



BASE PROSPECTUS

DATED 30 JANUARY 2023




Bonnici Bros
Properties p.l.c.

BASE PROSPECTUS

DATED 30 JANUARY 2023

This document is a Base Prospectus issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the MFSA and in accordance with the provisions of the Prospectus Regulation in respect of a:

€16,000,000 Unsecured Bond Issuance Programme

by

BONNICI BROS. PROPERTIES P.L.C., a public limited liability company registered under the laws of Malta with company registration number C 74286 and with registered office situated at Bonnici House, Sardine Street, Burmarrad, St. Paul's Bay, Malta.

Application has been made to the MFSA in Malta which is the Maltese competent authority for the purposes of the Prospectus Regulation for the approval of this Base Prospectus. Application will be also made to the MSE for each Series of the Bonds issued under the Programme to be admitted to trading on the MSE's Regulated Market and to be listed on the Official List of the MSE.

Refer to 'Risk Factors' in section 2 for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Bonds.

Sponsor, Manager & Registrar

Legal Counsel



Calamatta Cuschieri

CAMILLERI CASSAR
ADVOCATES

THIS BASE PROSPECTUS HAS BEEN APPROVED BY THE MFSA, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA HAS AUTHORISED THE ADMISSIBILITY OF THE BONDS ISSUED FROM TIME TO TIME PURSUANT TO THE PROGRAMME AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MFSA HAS APPROVED THIS BASE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER, WHOSE BONDS ARE THE SUBJECT OF THIS BASE PROSPECTUS. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN SECURITIES OF THE COMPANY, INCLUDING THE BONDS, AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED, AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SECURITIES OF THE COMPANY.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS BASE PROSPECTUS OR THE APPLICABLE FINAL TERMS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN ANY SECURITIES ISSUED BY THE COMPANY.

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

Gilbert Bonnici

Approved by the Board of Directors

Josef Wallace Galea

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

IMPORTANT INFORMATION

THIS BASE PROSPECTUS CONTAINS INFORMATION ON THE ISSUER AND THE BOND ISSUE, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT AND THE PROSPECTUS REGULATION.

THE ISSUER CONFIRMS THAT THIS BASE PROSPECTUS CONTAINS ALL INFORMATION WITH RESPECT TO THE ISSUER AND THE BONDS WHICH IS MATERIAL IN THE CONTEXT OF THE PROGRAMME AND THE ISSUE AND OFFERING OF THE BONDS THEREUNDER; THAT THE INFORMATION CONTAINED HEREIN IN RESPECT OF THE ISSUER AND THE BONDS IS ACCURATE IN ALL MATERIAL RESPECTS AND IS NOT MISLEADING; THAT ANY OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND BASED ON REASONABLE ASSUMPTIONS; THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT, WHETHER FACT OR OPINION, IN THIS BASE PROSPECTUS MISLEADING IN ANY MATERIAL RESPECT; AND THAT ALL REASONABLE ENQUIRIES HAVE BEEN MADE TO ASCERTAIN ALL FACTS AND TO VERIFY THE ACCURACY OF ALL STATEMENTS CONTAINED HEREIN.

NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION WHICH IS NOT CONTAINED OR CONSISTENT WITH THIS BASE PROSPECTUS OR ANY OTHER DOCUMENT ENTERED INTO IN RELATION TO THE PROGRAMME OR ANY INFORMATION SUPPLIED BY THE ISSUER OR SUCH OTHER INFORMATION IN THE PUBLIC DOMAIN AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER.

NONE OF THE ADVISORS OR ANY PERSON MENTIONED IN THIS BASE PROSPECTUS, OTHER THAN THE ISSUER, IS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS OR ANY SUPPLEMENT THEREOF, AND ACCORDINGLY, TO THE EXTENT PERMITTED BY THE LAWS OF ANY RELEVANT JURISDICTION, NONE OF THESE PERSONS ACCEPTS ANY RESPONSIBILITY AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OF THESE DOCUMENTS.

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER 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 THIS BASE PROSPECTUS.

THIS DOCUMENT CONSTITUTES A BASE PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION AND OTHER RELEVANT MALTESE LAWS. THIS BASE PROSPECTUS IS VALID FOR 12 MONTHS FROM THE DATE OF PUBLICATION AND THIS BASE PROSPECTUS AND ANY SUPPLEMENT HERETO AS WELL AS ANY FINAL TERMS REFLECT THEIR STATUS AS AT THEIR RESPECTIVE DATES OF ISSUE. THIS BASE PROSPECTUS AND/ OR ANY FINAL TERMS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS: (A) AN IMPLICATION THAT THE INFORMATION CONTAINED IN SUCH DOCUMENTS IS ACCURATE AND COMPLETE SUBSEQUENT TO THEIR RESPECTIVE DATES OF ISSUE; OR (B) THAT THERE HAS BEEN NO ADVERSE CHANGE IN THE FINANCIAL CONDITION OF THE ISSUER SINCE SUCH DATES; OR (C) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROGRAMME 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.

THE ISSUER UNDERTAKES TO SUPPLEMENT THIS BASE PROSPECTUS OR PUBLISH A NEW BASE PROSPECTUS AT ANY TIME AFTER SUBMISSION OF THIS BASE PROSPECTUS FOR APPROVAL TO THE MALTA FINANCIAL SERVICES AUTHORITY, IF AND WHEN, THE INFORMATION HEREIN SHOULD BECOME MATERIALLY INACCURATE OR INCOMPLETE IN THE EVENT OF ANY NEW SIGNIFICANT FACTOR THAT IS CAPABLE OF AFFECTING THE ASSESSMENT OF THE BONDS BY POTENTIAL INVESTORS. ANY SUPPLEMENT TO THIS BASE PROSPECTUS OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES MAY ONLY BE DONE WITHIN 12 MONTHS OF PUBLICATION OF THIS BASE PROSPECTUS. **THE MALTA FINANCIAL SERVICES AUTHORITY IS NOT REQUIRED TO APPROVE ANY FINAL TERMS ISSUED BY THE ISSUER PURSUANT TO THIS BASE PROSPECTUS.**

THE DISTRIBUTION OF THIS BASE PROSPECTUS AND ANY FINAL TERMS AND THE OFFERING, SALE OR DELIVERY OF THE BONDS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS BASE PROSPECTUS OR ANY FINAL TERMS COMES ARE REQUIRED BY THE ISSUER TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS. ADDITIONALLY, THE BONDS WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. THE BONDS WILL NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS.

THIS BASE PROSPECTUS IS DRAWN UP IN THE ENGLISH LANGUAGE. THE ENGLISH VERSION SHALL PREVAIL OVER ANY PART OF THIS BASE PROSPECTUS TRANSLATED INTO ANY OTHER LANGUAGE OTHER THAN THE TERMS AND CONDITIONS IN RESPECT OF THE ISSUE OF ANY TRANCHE (AS HEREINAFTER DEFINED) OF BONDS UNDER THE PROGRAMME WHERE THE PREVAILING LANGUAGE WILL BE SPECIFIED IN THE APPLICABLE FINAL TERMS.

THE BONDS ISSUED UNDER THE PROGRAMME MAY BE LISTED ON THE OFFICIAL LIST OF THE MSE AND ADMITTED TO TRADING ON THE REGULATED MARKET OF THE MSE. THE MSE'S REGULATED MARKET IS A REGULATED MARKET IN TERMS OF POINT (21) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU.

THIS BASE PROSPECTUS CAN ONLY BE USED FOR THE PURPOSES FOR WHICH IT HAS BEEN PUBLISHED.

THIS BASE PROSPECTUS AND ANY FINAL TERMS MUST NOT BE USED FOR THE PURPOSE OF AN OFFER OR SOLICITATION TO SUBSCRIBE FOR BONDS BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

SUBJECT TO THE RESTRICTIONS AND CONDITIONS SET OUT IN THIS BASE PROSPECTUS, THE CATEGORIES OF POTENTIAL INVESTORS TO WHICH THE SECURITIES ARE INTENDED TO BE OFFERED ARE RETAIL AND INSTITUTIONAL INVESTORS IN MALTA. A PERCENTAGE OF ANY TRANCHE MAY BE RESERVED FOR SPECIFIC RETAIL AND/OR INSTITUTIONAL INVESTORS, OR CATEGORIES OF EITHER, DETAILS OF WHICH SHALL BE INCLUDED IN THE FINAL TERMS.

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1 DEFINITIONS

All terms not otherwise defined in this Base Prospectus shall have the meaning as set out in the 'Terms and Conditions' of the Bonds. In addition to the defined terms used in section 12 of this Base Prospectus entitled 'Terms and Conditions', the following capitalised terms shall have the meaning attributed hereunder:

Act	Companies Act, Cap. 386 of the laws of Malta;
Applicant	A person or persons whose name (or names, in the case of joint applicants), appear in the registration details of an application for the Bonds;
Base Prospectus	This document in its entirety;
BBSL	Bonnici Bros. Services Limited, a Maltese limited liability company with registration number C 57464 and with registered office situated at Bonnici House, Sardine Street, Burmarrad, St. Paul's Bay, Malta;
Birkirkara Properties	The apartment and garage at Triq Mons. Alfred Mifsud, Birkirkara and the two penthouses and two car spaces at Triq it-Torri Wejter with access also from Triq Dun Gaetano Mannarino, Birkirkara, Malta;
Bonds	The Bonds issued or to be issued in terms of the Programme;
Bond Issue	The issue of the Bonds;
Bondholder	A holder of Bonds to be issued by the Issuer in terms of this Base Prospectus;
Bonnici Bros. Limited	A Maltese limited liability company with registration number C 3905 and with registered office situated at Bonnici House, Sardine Street, Burmarrad, St. Paul's Bay, Malta;
Bonnici Garage	The commercial property situated at Triq is-Sardin, Burmarrad, St. Paul's Bay, Malta;
Bonnici Group or Group	Collectively, Bonnici Bros. Limited, as the parent company, and its direct subsidiary companies;
Bonnici House	The property situated at Sardine Street, Burmarrad, St. Paul's Bay, Malta;
Capital Markets Rules	The capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
CSD	The Central Securities Depository of the MSE, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Directors or Board	The directors of the Company whose names are set out in sub-section 7.2 of this Base Prospectus;
EBITDA	Earnings before interest, tax, depreciation and amortisation;
EBIT	Earnings before interest and tax;
Euro or €	The lawful currency of the Republic of Malta;
Final Terms	Final terms issued by the Issuer from time to time in the form set out in this Base Prospectus;
Floriana Property	The property situated at 23, Triq Vincenzo Dimech, c/w Triq l-Iljun, Floriana which comprises of a townhouse with an approved Class 2C Educational Building and used as an educational building currently being operated as a going concern;

Issuer	Bonnici Bros. Properties p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 74286 and with registered office at Bonnici House, Sardine Street, Burmarrad, St. Paul's Bay, Malta;
Mercury Suite/s	Residential Units numbered 241, 341, and 441 situated at Block 2, Mercury Suites, Triq Elija Zammit, San Giljan, Malta which forms part of a development currently underway in Malta;
MFSA	The Malta Financial Services Authority, appointed as the competent authority to approve prospectuses for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);
Mqabba Quarries	The 'Tad-Dawl' Quarry and the Sqaq Nru. 2 Quarry;
MSE	Malta Stock Exchange p.l.c., 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 situated at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Official List	The list prepared and published by the Malta Stock Exchange as its official list;
Programme	The unsecured bond issuance programme being made by the Issuer pursuant to this Base Prospectus;
Prospectus Regulation	Regulation (EU) No. 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, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Redemption Value	The nominal value of each Bond, that is, €100 per Bond;
Series	One or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects except for the issue dates, interest commencement dates, the issue amounts and possibly interest payment dates;
Sliema Property	The property situated at 22 & 23, Triq Milner, Sliema, Malta;
Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
Sqaq Nru. 2 Quarry	A quarry situated at Sqaq Nru. 2, Triq il-Belt Valletta, Mqabba with a superficial total area of <i>circa</i> 19,718 sq.m, set on an irregular footprint;
Ta' Brajtel Land	A plot of land overlooking Triq Burmarrad to the East, and Triq is-Sardin to the North, and is surrounded by similar agricultural parcels of land;
'Tad-Dawl' Quarry	The property known as the Tad-Dawl <i>sive</i> Tal-Isqof Quarry, situated at Triq il-Belt Valletta, Mqabba comprising a quarry having an indicated superficial area of <i>circa</i> 3,457sq.m, set on an irregular footprint;
Ta' Demen Land	The land situated at Triq is-Sardin, c/w Triq ir-Rumani, Burmarrad, Malta;

Ta' Habel Mica Property	The property situated at Triq l-Papa Gwanni Pawlu II, Burmarrad comprises a commercial building, set over a footprint of <i>circa</i> 3,428sq.m. The site is an irregularly shaped plot overlooking Triq San Ġwanni Pawlu II to the East, and bound on all other sides by third parties, primarily agricultural lands;
Ta' Zuta Land	The land situated at Ix-Xaghri Ta' Zuta (limits of Dingli) held under title of temporary emphyteusis;
Terms and Conditions or Conditions	The terms and conditions contained in section 12 of this Base Prospectus;
Tranche	Bonds will be issued in Tranches, each Tranche consisting of Bonds which are identical in all respects except for the issue dates, interest commencement dates, the issue amounts and possibly interest payment dates, issued in accordance with the provisions of this Base Prospectus as may be amended, supplemented and updated from time to time and the applicable Final Terms;
Tranche 1	The issuance of the Tranche 1 Bonds;
Tranche 2	The issuance of the Tranche 2 Bonds;
Tranche 1 Bonds	The €12,000,000 unsecured Bonds to be issued pursuant to Tranche 1;
Tranche 2 Bonds	The €4,000,000 unsecured Bonds to be issued pursuant to Tranche 2;
Valuers	The independent valuers Architecture 360, situated at 30, Triq it-Tliet Knejjes, Balzan, BZN 1307, Malta; and
Valuation Report	The valuation report dated 29 December 2022 presented by the Valuers on the immovable assets held by the Company, as at the date of this Base Prospectus, which is incorporated by reference, and forms part of, this Base Prospectus.

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 words importing "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, organisations, governments, states, foundations or trusts;
- e) Any reference to a person includes that person's legal 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 publication of this Base Prospectus.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS BASE 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 ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THIS BASE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER. THIS BASE PROSPECTUS IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE ISSUER, THE ADVISERS LISTED IN SECTION 4 OR ANY FINANCIAL INTERMEDIARY TO PURCHASE THE BONDS. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS BASE PROSPECTUS.

2.1 Forward-Looking Statements

This Base Prospectus includes 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 this Base Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy 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 Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Base Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Issuer are consistent with the forward-looking statements contained in this Base 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, changes in economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing.

Potential investors are advised to read this Base Prospectus in its entirety and, in particular, the "Risk Factors" section hereof, for a further discussion of the factors that could affect the Issuer's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

2.2 Risks Relating to the Issuer

a) 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 and the availability of financing and yields of alternative investments may also impact the real rate of return to Bondholders.

b) 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.

c) 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.

As existing leases terminate or become subject to tenant break options or space needs to be re-let for other reasons, there can be no assurance that such space will be re-let or, if re-let, that it will be re-let on terms (including rental levels) as favourable to the Issuer as those currently, or then, existing or that new tenants will be as creditworthy as existing tenants.

d) 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.

e) Property Valuations

The valuation referred to in this Base Prospectus is prepared by an independent qualified architect in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors (RICS). In providing a market value of the property, the independent architect has made certain assumptions which ultimately may cause the actual value to be materially different from any future value that may be expressed or implied by such forward-looking statements as reality may not match the assumptions. There can be no assurance that such valuation will reflect actual market value.

f) COVID-19 pandemic

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 the economies worldwide. The COVID-19 virus may have an adverse direct affect 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.

g) Risks Relating to Taxation

The amount of taxation charged on the Issuer's activities is subject to changes in tax laws and their practical application.

2.3 Risks Relating to the Bonds

a) Interest Rate risk

The Bonds are fixed rate debt securities. 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. Applicants should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities tends to move in a way that is inversely proportional to changes in interest rates.

Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds will tend to fall. Moreover, fixed rate debt securities with a longer period to

maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining life.

b) 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. Accordingly, it is impossible to guarantee a liquid or any secondary market for the Bonds after their admission to trading or that such a market, should it develop, will subsist. Illiquidity can have a severe adverse effect on the market value of the Bonds and the price quoted by Bondholders for the Bonds already admitted to trading on the Official List may be at a significant discount to the original purchase price of those Bonds.

c) 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. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, such as inflation by the rise in market levels of rates of interests, the price of fixed rate bonds decline. Conversely, if market interest rates are declining, the price of fixed rate bonds rises. This is called market risk since it arises only if a Bonds Holder decides to sell the Bonds before maturity on the secondary market.

d) Reinvestment Risk

After redemption of the Bonds, the investor may only be able to reinvest the redemption proceeds at significant adverse conditions.

e) Value of the Bonds

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.

f) Discontinuation of Listing

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MFSA may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

g) Suitability

An investment in the Issuer may not be suitable for all recipients of this Base Prospectus and investors are urged to consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in any of the Bonds before making an investment decision. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Issuer's business. In the event that an investor in the Bonds does not seek professional advice and/or does not read and fully understand the provisions of this Base Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her profile.

h) Bondholder's Currency Risk

A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the Bondholder's currency of reference, if different.

i) 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 incurred debt and potentially expects to incur additional debt in pursuit of future growth. Moreover, the Issuer has acted as surety and has hypothecated a number of its immovable

properties to secure the payment obligations of 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 presently banks, exercising their hypothecary rights over the Issuer's immovable properties and to seek to enforce the suretyship granted by the Issuer. In the event of insolvency of the Issuer, Bondholders shall rank after any prior ranking creditors, including the third party creditors that have been granted hypothecary rights over the Issuer's immovable properties.

j) 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.

3 RESPONSIBILITY STATEMENT & CONSENT FOR USE

3.1 Persons Responsible

The Board of Directors of the Issuer (described in section 7.2 of this Base Prospectus) is solely responsible for the information given in this Base Prospectus. The said Directors hereby declare that, having taken reasonable care to ensure that such is the case, the information contained in this Base Prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Bonds, must be read and construed together with the relevant Final Terms.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Bond shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Programme limit

The maximum aggregate principal amount of Bonds outstanding under the Programme will not exceed €16,000,000.

3.2 Consent For Use

Certain tranches of Bonds may, subject as provided below, be subsequently resold, placed or otherwise offered by financial intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation. Any such resale, placement or offer is referred to in this Base Prospectus as a "Public Offer".

The Issuer consents to the use of this Base Prospectus and Final Terms (and accepts responsibility for the information contained in this Base Prospectus and Final Terms) with respect to any Public Offer of Bonds which satisfies all of the following conditions:

- (i) the Public Offer is only made in respect of the tranche of Bonds specified in the Final Terms;
- (ii) the Public Offer is only made in Malta;
- (iii) the Public Offer is only made during the offer period specified in the Final Terms (the "Offer Period"); and

- (iv) the Public Offer is made by an entity, which either:
- a) is expressly named as a financial intermediary in the Final Terms; or
 - b) is a financial intermediary whose name and address is published on the Issuer's website www.bbp.com.mt.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

The Issuer may give consent to one or more additional Financial Intermediaries in respect of a Public Offer after the date of the Final Terms, discontinue or change the Offer Period, and/or remove or add conditions to consent and, if it does so, such information will be published at www.bbp.com.mt. Any new information with respect to Financial Intermediaries unknown at the time of the approval of this Base Prospectus or the filing of the Final Terms will be published and can be found at www.bbp.com.mt.

Neither the Issuer, the Sponsor or the Manager have any responsibility for any of the actions of any Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to an offer.

Other than as set out above, neither the Issuer, the Sponsor or the Manager has authorised (nor do they authorise or consent to the use of this Base Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer, the Manager, the Sponsor or any Financial Intermediary and none of the Issuer, the Sponsor, the Manager or Financial Intermediary has any responsibility or liability for the actions of any person making such offers. Investors should enquire whether an intermediary is considered to be a Financial Intermediary. If the investor is in doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, it should take legal advice.

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

In the event of an offer being made by a Financial Intermediary, the Financial Intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made. Any offer or sale of Securities to an investor by a Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in this Base Prospectus or Final Terms, it will be the responsibility of the applicable Financial Intermediary at the time of such offer to provide the investor with that information and neither the Issuer, the Sponsor or the Manager or other Financial Intermediary has any responsibility or liability for such information.

Any Financial Intermediary using this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.

4 ADVISERS, OTHER SERVICE PROVIDERS AND STATUTORY AUDITORS

4.1 Advisers and Other Service Providers

The persons listed under this sub-section have advised and assisted the Directors in the drafting and compilation of this Base Prospectus.

Legal Advisers

Name: Camilleri Cassar Advocates

Address: 206, Wisely House, Level 2,
Old Bakery Street,
Valletta VLT 1451, Malta

Sponsor, Manager & Registrar

Name: Calamatta Cuschieri Investment Services Limited

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

Reporting Accountants

Name: KPMG

Address: 92,
Triq Marina
Pietà PTA 9044, Malta

Name: Baker Tilly Malta

Address: Level 5, Rosa Marina Building,
216, Marina Seafront,
Pietà PTA 9041, Malta

As at the date of the Prospectus none of the advisers named under this sub-heading have any beneficial interest in the share capital of the Issuer. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of this Base Prospectus, no material transactions have been entered into by the Issuer with any of the advisers referred to above. Dr Laragh Cassar (company secretary of the Issuer) is a partner of Camilleri Cassar Advocates and regularly provides legal advice and support to the Issuer.

4.2 Statutory Auditors

Name: Grant Thornton

Address: Fort Business Centre, Level 1,
Triq l-Intornjatur, Zone 1, Central Business District,
Birkirkara, Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2019 to 31 December 2021 have been audited by Tri-Mer Audit Limited. Tri-Mer Audit Limited, a Maltese limited liability company with registration number C 77467 with registered office situated at Suite 2, International House, Mdina Road, Mriehel, Birkirkara, BKR 3000, Malta is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta). The Accountancy Board registration number of Tri-Mer Audit Limited is AB/2/16/09.

5 INFORMATION ABOUT THE ISSUER

5.1 Information about the Issuer

5.1.1 STATUTORY INFORMATION

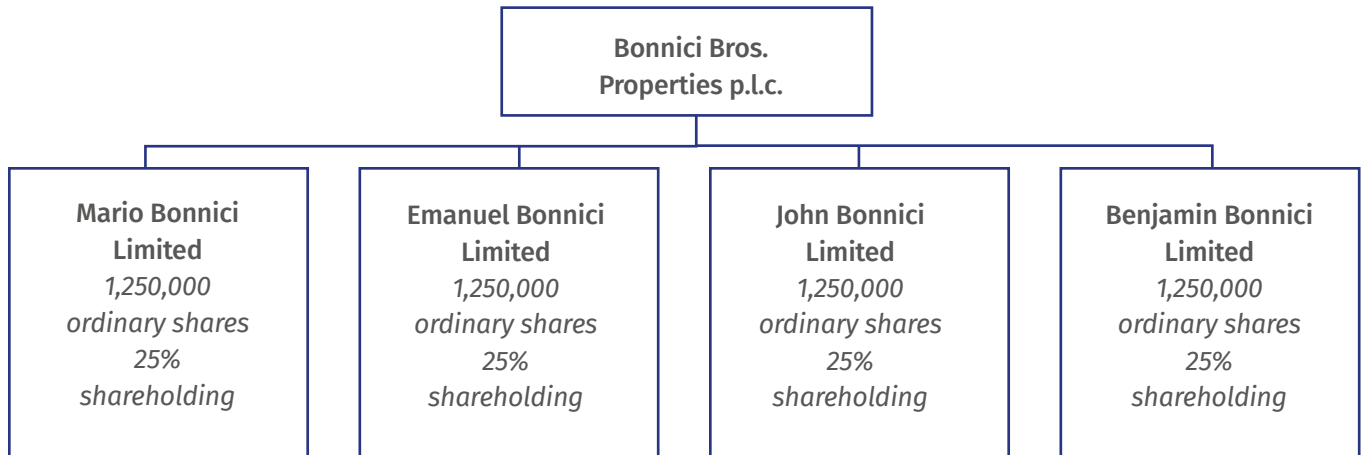
Legal and commercial name:	Bonnici Bros. Properties p.l.c.
Company registration number:	C 74286
Date of incorporation:	9 February 2016
Legislation of operation:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Companies Act, Cap 386 of the laws of Malta
Registered address:	Bonnici House, Sardine Street, Burmarrad, St. Paul's Bay, Malta
Place of registration and domicile:	Malta
Telephone number:	+356 23596000
Email:	info@bbp.com.mt

Website:* www.bbp.com.mt

Legal Entity Identifier (LEI): 39120041FIVTCO6S5195

* Unless otherwise incorporated by reference herein, the information on the Issuer's website does not form part of this Base Prospectus.

5.1.2 ORGANISATIONAL STRUCTURE CHART



5.1.3 HISTORICAL DEVELOPMENT OF THE ISSUER

The Issuer was incorporated on the 9th of February 2016 with the purpose of acting as a property holding company to hold and lease out properties and generate rental income. The Issuer, though sharing common shareholding with the Bonnici Group, is distinct from the Bonnici Group and does not form part of the same group of companies.

The initial portfolio of underlying properties of the Issuer originated through a carve-out exercise which commenced in April 2018 wherein properties of the Bonnici Group were transferred to the Issuer. Initially the following properties were transferred:

- a) a portion of the Ta' Demen Land;
- b) Ta' Habel Mica Property;
- c) Ta' Brajtel Land;
- d) the Bonnici Garage.

Between June 2020 to date, the Issuer:

- a) acquired the remaining portion of the Ta' Demen Land;
- b) acquired Bonnici House;
- c) acquired the Ta' Zuta Land;
- d) commenced the development of the warehouse and storage facilities at Ta' Habel Mica Property;
- e) acquired the Sliema Property;
- f) acquired the Quarries;
- g) purchased the Mercury Suites. The Suites form part of a development designed by internationally renowned architectural firm, Zaha Hadid. The Mercury Suites are located at the second, third and fourth floor level within the second residential block forming part of the larger development;
- h) entered into a promise of sale for the purchase of the Floriana Property, holding a permit to operate as an Educational Building situated at Nr. 23, Triq Vincenzo Dimech, c/w Triq l-Iljun, Floriana, Malta; and
- i) purchased the Birkirkara Properties.

The Bonnici Garage and Bonnici House properties held by the Issuer are currently leased to companies forming part of the Bonnici Group, apart from level 2 of 'Bonnici House' which is leased to a third party. The Issuer intends to lease the Mercury Suites, Floriana Property, Birkirkara Properties and the Sliema Property to third parties.

5.1.4 PRINCIPAL ACTIVITIES AND MARKETS

The Bonnici Group took the strategic decision to transfer all its immovable property out of the Bonnici Group to a separate company, the Issuer, owned by the same ultimate shareholders. The scope of asset restructuring of the immovable property outside the Bonnici Group was to necessitate the proper economic and investment diversification in order to expand the real estate sector through long-term strategies.

The initial properties acquired by the Issuer are situated in the Burmarrad area and serve as the Bonnici Group's main offices, workshops, garages and showroom. Following the transfer of these properties, the Issuer entered into agreements to lease out these properties to the Bonnici Group and other third parties at arm's length rates. These contracts cover a maximum period of fifteen years and include fixed rate increments at specific intervals to reflect market rental rates.

The Issuer progressed to diversify its property portfolio both from a regional perspective and the intended use of properties to allow the Issuer to enter into different rental markets, which include the hospitality, residential and academic industries.

To this end, the Issuer acquired the Sliema Property, the Birkirkara Properties and the Mercury Suites. Moreover, the Issuer entered into a promise of sale agreement for the acquisition of the Floriana Property, with an approved Class 2C Educational Building permit, that can be leased out to licensed educational institutions. The Issuer in fact already holds an agreement with a licenced college for the lease of the premises. It is not the intention of the Issuer to operate the Sliema Property and Floriana Property but intends to lease out these properties to third parties.

Property leases:

- Long-letting property leases of:
 - Office spaces;
 - Warehouse spaces;
 - Showroom and storage spaces;
 - Workshops and yards; and
 - Parking spaces.
- Letting of residential properties portfolio which includes the Mercury Suites and the Birkirkara Properties.
- Long/Short-letting property leases to a hotel management operator of the re-constructed town house in Milner Street into a Class 3B hotel accommodation having a total of 7 floors comprising 24 rooms and amenities, subject to the release of the full planning permit.
- Medium term leasing of the licenced educational premises.

Such exposure to different markets will reduce the dependency of the Issuer's revenue to one specific sector and reduce risks by having a spread over other selected markets.

Other Ancillary Activities

Apart from the rental market, the Issuer engages in other ancillary business activities gaining alternative revenue streams.

(i) Security Fee

A number of immovable properties owned by the Issuer are hypothecated to secure bank facilities of companies forming part of the Bonnici Group. The Issuer charges a security fee through contractual agreement with the companies making use of hypothecs.

(ii) Speculation of Property Sales

The intention for the acquisition of the Mercury Suites and the Birkirkara Properties is two-fold; the generation of rental income through the leasing of the properties and the eventual sale in the foreseeable future depending on market values.

(iii) Quarry Excavation and Landfilling

The operation of the quarries will allow the Issuer to generate income from excavation and eventually income for backfilling and dumping of inert construction waste, not intended for recycling and/or re-use. In view of the limited number of quarries available in the local market, the Issuer expects to earn a constant income stream over the lifetime of the quarries.

6 TREND INFORMATION

The Issuer is principally exposed to fluctuations in the local rental market, in particular that of offices and commercial space (showrooms, yards and warehouses). The sustained economic growth in Malta over the past years has resulted in an increase in the demand for office and commercial space driving an increase in the supply of these types of properties.

The Issuer's commercial spaces reach a total office space of 2,158 sqm over 5-levels and are leased out mainly to the Bonnici Group with one floor currently being leased out to a third party. This reflects the original intention of the Issuer to lease out the premises to the Bonnici Group companies to secure high occupancy rates over its properties.

The Issuer invested further in quarries for the purposes of mineral (stone) extraction, eventually repurposed as landfills for construction and demolition material.

Pursuant to the Issuer's push for diversification of its property portfolio, the Issuer has embarked on acquisition of properties unrelated directly with the construction industry and ventured into the hospitality and residential market. The Sliema Property was purchased with the sole scope to convert into a hotel accommodation wherein upon completion will be leased out to a management company. The development of this property is subject to the issuance of all required planning permissions. Moreover, the Mercury Suites and the Birkirkara Properties will be leased out as residential tenements to third parties.

Additionally, it is expected that the Floriana Property, currently in possession of the necessary permits to operate as a school, will be leased out to third parties in the academic industries.

There has been no material adverse change in the prospects of the Issuer since the date of publication of the latest audited financial statements.

6.1 Key Financial Review

The financial information of the Issuer for the financial years ("FY") ended 31 December 2019, 31 December 2020, 31 December 2021 and for the period ended 30 June 2022 (also collectively referred to as "the historical period") is set out in the audited financial statements of the Issuer for the financial years ended 31 December 2019 to 31 December 2021 and unaudited condensed interim financial statements for the period ended 30 June 2022.

In FY2020, the Issuer changed its accounting framework from GAPSME to IFRS and restated its 2019 financials accordingly.

Audited financial statements of the Issuer, and the auditors' reports thereon, are available for inspection as set out in section 15 of this Base Prospectus, are incorporated by reference and may be accessed on the Issuer's website www.bbp.com.mt.

Page number in Annual Report

Information incorporated by reference in this Base Prospectus	Financial year ended 31 December 2019	Financial year ended 31 December 2020	Financial year ended 31 December 2021
Statement of Comprehensive Income	3	5	5
Statement of Financial Position	4	6	6 - 7
Statement of Cash Flows	-	8	9
Notes to the Financial Statements	5 - 9	9 - 22	10 - 30
Auditors' Report	10 - 12	23 - 25	31 - 33

Set out below are condensed extracts from the audited financial statements for such periods, as well as the most recent condensed interim financial statements covering the period ended 30 June 2022.

Condensed Statements of Comprehensive Income

For the year/period ended	31.12.19 (Restated)	31.12.20 (Audited)	31.12.21 (Audited)	30.06.21 (Unaudited)	30.06.22 (Unaudited)
	€'000	€'000	€'000	€'000	€'000
Revenue	76	304	466	230	485
Operating expenses	(4)	(11)	(141)	(27)	(99)
EBIT	72	293	325	203	386
Fair value gain on investment property	-	6,279	428	-	-
Net finance costs	-	-	(84)	(24)	(75)
Profit before tax	72	6,572	669	179	311
Taxation	(11)	(1,572)	(505)	(60)	(147)
Profit for the year/period	61	5,000	164	119	164

Condensed Statements of Financial Position

As at	31.12.19 (Restated)	31.12.20 (Audited)	31.12.21 (Audited)	30.06.22 (Unaudited)
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets	8,000	21,627	28,157	29,954
Current assets	85	173	194	361
Total assets	8,085	21,800	28,351	30,315
EQUITY AND LIABILITIES				
Total equity	52	15,887	16,051	16,215
Liabilities				
Non-current liabilities	8,016	3,016	3,754	3,694
Current liabilities	17	2,897	8,546	10,406
Total liabilities	8,033	5,913	12,300	14,100
Total equity and liabilities	8,085	21,800	28,351	30,315

Condensed Statements of Cash Flows

For the year/period ended	31.12.19 (Audited)	31.12.20 (Audited)	31.12.21 (Audited)	30.06.21 (Unaudited)	30.06.22 (Unaudited)
	€'000	€'000	€'000	€'000	€'000
Net cash from/(used in) operating activities	59	(42)	329	215	242
Net cash (used in) investing activities	-	-	(812)	(734)	(1,304)
Net cash from financing activities	-	-	450	531	1,097
Net movement in cash and cash equivalents	59	(42)	(33)	12	35
Cash and cash equivalents at beginning of year/period	26	85	43	43	10
Cash and cash equivalents at end of year/period	85	43	10	55	45

During the three FYs 2019 to 2021, revenue was primarily generated from the leasing of part of the Issuer's investment property portfolio to related party (FY2021: 85% of revenue) and third-party tenants (FY2021: 15% of revenue).

Over these FYs, the Issuer registered a significant increase in its level of business activity, with total revenue reaching €0.46m in FY2021 representing a compound annual growth rate ("CAGR") of 146% over FY2019 level. This growth has been principally driven by the acquisition of additional property during FY2020 from the Bonnici Group, of which Bonnici Bros. Limited is the parent, and the subsequent leasing of some of these properties to related parties. FY2021 was the first year where the Issuer recorded a full year's rent generated from three of its investment properties namely:

- Bonnici House which is a commercial property located at Is-Sardin Street, Burmarrad spread over five levels, comprising 3 floors of offices, a showroom, underground parking and storage space. Bonnici House is being leased to a mix of related party and third-party tenants;
- Bonnici Garage which is an industrial complex located at Is-Sardin Street, Burmarrad comprising a yard, workshop and office space. Bonnici Garage is being leased to related parties; and
- Land at Ix-Xaghri Ta' Zuta (limits of Dingli). The Issuer holds the title of temporary *utile dominium* on this land and during FY2020 it leased it to a related party.

Bonnici House was the main contributor to the Issuer's revenue generating 54% of lease income in FY2021, followed by land at Ix-Xaghri Ta' Zuta and Bonnici Garage at 37% and 9% respectively.

With effect from 1 January 2022, the Issuer entered into a security fee agreement charging companies within the Bonnici Group for the provision of granting hypothecs over properties of the Issuer in favour of banks for loans issued to those companies within the Bonnici Group. This new source of income constituted 49% of the total revenue generated for the period ended 30 June 2022.

Revenue during the six-month period ended 30 June 2022 also increased as a direct consequence of the revision in the terms and conditions of the lease agreement with UNEC Servicing Ltd in relation to the lease over the Bonnici Garage. The Mercury Suites, the Birkirkara Properties and the Floriana Property will be leased out to third parties, and therefore the percentage ratio of revenue from third parties will increase to revenue derived from related parties. This shift in increase of revenue from third parties will be further enhanced when the Sliema Property will be leased which is subject to the issuance of the hotel permit.

The Issuer's net operating expenses increased from €4k in FY2019 to €141k in FY2021, which is equivalent to 5% and 30% of total revenue respectively. This percentage decreased further to 20% during the period ended 30 June 2022 given that there are no direct operating costs associated with the new income stream generated during that period.

As a result of the above-mentioned factors, the Issuer's EBIT increased from €72k in FY2019 to €325k in FY2021 (representing a CAGR of 112%) with EBIT margin reaching 70% in FY2021 which as indicated earlier represents the first year where the Bonnici House, Bonnici Garage and Land at Ix-Xaghri Ta' Zuta (limits of Dingli) properties were fully rented out through the whole financial year. EBIT margin increased further to 80% during the period ended 30 June 2022.

The Issuer's profitability during FY2018, FY2020 and FY2021 has been positively impacted by a fair value gain on its investment property. In line with the Issuer's accounting policies, the following investment properties were revalued, and a net fair value gain was recorded in the Issuer's books accordingly:

Fair Value Movement in Investment Property

For the year ended 31 December	2018	2019	2020	2021
	€'000	€'000	€'000	€'000
Bonnici House, Burmarrad	-	-	2,353	(659)
Bonnici Garage, Burmarrad	-	-	365	(545)
Parking area, Burmarrad	(300)	-	(53)	103
Parcel of land, known as Ta' Demen, Burmarrad	-	-	(757)	3,176
Additional parcel of land, known as Ta' Demen, Burmarrad	1,615	-	(28)	(52)
Parcel of land, known as Ta' Brajtel, Burmarrad	(150)	-	3,636	(2,654)
Burmarrad Warehouses, Ta' Habel Mica, Burmarrad	(500)	-	763	916
Sliema Guesthouse	-	-	-	143
Fair value gain on investment property as per condensed statement of comprehensive income	665	-	6,279	428

Net finance costs incurred by the Issuer as from FY2021 represented mainly interest on bank and related party loans used to finance the acquisition of its investment property portfolio, as well as notional interest on corporate shareholders loans.

Based on the key factors set out above, the Issuer's net profitability has fluctuated from €61k in FY2019 to €5.0m in FY2020 down to €164k in FY2021, representing a CAGR of 64%. In view of the new income stream being recorded as from 1 January 2022, profitability at €164k for the period ended 30 June 2022 already reached the levels achieved during the FY2021.

The Issuer's total assets as at 31 December 2021 stood at just below €28.4m (FY2019: €8.1m) comprising mainly of investment property and property, plant and equipment ("PPE") which as at 31 December 2021 had a carrying amount of just below €26.0m and €2.2m respectively, representing 99.3% of total assets. Total assets continued to increase to €30.3m by 30 June 2022.

It is pertinent to note that, in the financial statements, the carrying value of the investment property does not include deferred tax charges related to potential tax liability on realisation of the asset. This potential tax liability is accounted for separately under deferred tax balances. In the Valuation Report, some of the properties are valued net of this deferred tax charge where the residual value method approach was adopted.

A reconciliation between the values as per audited financial statements and the values as per the Valuation Report, is included hereunder.

Reconciliation of market value as at 31.12.21	€'000	€'000
Market value of properties as at 31.12.21 as per Valuation Report		22,842
Adjustments to reflect architect's valuation gross of taxation:		
Ta' Demen	2,020	
Ta' Demen addition	720	
Sliema	370	
		<u>3,110</u>
		25,952
Add temporary <i>utile dominion</i> at cost		<u>10</u>
		<u>25,962</u>
As per 31.12.21 audited financial statements		<u>25,962</u>

Over the historical period, the Issuer's total assets increased by 275% primarily driven by: the acquisition of other investment properties from the Bonnici Group in FY2020, the acquisition of a townhouse in Sliema which is earmarked for the development of a hotel accommodation, the acquisition of two quarries in Mqabba which are to be operated by the Issuer and are therefore recognised on the Issuer's books as property, plant and equipment, capitalized development costs in relation to the Issuer's current development of a warehouse complex in Burmarrad, as well as the acquisition of the Mercury Suites. The Issuer has recently acquired the Birkirkara Properties which have been principally financed through shareholders' funds. The increase in total assets also includes the net fair value gain recognised following the revaluation exercises carried out during the said period on the Issuer's investment properties. The Issuer's other assets primarily include trade and other receivables.

Total liabilities amounted to €14.1m as at 30 June 2022 representing an increase of 76% over the balance as at 31 December 2019 of €8.03m. As at 30 June 2022, borrowings namely, related party loans, corporate shareholders loan, and bank loans represented the most significant liabilities with a total value of €10.0m (FY2019: €7.35m), equivalent to 71% of total liabilities. Other liabilities included deferred tax liabilities and trade and other payables which as at 30 June 2022 amounted to €2.55m (FY2019: €0.66m) and €1.55m (FY2019: €20k) respectively.

The Issuer's total equity as at 30 June 2022 amounted to €16.2m. This represented a substantial increase when compared to the balance as at 31 December 2019 of €52k. The growth in net assets over the historical period principally emanated from an increase in retained earnings, which increased from €50k as at 31 December 2019 to €5.4m as at 30 June 2022 and the recognition of a capital contribution reserve of €10.8m on 31 December 2020. The latter relates to the restructuring exercise which was undertaken by the Bonnici Group between FY2018 and FY2020 whereby Bonnici Bros. Limited transferred a number of its properties to the Issuer for a total consideration of €14.7m. Subsequently, Bonnici Bros. Limited, the Issuer and their three common shareholders entered into an assignment of debt and novation agreement whereby it was agreed that:

- €5.0m will be set aside for the subscription of additional shares to be issued by the Issuer in the foreseeable future; and
- the balance of €6.7m shall be settled before the lapse of 60 years from 31 December 2020.

As a result, as at 31 December 2020, the €11.7m was recognised in the Issuer's books as follows: loan to corporate shareholders representing the present value of the €6.7m discounted at a 3.5% assumed market rate of interest (€0.9m), and capital contribution reserve (€10.8m). The acquisition of the Birkirkara Properties has led to an increase in the balance of this contribution reserve.

Cash and cash equivalents amounted to €45k as at 30 June 2022 (FY2019: €85k) representing cash at bank and in hand. The Issuer generated sufficient cash from its operations during the historical period to remain in a positive net cash position at the end of each financial period after taking into consideration investing cash outflows and net financing cash flows.

6.2 Significant Change in the Financial Position

On 24 January 2022, the Issuer was granted a loan amounting to €1,200,000 by APS Bank p.l.c. to finance the cost of acquiring the three Mercury Suites in March 2022. This loan is subject to interest at 3.75% *per annum* and is being refinanced through the use of proceeds from the Bond issue.

In July 2022 the Issuer entered into a promise of sale agreement for the acquisition of the Floriana Property.

The promise of sale agreement is integral to Tranche 1 since proceeds from the Bonds will be used to finance the said agreement.

During November 2022, the Issuer purchased two apartments, one garage, and two car spaces in Birkirkara from Bonnici Bros. Limited at a total consideration of €0.9m. The transaction was financed through shareholders' contribution.

To this end, there has been no material adverse change in the prospects or in the financial performance or trading position of the Issuer since the date of their last published financial statements.

Furthermore, there has been no material adverse change in the Issuer's borrowing and funding structure since said date.

6.3 Financing and Financial Solvency

As at the date of this Base Prospectus, the Issuer has the following credit facilities:

- (i) A loan facility with APS Bank p.l.c of €1,200,000 repayable in full by 12 March 2023, of which €1,200,000 is outstanding as at the date hereof;
- (ii) A loan facility with Bank of Valletta p.l.c of €600,000 repayable in full by 31 January 2025, of which circa €327,701 is outstanding as at the date hereof; and
- (iii) A loan facility with Bank of Valletta p.l.c of €1,470,000 repayable in full by 30 November 2031, of which circa €1,435,873 is outstanding as at the date hereof.

Part of the proceeds from the Tranche 1 Bonds will be utilised for the repayment of the above credit facilities as described in the respective Final Terms.

6.4 Credit Rating of Issuer

The Issuer was never subject or assigned any credit ratings.

7 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

7.1 Board of Directors

The principal purpose of the Issuer's Directors is to provide the required leadership, to set the present and future strategy and to ensure proper oversight and accountability. The Board of the Issuer currently comprises of six (6) directors, three (3) of which are non-executive.

The presence of the executive Directors on the Board is designed to ensure that the Board has direct access to the individuals having the prime responsibility for the management of the Issuer and the implementation of approved policies.

7.2 Composition of the Board and Company Secretary of the Issuer

Board Composition of the Issuer

Josef Wallace Galea ID: 132270M	Windrush, Triq Martin Luther King, Fgura, Malta	Chairman Non-Executive Director
Alfred Attard ID: 481458M	84, Hacienda, Triq Ghaxqet L-Ghajn, Marsascala, Malta	Independent Non-Executive Director
Richard Abdilla Castillo ID: 267256M	75, 'Il-Girna', Triq Notabile, Mriehel, Birkirkara, Malta	Independent Non-Executive Director
Gilbert Bonnici ID: 50681M	The Hills, Flat 2, Triq Fisher, Mgarr, Malta	Executive Director
David Bonnici ID: 323383M	4, Triq ix-Xorxa, Mgarr, Malta	Executive Director
Alexis Bonnici ID: 40582M	Casa Valle, Triq is-Sardin, Burmarrad, St. Paul's Bay, Malta	Executive Director

Company Secretary of the Issuer

Laragh Cassar ID: 455693M	51, Flat 1, St. Julian's Court, Sacred Heart Avenue, St. Julians, Malta	Company Secretary
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The business address of all of the Directors is the registered office of the Issuer. Below is a short *curriculum vitae* of each of the Directors.

Gilbert Bonnici

Gilbert has been employed with Bonnici Group since 1999. Starting off his career within the Bonnici Group's engineering arm, he was instrumental in the early development of the teams operating systems. As managing director, he is involved holistically in the management of the Bonnici Group, across all business segments. Gilbert is involved in tendering and project costings, is tasked with the strategic planning and implementation of the Bonnici Group's business plan and actively participates in the development of the Group's future vision.

David Bonnici

David, has been an employee of Bonnici Group since 2006, being a warranted architect, he has been primarily involved in the management of architecturally intensive projects. David is instrumental to the Bonnici Group's building construction projects. Forming part of the board of Directors he is intricately involved in the growth and development of the Bonnici Group as a whole and actively participates in business development and tendering.

Alexis Bonnici

Alexis, has been employed with Bonnici Group since 2000, he has been primarily involved in the management of civil infrastructure works primarily related to road build up and asphalt works. Over the years Alexis has also been responsible for highly technical asphaltting projects at the Malta International airport amongst others. As one of the Directors of the Bonnici Group he is also responsible for maintaining standards for health and safety as well as the strategic development and operation of the Bonnici Group.

Alfred Attard

In June 2021, following a career spanning almost 45 years, Alfred retired from his employment with Bank of Valletta p.l.c. where he held several managerial and executive roles. Throughout his career Alfred was mostly involved in credit with focus on business lending. Before his retirement, Alfred held the post of Chief Officer Corporate Finance and was responsible for the Bank's Corporate Finance Unit which provides personalized attention and tailor-made financial solutions to the Bank's high valued corporate clients. Over the years, Alfred was involved in the financing of several high-profile projects.

Alfred is an Associate of the Institute of Financial Services and holds a Diploma in Banking. In 1995 he spent 6 months at the Bank's representative offices in Australia and between April 2016 and April 2021 he served on the Board of Mapfre Middlesea p.l.c. as one of the Bank's nominated directors, where he also held the post of Chairman of the Audit Committee.

Alfred's experience in corporate lending, in particular funding of large scale projects, will benefit the Issuer in raising the appropriate structured finance for its projects, corporate governance and financial discipline in project management.

Josef Wallace Galea

Josef graduated from the University of Malta as a Bachelor of Commerce and as a B.A. (Hons.) Accountancy, he also holds a Diploma in Taxation and a warrant to exercise the accountancy profession in Malta and has a practicing certificate in Auditing.

In 1993 he joined the corporate tax division of a big four firm in Malta. In 1996 he joined HLB Falzon & Falzon as a senior tax manager. In 2009 he joined a mid-tier audit firm and in 2012 he co-founded CA International (today HLB CA Malta) together with Patrizio Prospero. Josef is a fellow member of the Malta Institute of Accountants and a member of the Malta Institute of Taxation, the Society of Trust and Estate Practitioners, Institute of Financial Services Practitioners and the Malta Institute of Certified Secretaries and Administrators. He is a member of the direct and indirect tax committees and of SMP Forum of the Malta Institute of Accountants and a council member of the Malta Institute of Certified Secretaries and Administrators.

Richard Abdilla Castillo

Over 40 years of experience working in the field of business transaction services. Richard started his career at KPMG (formerly Joseph Tabone & Co), where he held senior roles within the firm's consultancy division.

In 1989, Richard joined the Hili Ventures Group, a Malta headquartered multi-disciplinary group, as financial controller and throughout his career was instrumental to the Hili Group's significant expansion and served in various leadership roles as Group Finance Director, Managing Director for Transactions & Major Projects, CEO of 1923 Investments plc and has been instrumental in advising on corporate finance matters for the Hili Group.

Richard sat on several boards, locally and abroad, of a broad spectrum of entities in private and listed companies. Particularly, Richard served as Chairman on the board of Hili Properties plc, the real estate division of the Hili Ventures group, following the successful launch of a bond issue in 2015. During his tenure as Chairman, Richard was heavily involved in the growth of the property portfolio of Hili Properties plc, both locally and abroad.

Additionally, Richard also chaired the audit committees of a number of listed and non-listed companies and now acting as a freelance business advisor for transaction and structured finance.

7.3 Senior Management

Darren Govus – Chief Financial Officer

After the successful completion of his university studies, Darren graduated from the University of Malta as a Bachelor of Commerce and as a Bachelor of Arts (Hons.) Accountancy, and in 1995 joined the auditing department of one of the big four firms in Malta. In 2009 he successfully completed a Diploma in Corporate Finance Treasury and Portfolio Management in collaboration with the University of Reading. Darren is a fellow member of the Malta Institute of Accountants and the Malta Institute of Taxation.

With his extensive experience as a leader in auditing a multitude of companies varying in size and nature, operating both locally and abroad, and with the ever changes in regulations and International Financial Reporting Standards, Darren accumulated extensive technical knowledge and, over the years, implemented the interpretation of that knowledge to real cases.

As the Chief Financial Officer, Darren will ensure that the Issuer operates within acceptable cautious parameters, adhering to all rules and regulations that govern listed entities.

7.4 Conflicts of Interest

In addition to being Directors of the Issuer, Gilbert Bonnici, Alexis Bonnici and David Bonnici are also Directors Bonnici Bros. Limited. Moreover, the three Directors hold an indirect interest in the share capital and are beneficial owners of the Issuer and the Bonnici Group.

To this end, such Directors are susceptible to conflicts between potential diverging interests of the Issuer, and any company within the Bonnici Group in transactions entered into or proposed to be entered into. The role of the independent, non-executive Directors of the Issuer is to ensure that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the three conflicted Directors are transacted in the best interest of the Issuer and according to law.

7.5 Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management and the internal and external auditors.

The Audit Committee reports directly to the Board. The Audit Committee is composed of Richard Abdilla Castillo (independent non-executive Director), Alfred Attard (independent non-executive Director) and Josef Wallace Galea (independent non-executive Director).

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. The appointed Chairman to the Audit Committee is Richard Abdilla Castillo who is considered by the Board to be competent in accounting and auditing in terms of the Capital Markets Rules.

8 SHARE CAPITAL

The issued share capital of the Issuer is held as follows:

Name of Shareholder	Shareholding
John Bonnici Limited	1,250,000 Ordinary 'A' Shares of a nominal value of €1 per share, 100% paid up.
Mario Bonnici Limited	1,250,000 Ordinary 'B' Shares of a nominal value of €1 per share, 100% paid up.
Emanuel Bonnici Limited	1,250,000 Ordinary 'C' Shares of a nominal value of €1 per share, 100% paid up.
Benjamin Bonnici Limited	1,250,000 Ordinary 'D' Shares of a nominal value of €1 per share, 100% paid up.

8.1 Major Shareholders

The ownership and control of the Issuer is vested in the shareholders indicated in section 8 above. To the extent known by the Issuer, there is no one natural person that has control of the Issuer.

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 (2) 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.

There are no arrangements currently known to the Issuer the operation of which may at a subsequent date result in a change of control in the Issuer.

8.2 Memorandum and Articles of Association

The Articles of the Issuer are registered with the Malta Business Registry.

A full list of the objects for which the Issuer is established is provided in Article 5 of the Memorandum. These main objects include *inter alia*, the acquisition and disposal of movable and immovable property, whether for commercial or other purposes, and to hold such property and invest, lease, hire or in any other manner employ, improve or develop any of its assets.

9 LEGAL AND ARBITRATION PROCEEDINGS

The permit awarded over the Sliema Property proposing the change of use from a residential building to a Class 3B Hotel along with additional floors is currently subject to a third party appeal before the Appeals Board Tribunal. In the event the permit is revoked by the Appeals Board Tribunal, an appeal before the Maltese Court of Appeal may be filed to reverse the decision handed by the Appeals Board Tribunal. Alternatively, the Sliema Property will not be developed further into a hotel but may be repurposed as a guesthouse or sold on the market.

10 MATERIAL CONTRACTS

Save for what is being provided in this Base Prospectus, there are no contracts that have been entered into outside the Issuer's ordinary course of business which could in an obligation or an entitlement that is material to the Issuer's ability to meet its obligation to Bondholders in respect of the Bonds being issued.

11 STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Valuations

The Issuer commissioned Architecture 360, a firm of architects to issue the Valuation.

The following are the details of the said valuer: -

Name: Perit Marc Vincent Spiteri

Business Address: 30, Triq it-Tliet Knejjes, Balzan, BZN 1307, Malta

Qualifications: B.E. & A. (Hons), MSc. ProjMgmt, A.& C. E.

Name: Perit Mark Anthony Muscat

Business Address: 30, Triq it-Tliet Knejjes, Balzan, BZN 1307, Malta

Qualifications: B.E. & A. (Hons), A.& C. E.

Capital Market Rule 7.4.3 provides that property valuations referred to in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus. The Valuation is issued and dated 29 December 2022.

Confirmations

The Issuer confirms that the Valuation dated 29 December 2022 has been accurately referred to in this Base Prospectus, with the consent of Architecture 360. The Issuer further confirms that there are no facts of which the Issuer is aware that have been omitted and which would render the referred information inaccurate or misleading. To the knowledge of the Issuer, the expert does not have any beneficial interest in the Issuer.

Architecture 360 have given (and have not withdrawn) their consent for the publication of the Valuation, in the form and context in which there are referred in this Base Prospectus.

12 TERMS AND CONDITIONS OF THE BONDS

Under this €16,000,000 Programme, the Issuer may from time to time issue Bonds. The maximum aggregate principal amount of the Bonds from time to time outstanding under the Programme will not exceed €16,000,000.

The Bonds shall be issued in two tranches and may be distributed by way of public or private placements. The method of distribution of each Tranche will be stated in the applicable Final Terms.

Subject to the restrictions and conditions set out in this Base Prospectus, the categories of potential investors to which the Bonds are intended to be offered are retail and institutional investors in Malta. A percentage of any Tranche may be reserved for specific retail and/or institutional investors, or categories of either, details of which shall be included in the Final Terms.

The Bonds will be issued in one Series with two Tranches, each Tranche consisting of Bonds which are identical in all respects except for issue dates, interest commencement dates, the issue amounts and possibly interest payment dates. The Tranches, which are expressed to be consolidated and forming a single Series and identical in all respects, except for issue dates, interest commencement dates, the issue amounts and possibly interest payment dates, may form a Series of Bonds.

The specific terms governing each Tranche will be set forth in the applicable Final Terms.

The Issuer shall notify the public of the method of publication of the Final Terms by means of electronic publication on the website of the Malta Stock Exchange (www.borzamalta.com.mt), and/or, on the website of the Issuer (www.bbp.com.mt). Any notice so given will be deemed to have been validly given on the date of such publication.

Bonds will be issued bearing a fixed rate of interest throughout the entire term of the Bonds and will be payable on that basis (as specified in the applicable Final Terms). Bonds may be issued at an Issue Price which is at par or at a discount to, or a premium over, par.

Application will be made to list the Tranche 1 Bonds and the Tranche 2 Bonds on the Official List of the MSE and to be admitted to trading on the Regulated Market of the MSE. The Bonds shall be issued in terms of applicable Maltese law, including the Companies Act, Cap 386 of the laws of Malta.

12.1 Currency, Denomination, Form and Title

12.1.1 Denomination & Issue Price

Bonds shall be issued in the specified denomination as set out in the relevant Final Terms (the **Specified Denomination**) at the issue price determined in the relevant Final Terms (the **Issue Price**).

12.1.2 Currency

Bonds shall be issued in the Euro (€).

12.1.3 Form

Bonds shall be issued in fully registered and dematerialised form without interest coupons and are represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer. There will be entered in such electronic register, the names, addresses, identity card numbers (in the case of natural persons), registration numbers and Legal Entity Identifiers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of the Bondholder's entry into the register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the register of Bonds held by the CSD.

The CSD will issue, upon a request by the Bondholder, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

Upon submission of an application for Bonds (a copy of which shall be made available by a Financial Intermediary), Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the said application form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading entitled "Transferability" of the Bonds in section 12.6.

12.2 Status and Bond Ranking

12.2.1 Status

The Bonds shall constitute general, direct, unsecured, and unconditional obligations of the Issuer and Bondholders shall at all times rank *pari passu* and without any preference among themselves.

12.2.2 Bond Ranking

On the basis of the official public registry searches carried out between 1 February 2016 and 5 January 2023, the following privileged and/or hypothecary rights are currently registered against the Issuer:

Hypothec Number	Type of Security	Creditor	Principal Debtor	Value of Special Hypothec	Value of Indebtedness
<i>SH = Special Hypothec, SP = Special Privilege</i>					
8587/ 2020	SH over Ta' Demen Land	HSBC Bank Malta plc	Bonnici Bros. Limited	€3,000,000	€3,000,000 Loan
8588/ 2020	SH over Ta' Demen Land	HSBC Bank Malta plc	Bonnici Bros. Limited	€6,000,000	€6,000,000 Overdraft

8589/ 2020	SH over Ta' Demen Land	HSBC Bank Malta plc	Bonnici Bros. Limited	€1,500,000	€1,500,000 Loan
8592/ 2020	SH over Ta' Demen Land	HSBC Bank Malta plc	Bonnici Bros. Limited	€7,000,000	€7,000,000 Overdraft
19459/ 022	SH over Ta' Demen Land	HSBC Bank Malta plc	Bonnici Bros. Limited	€2,000,000	€2,000,000 Overdraft
19460/ 2022	SH over Ta' Demen Land	HSBC Bank Malta plc	Bonnici Bros. Limited	€500,000	€500,000 Loan
8586/ 2020	SH over Bonnici House & Ta' Zuta Land	APS Bank plc	Bonnici Bros. Limited	€15,000,000	€15,000,000 Overdraft
8639/ 2020	SH over Bonnici House & Ta' Zuta Land	APS Bank plc	Zrar Ltd ¹	€500,000	€500,000 Overdraft
5894/ 2022	SH & SP over Mercury Suite 241	APS Bank plc	The Issuer	€1,200,000 €386,776 SH & SP	€386,776 Loan
7072/ 2022	SH & SP over Mercury Suite 341	APS Bank plc	The Issuer	€1,200,000 €386,458 SH & SP	€389,458 Loan
8484/ 2022	SH & SP over Mercury Suite 441,	APS Bank plc	The Issuer	€1,200,000 €393,060 SH & SP (Suite 441) €393,060 SH (Suite 241) €393,060 SH (Suite 341) €30,706 SH & SP over Mercury Suites	€423,766 Loan
9129/ 2018	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	UNEC Servicing Ltd ¹	€100,000	€100,000 Overdraft
9130/ 2018	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	Bonnici Bros. Limited	€4,000,000	€4,000,000 Loan
9131/ 2018	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	United Equipment Company (UNEC) Ltd ¹	€5,100,000	€5,100,000 Overdraft
9132/ 2018	Special Hypothec over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	Bonnici Bros. Limited	€100,000	€100,000 Overdraft
9133/ 2018	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	United Equipment Company (UNEC) Ltd	€3,100,000	€3,100,000 Revolving Loan ²

9134/ 2018	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	United Equipment Company (UNEC) Ltd	€600,000	€600,000 Loan
18083/ 2022	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	United Equipment Company (UNEC) Ltd	€1,000,000	€1,000,000 Overdraft
18084/ 2022	SH over Ta' Mica Land, Ta' Brajtel Land & Additional Land comprising Ta' Demen Land	BNF Bank plc	United Equipment Company (UNEC) Ltd	€500,000	€500,000 Overdraft
15421/ 2021	SH over Sliema Property	Bank of Valletta plc	Bonnici Bros. Limited	€1,470,000	€1,470,000 Loan
15422/ 2021	SH over ta Sqaq Nru 2 Quarry	Bank of Valletta plc	Bonnici Bros. Limited	€1,615,000	€1,615,000 Overdraft
18288/ 2022**	SH over Sliema Property	Bank of Valletta plc	The Issuer	€1,470,000	€1,470,000 Loan
4379/ 2021***	SH & SP over 'Tad-Dawl' Quarry	Bank of Valletta plc	The Issuer	€600,000	€600,000 Loan
24158/ 2022	SH over Ta' Sqaq Nru 2 Quarry	Bank of Valletta plc	Bonnici Bros Limited	€640,000	€640,000 Loan

[1] Zrar Ltd, United Equipment Company (UNEC) Ltd and UNEC Servicing Ltd all form part of the Bonnici Group.

[2] This facility is incorporated within the €5,100,000 facility granted by BNF Bank plc to United Equipment Company (UNEC) Ltd on the same day and the Special Hypothec granted by the Issuer for this facility (that is, of €3,100,000) is not additional to the Special Hypothec granted by the Issuer to secure the facility of €5,100,000.

* The present outstanding liability on this facility with APS Bank plc is €1,200,000. This facility shall be settled out of the proceeds of Tranche 1, following which APS Bank plc shall cancel its hypothecary rights resulting therefrom on the Mercury Suites.

** The present outstanding liability on this facility with Bank of Valletta plc is circa €1,435,873. This facility shall be settled out of the proceeds of Tranche 1, following which Bank of Valletta plc shall cancel its hypothecary rights resulting therefrom on the Sliema Property.

*** The present outstanding liability on this facility with Bank of Valletta plc is circa €327,701. This facility shall be settled out of the proceeds of Tranche 1, following which Bank of Valletta plc shall cancel its hypothecary rights resulting therefrom on the Tad-Dawl' Quarry.

In so far as the special hypothecs granted by the Issuer and securing the liabilities of companies forming part of the Bonnici Group is concerned, the Issuer's liability is limited to the value of the property used as security. As at the date of this Base Prospectus, the Issuer's immovable properties securing Bonnici Group's liabilities are valued in aggregate at circa €32,563,000 and secure an aggregate exposure of the Issuer of €25,107,000. The Issuer undertakes to limit its potential to further hypothecate and incur further indebtedness in line with section 12.3 hereunder.

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt. Furthermore, subject to the financial covenant provided pursuant to section 12.3 hereunder, third party security interests may be registered which will rank in priority to the Bonds against specific assets of the Issuer hypothecated to creditors for so long as such security interests remain in effect. To this end, by acquiring the Bonds, whether on issuance or thereafter, Bondholders will be deemed to have acknowledged and accepted that the indebtedness being created by the Bonds shall rank after any bank borrowings which may be secured by a cause of preference such as a privilege and/or a hypothec.

12.3 Financial Covenant

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of them remains outstanding, not to incur any Financial Indebtedness and/or provide any Security Interest (other than a Permitted Security Interest) unless the Net Asset Value of the Issuer at that point in time (the **Effective Date**) is more than one million Euro (€1,000,000) or unless the said Financial Indebtedness and/or Security Interest is otherwise approved by the Bondholders in a Bondholders meeting.

For the purposes of this section 12.3, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“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; or
- (G) any guarantee, indemnity or similar assurance against financial loss of any person.

“Net Asset Value” means the resultant value of the Issuer after taking:

- (1) the assets of the Issuer PROVIDED THAT the immovable properties of the Issuer are taken at a) their market value, supported by a third party independent valuation being not older than twelve (12) months than the Effective Date, less b) the value of the immovable properties subject to registered special hypothecs thereon securing the debts of companies forming part of the Bonnici Group); and
- (2) deducting therefrom the liabilities of the Issuer (other than debts and/or liabilities which mature thirty five (35) years or more after the Effective Date);

“Permitted Security Interest” means

- (A) any Security Interest arising by operation of law;
- (B) any Security Interest securing Financial Indebtedness, including bank loans and overdrafts, in the ordinary course of business;
- (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds;

“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.

12.4 Rights

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest as an unsecured creditor of the Issuer.

12.5 Interest

For the purposes of this section 12.4, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

- (i) **“Business Day”** means a day on which the second generation Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the **TARGET System**) is operating (a **TARGET Business Day**);

- (ii) “**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Bond for any period of time (from and including the first day of such period to but excluding the last and whether or not constituting an Interest Period, the “**Calculation Period**”);
- (iii) “**Actual/Actual**”, and calculated by applying the actual number of days in the Calculation Period divided by 365 or, when all or part of an Interest Period falls in a leap year, 366;
- (iv) “**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms;
- (v) “**Interest Payment Date**” means the date(s) specified in the relevant Final Terms;
- (vi) “**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;
- (vii) “**Maturity Date**” means the date(s) specified in the relevant Final Terms; and
- (viii) “**Rate of Interest**” means the rate of interest payable from time to time in respect of the Bonds and that is specified in the relevant Final Terms.

12.5.1 Rate

Each Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. In the event that any Interest Payment Date falls on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day (the “**Following Business Day Convention**”).

12.5.2 Accruals

Interest (if any) shall cease to accrue on each Bond on the day preceding the Maturity Date thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest shall continue to accrue at the Rate of Interest up until the payment thereof.

12.45.3 Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures shall be rounded to seven significant figures (with halves being rounded up), and, (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

12.5.4 Calculations

The amount of interest payable in respect of any Bond for any Interest Period shall be equal to the product of the Rate of Interest, the principal amount of the Bonds and the Day Count Fraction for such Interest Period. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

12.5.5 Payments

Payments of the principal amount of Bonds shall be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Maturity Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta or the European Union.

Such payment shall be effected within seven Business Days of the Maturity Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed, and the appropriate entry made in the electronic register of the Bonds at the CSD. In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond shall be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date (the **Record Date**), irrespective of whether the Interest Payment Date falls on a Business Day or otherwise. Payment of interest shall be made by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta or the European Union. Such payment shall be effected within seven Business Days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax. No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

12.6 Transferability

- a) The Bonds, once admitted to the Official List of the MSE, shall be freely transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- b) Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.
- c) All transfers and transmissions are subject in all cases to any pledge (as duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient d) to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer shall not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

12.7 Redemption at Maturity

The Issuer will redeem the Bonds (together with payment of interest accrued thereon) at their Redemption Value on such date indicated in the Final Terms as being the Maturity Date (the "**Maturity Date**").

12.8 Taxation

Where the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges, all amounts payable under the Bonds will be paid with deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Republic of Malta or any taxing authority therein. The Issuer will not be obliged to make any additional payments in respect of any such withholding or deduction imposed.

12.9 Acceleration Event

Each Bondholder shall be entitled to declare his Bonds due and demand immediate redemption thereof at the Redemption Value, together with accrued interest, if any, to the date of repayment, in the event that any of the following events (each an "**Acceleration Event**") occurs:

- a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

- b) the Issuer shall duly fail to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- c) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.

12.10 Form of Notice

Any notice, including any notice declaring Bonds due shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer.

12.11 Bondholder Meetings

- a) A Bondholders' Meeting may be called for the purpose of consulting/obtaining the consent of Bondholders on matters which in terms of the Prospectus or the require the approval of a Bondholders' Meeting and to effect any change to the applicable Terms and Conditions of the Bonds, including any change to a material term of issuance of the Bonds or the Prospectus.
- b) Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding upon all Bondholders and prevail for all the Bonds.
- c) Convening a Bondholders Meeting:
 - (i) A Bondholders' Meeting shall be held at the written request of the Issuer. In the event that a Bondholder wishes a Bondholders meeting to be held, he/she must send a written request to the Issuer and shall clearly state the matters to be discussed. In the event that the Issuer does not call the Bondholders' Meeting within 21 days from the receipt of the said request, the relevant Bondholder may call the Bondholders' Meeting itself and shall follow the rules on convening Bondholder meetings.
 - (ii) The Issuer shall, by not less than 14 days' notice in writing, call such meeting by giving all Bondholders listed in the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. If amendments to the Prospectus have been proposed, the main content of the proposal shall be contained in the notice. The notice shall also contain a proxy form.
 - (iii) Notices for Bondholder Meetings shall be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.
 - (iv) A Bondholders' Meeting shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Issuer. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time, and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting, the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

- (v) Once a quorum is declared present by the chairman of the meeting, the Bondholders' Meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time for Bondholders to present their views at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
 - (vi) The Bondholders' Meeting shall be chaired by the person decided by the Bondholders' Meeting.
 - (vii) Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders and Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting and the result of the voting. The minutes shall be signed by the chairman of the meeting. The minutes shall be deposited with the Issuer.
 - (viii) The Bondholders and representatives of the Issuer shall have the right to attend the Bondholders' Meeting. The chairman, in his/her discretion, may grant access to the meeting to other persons. A Bondholder may attend by a representative holding proxy.
- d) Resolutions:
- (i) Unless otherwise specified in this Prospectus and, the proposal placed before a Bondholders' Meeting shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
 - (ii) At the Bondholders' Meeting each Bondholder may cast one vote for each Bond held at close of business on the day prior to the date of the Bondholders' Meeting and as recorded on the register of Bondholders maintained by the CSD.
 - (iii) In all matters, the Issuer and any Bondholder shall have the right to demand a poll.
 - (iv) The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
 - (v) The Issuer shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented; however, the Issuer may refuse to carry out resolutions being in conflict with this Prospectus or any applicable law.
 - (vi) The Issuer and the Bondholders shall be notified of resolutions passed at the Bondholders' Meeting.

12.12 Prescriptive Period

In terms of article 2156 of the Civil Code (Cap. 16, laws of Malta), actions for the payment of interest on sums taken on loan and for the return of money given on loan (if the loan does not result from a public deed) are barred by the lapse of five years. Accordingly, actions for the payment of interest and principal on the Bonds are barred by the said prescriptive period.

12.13 Further Issues in Tranches, Purchases, and Cancellation

The Issuer may from time to time, without the consent of the Bondholders, issue further Tranches of Bonds, so as to form a single Series with the Bonds.

The Issuer may at any time purchase Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders for such Bonds must be made available to all Bondholders of the Tranche/s that are being tendered for.

All Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

12.14 Final Terms

These Terms and Conditions shall be completed in relation to any Series of Bonds by the terms of the relevant Final Terms in relation to such Series.

12.15 Notices

All notices concerning the Bonds will be made by means of electronic publication on the website of the MSE (www.borzamalta.com.mt), or, in addition and at the option of the Issuer, on the website of the Issuer (www.bbp.com.mt). Any notice so given will be deemed to have been validly given on the date of such publication. Furthermore, Bondholders may request that any such notices be sent by post to the address contained in the register of Bondholders maintained by the CSD on behalf of the Issuer.

12.16 Method of Publication of this Base Prospectus and of the Final Terms

This Base Prospectus will be published on the websites of (a) the Malta Financial Services Authority (www.mfsa.mt) during a period of twelve months from the date of this Base Prospectus and (b) the Issuer (www.bbp.com.mt). The Final Terms related to Bonds admitted to trading on any Regulated Market will be published on the websites of (a) the Malta Financial Services Authority (www.mfsa.mt) and (b) the Issuer (www.bbp.com.mt).

12.17 Applicable Law, Place of Performance, Place of Jurisdiction and Enforcement

The Bonds, as to form and content, and all the rights and obligations of the Bondholders and the Issuer, shall be governed by Maltese law.

12.18 Submission to Jurisdiction

The place of jurisdiction for all legal proceedings arising out of or in connection with the Bonds shall be Malta.

FINAL TERMS DATED [•]

BONNICI BROS. PROPERTIES P.L.C.

€16,000,000 UNSECURED BOND ISSUANCE PROGRAMME

Series No: [•]

Tranche No: [•]

[Brief description and Amount of Bonds]

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

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 30 January 2023 which was approved by the Malta Financial Services Authority in Malta 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 [as so supplemented]. 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 www.bbp.com.mt and copies may be obtained free of charge from the registered office of the Issuer (Bonnici House, Triq is-Sardin, Burmarrad, St Paul's Bay, Malta). A summary of this individual issue is annexed to these Final Terms.

1.	Issuer:	Bonnici Bros. Properties p.l.c.
2.	Series Number:	[•]
3.	Tranche Number:	[•]
4.	Specified Currency(ies):	Euro (€)
5.	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
6.	(i) Issue Price of Tranche:	[•]
	(ii) Net Proceeds:	[•]
7.	Specified Denomination:	[•]
8.	Number of Bonds offered for subscription:	[•]

9. (i) Issue Date: [•]
(ii) Interest Commencement Date: [•]
10. Maturity Date: [•]
11. Redemption Value: Redemption at par
12. Record Date: [•]
13. Dates of the corporate authorisations for issuance of the Bonds: [•]

INTEREST

14. Rate of Interest: [•]
15. Interest Payment Date(s): [•]

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:

PART B: OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

- (i) Admission to Listing: [•]
- (ii) Admission to trading: [•]
- (iii) Previous admission to trading: [•]
- (iv) Estimate of total expenses related to admission to trading: [•]

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

- (i) Reasons for the offer: [•]
- (ii) Estimated net proceeds: [•]
- (iii) Estimated total expenses: [•]
- (iv) Conditions to which the offer is subject : [•]

5. YIELD

- (i) Indication of yield: [•]
- (ii) Method of calculating the yield: [•]

6. OPERATIONAL INFORMATION

- (i) ISIN: [•]

7 DISTRIBUTION

- (i) Method of distribution - Financial Intermediary Offer: [•]
- (ii) Underwriting: [•]
- (iii) Selling commission: [•]%
- (iv) Expected timetable: [•]

8. ADDITIONAL INFORMATION

- (i) Time period, including any possible amendments, during which the offer will be open: [•]
 - (ii) Arrangements for publication of final size of issue/offer: [•]
 - (iii) Description of the application process: [•]
 - (iv) Details of the minimum/maximum amount of application (whether in numbers of securities or aggregate amount to invest): [•]
 - (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [•]
 - (vi) Method and time limits for paying up the securities and for delivery of the securities: [•]
 - (vii) Full description of the manner and date in which results of the offer are to be made to public: [•]
 - (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: [•]
 - (ix) Process for notification to applicants of the amount of Bonds allotted and indication whether dealing may begin before notification is made: [•]
- ANNEX I - ISSUE SPECIFIC SUMMARY [•]
- ANNEX II - LIST OF FINANCIAL INTERMEDIARIES [•]
- ANNEX III - FINANCIAL ANALYSIS SUMMARY [•]

13 TAXATION

13.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer as at the date of this Prospectus. 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 who do not deal in the acquisition and disposal of securities in the course of their normal trading activities. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

13.2 Taxation of Bondholders

13.2.1 Upon acquisition of Bonds

The acquisition of Bonds in the Issuer does not trigger any Maltese income tax or duty liability for the Bondholders.

13.2.2 Maltese Income Tax on Interest Income arising from the Bond Interest

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

Article 41(c) of the Income Tax Act defines the term “Recipient”, which includes (*inter alia*) a person (both corporate or non-corporate) who is resident in Malta during the year in which investment income is payable to him/her, and EU/EEA nationals (and their spouse were applicable) who are not resident in Malta for Maltese tax purposes but who apply (at their option) the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their world-wide income.

The aforementioned withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his or her income tax return (to the extent that the interest is paid net of tax). Such tax is not available as a credit against the recipient’s tax liability or for a refund. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

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

13.3 Exchange of Information

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

Relevant legislation includes, but is not limited to

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

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

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

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

In particular with respect to CRS, FIs reserve the right to store, use, process, disclose and report to the Commissioner for Revenue the following information in respect of each reportable account maintained by the FIs:

- The name, address, jurisdiction of tax residence, TIN and date and place of birth;
- The account number (or functional equivalent in the absence of an account number);
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;
- The total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

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

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

13.4 Maltese Taxation on Transfer of Bonds

13.4.1 Income Tax on Capital Gains on a Transfer of the Bonds

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

13.4.2 Duty of Documents and Transfers

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable, *inter alia*, on the transfer or transmission causa mortis of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds do not constitute marketable securities within the meaning of the legislation and therefore, the transfer or transmission thereof is not chargeable to duty.

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

14 GENERAL INFORMATION

14.1 Listing on the Official List and admission to trading information

Application will be made to list each Series of the Bonds on the Official List of the MSE and to be admitted to trading on the Regulated Market of the MSE.

14.2 Authorisation

The establishment of the Programme was authorised by the Board of Directors of the Issuer on 30 November 2022.

15 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents (or copies of the same) are available for physical inspection at the Issuer’s registered office and on the Issuer’s website (www.bbp.com.mt) for the duration of the validity of this Base Prospectus:

- The Memorandum and Articles of Association of the Issuer;
- The audited annual financial statements of the Issuer for each of the financial years ended 31 December 2019 to 31 December 2021;
- The interim unaudited financial statements of the Issuer for the six-month period 1 January to 30 June 2022; and
- The Valuation Report.

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