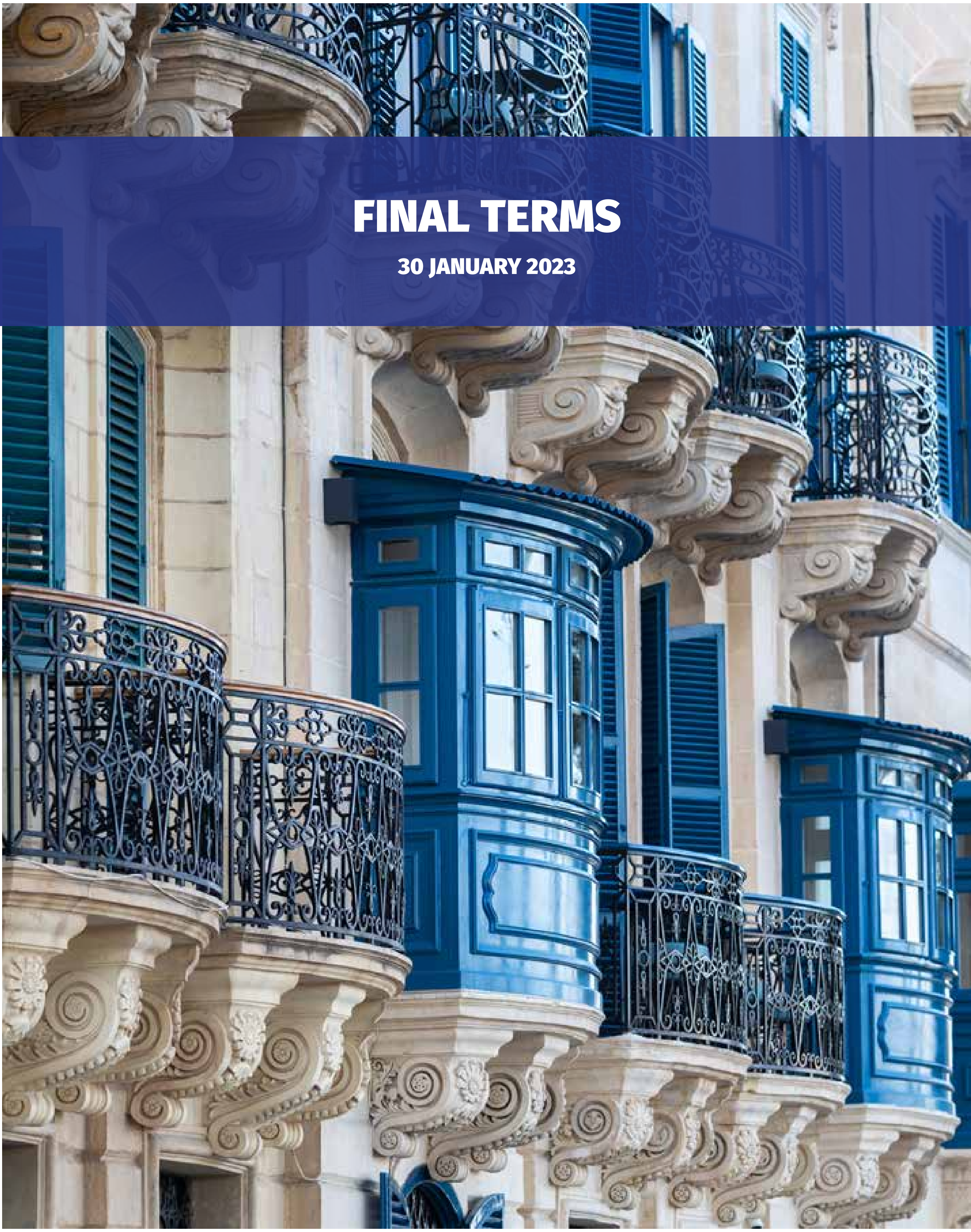
FINAL TERMS

30 JANUARY 2023



Bonnici Bros Properties p.l.c.

FINAL TERMS

DATED 30 JANUARY 2023

€16,000,000 Unsecured Bond Issuance Programme

Series No: 1

Tranche No: 1

€12,000,000 Unsecured Bonds

Issued by: Bonnici Bros. Properties p.l.c. (the Issuer)

The Issuer has not authorised, nor does it authorise, the making of any offer of Bonds in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Base Prospectus dated and approved by the Malta Financial Services Authority on 30 January 2023.

This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus is available for viewing at the office of the Issuer and on the websites of (a) the Malta Financial Services Authority during a period of twelve (12) months from the date of the Base Prospectus, and (b) the Issuer on its website www.bbp.com.mt and copies may be obtained free of charge from the registered office of the Issuer (Bonnici House, Triq is-Sardin, c/w Triq Burmarrad, Burmarrad, Malta). A summary of this individual issue is annexed to these Final Terms.

1.	**Issuer:**	Bonnici Bros. Properties p.l.c.
2.	**Series Number:**	1
3.	**Tranche Number:**	1
4.	**Specified Currency(ies):**	Euro (€)
5.	**Aggregate Nominal Amount:**	
	(i) Series:	Up to €16,000,000, which may be issued solely in tranches forming part of this Series 1 or in combination with Tranche/s forming part of one or more separate Series.
	(ii) Tranche:	Up to €12,000,000
6.	**(i) Issue Price of Tranche:**	€100
	(ii) Net Proceeds:	*Circa* €11,850,000
7.	**Specified Denomination:**	€100
8.	**Number of Bonds offered for subscription:**	up to a maximum of 120,000
9.	**(i) Issue Date:**	3 April 2023
	(ii) Interest Commencement Date:	3 April 2023
10.	**Maturity Date:**	3 April 2033
11.	**Redemption Value:**	Redemption at par
12.	**Record Date:**	15 days prior to the Interest Payment Date
13.	**Dates of the corporate authorisations for issuance of the Bonds:**	Resolution of the Board of Directors of the Issuer dated 30 November 2022
INTEREST		
14.	**Rate of Interest:**	Five point two five per cent (5.25%) *per annum* payable in arrears
15.	**Interest Payment Date(s):**	On 3 April of each year up to and including the Maturity Date
GENERAL PROVISIONS		
16.	**Taxation:**	As per section 13 (“Taxation”) of the Base Prospectus

PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the issue and public offer in Malta and admission to trading on the Official List of the MSE of the Bonds described herein pursuant to the €16,000,000 Unsecured Bond Issuance Programme of Bonnici Bros. Properties p.l.c.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Bonnici Bros. Properties p.l.c.

Duly represented by:

Gilbert Bonnici	Josef Wallace Galea

on behalf of Bonnici Bros. Properties p.l.c.

PART B – OTHER INFORMATION

1 ADMISSION TO TRADING AND LISTING

(i)	**Admission to Listing:**	The Bonds were authorised as admissible to listing on the Official List of the Malta Stock Exchange by virtue of a letter of the MFSA dated 30 January 2023.
(ii)	**Admission to trading:**	Application has been made to the MSE for the Bonds being issued pursuant to these Final Terms to be admitted to trading thereon. The Bonds are expected to be admitted to the MSE with effect from 3 April 2023 and trading is expected to commence on 4 April 2023.
(iii)	**Previous admission to trading:**	Not applicable.
(iv)	**Estimate of total expenses related to admission to trading:**	Approximately €150,000.

2 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for the possible subscription for Bonds by Financial Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to the Sponsor, Manager & Registrar for its role as such, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

3 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Not applicable.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) **Reasons for the offer:**

The Issuer intends to issue €12,000,000 worth of Bonds and comprising Tranche 1 of the Bonds. The net proceeds from the Tranche 1 Bonds, which net of expenses are expected to amount to approximately €11,850,000, will be utilised for the following purposes;

a) The amount of *circa* €1,200,000 will be used to repay a pending loan amount with APS Bank p.l.c. for the acquisition of the three Mercury Suites and a further €75,000 will be used for the furnishing of the said apartments;
b) The amount of *circa* €387,992 will be used to settle a pending payment to BBSL for the provision of works on the Ta' Habel Mica property and *circa* €3,288,208 will be utilised for the payment of works on the construction of warehouse and storage facilities on the Ta' Habel Mica property required for the completion of the warehouse;
c) The amount of *circa* €469,453 will be used to repay a pending loan amount with Bank of Valletta for the acquisition of the Sqaq Nru. 2 Quarry and a further *circa* €157,500 will be used for pending payments amounts to third parties in relation to the said purchase price;
d) The amount of *circa* €1,470,000 will be used to repay a pending loan amount with Bank of Valletta p.l.c. and a further *circa* €705,720 will be used to repay third parties for the acquisition of the Sliema Property;
e) The amount of *circa* €1,865,100 will used to pay the purchase price of the Floriana Property in terms of the promise of sale agreement; and
f) The remaining balance of net Bond Issue proceeds in an amount of *circa* €2,231,027 will be used for the general corporate funding purposes of the Issuer.

(ii)	**Estimated net proceeds:**	The estimated net proceeds are €11,850,000.
(iii)	**Estimated total expenses:**	Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with the offer are estimated not to exceed €150,000. There is no particular order of priority with respect to such expenses.
(iv)	**Conditions to which the offer is subject:**	The offer of the Tranche 1 Bonds is conditional upon: (i) the Tranche 1 Bonds being admitted to the Official List and (ii) the Tranche 1 Bonds being fully subscribed. In the event that any of these conditions is not satisfied, the subscription for the Tranche 1 Bonds shall be deemed not to have been accepted by the Issuer, any application monies will be returned without interest by direct credit into the Applicant's bank account, and the issue of Tranche 1 Bonds shall be cancelled forthwith.

5 YIELD

(i)	**Indication of yield:**	5.25%.
(ii)	**Method of calculating the yield:**	On the basis of interest, the Bond Issue Price and Redemption Value of the Bonds at the Maturity Date.

6 OPERATIONAL INFORMATION

(i)	**ISIN:**	MT0002721208

7 DISTRIBUTION

(i)	**Categories of Investors:**	The Bonds are open for subscription to all categories of investors
(ii)	**Method of distribution - Financial Intermediary Offer:**	The Issuer may enter into subscription agreements with Financial Intermediaries for the subscription of Tranche 1 Bonds (the "Subscription Agreements"). In terms of the Subscription Agreements, the Issuer will undertake to issue, and Financial Intermediaries will undertake to subscribe for, Tranche 1 Bonds subject to: (i) the Tranche 1 Bonds being admitted to trading on the Official List; and (ii) Tranche 1 being fully subscribed. In the event that any of the aforesaid conditions are not satisfied, the Issuer shall return Bond proceeds raised from the Tranche 1 Bonds to applicants who subscribed for Bonds under such Tranche. In terms of the Subscription Agreements, Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either: (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or (ii) instruct the Issuer to issue a portion of the Bonds subscribed by them directly to their underlying customers.
(iii)	**Underwriting:**	Not applicable.
(iv)	**Selling commission:**	1.25%.

(v) Expected timetable:

1.	Opening of Offer Period	6 February 2023
2.	Closing of Offer Period	10 March 2023
3.	Announcement of basis of acceptance	17 March 2023
4.	Dispatch of allotment letters and refunds of unallocated funds (if any)	24 March 2023
5.	Expected date of admission to Official List of Malta Stock Exchange	3 April 2023
6.	Expected commencement date of trading in the Bonds	4 April 2023
7.	Commencement of interest on the Bonds	3 April 2023

The Issuer reserves the right to close the Offer Period before 10 March 2023 in the event that the Bonds are fully subscribed, in which case, the events set out between points 3 to 7 (both inclusive) above may be brought forward, but shall be kept in the same chronological order as set out above.

8 ADDITIONAL INFORMATION

(i)	**Time period, including any possible amendments, during which the offer will be open:**	the period between 6 February 2023 at 08:30 CET and 10 March 2023 at 12:00 CET.
(ii)	**Arrangements for publication of final size of issue/offer:**	Not applicable.
(iii)	**Description of the application process:**	Subscription agreements are to be submitted by Financial Intermediaries on, or before, 10 March 2023. Applications may be obtained from the offices of the Issuer and any of the Financial Intermediaries.
(iv)	**Details of the minimum/ maximum amount of application (whether in numbers of securities or aggregate amount to invest):**	During the Offer Period, the minimum investment amount shall be €2,000. There is no maximum investment amount.
(v)	**Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:**	Not applicable.
(vi)	**Method and time limits for paying up the securities and for delivery of the securities:**	Payment must be made in Euro in cleared funds in cash to the respective Financial Intermediary. Payment must be done upon first presentation of application for the Bonds. All applications for the Bonds must be submitted on the appropriate Application within the time limits established therein.

(vii)	**Full description of the manner and date in which results of the offer are to be made to public:**	Not applicable.
(viii)	**Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure:**	Not applicable.
(ix)	**Process for notification to applicants of the amount of Bonds allotted and indication whether dealing may begin before notification is made:**	Applicants shall be notified on the amount of the Bonds allotted by mail dispatched on 24 March 2023. Dealing may not commence before the notification is dispatched by the Issuer.

ANNEX I – ISSUE SPECIFIC SUMMARY

This summary (the "**Summary**") is prepared in accordance with the requirements of the Prospectus Regulation. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds to be issued pursuant to these Final Terms. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Base Prospectus and these Final Terms, as the case may be.

1 INTRODUCTION AND WARNINGS

This Summary contains key information on the Issuer and the Tranche 1 Bonds, summarised details of which are set out below:

Issuer:	Bonnici Bros. Properties p.l.c.
Address:	Bonnici House, Sardine Street, Burmarrad, St Paul's Bay, Malta
Telephone number:	+356 23596000
Website:	www.bbp.com.mt
Legal Entity Identifier (LEI):	39120041FIVTCO6S5195
Nature of the Securities:	Unsecured Bonds up to a maximum amount of €12,000,000, bearing an interest rate of 5.25% *per annum*, payable annually in arrears on 3 April of each year between and including 2024 and 2033.
ISIN:	MT0002721208
Competent authority approving the Prospectus:	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta). The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer.
Address, telephone number & official website of the competent authority approving the Prospectus:	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. Telephone number: +356 2144 1155 Official website: https://www.mfsa.mt/
Prospectus approval date:	30 January 2023

Prospective investors are hereby warned that:

(i) this Summary should be read as an introduction to the Base Prospectus and Final Terms. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Base Prospectus and Final Terms. 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 document;

(ii) any decision of the investor to invest in the securities should be based on consideration of the Base Prospectus and Final Terms as a whole by the investor;

(iii) an investor may lose all or part of the capital invested by subscribing for Bonds;

(iv) where a claim relating to the information contained in the Base Prospectus and Final Terms is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Base Prospectus and the Final Terms before the legal proceedings are initiated; and

(v) civil liability attaches only to those persons who have tabled the Summary, but only if the Summary, when read together with the other parts of the Base 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.

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and legal form, LEI and country of the Issuer

The Issuer is Bonnici Bros. Properties p.l.c., a public limited liability company registered in terms of the Companies Act (Cap 386 of the laws of Malta), with company registration number C 74286 and its registered office is Bonnici House, Sardine Street, Burmarrad, St Paul's Bay, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 39120041FIVTCO6S5195.

2.1.2 Principal Activities of the Issuer

The Issuer is a property company with a property portfolio spread over different regions in Malta. The business objective of the Issuer is predominantly based on buy and lease strategy. Current leases are long-lettings ranging from office spaces, warehouse spaces, showroom, storage spaces, and parking spaces. The Issuer will diversify its income stream to include short-lettings and use of properties to allow the Issuer to enter into different rental markets, which include the hospitality, residential and academic industries.

The Issuer has a number of hypothecated securities over its immovable properties to secure bank facilities issued to companies in the Bonnici Group in return for a security fee.

The Issuer will also operate quarries to generate income from excavation and eventually income for backfilling and dumping of inert construction waste, not intended for recycling and/or re-use.

2.1.3 Major Shareholders

The shareholders of the Issuer are John Bonnici Limited, Mario Bonnici Limited, Emanuel Bonnici Limited and Benjamin Bonnici Limited each holding 25% of the issued share capital of the Issuer.

2.1.4 Directors of the Issuer

The Directors of the Issuer are Richard Abdilla Castillo, Josef Wallace Galea, Gilbert Bonnici, Alexis Bonnici, Alfred Attard and David Bonnici.

2.1.5 Statutory Auditors

The auditors of the Issuer are Grant Thornton (accountancy board registration number AB/26/84/22) situated at Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara, Malta, Malta. The financial statements of the Issuer for the financial years ended 31 December 2021 have been audited by Tri-Mer Audit Limited (accountancy board registration number AB/2/16/09) situated at International House, Mdina Road, Mriehel, Birkirkara, Malta. Grant Thornton were appointed as auditor of the Issuer on 19 November 2022. Grant Thornton and Tri-Mer Audit Limited are firms registered as partnerships of certified public accountants holding practicing certificates to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap 281 of the laws of Malta).

2.2 What is the key financial information regarding the Issuer?

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

Bonnici Bros. Properties p.l.c. Summary of key financial information	31.12.21 (Audited)	31.12.20 (Audited)	31.12.19 (Audited) (Restated)	31.06.22 (Unaudited)	30.06.21 (Unaudited)
	€'000	€'000	€'000	€'000	€'000
Statement of comprehensive income					
Revenue	466	304	76	485	230
Profit for the year/period	164	5,000	61	164	119
Statement of financial position					
Total assets	28,351	21,800	8,085	30,315	
Statement of cash flows					
Net cash from/(used in) operating activities	329	(42)	59	242	215
Net cash from/(used in) investing activities	(812)	-	-	(1,304)	(734)
Net cash from/(used in) financing activities	450	-	-	1,097	531

2.3 What are the key risks 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:

(i) **Risk relating to the property portfolio generally:** Performance of the Issuer is dependent on rental revenues and property values. Market factors influencing the oversupply of space, a reduction in demand for property in an area, competition from other available space or increased operating costs may have a negative impact on rental revenues and property values.

(ii) **Risks relating to regulatory and legislative changes:** Rental revenues, property values and the business generally of the Issuer may be impacted by changes in government regulations, changes in planning, environmental or tax laws, both at domestic and international levels.

(iii) **Dependence on tenants:** The Issuer's ability to fulfil its obligations towards the Bondholders will depend on the Issuer continuing to receive a significant level of rent from its tenants. The Issuer's ability to fulfil such obligations could be affected if occupancy levels were to fall or if a significant number of tenants were unable to meet their obligations.

(iv) **Dependence on Bonnici Group:** The majority of tenants leasing out the properties from the Issuer form part of the Bonnici Group and rental revenues are dependent on its economic and financial prospects. The high-level of concentration of rental revenues from one group of companies poses a risk since any risks intrinsic to the business operations of the Bonnici Group will have an immediate impact on the financial position of the Issuer.

3. KEY INFORMATION ON THE BONDS

3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 5.25% unsecured bonds 2033 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12,000,000. The Issue Date of the Bonds is expected to be on or around 3 April 2023. The Bonds are redeemable on 3 April 2033. The Bonds shall bear interest from and including 3 April 2023 at the rate of 5.25% *per annum* on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 3 April 2024 (covering the period 3 April 2023 up to and including 2 April 2024).

The currency of the Bonds is Euro (€). Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0002721208. The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, save for such exceptions as may be provided by applicable law.

The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000 and in multiples of €100 thereafter. Once the Bonds are admitted to listing on the Official List of the MSE, there is no minimum holding requirement. The Bonds are freely transferable and, once admitted to the Official List, shall be transferable in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Base Prospectus and Final Terms to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 3 April 2023 and trading is expected to commence on 4 April 2023. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

3.3 What are the key risks associated with the Bonds?

The most material risk factors specific to the Bonds are set out below:

(i) **Interest rate risk:** Investment in the Bonds involves the risk that subsequent changes in market interest rates, such as the impact of inflation by a rise in market levels of rates of interests, may adversely affect the market value of the Bonds.

(ii) **No assurance of active secondary market for the Bonds:** The existence of a liquid market for the Bonds will depend on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time and over whom the Issuer has no control.

(iii) **Fixed rate bonds:** The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds.

(iv) **The Issuer's and Bonnici Group's indebtedness:** The Bonds constitute the general, unconditional and unsecured obligation of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer. The Bonnici Group has an amount of debt and potentially expects to incur additional debt in pursuit of future growth. The Issuer has already secured a number of immovable properties to secure contracted debts and obligations contracted by companies within the Bonnici Group. Failure by the companies within the Bonnici Group to meet their obligations may give rise to third party creditors, all of which are banks, exercising their security interests over those specific assets.

(v) **Additional indebtedness and security:** The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues.

4. KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING

4.1 Under which conditions and timetable can I invest in this security?

4.1.1 Expected timetable of principal events

1.	Opening of Offer Period	6 February 2023
2.	Closing of Offer Period	10 March 2023
3.	Announcement of basis of acceptance	17 March 2023
4.	Dispatch of allotment letters and refunds of unallocated funds (if any)	24 March 2023
5.	Expected date of admission to Official List of Malta Stock Exchange	3 April 2023
6.	Expected commencement date of trading in the Bonds	4 April 2023
7.	Commencement of interest on the Bonds	3 April 2023

The Issuer reserves the right to close the Offer Period before 10 March 2023 in the event that the Bonds are fully subscribed, in which case, the events set out between points 3 to 7 (both inclusive) above may be brought forward, but shall be kept in the same chronological order as set out above.

4.1.2 General terms and conditions; admission to trading on a regulated market

The Bonds are being issued with a minimum subscription amount of €2,000 per Applicant. Tranche 1 Bonds are available for subscription through any of the Financial Intermediaries from 6 February 2023 to 10 March 2023. The Issuer may refuse and reduce subscriptions: (a) in the event of over-subscription of the offer; and, or (b) in the event that the allocation policy of the Issuer so determines. Application has been made to the MSE for the Bonds to be listed and traded on the Official List. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List. The offer of the Bonds under this Tranche 1 is conditional upon: (i) the Tranche 1 Bonds being admitted to the Official List; and (ii) the Tranche 1 Bonds being fully subscribed. In the event that any of these conditions are not satisfied, the subscription for the Bonds shall be deemed not to have been accepted by the Issuer, any application monies will be returned without interest by direct credit into the Applicant's bank account, and the Bond Issue shall be cancelled forthwith.

4.1.3 Allocation Policy

The Issuer shall announce the result of the Bond Issue by no later than 17 March 2023.

4.1.4 Total Estimated Expenses

Total estimated expenses are approximately €150,000. There is no particular order of priority with respect to such expenses. The professional fees shall be paid from the proceeds of the Tranche 1 Bonds, whereas all other expenses shall be borne by the Issuer.

4.2 Why is this prospectus being issued?

4.2.1 The use and estimated net amount of the proceeds

The principal purpose of the Bonds is to diversify the property portfolio and income stream of the Issuer. Tranche 1 Bonds will serve to settle outstanding loan amounts incurred pursuant to the purchase of the immovable properties and the development to completion of a number of the properties. The net proceeds from the Tranche 1 Bonds, which net of expenses are expected to amount to approximately €11,850,000, will be utilised for the following purposes:

(i) The amount of *circa* €5,867,053 will be used to settle the purchase price and loan amounts for the acquisition of the Sliema Property, Floriana Property, Sqaq Nru. 2 Quarry and the Mercury Suites;

(ii) The amount of *circa* €3,751,200 will be used for payment of works for the development to completion of the Mercury Suites and the Ta' Habel Mica property; and

(iii) The remaining balance of net Bond Issue proceeds in an amount of *circa* €2,231,027 will be used for the general corporate funding purposes of the Issuer.

4.2.2 Underwriting

The Bonds shall not be underwritten.

4.2.3 Conflicts of Interest

Save for the possible subscription for Bonds by Financial Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to the Sponsor, Manager & Registrar for its role as such, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

ANNEX II – LIST OF FINANCIAL INTERMEDIARIES

Calamatta Cuschieri Investment Services Limited
Ewropa Business Centre
Triq Dun Karm
Birkirkara BKR 9034
25688688

FINCO Treasury Management Ltd
The Bastions, Office No 2
Emvin Cremona Street
Floriana FRN 1281
21220002

Jesmond Mizzi Financial Advisors Ltd
67, Level 3
South Street
Valletta VLT 1105
21224410

MeDirect Bank (Malta) p.l.c.
The Centre,
Tigne` Point
Sliema TPO 0001
25574400

Michael Grech Financial Investment Services Limited
The Brokerage
St Marta Street
Victoria, Gozo VCT 2550
22587000

ANNEX III – FINANCIAL ANALYSIS SUMMARY

The Directors
Bonnici Bros. Properties p.l.c.
Bonnici House,
Sardine Street, Burmarrad,
St. Paul's Bay, Malta

30 January 2023

RE: FINANCIAL ANALYSIS SUMMARY – 2023

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Bonnici Bros. Properties p.l.c. (the "Issuer") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2019, 2020 and 2021 has been extracted from the audited financial statements of Bonnici Bros. Properties p.l.c. for the three years in question.

(b) The forecast data for the financial years ending 2022, 2023, 2024 and 2025 has been provided by management.

(c) Our commentary on the Issuer's results and financial position is based on the explanations set out by the Issuer in the Prospectus and on the MFSA Listing Policies.

(d) The ratios quoted have been computed by us applying the definitions set out in Part 4 of the Analysis.

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours sincerely,

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2023

Bonnici Bros Properties p.l.c.

30 January 2023

Prepared by Calamatta Cuschieri Investment Services Limited

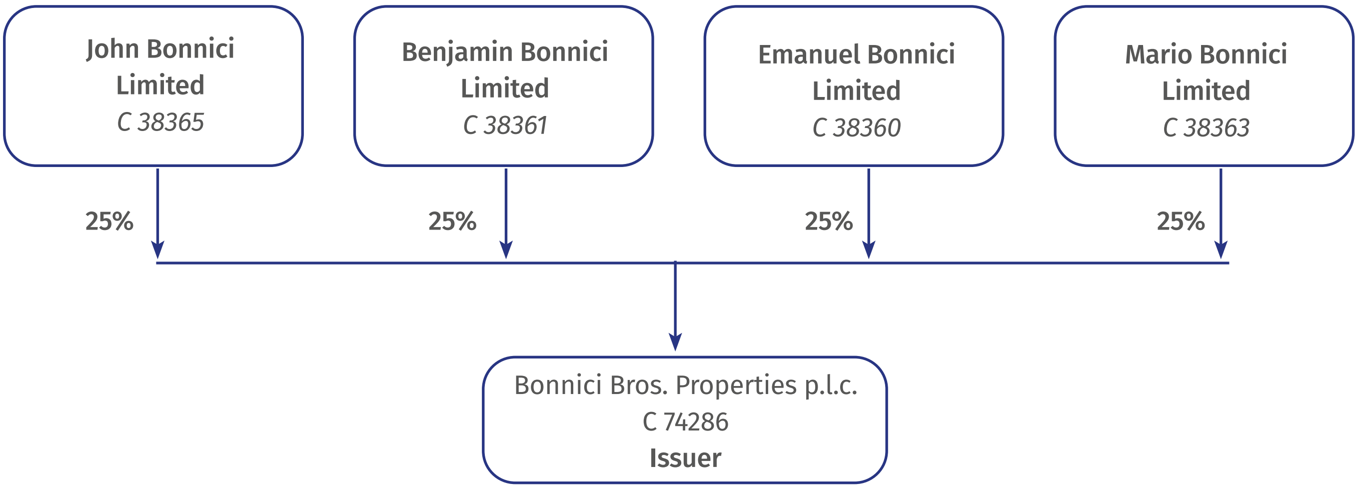
Table of Contents

Part 1 - Information about the Group

Bonnici Bros. Properties p.l.c. is issuing €12 million 5.25% Unsecured Bonds 2033 (the “Bonds”) pursuant to a final terms document dated 30 January 2023. This Financial Analysis Summary has been prepared in line with the MFSA Listing Policies

1.1 Issuer’s Key Activities and Structure

The Issuer’s Group structure is as follows:



Bonnici Bros. Properties Ltd (the “**Issuer**”, “**BBPL**” or the “**Company**”) was incorporated on 9 February 2016 and has at the date of this Analysis an authorised share capital of €5,000,000 divided into 5,000,000 Ordinary Shares of €1 each and has an issued share capital of €5,000,000 divided into 5,000,000 Ordinary Shares of €1 each, all fully paid up. The Issuer’s share capital is equally divided into four classes of shares such that each shareholder holds 25% equity stake in the Company. The shareholders of the Ordinary ‘A’ Shares shall not have the right to appoint any directors to the Board. The shareholders of the Ordinary ‘B’ Shares, Ordinary ‘C’ Shares and Ordinary ‘D’ Shares shall each have the right to appoint two directors to the Board. Other than the voting rights for the appointment of directors to the Board, each class of shares shall rank *pari passu* between them and shall have the same rights. John Bonnici Limited, Benjamin Bonnici Limited, Emanuel Bonnici Limited and Mario Bonnici Limited were all incorporated on 4 April 2006.

BBPL was incorporated to carve out the property held within the Bonnici Bros. Group. As at the time of this analysis 2 batches of property transfers have taken place, the first being in April 2018 and the second in June 2020 with a total cost value of €7.34m and €7.35m respectively. The aforementioned property it acquired from Bonnici Bros. Group is leased out to related and third parties. Furthermore, the Company’s ambition is to continue building its position as a reputable provider of commercial space for rental and to grow and diversify its investment property portfolio for rent and subsequent sale.

1.2 Directors and Key Employees

Board of Directors – Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Josef Wallace Galea	Chairman Independent Non-executive Director
Mr Alfred Attard	Independent Non-executive Director
Mr Richard Abdilla Castillo	Independent Non-executive Director
Mr Gilbert Bonnici	Executive Director
Mr David Bonnici	Executive Director
Mr Alexis Bonnici	Executive Director

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

Dr Laragh Cassar is the company secretary of the Issuer.

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

1.3 Major Assets owned by the Company

1.3.1. Bonnici House

The Bonnici House is found in Triq is-Sardin, Burmarrad. It consists of commercial premises over five levels, comprising of a garage and storage space, a showroom and 3 floors of offices being leased to a mix of related party tenants (Levels 0 & 1 to UNEC Ltd and Levels 3 & 4 to Bonnici Bros. Limited ("BBL")) and third party tenants (Level 2 to Mr Messaging Limited). Over the historical period, Bonnici House was the main contributor to the Issuer's revenue generating 54% of lease income in FY21.

1.3.2. Bonnici Garage

The Bonnici Garage is also found in Triq-is-Sardin, Burmarrad and consists of an industrial complex with workshops, a yard and offices at ground level being leased to a related party, UNEC Servicing Ltd.

1.3.3. Birkirkara Properties

The Birkirkara properties are residential properties which have been transferred to BBPL from BBL and through an assignment of debt and novation agreement, was financed through shareholders' capital contribution. Although the intention is to lease out these properties it is important to note that any rental income generated from these properties has been excluded from the projections set out in this report.

1.4 Operational Developments

1.4.1. Quarries in Mqabba

In FY21, BBPL acquired 2 quarries in Mqabba which it plans to start excavating at the beginning of next year and expects to have them fully excavated by 28 June 2025. Mqabba Quarry 1 is found in Valletta Road, Sqaq No. 2 and is made up of 5,290m^2 quarry area and 19,781m^2 total site area. Mqabba Quarry 2 consists of 3,457m^2 of quarry area. Following completion of excavation works, BBPL is planning to fill the said quarries with construction and demolition waste over a period of 9 years. Management explained that, over the recent years, demand for landfilling has been significantly in excess of supply and this trend is expected to continue for the near future. For this reason, Management believe it is reasonable to assume that the quarries will be filled up over *circa* 7.5 years or even a shorter period.

These quarries are classified as property and equipment and are measured at cost less accumulated depreciation and any impairment losses.

1.4.2. Mercury Towers Apartments

BBPL acquired 3 apartments in a finished state in Block 2, Mercury Towers, in March 2022. Mercury Towers is found in St.George's Street, Paceville and comprises of a 33-storey tower, a 5 star hotel housed in a 5-storey podium and a multi-use 19-storey building. The properties themselves are located at second, third and fourth floor level within the second residential block. Management projects to start renting out the apartments from February 2025.

1.4.3. Sliema Townhouse

The Sliema Townhouse is situated in Milner Street, Sliema. BBPL has obtained a permit covering the change of use from a disused residence to a Class 3B hotel having 7 floors comprising 24 rooms and amenities. The plot consists of 194m^2 at ground floor level only and a subsequent 235m^2 of airspace. A portion of the first tranche will be allocated to purchasing this property. The approved permit for this project is currently subject to a third party appeal before the Appeals Board Tribunal. Management explained that should the appeal be successful and the planning permit is turned down, BBPL may elect to sell the Sliema Townhouse.

1.4.4. Floriana Property

In July 2022 the Issuer entered into a promise of sale agreement for the acquisition of a property in Floriana. The property is situated at 23, Triq Vincenzo Dimech corner with Triq l-Iljun, Floriana and comprises of a converted townhouse with an approved Class 2C educational building permit and is currently operational as so.

Management stated that the intention is for the 3 properties mentioned in 1.4.2, 1.4.3 and 1.4.4 to be leased out to third parties and not operated directly.

1.4.5. Burmarrad Warehouses

In December 2020, BBPL contracted a related party to excavate and construct the land at Ta' Habel Mica as well as construct and finish the work of the Burmarrad warehouses. Part of the works were in turn sub-contracted to a third party. Commencement of these works started in April 2021. A portion of the Bond proceeds will be used for this development. The warehouses will serve as a storage facility/warehouse and is expected to be leased out to the Bonnici Group. In the event that the Bonnici Group does not require all the rentable warehouse space immediately, management will seek to lease any excess capacity to third parties. Management has been approached in the past by various third parties who were interested in leasing warehouse space due to its location and for this reason, management is very confident that the Burmarrad warehouses will be fully occupied by 1 October 2023.

Use of proceeds

The net proceeds of the Bond issue, which are expected to amount within the region of €11.85 million, are earmarked by the Issuer for the following purposes:

- *Circa* €1.2m to repay a pending loan with APS Bank p.l.c. for the acquisition of the Mercury Tower apartments and €75k for the furnishing thereof;
- *Circa* €0.39m to settle a pending payment to a capital creditor for the provision of works on the Ta' Habel Mica property and €3.29m for the payment of works including the construction of warehouse and storage facilities at Ta' Habel Mica required for the development to completion of the warehouse;
- *Circa* €0.47m to repay a pending loan amount with BOV for the acquisition of the Mqabba quarry 2 and €0.16m which will be used for pending amounts due to BBL, the amount which was paid directly to the vendors on behalf of BBPL in relation to the said purchase price for the acquisition of the quarries, pending the issue of the bond;
- *Circa* €1.47m to repay a pending loan amount with BOV and a further €0.71m will be used to repay BBL, the amount which was paid directly to the vendors on behalf of BBPL in relation to the said purchase price for the acquisition of the Sliema property, pending the issue of the bond;
- *Circa* €1.89m to pay the purchase price of the Floriana property in terms of the promise of sale agreement; and
- *Circa* €2.2m will be used for the general corporate funding purposes.

Bond issue costs are estimated at €150k and consist of broker, sponsor, legal, and financial advisory fees.

1.5 COVID-19 impact on the Group's operational and financial performance

Different levels of outbreaks of the COVID-19 virus may have significant repercussions on the Issuer's and Bonnici Group's economic and financial performance. A high-level outbreak, both locally and internationally, may induce state of emergencies in different countries with the imposition of lockdowns in the affected regions. As experienced in the past two years, this will impact worldwide economies. The COVID-19 virus may have an adverse direct effect on the Issuer if a potential outbreak occurs amongst employees of the Issuer and Bonnici Group who would be subject to quarantine restrictions and therefore reduce the work output collectively.

Part 2 - Historical Performance and Forecasts

The financial information in sections 2.1 to 2.3 is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021.

The projected financial information for the years ending 31 December 2022, 2023, 2024 and 2025 has been provided by the Company's management. This financial information relates to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 Issuer's Statement of Comprehensive Income

Issuer's Statement of Comprehensive Income for the year ended 31 December	2019A	2020A	2021A
	€'000s	€'000s	€'000s
Revenue	68	296	460
Gross profit	**68**	**296**	**460**
Administrative expenditure	(4)	(3)	(135)
Fair value gain on investment property	-	6,279	428
Other operating income	9	-	-
EBIT	**73**	**6,572**	**753**
Finance cost	-	-	(84)
Profit before income tax	**73**	**6,572**	**669**
Current tax charge	(11)	(74)	(120)
Deferred tax charge	-	(1,498)	(385)
Profit for the year	**62**	**5,000**	**164**

Ratio Analysis	2019A	2020A	2021A
Profitability			
Growth in Revenue (YoY Revenue Growth)	N/A	335.3%	55.4%
EBIT Margin (EBIT/Revenue)	107.4%	2220.3%	163.7%
Net Margin (Profit for the year/Revenue)	91.2%	1689.2%	35.7%
Return on Common Equity (Net Income/Average Equity)	121.6%	62.7%	1.0%
Return on Assets (Net Income/Average Assets)	0.8%	33.1%	0.7%
Return on capital employed (EBITDA/Total Assets - Current Liabilities)	0.9%	34.8%	3.8%
EBIT Growth	N/A	8902.7%	-88.5%

As at FY21 revenue consisted of rental income. This increased steadily from €0.1m in FY19 to €0.5m in FY21. This was mainly due to an increase of the property portfolio of BBPL which is then subsequently leased out to related parties. It is important to note that FY20 revenue incorporates only 7 months of rental income from such property. The Ix-Xaghri Ta' Zuta property generated the greater part of revenue in both FY20 and FY21 at €0.1m and €0.2m respectively. In FY20 and FY21, the Issuer reported revenue growth of 335.3 and 55.4% respectively.

No cost of sales ("COS") was registered in any of the years since water and electricity is recharged to customers and the net amount recorded as other operating income/loss in the income statement. Administrative expenses remained stable throughout FY19 and FY20 at around €4k. In FY21, however, administrative expenses increased significantly to €0.1m due to the operational cost structures needed to support the business operations of an entity looking to list on the MSE. These included the employment of 2 full-time employees, an increase in audit fees, remuneration and non-recurring professional fees incurred in relation to the proposed bond issue.

In FY20 and FY21, investment property was revalued by €6.3m and €0.4m respectively based on an independent architect's valuation which was the main reason for the EBIT and net profit margins of 2220.3% and 1689.2% respectively reported in FY20. EBIT was €0.1m, €6.6m and €0.8m in FY19, FY20 and FY21 respectively. Finance costs were nil in FY19 and FY20 but amounted to €0.1m in FY21. Finance costs in FY21 were made up of notional interest on the loan amounts due to corporate shareholders (€30k) and interest on the bank loans obtained to finance the acquisition of the Mqabba quarries (€19k) and the Sliema Townhouse (€35k) with the latter being recharged by BBL. In the projected years, finance costs are expected to increase significantly due to the additional interest due on the outstanding bonds.

During the historical period, the Company's operations were limited to the rental of investment property and hence, current tax charge primarily represented the tax on rental income. In FY20 and FY21 however, the substantial fair value gain on investment property recognised also gave rise to a corresponding movement in deferred tax liabilities of €1.5m and €0.4m respectively. This meant that profit for the year after accounting for income tax was €0.1m, €5.0m and €0.2m in FY19, FY20 and FY21 respectively.

2.2 Issuer's Statement of Financial Position

Issuer's Statement of Financial Position as at 31 December	2019A	2020A	2021A
	€'000s	€'000s	€'000s
Assets			
Non-current assets			
Property and equipment	-	-	2,195
Investment property	8,000	21,627	25,962
Total non-current assets	**8,000**	**21,627**	**28,157**
Current assets			
Trade and other receivables	-	130	184
Cash and cash equivalents	85	44	10
Total current assets	**85**	**174**	**194**
Total assets	**8,085**	**21,801**	**28,351**
Equity			
Share capital	1	1	1
Capital contribution reserve	-	10,836	10,836
Retained earnings	50	5,050	5,214
Total equity	**51**	**15,887**	**16,051**
Liabilities			
Non-current liabilities			
Borrowings	7,347	849	1,201
Other payables	5	5	5
Deferred tax liabilities	665	2,163	2,548
Total non-current liabilities	**8,017**	**3,017**	**3,754**
Current liabilities			
Borrowings	-	-	146
Trade and other payables	6	2,708	8,165
Current tax liabilities	11	74	120
Contract liabilities	-	115	115
Total current liabilities	**17**	**2,897**	**8,546**
Total liabilities	**8,034**	**5,914**	**12,300**
Total equity and liabilities	**8,085**	**21,801**	**28,351**

Ratio Analysis	2019A	2020A	2021A
Financial Strength			
Gearing 1 (Net Debt / Net Debt and Total Equity)	99.30%	4.82%	7.69%
Gearing 2 (Total Liabilities / Total Assets)	99.4%	27.1%	43.4%
Gearing 3 (Net Debt / Total Equity)	14239.22%	5.07%	8.33%
Net Debt / EBITDA	99.48x	0.12x	1.78x
Current Ratio (Current Assets / Current Liabilities)	5.00x	0.06x	0.02x
Interest Coverage 1 (EBITDA / Cash interest paid)	N/A	N/A	N/A
Interest Coverage 2 (EBITDA / Finance Costs)	N/A	N/A	8.96x

The Company's main asset is its portfolio of investment property, which increased steadily from €8.0m in FY19 to €26.0m in FY21. This means that in FY21 investment property accounted for 91.6% of total assets. The investment properties were financed primarily through related party financing (a material part of which was, in FY20, recognised as a capital contribution within equity) and more recently bank borrowings. BBPL also revalued its investment property in FY20 and FY21 and recognised an increase in fair value respectively.

Non-current assets also include property and equipment made up of quarries situated in Mqabba (FY21: €2.19m) which are managed and operated by BBPL, and computer equipment (FY21: €1k). It is important to understand that due to accounting conventions, quarries are accounted for at cost. In actual fact their fair value as reported by an independent architect is *circa* €8.5m higher than what is actually reported in the Balance Sheet. Current assets, on the other hand, were made up of trade and other receivables and cash and cash equivalents. Trade and other receivables amounted to €0.2m in FY21, which is slightly higher than the amount registered in FY20 (€0.1m). In FY21 trade and other receivables consisted of trade receivables (€0.1m), prepayments (€5k), bond issuance attributable costs (€14k) and VAT recoverable (€53k).

Cash and cash equivalents, on the other hand, saw a decreasing pattern throughout the historical years going from €85k in FY19 to €44k in FY20 and €10k in FY21. This resulted in total assets of €8.1m in FY19, €21.8m in FY20 and €28.4m in FY21. When it comes to equity, share capital remained stable throughout the 3 historical years at €1k. The capital contribution reserve, which came into play in FY20 through an assignment of debt and novation agreement (in relation to the transfer of assets from the Group to BBPL), totalled €10.8m and remained at this amount in FY21. During FY22, part of this capital contribution reserve was capitalised into share capital. Retained earnings increased throughout the 3 historical years in line with the profits registered.

Non-current borrowings in the historical years consist of mainly loans advanced by related companies. These amounted to €7.4m in FY19 and dropped to €0.9m in FY20 as a result of an assignment of debt and novation agreement. Non-current borrowings increased slightly to €1.2m in FY21 due to a bank loan of €0.3m. Other payables were minimal at €5k and remained constant throughout the historical years. The deferred tax liabilities represent the tax effect of temporary differences related to the fair value on the Company's investment property and increased from €0.7m in FY19 to €2.2m in FY20 to €2.6m in FY21. Total non-current liabilities amount to €8.0m, €3.0m and €3.8m in FY19, FY20 and FY21 respectively.

Current borrowings, which were nil in FY19 and FY20, amounted to €0.2m in FY21. Short-term trade and other payables increased throughout the 3 historical years mainly due to increasing amounts owed to related companies which went up from €2.6m in FY20 to €7.2m in FY21. Other noticeable movements in trade and other payables include an increase in accruals from €2k in FY20 to €1.0m in FY21. Total trade and other payables amounted to €6k in FY19, €2.7m in FY20 and €8.2m in FY21. Current tax liabilities increased slightly over the years from €11k in FY19 to €0.1m in FY21 in line with the higher profits registered. Contract liabilities were minimal and amounted to €0.1m in both FY20 and FY21. All this resulted in total equity and liabilities of €8.1m in FY19, €21.8m in FY20 and €28.4m in FY21. The current ratio is relatively low in FY21 at 0.02x which means the Issuers short term liabilities exceed its liquid assets. Having said this, the Issuer is able to comfortably afford its interest payments, with interest coverage ratio coming in at 9.0x in FY21.

2.3 Issuer's Statement of Cash Flows

Issuer's Statement of Cash Flows for the year ended 31 December	2019A	2020A	2021A
	€'000s	€'000s	€'000s
Cash flows from operating activities			
Profit before tax	73	6,572	669
Adjustments for:			
Fair value gain on investment properties	-	(6,279)	(428)
Finance cost	-	-	84
Movement in working capital			
Movement in trade and other receivables	-	(129)	12
Movement in trade and other payables	(14)	(195)	66
Cash flows from operations	**59**	**(31)**	**403**
Taxation paid	-	(11)	(75)
Net cash flows generated from / (used in) operating activities	**59**	**(42)**	**328**
Cash flows from investing activities			
Acquisition of investment properties	-	-	(175)
Acquisition of property, plant and equipment	-	-	(637)
Net cash flows generated from / (used in) investing activities	**-**	**-**	**(812)**
Cash flows from financing activities			
Movement in short term loans	-	-	450
Net cash flows generated from / (used in) financing activities	**-**	**-**	**450**
Movement in cash and cash equivalents	**59**	**(42)**	**(34)**
Cash and cash equivalents at start of year	27	86	44
Cash and cash equivalents at end of year	**86**	**44**	**10**

Ratio Analysis	2019A	2020A	2021A
Cash Flow	€'000s	€'000s	€'000s
Free Cash Flow (Net cash from operations + Interest - Capex)	€59	€(42)	€(484)

After adjusting for both non-cash items and movements in working capital the Issuer was able to generate positive net cash flows from operating activities of €0.1m and €0.3m in FY19 and FY21 respectively. The inflow in FY21 was mainly due to positive movements in working capital. In FY20, on the other hand, the fair value gain adjustment and negative movements in both trade receivables and trade payables resulted in net cash outflows from operations of €42k. In FY19 and FY20, there were no cash flow movements in both investing and financing activities.

In FY21 however, the positive net operating cash flows generated were used primarily for the acquisition of the Mqabba quarries, which resulted in cash outflows from investing activities of €0.8m. A positive movement in short-term loans meant that the Issuer managed cash inflows from financing activities of €0.5m in FY21. These movements resulted in cash and cash equivalents at the end of the year of €0.1m, €44k and €10k in FY19, FY20 and FY21 respectively. The Issuer's free cash flow was €0.1m in FY19, €(42k) in FY20 and €(0.5)m in FY21.

2.4 Issuer's Forecasted Statement of Comprehensive Income

Issuer's Statement of Comprehensive Income for the year ended 31 December	2022P	2023P	2024P	2025P
	€'000s	€'000s	€'000s	€'000s
Revenue	992	1,237	1,374	2,151
Cost of sales	-	-	-	-
Gross profit	**992**	**1,237**	**1,374**	**2,151**
Administrative expenditure	(277)	(275)	(282)	(291)
Fair value gain on investment property	411	384	685	700
EBITDA	**1,126**	**1,346**	**1,777**	**2,560**
Depreciation and amortisation	-	-	-	(70)
EBIT	**1,126**	**1,346**	**1,777**	**2,490**
Finance cost	(151)	(791)	(750)	(745)
Finance income	9	39	27	32
Profit before income tax	**984**	**594**	**1,054**	**1,777**
Current tax charge	(257)	(354)	(396)	(452)
Deferred tax charge	(454)	(142)	(81)	(71)
Profit for the year	**273**	**98**	**577**	**1,254**

Ratio Analysis	2022P	2023P	2024P	2025P
Profitability				
Growth in Revenue (YoY Revenue Growth)	115.7%	24.70%	11.08%	56.55%
EBITDA Margin (EBITDA / Revenue)	113.51%	108.81%	129.33%	119.01%
Net Margin (Profit for the year / Revenue)	27.52%	7.92%	41.99%	58.30%
Return on Common Equity (Net Income / Average Equity)	1.64%	0.57%	3.27%	6.75%
Return on Assets (Net Income / Average Assets)	0.80%	0.24%	1.37%	2.98%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	2.87%	3.30%	4.29%	6.29%
EBITDA Growth	49.54%	19.54%	32.02%	44.06%

From FY22 onwards, the Issuer expects to diversify its revenue streams through the generation of property security fee and Mqabba quarry income. Revenue in FY22 is expected to jump by 115.7% to €1.0m. The income from these 2 new revenue streams will remain consistent up until FY24. In FY25 the Issuer expects another strong jump in revenue of 56.6% since, as detailed in section 1.4.1., it is expected that the Mqabba quarries will be fully excavated by FY25 and subsequently, the revenue generated from excavation (*circa* 0.1m) will be replaced by a more lucrative stream of income coming from landfill revenues (*circa* €0.7m in FY25). Projected FY25 landfill revenues are only for part of the year and the FAS does not show a full calendar year of landfill revenue which is expected to be generated annually from 2026 onwards. The security fee is income earned by the Company in exchange for the granting of identified investment properties as security for the obtainment of bank financing. Administrative expenses are expected to continue rising in line with the higher revenue albeit at a slower pace which is the main reason for the higher EBITDA growth of 44.06% in FY25. EBIT is expected to amount to €1.1m and €1.4m in FY22 and FY23. In FY25 an expected depreciation charge of €0.1m will result in EBIT of €2.5m. Profit for the year in the projected years after accounting for both finance and tax related expenses will amount to €0.6m in FY24 and 1.3m in FY25 with corresponding net profit margins coming in at 42.0% and 58.3% respectively.

2.5 Issuer's Forecasted Statement of Financial Position

Issuer's Statement of Financial Position for the year ended 31 December	2022P	2023P	2024P	2025P
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Property and equipment	2,195	2,195	2,195	2,124
Investment property	28,758	33,259	34,037	34,756
Total non-current assets	30,953	35,454	36,232	36,880
Current assets				
Trade and other receivables	224	225	226	227
Cash and cash equivalents	863	3,656	3,536	2,226
Total current assets	**1,087**	**3,881**	**3,762**	**2,453**
Total assets	**32,040**	**39,335**	**39,994**	**39,333**
Equity				
Share capital	5,000	5,000	5,000	5,000
Capital contribution reserve	6,734	6,734	6,734	6,734
Retained earnings	5,488	5,604	6,199	7,472
Total equity	**17,222**	**17,338**	**17,933**	**19,206**
Liabilities				
Non-current liabilities				
Borrowings	4,776	17,958	17,891	15,819
Deferred tax liabilities	3,002	3,145	3,225	3,295
Total non-current liabilities	**7,778**	**21,103**	**21,116**	**19,114**
Current liabilities				
Trade and other payables	7,040	894	945	1,013
Total current liabilities	**7,040**	**894**	**945**	**1,013**
Total liabilities	**14,818**	**21,997**	**22,061**	**20,127**
Total equity and liabilities	**32,040**	**39,335**	**39,994**	**39,333**

Ratio Analysis	**2022P**	**2023P**	**2024P**	**2025P**
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	18.51%	45.20%	44.46%	41.44%
Gearing 2 (Total Liabilities / Total Assets)	46.2%	55.9%	55.2%	51.2%
Gearing 3 (Net Debt / Total Equity)	22.72%	82.49%	80.05%	70.77%
Net Debt / EBITDA	3.48x	10.63x	8.08x	5.31x
Current Ratio (Current Assets / Current Liabilities)	0.15x	4.34x	3.98x	2.42x
Interest Coverage 1 (EBITDA / Cash interest paid)	N/A	N/A	(2.82)x	(4.06)x
Interest Coverage 2 (EBITDA / Finance Costs)	7.46x	1.70x	2.37x	3.44x

Investment property is expected to increase to €33.3m in FY23 and €34.0m in FY24 before reaching €34.8m in FY25. Property and equipment are expected to remain at FY21 levels in all the forecasted years. Similarly, trade and other receivables are expected to remain in the €0.2m region in the near future. Contrary to what was seen in the historical years, cash and cash equivalents are expected to increase strongly in FY23, going from €0.9m in FY22 to €3.7m in FY23. In FY23 and FY24, total assets are expected to come in at €39.3m and €40.0m respectively.

In FY22, €5.0m from the capital contribution reserve was capitalised into share capital and increased further through the acquisition of the Birkirkara properties which were financed through shareholders' funds. In FY23, long-term borrowings are expected to increase significantly due to the outstanding bonds. Furthermore, in FY23 and FY24, total non-current liabilities are expected to amount to €21.1m in both years. After the Bond issue, the Issuer's gearing will increase to 45.2% and 44.5% in FY23 and FY24 respectively, which is still relatively low. The gearing ratio measures what portion of the Company's funding comes from debt obligations as opposed to shareholder's equity. The Issuers current ratio on the other hand is expected to increase to 4.3x and 4.0x in FY23 and FY24 respectively and will reduce slightly to 2.4x in FY25.

It is important to understand that there are a number of matters relevant to the statement of financial position which are not captured in the above financial analysis which are namely:

- As detailed previously in this report, the quarries are accounted for at cost rather than at fair value. As per independent valuation report prepared by Architecture 360, the fair value of these quarries is *circa* €8.5m higher than the value at which they are accounted for in the statement of financial position.
- An amount of *circa* €0.8m due to shareholders is repayable in 60 years and is junior to any other debt which the Company has.
- Property for a total value of €25.1m carry a special hypothecary charge in favour of bankers of related parties. Against this charge, the Company generates a security fee income discussed previously.
- Should all the special hypothecary charges be called in simultaneously and taking into consideration the matters described in the previous bullet points, the Company retains sufficient strength in the form of net asset value, to settle all liabilities including bond debt, assuming that the additional assets acquired/developed by the Company that are financed through the bond proceeds will fetch a market value equivalent to at least the investment made.

2.6 Issuer's Forecasted Statement of Cash Flows

Issuer's Statement of Cash Flows for the year ended 31 December	2022P	2023P	2024P	2025P
	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities				
Profit before tax	**985**	**594**	**1,054**	**1,777**
Adjustments for:				
Fair value gain on investment properties	(411)	(402)	(703)	(719)
Depreciation	-	-	-	70
Finance cost	151	161	750	745
Finance income	(9)	(39)	(27)	(32)
Movement in working capital				
Movement in trade and other receivables	(40)	(1)	(1)	(1)
Movement in trade and other payables	278	61	26	31
Cash flows from operations	**954**	**374**	**1,099**	**1,871**
Loss on sale of investment property	10	-	-	-
Taxation paid	(120)	(255)	(348)	(392)
Net cash flows generated from / (used in) operating activities	**844**	**119**	**751**	**1,479**
Cash flows from investing activities				
Acquisition of investment properties	-	(3,067)	(75)	-
Net cash flows generated from / (used in) investing activities	**-**	**(3,067)**	**(75)**	**-**
Cash flows from financing activities				
Movement in short term loans	-	(6,071)	(187)	(2,187)
Return on short-term investments	9	37	21	28
Drawdown of bonds	-	11,775	-	-
Interest payments	-	-	(630)	(630)
Net cash flows generated from / (used in) financing activities	**9**	**5,741**	**(796)**	**(2,789)**
Movement in cash and cash equivalents	**853**	**2,793**	**(120)**	**(1,310)**
Cash and cash equivalents at start of year	10	863	3,656	3,536
Cash and cash equivalents at end of year	**863**	**3,656**	**3,536**	**2,226**

Ratio Analysis	2022P	2023P	2024P	2025P
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	€844	€(3,169)	€455	€1,258

In FY22, the Issuer expects to generate net cash inflows from operations of €1.0m through positive movements in trade payables. In FY23, the Issuer expects to invest €3.1m in investment property whilst minimal movement is expected in FY24. In FY23, the Issuer expects to receive €11.8m from the Bond issue of which it will use €6.3m to pay off outstanding short-term loans and result in a net positive cash flow from financing activities of €5.7m. In FY24 onwards the Issuer expects to pay €0.6m in interest payments with net outflow from financing activities to reach €0.8m in FY24 and increase to 2.8m in FY25. In FY23 and FY24 cash and cash equivalents at the end of the year are expected to amount to €3.7m and €3.5m respectively. In FY25 the Issuer expects to have a closing cash balance of €2.2m.

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2021. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Economic Update[1]

The Bank's Business Conditions Index (BCI) indicates that in November, annual growth in business activity rose slightly above its long-term average estimated since January 2000. The European Commission business sentiment survey shows that in November, sentiment in Malta edged up from a month earlier, but remained below its long-term average estimated since November 2002. When compared with October, sentiment improved across all sectors, bar among retailers.

Additional survey information shows that price expectations increased in industry and construction, but fell across the remaining sectors compared to October. In November, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased when compared with October. Uncertainty fell mostly in industry, with smaller decreases recorded in the other productive sectors. By contrast, uncertainty among consumers increased. In October, industrial production and retail trade increased at a slower pace in annual terms, compared to September. The unemployment rate stood at 3.1% in October, marginally higher than that registered in the previous month and a year earlier.

Commercial building permits declined in October relative to their year-ago level, while residential permits increased. In November, both the number of promise-of-sale agreements and final deeds of sale fell on a year-on-year basis, and they were also lower in month-on-month terms. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 7.2% in November, marginally down from 7.4% in the previous month. Inflation based on the Retail Price Index (RPI) also declined from the previous month, standing at 7.1% in November, down from 7.5% in October.

Maltese residents' deposits expanded at an annual rate of 6.8% in October, following an increase of 8.4% in the previous month, while annual growth in credit to Maltese residents stood at 8.1%, below the rate of 8.8% recorded a month earlier. In October 2022, the deficit on the Consolidated Fund.

3.3 Economic Outlook[2]

According to the Central Bank of Malta latest forecasts, Malta's gross domestic product (GDP) is projected to grow by 6.8% this year, and by 3.7% in 2023, followed by growth rates of 3.6% and 3.5% in 2024 and 2025, respectively. When compared to the previous set of projections, the Bank's latest forecast presents an upward revision of 1.6 percentage point for 2022, and downward revisions of 0.8 percentage point for 2023, and 0.1 percentage point for 2024.

The upward revision in 2022 reflects outcomes in the first half of the year which point to more dynamic economic activity than previously envisaged, especially in tourism and private consumption. This faster recovery leads to a downward reassessment in GDP growth especially for 2023, and to a much lesser extent in 2024, also driven by a deterioration in the international environment and the effects of a higher inflation.

In 2022, both domestic demand and net exports are expected to contribute significantly to GDP growth, owing to relatively strong exports and private consumption growth. Price-mitigating fiscal measures continue to provide support to households and firms, as energy prices in Malta remain fixed. Hence, inflation, while significantly higher than target, remains below that in most euro area countries. Partly in view of this support, Malta is expected to avoid the recessionary pressures faced by some of its trading partners.

Going forward, domestic demand is expected to be the main driver of growth as investment recovers and consumption remains relatively robust. The net export contribution is then expected to turn slightly negative but remain mildly positive in the other years, reflecting the gradual normalisation of tourism exports and growth in foreign demand more generally. Employment growth in 2022 is expected to reach 4.9%, up from 2.9% in 2021. It is then projected to moderate to just above 2% by 2025. The unemployment rate is projected to decline to 3.0% this year, from 3.5% last year and it is expected to hover around this historical low over the outlook period. In view of the increase in inflation this year, together with tight labour market conditions, wage growth is projected to be relatively strong. Nevertheless, nominal wage growth is forecast to remain below consumer price inflation this year due to some lag in the transmission from prices to wages. In later years wage growth is expected to remain robust and outpace consumer price inflation.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to rise sharply in 2022 and remain high also in 2023. Indeed, it is envisaged to accelerate to 6.1% in 2022, from 0.7% in 2021. The sharp rise in inflation reflects a broad-based increase across all sub-components of the HICP, except for energy inflation. Import price pressures are expected to moderate somewhat by the beginning of next year, although these are envisaged to remain high by historical standards. HICP inflation is projected to moderate to 4.5% by 2023, driven by lower contributions from all subcomponents, excepting energy inflation, which is expected to remain unchanged throughout the projection horizon. Inflation is set to ease further in 2024 and 2025 to 2.3% and 2.0%, respectively.

The general government deficit is projected to recede to 5.6% of GDP in 2022, from 7.8% in 2021. It is expected to narrow further to 5.1% in 2023, 4.0% in 2024, and to 3.0% in 2025. This profile is driven by the unwinding of COVID-19 support measures in 2022, which offset outlays on price mitigation measures. The latter are set to remain in place but expected to diminish over the projection horizon in line with energy price assumptions. The general government debt-to-GDP ratio is projected to stand at just below 60% of GDP in 2025.

On balance, risks to economic activity are slightly to the downside in 2023 and more balanced thereafter. The main downside risks relate to the possibility of stronger than envisaged weakness in the international economic environment, which could lead to lower exports. Moreover, renewed pressure on commodity prices and higher imported inflation could adversely impact private consumption and corporate investment. Foreign demand may also be weaker than expected, especially if monetary policy in advanced economies continues to tighten more forcibly than assumed in this projection round. Unanticipated fiscal support measures, and a stronger increase in wages in the context of a very tight labour market, and thus continued labour hoarding, could however offer additional support to household consumption.

Risks to inflation are on the upside during the entire projection horizon. Indeed, further disruptions to Russian oil and gas supplies could increase commodity prices further, and would put further upward pressures on the prices of imported goods and transport costs. Finally, inflation persistence could be higher than anticipated in the baseline, and effects of pass-through from wages to prices could be stronger than assumed. On the fiscal side, risks are on the downside (deficit-increasing) throughout the projection horizon. These mainly reflect the risk of higher-than-expected outlays on price mitigation measures and the likelihood of State Aid to the national airline.

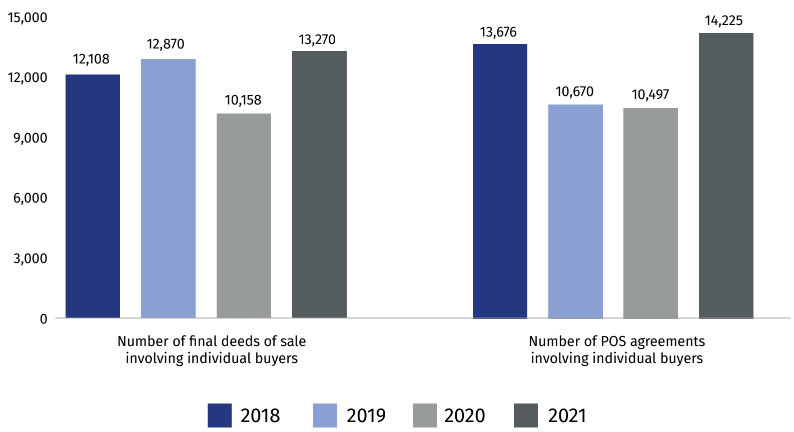
3.4 Residential Property Development[3]

The property market in Malta has experienced steady periods of growth. Whilst significant growth has resulted over the past decade, the property market in Malta has steadily increased over the past forty years at a compound annual growth rate ('CAGR') of c. 6%. Recently however, the property market exceeded the CAGR of 6%, because the demand for residential property is increasing at higher rate than the supply of houses being built on the Maltese Islands.

The below chart, highlights that pre-pandemic, the number of final deeds of sale involving individual buyers steadily increased from 12,108 transactions in 2018, to 12,870 transactions in 2019. However, following the onset of the pandemic, the number of final deeds of sale decreased to 10,158 only to increase by 30% in 2021, exceeding pre-pandemic levels. This is also true for companies active in the residential property market.

POS agreements entered into by companies had been following a downward trend, but this was reversed in 2021 as they almost doubled from 2020. Furthermore, in terms of PoSA involving individual buyers, in 2018, PoSA

Final deeds of sale and POS agreements involving buyers (2018 - 2021)



amounted to 13,676 and decreased by around 3,000 in the following years. However, PoSA reached an all-time high in 2021 at 14,225, partly reflecting the sales brought forward due to the anticipated expiry of the stamp duty exemption that the Government had introduced during the year.

Following fast growth in the five years leading to 2019, house prices remained relatively stable during 2020 and 2021. In 2020, rental prices had already declined by 16% compared to 2019 and declined a further 1.5% in 2021. Relatively stable house prices and declining rental rates suggest that property investors believe the dip in rental prices to be temporary.

In 2021, the Planning Authority ("PA") approved 7,578 permits for new housing units. These are expected to add 6,400 units to the housing stock over the next 5 years. The additional housing stock in 2021 amounted to 9,487, reflecting the large number of permits approved by the PA in 2018 and 2020 that typically come onto the market with a time lag.

The outlook based on a pre-COVID-19 scenario foresaw supply catching up with the continued growth in demand by foreign workers. This was expected to ease upward pressure on house prices (as had already been happening in the second half of 2019). In 2020 and 2021, additional housing supply by far outstripped additional demand (which slowed down because of COVID-19), thereby putting downward pressure on prices. A slowdown in additional housing supply and recovering demand for housing in the period 2022-2024 is expected to ease but not eliminate the downward pressure on prices especially because of the accumulated housing stock and the possibility of rising interest rates.

The forecasted recovery in additional demand (reflecting growth in the number of foreign workers and a gradual recovery in tourism) will not suffice to fully meet the housing supply accumulated up to 2024. Eurozone interest rate rises in response to high rates of inflation may put additional downward pressure on house prices as it translates into higher borrowing rates for both first-time buyers and investors. This effect is not expected to be immediate.

3.5 Construction of Commercial Property in Malta

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

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

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

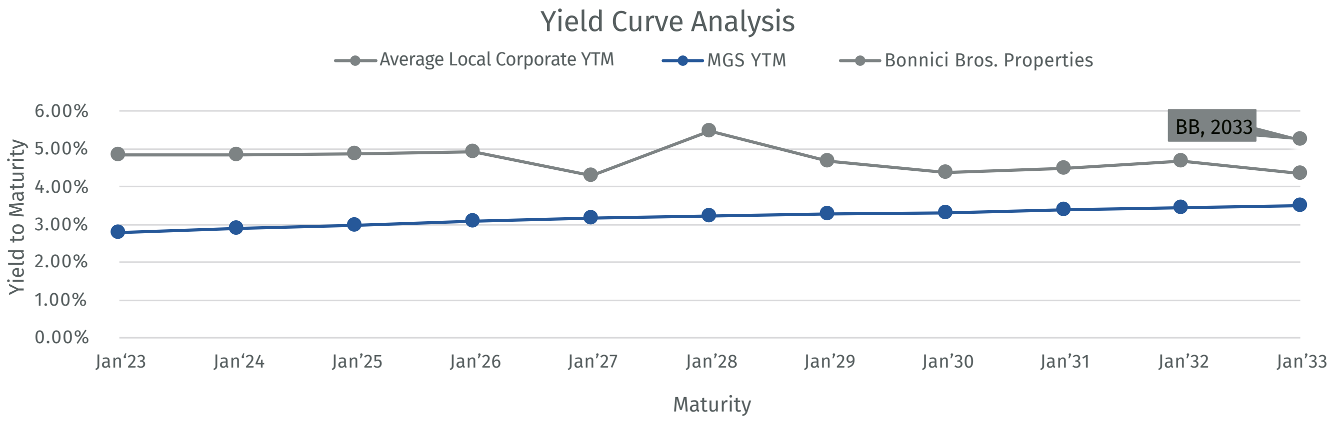
In line with latest statistical data issued by Eurostat, the index reflecting office building permits within the European Union, indicated a marked increase throughout 2021, further strengthening the argument that a recovery was underway following the depressed levels in 2020. In Q1 2021, the index seemed to have bottomed at 106.7 from 138.2 in the previous quarter. Following this drop, the index showed consistent quarterly increases for Q2, Q3 and Q4 of 114.5, 128.8 and 135.9 respectively. In Q1 of 2022, however, we saw a sharp drop to 116.3 in this index.

3.6 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with different maturities. More importantly, we have included different issuers with a similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the business and that of other issuers are therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
4% Cablenet Communication Systems plc Unsecured € 2030	40,000	4.38%	7.4x	88.3	8.4	90.5%	82.6%	2.6x	0.5x	-42.5%	-8.5%	13.9%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.69%	0.3x	113.0	34.6	69.4%	47.4%	99.5x	1.8x	-19.6%	-117.0%	-75.1%
4.65% Smartcare Finance plc Secured € 2031	13,000	4.65%	1.2x	32.6	13.1	59.8%	51.6%	20.9x	2.4x	-2.1%	-9.9%	8.8%
3.5% GO plc Unsecured € Bonds 2031	60,000	4.49%	27.6x	368.6	109.9	70.2%	52.6%	1.7x	1.0x	8.8%	5.4%	4.6%
3.9% Browns Pharma Holdings plc Unsec Call € Bonds 2027-2031	13,000	4.19%	6.5x	67.3	26.9	60.0%	40.9%	3.7x	1.1x	9.3%	6.8%	26.7%
3.65% Mizzi Organisation Finance plc € Unsecured 2028-2031	45,000	4.07%	3.7x	274.3	82.2	70.0%	54.7%	7.9x	0.9x	6.4%	4.8%	0.0%
4.3% Mercury Project Finance plc Secured € 2032	50,000	4.70%	0.3x	113.0	34.6	69.4%	47.4%	99.5x	1.8x	-19.6%	-117.0%	-75.1%
4.25% Central Business Centres plc Unsecured € 2033	21,000	4.48%	2.0x	58.2	23.6	59.4%	54.7%	21.3x	1.2x	15.5%	227.7%	19.1%
5.25% Bonnici Bros Properties plc Unsecured | 2033		5.25%	7.5x	37.5	17.2	54.1%	43.5%	11.8x	4.7x	1.6%	27.5%	115.7%
Average		4.46%										

Source: Latest available audited financial statements
*Figures quoted represent FY22 projections of the Issuer
**Average figures do not capture the financial analysis of the Issuer



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

As at 12 January 2023, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 7-10 years was 106 basis points. The proposed Bonnici Bros. Properties p.l.c. bond is being priced with a 5.25% coupon issued at par, meaning a spread of 175 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 69 basis points. It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer's industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

Part 4 - Glossary and Definitions

Income Statement

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

Profitability Ratios

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

Cash Flow Statement

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

Balance Sheet

Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year.

Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios

Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions

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

Bonnici Bros
Properties p.l.c.