ordinary Shares	100
<b>Dr Stanley Portelli</b> (ID 163472M) Dar il-Barbagann, Triq Strejnu, Zejtun, Malta	3,079	Ordinary A Shares	100

All ordinary shares rank *pari passu* in all respects, save that Ordinary A shares do not confer any rights in the Issuer except for the right to the return of capital upon winding up of the Issuer.

#### 2.1.4 Identity of the key managing directors

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following persons:

Name and Identity Card number	Address	Designation
Josef Dimech (326179M)	Blue Harbour Frobisher, B11, Ix-Xatt Ta' Xbiex, Ta' Xbiex, Malta	Group CEO and Executive Director
Jesmond Manicaro (146078M)	55/4, St Michael's Court, Dajma Road, Tarxien TXN 9032, Malta	Independent Non-Executive Director
Jonathan Pace (248874M)	Ivy, Triq il-Kappella Ta' San Mikiel, Naxxar, Malta	Executive Director
Stephen Muscat (460561M)	17/1, Kevman Apartments, Triq id-Denci, Mellieha MLH 4410, Malta	Independent Non-Executive Director
Stanley Portelli (163472M)	Dar il-Barbagann, Triq Strejnu, Zejtun, Malta	Independent Non-Executive Director

#### 2.1.5 Statutory auditors of the Issuer

RSM Malta, a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta).

## 2.2 What is the key financial information regarding the Issuer?

The key consolidated financial information regarding the Issuer is set out below:

JD Capital p.l.c. - Consolidated	31-Dec 2022 Audited Euro '000	31-Dec 2021 Audited Euro '000	31-Dec 2020 Audited Euro '000	30-Jun 2023 Unaudited Euro '000	30-Jun 2022 Unaudited Euro '000
<u>Statement of Comprehensive Income</u>					
Profit / (loss) for the period	218	160	409	69	(110)
<u>Statement of Financial Position</u>					
Total assets	57,486	47,280	33,260	62,722	
<u>Statement of Cash Flows</u>					
Net cash flows generated from / (used in) operating activities	(7,491)	(1,728)	(1,008)	404	1,018
Net cash flows generated from / (used in) investing activities	(186)	1,542	(304)	(301)	(1,866)
Net cash flows generated from / (used in) financing activities	8,700	35	1,756	(754)	1,496

## 2.3 What are the risks that are specific to the Issuer?

The most material risk factors specific to the Issuer which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise are set out below:

1. 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 and their profitable operation.
2. There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the real estate properties under development within the Project.
3. The Issuer may not be able to obtain the entirety of the capital it requires for the development or improvement of existing or new properties on commercially reasonable terms, or at all.

4. If the Group is unable to comply with the covenants and other undertakings, conditions, and warranties included in its re-financing arrangements in the future, the Issuer could be required to enter into financial arrangements, request waivers or replace borrowings with other financing in order to prevent a default.
5. A significant portion of the Issuer's costs are or will be fixed and the Issuer's operating results are vulnerable to short term changes in revenues. The Issuer's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its respective business, financial condition and results of operations.
6. The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition.
7. All industries, including the real estate development industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.
8. 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 of the Secured Property, referred to in the Prospectus reflects actual values that could be achieved on a sale, even where any such sale were to occur shortly after the valuation date.

### 3 KEY INFORMATION ON THE SECURITIES

#### 3.1 What are the main features of the Notes?

The Global Note is being issued to the Nominee and Placement Agent in an aggregate amount of up to €5,000,000 with a nominal value of €1,000 per Note, at the rate of 7.25% per annum. Unless previously purchased and cancelled or redeemed in the case of an Early Redemption or a Conditional Early Redemption, the Notes shall be redeemable at par on the respective Redemption Date. Investors in Malta can participate in the Global Note by virtue of the subscription to Participation Notes. The Global Note bears interest at the rate of 7.25% per annum on the nominal value of the Global Note. The first interest payment shall be effected on 30 January 2025 (covering the period 30 January 2024 to 29 January 2025).

The Global Note (ISIN: MT0001831230) constitutes the general, direct, unconditional and secured obligations of the Issuer. The Participation Notes represent participations in the Global Note corresponding to the amount stated in the Participation Notes.

A Participation Note represents the proportionate entitlement of a Participation Noteholder to the rights over the Global Note and in particular shall entitle the Participation Noteholder to receive the repayment of principal and interest on the Global Note.

There are no special rights attached to the Participation Notes other than the right of the Noteholders to payment of interest and capital; seeking recourse in terms of the Special Hypothec in case of failure by the Issuer to pay any sum payable by it to Noteholders, ranking with respect to other indebtedness of the Issuer; attend, participate in and vote at meetings of Noteholders in accordance with the terms and conditions of the Participation Notes; and enjoy all such other rights attached to the Participation Notes emanating from the Prospectus.

Participation Notes are transferable certificates issued by the Nominee and Placement Agent to a Registered Investor acknowledging the interest of the Registered Investor named therein in the Fiduciary Asset and evidences an entry in the Register of Investors held by the Nominee and Placement Agent.

The Participation Notes will be issued in registered form and will not be issued in bearer form.

The minimum subscription amount of Participation Notes that can be subscribed for by Applicants is €5,000, and in multiples of €1,000 thereafter. The Participation Notes are freely transferable and, once registered by the Nominee and Placement Agent, may be transferable in whole for a minimum face value of €1,000 and multiples of €1,000 thereafter.

#### 3.2 Where will the Notes be traded?

The Participation Notes are transferable but will not be listed and traded on the Malta Stock Exchange or on any other regulated market.

#### 3.3 What are the key risks that are specific to the Notes?

##### 1. Notes not traded on any regulated market

The Participation Notes are transferable but shall not be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility and Participation Noteholders may find it more difficult to identify willing buyers for their Participation Notes. Participation Noteholders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Participation Notes. The ease of transferability of the Participation Notes depends on factors beyond the Issuer's control which could impact the trading value of the Participation

Notes, such as the willingness or otherwise of potential buyers and sellers of the Participation Notes. The trading value of the Notes may also be impacted by other factors, such as the time remaining for maturity of the Global Note and Participation Notes, the outstanding amount of the Global Note and Participation Notes, and the level, direction and volatility of market interest rates generally.

## 2. Status and ranking of the Notes and additional indebtedness or security

Notwithstanding that the Notes constitute the general, direct, unconditional and secured obligations, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer which may rank with priority or preference to the Special Hypothec. Moreover, whilst this special hypothec grants the Security Trustee a right of preference and priority for repayment of the Notes over the creditors of the Issuer in respect of the Secured Property, there can be no guarantee that the value of the said Secured Property over the term of the Notes will be sufficient to cover the full amount of interest and principal outstanding under the Notes. Moreover, the Notes are complex financial instruments and may not be suitable for all recipients of the Prospectus.

## 3. Subsequent changes in interest rates

The Notes shall carry fixed interest rates. Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. Investors should also be aware that the price of fixed rate debt securities should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the price of fixed rate debt securities rise. This is called market risk since it arises only if a Participation Noteholder decides to sell the Participation Notes before maturity on the secondary market.

## 4. Amendments to or waivers of the terms and conditions of the Notes

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Global Note it shall call upon the Nominee and Placement Agent to call a meeting of Participation Noteholders in accordance with the Terms and Conditions of the Prospectus. These provisions permit defined majorities to bind all Participation Noteholders, including Participation Noteholders who do not attend and vote at the relevant meeting and Participation Noteholders who vote in a manner contrary to the majority.

# 4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

## 4.1 Under which conditions and timetable can I invest in the Offer?

The issue and allotment of the Notes is conditional upon the Minimum Subscription Amount of €4,000,000 being subscribed for. In the event that this condition is not satisfied, the Nominee and Placement Agent shall return the proceeds of the Offer to the Applicants.

### 4.1.1 Expected timetable of principal events

1. Offer Period*	18 December 2023 to 26 January 2024
2. Commencement of interest on the Notes	30 January 2024
3. Announcement of basis of acceptance through a company announcement	30 January 2024
4. Refunds of unallocated monies (if any)	30 January 2024
5. Issue of Participation Notes certificates	30 January 2024
6. Issue date of Global Note	30 January 2024

*\*The Issuer reserves the right to close the Offer Period before 26 January 2024 in the event of oversubscription, in which case the remaining events set out in 2-6 above will be brought forward and will take place in the same chronological order as set out above.*

### 4.1.2 Plan of Distribution and Allotment

Applications for subscriptions to the Participation Notes may be made through the Nominee and Placement Agent subject to a minimum Application of €5,000 and in multiples of €1,000 thereafter.

It is expected that Participation Notes certificates will be dispatched to Investors by latest 30 January 2024. The said certificate and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required in terms of the Prevention of Money Laundering Act, 1994 (Cap. 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

By not later than 30 January 2024, the Issuer shall announce the results of the Offer through a company announcement. Dealings in the Participation Notes may not commence prior to the said announcement.

#### **4.2 Total Estimated Expenses**

Professional fees and costs related to publicity, advertising, printing, registration, nominee and placement agent, management, selling commission, and other miscellaneous expenses in connection with this Offer will be borne by the Issuer and are estimated not to exceed €150,000. There is no particular order of priority with respect to such expenses.

#### **4.3 Why is this Prospectus being produced?**

##### **4.3.1 Use of Proceeds**

The proceeds from the Issue, will be utilised for the following purposes which funds shall be applied in the below-mentioned order of priority in the event that the Issue is not fully subscribed to:

- (i) €3,000,000 to be on-lent to JD Real Estate for its utilisation by way of part consideration for the acquisition of the Secured Property in terms of the Ta' Monita POSA;
- (ii) Approximately €600,000 to be on-lent to JD Real Estate to cover the costs associated with the acquisition of the Secured Property; and
- (iii) €1,400,000 by way of general corporate funding.

##### **4.3.2 Underwriting**

The Notes are not subject to an underwriting agreement.

##### **4.2.2 Conflicts of Interest**

Without prejudice to the potential conflicts of interest of Directors and save for the subscription for Notes by the Nominee and Placement Agent, and any fees payable in connection with the Offer to the Nominee and Placement Agent, in so far as the Issuer is aware, no person involved in the Offer has an interest material to the Issue.