



Malta Properties

Final Terms

dated 1 June 2022

Series No: 1/2022

Tranche No: 1

€25,000,000 4% Secured Bonds 2032

Legal Counsel

MAMO TCV
ADVOCATES

Sponsor, Manager & Registrar



RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS



Malta Properties

Final Terms

dated 1 June 2022

€50,000,000 Bond Issuance Programme
of a nominal value of €100 per Bond
ISIN: MT0000991217
Series No: 1/2022
Tranche No: 1
€25,000,000 4% Secured Bonds 2032
Issued by: Malta Properties Company p.l.c. (the “**Issuer**”)

PART A – CONTRACTUAL TERMS

Capitalised terms used herein which are not defined shall have the definitions assigned to them in the Base Prospectus dated 1 June 2022 which was approved by the MFSA on the same date.

Definitions

The following terms will have the following meanings:

GO Head Office	the building known as the “GO Head Office” at Marsa, which building has its main entrance which is unnumbered and other unnumbered entrances in Triq Fra Diegu, Marsa and secondary entrances numbered twelve (12) and thirteen (13) in Il-Moll Tal-Hatab formerly referred to as Timber Wharf and at times also as Il-Moll Ta’ I-Injam, Marsa and other unnumbered entrances in Triq Patri Felicjan Bilocca, bounded on the west by Triq Fra Diegu, on the north by Triq Patri Felicjan Bilocca and on the east in part by Il-Moll Tal-Hatab and in part by property of unknown persons, with all its rights and appurtenances including its overlying airspace and its underlying terrain, free and unencumbered from ground-rents and other burdens, property of MCB Company;
MCB Company	MCB Property Company Limited (C 51493);
Placement Agreement/s	the agreement/s between the Issuer and Authorised Financial Intermediaries in respect of the amount of the Bond Issue reserved for subscription by Authorised Financial Intermediaries;
Trust Deed or Instrument of Trust	the trust deed to be signed between the Issuer, the Security Providers and the Security Trustee prior to but effective upon the Bond Issue. A copy of this deed is available for inspection on the Issuer’s website and is deemed to be incorporated by reference in, and forms part of, the Final Terms;
Zejtun Exchange	the complex of buildings without official number and unnamed, however known as the GO Technical Centre Zejtun, in Triq Hal-Tarxien in the Qasam Industrijali ta’ Bulebel in the limits of Zejtun, bounded on the south and south west by Triq Hal-Tarxien, and on the east, west and north by property of the Government of Malta or of its successors in title, with all its rights and appurtenances including its overlying airspace and its underlying terrain and free and unencumbered from ground-rents and other burdens, property of ZTN Company; and
ZTN Company	ZTN Property Company Limited (C 54592).

This document constitutes the Final Terms and has been prepared for the purpose of Article 8(4) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus and any supplement thereto in order to obtain all the relevant information which is available on the Issuer’s website (<https://maltaproperties.com.mt>). Copies may be obtained free of charge from the registered office of the Issuer. The issue-specific summary, required in terms of Article 8(8) (and therefore Article 7) of the Prospectus Regulation, is being appended to these Final Terms.

1	Issuer	Malta Properties Company p.l.c.
2	Series Number	1
3	Tranche Number	1
4	Specified Currency	Euro
5	Aggregate Nominal Amount:	
	(i) Series	(i) Up to €50,000,000, which may be issued solely in Tranches forming part of this Series 1 or in combination with Tranche/s forming part of one or more separate Series.
	(ii) Tranche	(ii) Up to €25,000,000
6	(i) Issue Price of Tranche	(i) €100
	(ii) Net Proceeds	(ii) Approximately €24,400,000 which will emanate from the Bonds to be issued under these Final Terms.
7	Specified Denomination	€100
8	Number of Bonds offered for Subscription	A maximum of 250,000 Bonds having a nominal value of €100 each.
9	(i) Issue Date	30 June 2022
	(ii) Interest Commencement Date	30 June 2022
10	Maturity Date	30 June 2032
11	Designated Early Redemption Date/s	N/A
12	Redemption Value	At par
13	Dates of the corporate authorisations for issuance of the Bonds	Resolution of the Board of Directors dated 24 May 2022.
Interest		
14	Rate of Interest	Four per cent (4%) per annum payable annually in arrears.
15	Interest Payment Date/s	30 June of each year between and including each of the years 2023 and the year 2032, provided that if any such day is not a Business Day, such interest payment date will be carried over to the next following day that is a Business Day. The term 'Business Day' shall bear the meaning assigned thereto in section 16.3 of the Base Prospectus.
General Provisions		
16	Taxation	As per "Taxation", section 16.7 of the Base Prospectus.

PART B – OTHER INFORMATION

a. Admission to Trading and Listing

1	Admission to trading	Application has been made by the Issuer for the Bonds to be admitted to trading on the regulated market of the Malta Stock Exchange with effect from 7 July 2022.
2	Listing	The Official List of the MSE.
3	Previous Admission to Trading	Not applicable.
4	Estimate of total expenses related to admission to trading	Approximately €600,000. Such expenses shall be borne by the Issuer.

b. Interests of Natural and Legal Persons Involved in the Issue

Except for the fees payable to the advisers of the Issuer in connection with the offer of the Bonds, so far as the Issuer is aware, no person involved in the offer of the Bonds has any other interest that is material to the offer.

c. Third Party Information

Save for the financial analysis summary set out as Annex C to these Final Terms, the Final Terms do not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co (Stockbrokers) Ltd. of Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, which has given and have not withdrawn its consent to the inclusion of such report herein. Rizzo, Farrugia & Co (Stockbrokers) Ltd does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in these Final Terms and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

d. Reasons for the Offer and Use of Proceeds, Estimated Net Proceeds and Total Expenses

1	Reasons for the Offer/Use of Proceeds	The proceeds from the issue of Bonds under these Final Terms shall be used by the Issuer for the following purposes, in the amounts and order of priority set out below: <ul style="list-style-type: none">the amount of circa €21,000,000 will be used to repay the HSBC Borrowings in full (the "HSBC Repayment");the amount of circa €2,000,000 will be used to pay for the remaining capital expenditure on the Zejtun Development; andthe amount of circa €2,000,000 will be used for general corporate funding.
2	Estimated net proceeds	Approximately €24,400,000
3	Estimated total expenses	Approximately €600,000, with approximately €250,000 being attributed to selling commission fees and approximately €350,000 to professional, MSE, regulatory and ancillary fees. There is no particular order of priority with respect to such expenses. These expenses shall be borne by the Issuer.
4	Conditions to which the offer is subject	The offer of the Bonds is conditional upon: (i) the Bonds being admitted to the Official List; and (ii) the proceeds raised under this Tranche amounting to at least €21,000,000. In the event that any of these conditions is not satisfied, the subscription for the Bonds shall be deemed not to have been accepted by the Issuer, any application monies will be returned without interest by direct credit into the Applicant's bank account, and the issue of Bonds shall be cancelled forthwith.

e. Yield

1	Indication of Yield	4%
2	Method of Calculating Yield	Yield is calculated on the basis of the interest per annum, the Issue Price and the Redemption Value of the Bonds at Maturity Date.

f. Operational Information

1	ISIN Code	MT0000991217
2	Delivery	Delivery against payment
3	Names and addresses of paying agent (if any)	Not applicable.

g. Distribution

1 Categories of Investors and Subscription	<p>The Bonds are open for subscription to all categories of investors subject to a minimum application amount of €5,000 per underlying investor.</p> <p>The Bond Issue has been fully placed with the Authorised Financial Intermediaries.</p>
2 Preferred Applicants (if any)	Not applicable.
3 Placement	<p>The Company entered into placement agreements with a number of Authorised Financial Intermediaries whereby the Issuer bound itself to allocate the entire Bond Issue (that is to say, a total of €25,000,000 in nominal value of Bonds) to such Authorised Financial Intermediaries, which in turn, bound themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Bonds subject to the terms and conditions within the placement agreement, which include the Bonds being admitted to trading on the Official List.</p> <p>In terms of the Placement Agreements, the Authorised Financial Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:</p> <ol style="list-style-type: none">distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; orcomplete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 12:00 hours on 17 June 2022, (the “Placement Date”). <p>Authorised Financial Intermediaries must effect payment to the Registrar for the Bonds subscribed to by not later than the Placement Date.</p>
4 Intermediaries’ Offer	Not applicable.
5 Conditions for use of the Base Prospectus by the Authorised Financial Intermediary/ies	Not applicable.
6 Selling commission	1%
7 Expected timetable	<ol style="list-style-type: none">Placement Date 12:00 hours (CET) on 17 June 2022Commencement of interest 30 June 2022Issue date of the Bonds 30 June 2022Expected date of admission of the Bonds to listing 7 July 2022Expected date of commencement of trading in the Bonds 8 July 2022Expected publication date for the constitution of Security Interest Not later than 22 July 2022

h. Security

1 Security in place (if any) given by the Company and/or either of the Security Providers and in place at the time of the respective Final Terms	<p>The HSBC Borrowings are secured as follows:</p> <ul style="list-style-type: none">• first general hypothec for €24,500,000 (effectively limited to the outstanding balance of loan) over all assets present and future given by the Company;• first special hypothec for €24,500,000 (effectively limited to the outstanding balance of loan) given by the Company over:<ul style="list-style-type: none">• the Rabat Exchange situated at it-Telgha tas Saqqajja, Rabat;• the business complex lying within the Floriana fortifications ditch at St. Francis Ravelin, Floriana;• the Victoria Exchange situated at 39 Republic Street, Victoria Gozo; and• the Mosta Exchange situated at Mosta Technopark, Triq Valletta, Mosta;• first general hypothecary guarantee for €24,500,000 (effectively limited to the outstanding balance of loan) over all assets present and future given by the MCB Company;• first general hypothecary guarantee for €24,500,000 (effectively limited to the outstanding balance of loan) over all assets present and future given by the ZTN Company;• first special hypothecary guarantee for €24,500,000 (effectively limited to the outstanding balance of loan) over the GO Head Office given by MCB Company;• first special hypothecary guarantee for €24,500,000 (effectively limited to the outstanding balance of loan) over the Zejtun Exchange given by ZTN Company;• company guarantee for €24,500,000 to secure all liabilities of the Company given by MCB Company;• company guarantee for €24,500,000 to secure all liabilities of the Company given by ZTN Company; and• pledge over certain cash balances held in the name of the Company and ZTN Company, <p>(the “HSBC Security”).</p>
2 Security Interest to be given by the Company and/or either of the Security Providers to secure the Bond Obligations in respect of a Tranche	<p>With respect to the BOV Borrowings, the Company has provided a second general hypothecary guarantee over its assets for the amount of €6,500,000 (the “BOV Security”). With respect to the Lombard Borrowings, the Company has undertaken to make good for any shortfall in repayments of capital and interests. This latter undertaking is unsecured.</p> <p>As a result of the Company making the HSBC Repayment, the HSBC Security will be cancelled. Following the cancellation, the following Security Interest will be constituted, by the Security Providers, in favour of the Security Trustee to secure, by way of joint and several suretyship, the Bond Obligations:</p> <ul style="list-style-type: none">• first ranking special hypothec over the GO Head Office given by MCB Company; and• first ranking special hypothec over the Zejtun Exchange given by ZTN Company. <p>Bondholders should note that the joint and several suretyship provided by the Security Providers is limited solely to the properties making up the Security Interest and does not extend to any other assets of the respective Security Provider/s.</p> <p>Any insurance policies over the Security Interests are not being pledged in favour of the Security Trustee.</p> <p>The current market value of the Security Interest (as set out in the valuation report dated 17 May 2022 prepared by AP Valletta Ltd.) amounts to approximately 120% of the aggregate nominal value of the Bonds (should the maximum aggregate principal amount of the Bonds being offered pursuant to these Final Terms actually be issued in full).</p>
3 Security Provider/s	MCB Company and ZTN Company.

4 Other

Binding Nature of Trust Deed

By acquiring Bonds, a Bondholder shall be bound by the terms and conditions of the Trust Deed as if he/she/it had been a party to it and as if the Trust Deed contained covenants on the part of each Bondholder to observe and be bound by all the provisions thereof.

Key Mechanism in Trust Deed

The Security Trustee is authorised and empowered, pursuant to the Trust Deed, to, at the request and sole cost of the Company or Security Provider/s, as applicable, release and/or remove immovable property/ies from the Security Interest encumbering it/them provided that the value of the Security Interest is, following such replacement and/or removal, at least 120% of the nominal value of the outstanding Bonds and, in the case of replacement of immovable property/ies, the Security Trustee shall be given a first ranking special hypothec over such replacement property/ies. Bondholders should review the relevant sections in the Trust Deed. Please see Article 8A of the Trust Deed for further detail on the conditions for release and/or replacement.

Invitation to Review

The Trust Deed contains a number of provisions which prospective investors should be aware of prior to acquiring the Bonds. Purely by way of example and without being exhaustive in nature:

- i. the Security Trustee is not bound to take any such steps or proceedings or take any other action to enforce the security constituted by the Security Interest unless the Security Trustee shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing;
- ii. the Security Trustee may pay itself out of the trust funds all sums owing to it in respect of the remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Issuer to which it is entitled under the Trust Deed or by law or by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Collateral;
- iii. the Trust Deed contains provisions on events of default and consequences arising therefrom. Please see Article 10.9 of the Trust Deed for further detail.

5 Constitution of Security Interest and Release of Bond Proceeds

Following the issue, allotment and listing of the Bonds, all the net proceeds from the Bond Issue shall be released to the Security Trustee who will keep such net proceeds for the benefit of the Bondholders until release in accordance with the Trust Deed and in accordance with the use of proceeds better explained in Part B(d)(1) of these Final Terms. Part of the net Bond proceeds to be allocated to the HSBC Repayment referred to in Part B(d)(1) above shall, as outlined in the Security Trust Deed, be released by the Security Trustee on condition that simultaneous to the payment of the HSBC Repayment, there is the publication (but not registration) of the necessary notarial deeds for the cancellation of the existing charges over the properties making up the Security Interest, and the simultaneous publication (but not registration) of the Deeds of Hypothec with respect to the properties constituting the Security Interest. It is anticipated that registration of the aforementioned Deeds of Hypothec will be made within seven (7) calendar days following publication.

In relation to the Security Interest, the Security Trustee shall appear on each notarial deed to effect payment and to obtain, if possible and where relevant, subrogation into the rights of HSBC Bank Malta p.l.c. over the Security Interest.

The Security Trustee will have the benefit of a first ranking special hypothec over the Security Interest for 120% of the value of the nominal value of the Bonds. For the avoidance of doubt, the Company and/or Security Providers shall not be responsible and/or liable to add property to the Security Interest in order to increase the value of the Security Interest should the value of Security Interest, subsequent to the issue of the Bonds, fall below 120% of the nominal value of the Bonds. The commitment to provide 120% cover exists only (i) at the time of the constitutions of the Security Interest and (ii) at the time of replacement and/or removal (as better described in Part B(h)(4) *Key Mechanism in Trust Deed* of these Final Terms and Article 8A of the Trust Deed).

Following the publication and registration of the Security Interest in favour of the Security Trustee, the Security Trustee shall release the remainder of the Bond proceeds to the Issuer saving such amounts as it is authorised to retain in terms of the Trust Deed.

i. Ranking of the Bonds

1	Ranking	<p>Save as otherwise provided, the Bonds constitute the general, direct, unconditional and secured obligations of the Issuer, secured (by way of joint and several suretyship and limited solely to the Security Interest indicated in Part B (h) (ii)) by the Security Providers, and shall at all times rank <i>pari passu</i>, without any priority or preference, among themselves. The Bond Obligations shall be secured by the Security Interest. Third party security interests may be registered by the Issuer which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.</p> <p>Bondholders should note that the privileges and hypothecary rights in favour of Bank of Valletta p.l.c., which make up the BOV Security, will remain in place following the Bond Issue. Therefore, in an event of the Issuer's insolvency:</p> <ol style="list-style-type: none">BOV will rank prior to the Bondholders with respect to the Issuer's assets up to the amount of €6,500,000;the Bondholders will have first ranking special hypothecs over the Security Interest provided by the Security Providers in preference to the ranking of any unsecured and secured creditors of the respective Security Provider/s (save for any prior ranking privileges or security which arise by operation of law); andall other unsecured creditors (including the Bondholders) will rank <i>pari passu</i> with respect to the remainder of the Issuer's assets.
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j. Additional Information

1	Reservation of a Tranche, or part thereof, in favour of specific retail and/or non-retail investors or categories of either	Not applicable.
2	Time period, including any possible amendments, during which the offer will be open	Not applicable.
3	Arrangements for publication of final size of issue/offer	Not applicable.
4	Description of the application process	Not applicable.
5	Details of the minimum/maximum amount of application (whether in numbers of securities or aggregate amount to invest)	Please refer to section g(1) " <i>Categories of Investors and Subscription</i> ", above.
6	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants	Not applicable.
7	Method and time limits for paying up the securities and for delivery of the securities	Not applicable.
8	Full description of the manner and date in which results of the offer are to be made to public	Not applicable.
9	Procedure for the exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised	Not applicable.

10	Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure	Not applicable.
11	Amount of any expenses and taxes specifically charged to the subscriber	Not applicable.
12	Process for notification to applicants of the amount of Bonds allotted and indication whether dealing may begin before notification is made	The Bond Issue has been fully placed with Authorised Financial Intermediaries. Dealing may not commence before the Bonds are admitted to the Official List.
13	Rating	The Issuer has not sought, nor does it intend to seek the credit rating of an independent agency and there has been no assessment of the Bonds by any independent rating agency.

PART C – PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the offer for subscription, issue and admission to trading on the Official List of the Bonds described herein pursuant to the Programme of the Issuer dated 1 June 2022.

PART D – RESPONSIBILITY

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

Signed on behalf of Malta Properties Company p.l.c.

Duly represented by: Dr Cory Greenland



ANNEX A

ISSUE SPECIFIC SUMMARY

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

A. Introduction and Warnings

This Summary should be read as an introduction to the Base Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Base Prospectus and these Final Terms. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document.

Any decision to invest in the Bonds should be based on consideration of the Prospectus and Final Terms as a whole by the investor. An investor investing in the Bonds could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus and the Final terms is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Details of the Issuer and the Bonds are as follows:

Legal Name of the Company:	Malta Properties Company p.l.c.
Registered Address:	The Bastions, Triq Emvin Cremona, Floriana FRN 1281, Malta
Registration Number:	C 51272
Legal Entity Identifier:	213800CA296B6BI7MG51
Email Address:	info@mpc.com.mt

The Bonds will have the following ISIN code: MT0000991217.

The Prospectus has been approved by the Malta Financial Services Authority as the competent authority under the Prospectus Regulation on the 1 June 2022. The Malta Financial Services Authority only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer or the Bonds.

Details of the Malta Financial Services Authority:

Address:	Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta.
Tel:	+356 21441155
Website:	www.mfsa.mt

B. Key Information on the Issuer

i. Who is the Issuer of the Securities?

General

The Issuer's legal and commercial name is Malta Properties Company p.l.c., a public limited liability company incorporated and operating under Maltese law with LEI 213800CA296B6BI7MG51.

Principal Activities

The principal activity of the Issuer is property investment and development.

Shares and Ownership

The Company has the following shareholder which holds more than 10% of the Issuer's issued ordinary shares, thereby being regarded as substantial shareholders in terms of the Capital Markets Rules:

Name of Shareholder	Number of Shares held
Emirates International Telecommunications (Malta) Limited 192, Old Bakery Street, Valletta, Malta Company Registration No. C 38658	60,786,292 shares (60%)

Emirates International Telecommunications (Malta) Limited is, through Dubai Holdings LLC, ultimately owned by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

Key Managing Directors and Statutory Auditor

The members of the Board of Directors are

- Mr Sayed Mohamed Mohamed Noor Sharaf;
- Mr Deepak Srinivas Padmanabhan;
- Dr Cory Greenland;
- Mr Saqib Saeed; and
- Dr Brigitte Zammit.

The Company's statutory auditor is PricewaterhouseCoopers, a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

ii. What is the Key Financial Information Regarding the Issuer?

The Company's historical audited financial statements for the years ended 31 December 2019, 2020 and 2021 are available on the Company's website and at the registered office of the Company. The audit reports of these three financial years do not contain any qualification, modification of opinion, disclaimers or emphasis of matter.

In March 2022, one of MPC's subsidiaries acquired the MIB Building in Ta' Xbiex for a consideration of €8.6 million. This acquisition was financed partly through a bank loan amounting to €6.5 million, while the remaining amount of €2.1 million was paid through the Group's funds. This building was valued by independent architects during May 2022 at €9.39 million. Moreover, the Group continued to incur capital expenditure on the Zejtun project after 31 December 2021 as the project approaches its completion. Rental income from this property started being received as from the date of purchase.

Save for the above, there has been no significant change in the financial position of the Company since 31 December 2021.

Key figures extracted from the said financial reports are being presented below (in €'000):

MPC p.l.c.	2021	2020	2019
Key financial information Financial year ended 31 December	Audited	Audited	Audited
Income Statement			
Operating profit (€000)	2,079	2,137	2,124
Statement of Financial Position			
Borrowings	26,746	27,792	20,627
Cash and cash equivalents	(11,868)	(4,065)	(6,725)
Deposits (restricted cash)	(271)	(609)	(609)
Net Financial Debt	14,607	23,118	13,293
Cash Flows Statement			
Net cash generated from / (used in) operating activities	(669)	1,094	1,137
Net cash generated from / (used in) investing activities	10,734	(9,906)	188
Net cash generated from / (used in) financing activities	(2,262)	6,152	525

iii. What are the Key Risks that are Specific to the Issuer?

- The Issuer is dependent on the revenues it generates and expects to generate from the lease of immovable property forming part of its property portfolio. Additionally, a substantial part of its property is leased to one tenant and therefore a significant portion of rental income is dependent on the operations of this tenant.
- The decision surrounding the acquisition of immovable property is largely based on expected rental return. These expectations may not be realised and could negatively affect the Group's financial condition and performance.
- The Group may be unable to secure sufficient funding, or funding at favourable rates which could impact its operations.
- The Company is largely dependent on income derived from dividends receivable from MPC Group companies, and the receipt of interest and loan repayments from MPC Group companies.
- Property values may fluctuate.
- Negative economic factors and trends in Malta could have a material impact on the business of the MPC Group generally, and may adversely affect rental revenues, property values and results of operations.
- Changes to the regulatory environment in which the Company operates may adversely affect the business of the Issuer.
- Delays in the development of projects and cost overruns may negatively impact the Group's financial performance.

C. Key Information on the Securities

i. What are the Main Features of the Securities?

Pursuant to these Final Terms, the Bonds are being issued in an aggregate amount of up to €25,000,000 with a nominal value of €100 per Bond. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There are no special rights attached to the Bonds other than the right of the Bondholders to: (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; (ii) payment of capital and interest in accordance with the ranking of the Bonds; and (iii) such other rights attached to the Bonds.

The ISIN of the Bonds is: MT0000991217. Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 30 June 2032. The Bonds shall bear interest from and including 30 June 2022 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears. The first interest payment will be made on 30 June 2023 (covering the period 30 June 2022 to 29 June 2023).

Save as otherwise provided, the Bonds constitute the general, direct, unconditional and secured obligations of the Issuer, secured by the Security Providers, and shall at all times rank *pari passu*, without any priority or preference, among themselves. The Bond Obligations shall be secured by the Security Interest. Third party security interests may be registered by the Issuer which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The Bonds are freely transferable and have been created in accordance with Maltese law.

ii. Where will the Securities be Traded?

Application has been made for the Bonds to be admitted to trading on the Official List of the MSE.

iii. What are the Key Risks that are specific to the Securities?

- Whilst the Bond Obligations are secured by the Security Interest, realisation of the Security Interest may not cover the full amount of interest and principal outstanding under the Bonds;
- The Bonds carry a fixed rate of return. Therefore, rising inflation may negatively impact the coupon received by the Bondholder in real terms.
- The terms and conditions of the Bonds permit majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority; and
- Failure of the Company to comply with the applicable law in Malta may result in the suspension or discontinuation of listing of the Bonds.

D. Key Information on the Offer of Securities to the Public and/or the Admission to Trading on a Regulated Market

i. Why is the Prospectus being Produced?

The Company has produced and published the Prospectus in satisfaction of the Capital Markets Rules and Prospectus Regulation applicable to bond issues and their admission to trading on the Official List of the MSE.

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €24,400,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- the amount of circa €21,000,000 will be used to make the HSBC Repayment;
- the amount of circa €2,000,000 will be used to pay for the remaining capital expenditure on the Zejtun Development; and
- the amount of circa €2,000,000 will be used for general corporate funding.

The Bond Issue is conditional upon: (a) €21,000,000 of the Bond Issue being fully subscribed and (b) the Bonds being admitted to the Official List.

The Bond Issue is not subject to any underwriting agreement on a firm commitment basis.

Conflicts of Interest in relation to the Bond Issue or the admission to trading

Except for the fees payable to the advisers of the Issuer in connection with the offer of the Bonds, so far as the Issuer is aware, no person involved in the offer of the Bonds has any other interest that is material to the offer.

ii. Under which Conditions and Timetable can I Invest in this Security?

General Terms and Conditions

The Bonds are open for subscription to all categories of investors subject to a minimum application amount of €5,000 per underlying investor.

The Bond Issue has been fully placed with the Authorised Financial Intermediaries.

Subscription amounts shall be in multiples of €100, subject to a minimum initial subscription of €5,000. The allotment of Bonds in favour of successful Applicants is conditional upon €21,000,000 of the Bond Issue being fully subscribed and the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official list of the MSE, any application monies received by the Issuer will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant on Application.

Expected Timetable of the Offer

1. Placement Date	12:00 hours (CET) on 17 June 2022
2. Commencement of interest	30 June 2022
3. Issue date of the Bonds	30 June 2022
4. Expected date of admission of the Bonds to listing	7 July 2022
5. Expected date of commencement of trading in the Bonds	8 July 2022
6. Expected publication date for the constitution of Security Interest	Not later than 22 July 2022

Admission to Trading on a Regulated Market and Plan for Distribution

Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds will be assigned ISIN MT0000991217. The Bond Issue has been fully placed with the Authorised Financial Intermediaries.

Expenses

The total expenses of the Bond Issue are estimated to be circa €600,000 and shall be borne by the Company. No expenses will be specifically charged by the Company to any Applicant who subscribes for Bonds.

ANNEX B

LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

	Address	Tel. No.
Bank of Valletta plc	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	22751732
FINCO Treasury Management Ltd	The Bastions Office No.2, Emvin Cremona Street, Floriana FRN 1281	21220002
Rizzo Farrugia & Co (Stockbrokers) Ltd	Fourth Floor, Airways House, High Street, Sliema SLM1551	22583000

ANNEX C

FINANCIAL ANALYSIS SUMMARY



Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as revised on 13 August 2021.

1 June 2022



The Board of Directors
Malta Properties Company p.l.c.
The Bastions,
Triq Emlin Cremona,
Floriana FRN1281

1 June 2022

Dear Sirs,

Malta Properties Company p.l.c. – Financial Analysis Summary (the “Analysis”)

In accordance with your instructions and in line with the requirements of the Malta Financial Services Authority Policies, we have compiled the Analysis set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Analysis is that of summarising key financial data appertaining to Malta Properties Company p.l.c. (a public limited liability company registered under the laws of Malta bearing company registration number C 51272) (the “Company” or “Issuer”). The data is derived from various sources or is based on our own computations and analysis of the following:

- a. Historic financial data for the three years ended 31 December 2019 to 2021 has been extracted from the Issuer’s audited statutory financial statements for the three years in question, as and when appropriate.
- b. The projections for the financial year ending 31 December 2022 have been prepared and provided by management of the Issuer.
- c. Our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer.
- d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.
- e. Relevant financial data in respect of competitors as analysed in Part D has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

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

Yours sincerely,



Vincent E Rizzo
Director

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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

Malta Properties Company p.l.c. (the “**Company**”, “**MPC**” or the “**Issuer**”) issued a €25 million secured bond 2032 (the “**Bond Issue**”) as part of its bond issuance programme of up to €50 million. Both the Base Prospectus and the Final Terms were dated 1 June 2022. This Financial Analysis Summary (the “**Analysis**” or “**FAS**”) has been prepared in line with the requirements of the Listing Policies as last updated by the MFSA on 13 August 2021. The purpose of this report is to provide a summary of the financial performance and position of the Company and the group that it is the holding company of (the “**MPC Group**” or “**Group**”).

SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Group’s audited financial statements for the years ended 31 December 2019, 2020 and 2021 as well as management forecasts for the Group covering the financial year ending 31 December 2022.

Forecasts that are included in this document have been prepared and approved for publication by the directors of the Company, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1 January to 31 December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

PART A BUSINESS AND MARKET OVERVIEW

1. INTRODUCTION

Malta Properties Company p.l.c. is a public limited liability company with company registration number C 51272, with its shares listed on the Malta Stock Exchange, following a spin-off from GO p.l.c. in 2015.

MPC and its subsidiaries (the “MPC Group” or “Group”) own a portfolio of properties in Malta and the main activities of the Group consist of the acquisition and development of immovable property.

THE MPC GROUP

The MPC Group is made up of the Company and a number of subsidiaries as depicted in the organisational structure in section 3 below. Each company within the Group owns at least one of the properties from the portfolio, which currently stands at 16 properties – see section 4 below for more information on each property.

2. CORPORATE GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS OF THE ISSUER

The Issuer’s board of directors as at the date of this document comprises the following:

Sayed Mohamed Mohamed Noor Sharaf	Non-Executive Director and Chairman
Deepak Srinivas Padmanabhan	Non-Executive Director
Dr Cory Greenland	Non-Executive Director
Saqib Saeed	Non-Executive Director
Dr Brigitte Zammit	Non-Executive Director

All Directors are considered independent. The Company deems that although Mr Sayed Mohamed Mohamed Noor Sharaf, Mr Saqib Saeed and Dr Brigitte Zammit have an employee and director relationship with the controlling shareholder, this relationship is not considered to create a conflict of interest such as to jeopardise exercise of their free judgement.

The Company Secretary is Dr Francis Galea Salomone.

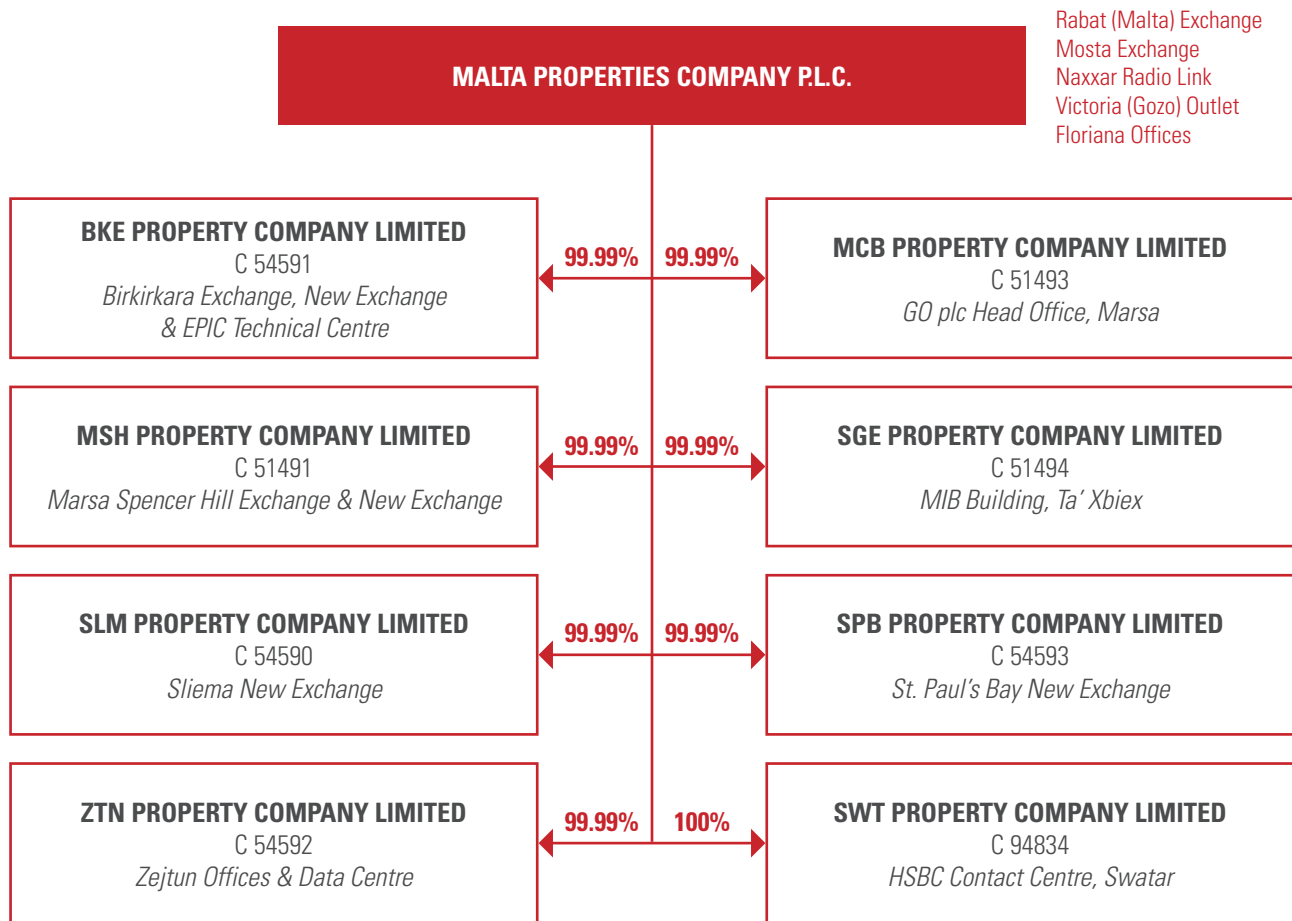
GROUP SENIOR MANAGEMENT

The following are the respective key members of the Group’s senior management team:

Mohsin Majid	Chief Executive Officer
Daniela Zammit	Chief Financial Officer
Lucienne Zammit	Commercial and Corporate Affairs Manager
Sylvan Lia	Head of Property

3. GROUP STRUCTURE

As at the date of this FAS, the Group is structured as follows:



4. MAJOR ASSETS

MPC's main objective is that of being a property company, acquiring and disposing, moveable and immovable properties. The current property portfolio is exclusively located across Malta and Gozo. Investment property has over the years represented over 80% of total assets, and comprise the following:

	Current Tenant	Gross Floor Area <i>sqm</i>	Internal Area <i>sqm</i>	External Area <i>sqm</i>	Carrying Value as at 17/05/2022 € '000	Current Lease Termination
Held by MPC plc						
Naxxar Radio Link	GO plc	572	464		2,400	31/12/2024
Rabat (Malta) Exchange	GO plc	866	714		1,300	31/12/2024
Mosta Exchange	GO plc	1,930	1,642	2,480	4,925	31/12/2024
Victoria (Gozo) Retail Outlet	GO plc	377	263	174	1,040	31/12/2024
The Bastions, Floriana Offices	Planning Authority FINCO MPC Head Office	1,893	1,611		6,650	19/08/2023 28/02/2023 n/a
Held by Subsidiaries						
GO Head Office Marsa	GO plc	10,350	9,130		13,850	31/12/2024
Birkirkara New Exchange	GO plc	976	752	131	1,650	14/12/2027
Birkirkara Epic Technical Facility	Epic	1,203		450	2,930	31/12/2029
Marsa Spencer Hill Old Exchange	Vacant	4,572	3,694		6,400	n/a
Marsa New Exchange	GO plc	483	312		665	11/01/2029
MIB Building*	Various	2,530	2,130	215	9,390	Various
Sliema New Exchange	GO plc	509	337		900	31/10/2025
St Paul's Bay New Exchange	GO plc	753	563		1,150	31/07/2026
HSBC Call Centre, Swatar	HSBC Global Services (UK)	7,069	6,555	776	11,650	30/04/2024
Zejtun Offices and Data Centre	GO plc	13,275			17,950	10 years from complete handover
					82,850	
Investment Property classified as held for sale						
Birkirkara Old Exchange					8,000	
Totals		47,359	28,168	4,226	90,850	
<i>*purchased during FY2022</i>						

5. RECENT AND UPCOMING DEVELOPMENTS

During the three-year historic period covered in this Analysis, the Group has executed a number of property transactions as listed below.

Transaction	Year	Property	Location	Consideration
Disposal	2019	St Paul's Bay Old Exchange	St. Paul's Bay	€3.75 million
Acquisition	2020	HSBC Contact Centre	Swatar	€7.83 million
Disposal	2021	St George's Exchange	St. Julian's	€14.00 million

Furthermore, during 2021, the Group entered in a promise of sale agreement for the disposal of the Birkirkara Exchange (for a consideration of €8 million). The final deed of sale is expected to be executed by September 2022. Moreover, the Group entered into another agreement to purchase the MIB Building in Ta' Xbiex (for a consideration of €8.75 million). As at the date of this Analysis, the MIB Building has been acquired for a consideration of €8.58 million.

6. MARKET OVERVIEW

The construction and real estate industries have traditionally been key drivers of growth for the local economy. Moreover, the positive correlation between the performances of the local economy and the construction and real estate industry has been particularly evident over the years. These have been mainly fuelled by favourable local and external macroeconomic dynamics as well as various initiatives (including fiscal incentives) by the Government of Malta aimed at boosting the overall level of public and private investment, regenerate business/retail and consumer confidence, and increase the participation and relocation of numerous foreigners and foreign companies opting to reside and do business in Malta.

The outbreak of COVID-19 disrupted the momentum that was building in the local economy as all sectors were adversely affected. The construction and real estate industry was no exception although the data indicates that the industry has been relatively resilient.

The most recent data issued by the Central Bank of Malta¹ shows that residential property prices in Malta (based on advertised prices) increased by 1.7% in 2020 and an additional 2.6% in 2021.

The CBM Property Price Index also shows that property prices in Malta have increased by a compound average growth rate ("**CAGR**") of 5.56% per annum (in nominal terms) since 2000.

COMMERCIAL PROPERTY

Although commercial property is a very important niche of the local property market, available statistics are indeed limited. Nonetheless, the most recent data published by the Central Bank of Malta² indicates a rebound in the commercial property space following the dip experienced in 2020 with the onset of the COVID-19 pandemic which derails the sector's momentum in the previous three years. In fact, the number of commercial development permits (comprising permits related to agriculture, manufacturing, warehousing, retail, offices, tourism as well as restaurant and bars) increased to 1,705 permits in 2021 (compared to 1,557 in 2020) although this is still below the record levels of more than 2,000 commercial development permits granted in each of 2017, 2018 and 2019.

Furthermore, the outbreak of the pandemic is also leading to accelerated changes in the way companies operate. In fact, whilst employment figures have remained resilient throughout the pandemic and the government maintains its efforts to both support existing business and attract other companies to the island, new and innovative ways of working, such as remote working, are gaining popularity. Such trends may adversely impact demand for office space which in the meantime is growing in supply as new developments are completed.

ECONOMIC RESULTS

Despite all the disruptions, primarily brought about by COVID-19, property remains an important contributor to the country's GDP. In fact, gross value added (GVA) of the construction sector increased by 5.8% to €528.1 million in 2021 compared to €499.2 million in the previous year. Similarly, the gross value added related to real-estate activities expanded by 8.3% to €673.1 million. Over the same period, the percentage share of the construction sector and real estate activities to Malta's GVA remained relatively stable at 10.3% in 2021 compared to 10.4% in 2020.³

1 Central Bank of Malta, 2022, *Property Prices Index based on Advertised Prices*, available from https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xls?rnd=20220420140507&revcount=8417 [Accessed 20 April 2022]

2 Central Bank of Malta, 2022, *Development Permits for Commercial, Social and Other Purposes*, available from https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/dev_permits.xls?rnd=20220420140507&revcount=2940 [Accessed 20 April 2022]

3 National Statistics Office, *Gross Domestic Product: 2021*, available from https://nso.gov.mt/en/News_Releases/Documents/2022/03/News2022_037.pdf, [Accessed 20 April 2022]

PART B FINANCIAL ANALYSIS

This section is split in three parts – the first part focuses on the historic financial information of the Group for the financial years ending 31 December 2019, 2020 and 2021. The second part focuses on the forecast financial information covering the year ending 31 December 2022. The third part includes a set of financial ratios based on the financial information presented in sections 7 and 8.

FINANCIAL INFORMATION PRESENTED IN THE ANALYSIS

The historic financial information for the years ended 31 December 2019, 2020 and 2021 have been extracted from the Group's consolidated financial results for the said periods. The projections for FY2022 have been provided by management.

7 GROUP COMBINED HISTORIC FINANCIAL INFORMATION

7.1. THE INCOME STATEMENT

	2019 (A) €000s	2020 (A) €000s	2021 (A) €000s	2022 (F) €000s
Rental income	3,396	3,406	3,576	4,529
Other income	30	33	67	54
Total Income	3,426	3,439	3,642	4,583
Net impairment gains (losses) on financial assets	-	-	(19)	-
Administrative expenses	(1,302)	(1,302)	(1,545)	(1,834)
Operating profit / (loss)	2,124	2,137	2,079	2,748
Finance income	-	-	6	-
Finance costs	(506)	(550)	(692)	(1,063)
Gain on disposal of property	250	-	-	973
FV movement arising on property	1,750	2,744	2,219	1,190
Profit before tax	3,619	4,330	3,613	3,847
Tax expense	(931)	(1,350)	(967)	(2,022)
Profit for the year	2,687	2,980	2,646	1,825
Operating profit / (loss)	2,124	2,137	2,078	2,748
<i>Adjustment for Depreciation & Amortisation</i>	12	9	12	37
EBITDA	2,136	2,146	2,090	2,785

Review of FY2019 – FY2021

The Group owns a portfolio of office buildings and industrial properties, which it leases to various tenants on medium to long term agreements. Revenue has been relatively stable during the period FY2019 to FY2021. The marginal increase in FY2021 to €3.6 million is attributable to the first full year of income from the HSBC Contact Centre in Swatar (which started in September of 2020), net of the negative effect on revenue pursuant to the vacated offices of Spencer Hill in Marsa by GO plc (vacated in February 2021). Unlike a number of other companies that lease their investment property in Malta, during FY2020 MPC did not report of any discounts allowed to tenants in relation to COVID-19.

Administrative expenses amounted to approximately 38% of the Group's revenue (save for FY2021 which stood at 42%), resulting in an EBITDA of around €2.1 million during the three years under review. Approximately half of the Group's cost base is related to staff costs. The increase in administrative fees during FY2021 related to increased repairs and maintenance, insurance costs, salary increases as well as costs related to new Capital Markets Rules requirements and professional services fees, net of lower business development costs.

Following the drawdown of additional bank facilities in relation to the acquisition of the Swatar property and the processing fees in relation to the refinancing of existing loans in FY2021, finance costs were up to €0.7 million in FY2021 (FY2019: €0.5 million; FY2020: €0.6 million).

The investment properties are recognised in the Group's financial statements at their fair value. Any change in fair value is recognised in the respective income statement for the period. During the period FY2021, the Group recognised an uplift in the values of the Group's properties, mainly the Zejtun property and the St George's Exchange (which was sold in FY2021 and the uplift in value from that recognised in the books was reflected accordingly). During FY2020, the fair value uplift related primarily to the St George's Exchange and the HSBC Contact Centre in Swatar and in FY2019 to the St George's Exchange and GO Head Office in Marsa.

Profit for the years FY2019 to FY2021 ranged between €2.6 and €3 million.

7.2. STATEMENT OF CASH FLOWS

	2019 (A) €000s	2020 (A) €000s	2021 (A) €000s	2022 (F) €000s
Net cash generated from / (used in) operating activities	1,137	1,094	(669)	2,599
Net cash generated from / (used in) investing activities	188	(9,906)	10,734	(6,345)
Free Cash Flow	1,325	(8,812)	10,065	(3,746)
Net cash generated from / (used in) financing activities	525	6,152	(2,262)	6,977
Net movement in cash & cash equivalents	1,851	(2,660)	7,803	3,230
Cash & cash equivalents at beginning of the year	4,874	6,725	4,065	11,868
Cash & cash equivalents at the end of the year	6,725	4,065	11,868	15,098

Review of FY2019 – FY2021

Cashflows from or used in operations largely comprise the rental income received from the investment properties. While cash flows from operations were relatively constant in both FY2019 and FY2020 (the latter despite the pandemic which adversely affected most other companies operating in the property leasing market in Malta), following the sale of the St George's property in FY2021, the Group's tax charge for the year eroded the cash flows generated from operations.

Investment related cash flows for the period are characterised by the sale proceeds and fund outflows related to the acquisitions of properties within the portfolio. Cash flows from financing activities included drawdowns of bank borrowings as well as loan repayments and dividends paid during the respective years.

7.3. STATEMENT OF FINANCIAL POSITION

	2019 (A) €000s	2020 (A) €000s	2021 (A) €000s	2022 (F) €000s
ASSETS				
Non-current Assets				
Property, plant & equipment	837	902	895	906
Investment property	75,741	75,572	71,357	87,074
Capitalised bond issue costs	-	-	-	475
Trade & other receivables	158	175	201	141
Total Non-current Assets	76,736	76,649	72,453	88,596
Current Assets				
Trade & other receivables	83	181	1,250	288
Current tax assets	19	21	9	9
Deposits	609	609	271	-
Cash & equivalents	6,725	4,065	11,868	15,098
	7,435	4,875	13,398	15,394
Assets classified as held for sale	-	12,575	6,962	-
Total Current Assets	7,435	17,450	20,360	15,394
Total Assets	84,172	94,099	92,812	103,990
EQUITY & LIABILITIES				
Capital & Reserves				
Share capital	32,419	32,419	32,419	32,419
Other reserves	249	250	251	251
Retained earnings	20,651	22,618	24,048	24,657
Total Equity	53,319	55,286	56,717	57,327
LIABILITIES				
Non-current Liabilities				
Bond Issue	-	-	-	25,000
Borrowings	19,802	10,215	21,277	10,635
Deferred tax liability	7,654	8,457	7,461	8,217
Trade & other payables	174	102	123	160
Total Non-current Liabilities	27,630	18,774	28,861	44,012
Current Liabilities				
Borrowings	825	17,577	5,469	866
Trade & other payables	2,252	2,282	1,639	1,476
Current tax liability	145	179	125	310
Total Current Liabilities	3,223	20,039	7,234	2,652
Total Liabilities	30,852	38,813	36,095	46,664
Total Equity & Liabilities	84,172	94,099	92,812	103,990

Review of FY2019 – FY2021

MPC Group's asset base is primarily made up of investment properties. The current portfolio consists of 16 properties, with one property being vacant (see section 4 for further details on the properties portfolio). During the period under review, the Group disposed of a property known as the St Paul's Bay Old Exchange for a consideration of €3.8 million (in 2019) and of another property known as the St George's Exchange for a consideration of €14.0 million (in 2021). The Group purchased a property in Swatar for a consideration of €7.8 million which is occupied by HSBC Global Services (UK) as a contact centre. The Group had re-classified the St George's property (which was sold during FY2021) and the Birkirkara property as assets held for sale in FY2020 and FY2021 respectively.

Within property, plant & equipment, the Group includes the offices used by the Group as well as office furniture and equipment therein. Cash and equivalents stood at €6.7 million by the end of FY2019 and fell to €4.1 million by the end of FY2020 following the acquisition of the Swatar property. The cash position improved to €11.9 million by the end of FY2021 following the sale of the St George's property.

Trade and receivables in FY2021 include circa €1 million of advances paid on the MIB promise of sale agreement.

The Group had a total of €26.7 million of loans as at the end of FY2021, an increase of €6.1 million (in relation to the Swatar acquisition) from the balance as at the end of FY2019 and primarily comprising debt due in more than 12 months (€21.3 million).

Borrowings Analysis	2019 (A) €000s	2020 (A) €000s	2021 (A) €000s
Bank Borrowings			
Current	825	17,577	5,469
Non-Current	19,802	10,215	21,277
Total Debt	20,627	27,792	26,746
Cash & Equivalents and Deposits	7,334	4,674	12,139
Net Debt	13,293	23,118	14,607

By the end of FY2021, net debt declined by 36.8% to €14.6 million, in view of the funds received following the disposal of the St George's property.

Deferred tax liabilities following fair valuation uplifts in the investment property portfolio and revaluation of property, plant and equipment amounted to €7.5 million by the end of FY2021 (FY2020: €8.5 million; FY2019: €7.7 million).

Trade and other payables amounted to around €2.4 million in FY2019 and FY2020 and largely comprised an advance deposit of €1 million received in connection with the sale of the St. George's property which was executed in FY2021 as well as accruals and deferred income related to advance rental payments. Following the completion of the St. George's property disposal, in FY2021, trade and other payables dropped to €1.8 million and largely relate to accruals and rents received in advance.

The Group's equity base is well supported by share capital, which as at the end of FY2021 stood at €32.4 million, unchanged from the end of FY2019. Despite the payment of annual dividends, the Group's retained earnings stood at €24 million by the end of the last financial year and representing a gradual increase from FY2020 and FY2019.

8 PROJECTIONS - FY2022

FY2022 forecasts are characterised by the recognition of the revenue from the Ta' Xbiex property which was acquired for €8.58 million earlier this year (21 March 2022) netting off the decline in rental income following the sale of the Birkirkara property. During 2021, the Group entered into a promise of sale agreement for the disposal of the Birkirkara Exchange (for a consideration of €8 million). Despite the increase in revenue expected for FY2022 (up to €4.6 million from €3.6 million in FY2021), the sale of property results in an uplift in the tax charge for the year, resulting in a decline in profitability to €1.8 million.

The property transactions taking place during FY2022 are reflected also in the statement of financial position, where the net effect of the value of the property movements will push up the total value of investment property and total assets to €87.1 million and €104 million, respectively. No significant change is expected on the equity side, as the Group's liabilities will increase to reflect the net effect of the bond issue, the partial repayment of the bank borrowings and movements in the deferred tax liability related to the Birkirkara Old Exchange disposal.

The additional revenue generation referred to above is expected to result in an increase in cash flows from operations. Moreover, the cash outflows from investing activities are anticipated to amount to €6.3 million reflecting the net effect of the acquisition of the Ta'

Xbiex property and other capital expenditures including those related to the final development phase of Zejtun and the renovation of Marsa Spencer Hill, as well as the funds received from the disposal of the Birkirkara Exchange. This will be more than offset by the net positive effect in cash flows from financing activities recognising the inflow of cash from the bonds.

9 RATIO ANALYSIS

	2019 (A)	2020 (A)	2021 (A)	2022 (F)
EBITDA margin (EBITDA / Revenue)	62.9%	63.0%	58.5%	61.5%
Operating Profit (EBIT) margin (Operating Profit (EBIT) / Revenue)	62.6%	62.7%	58.1%	60.7%
Net Profit margin (Net Profit / Revenue)	79.1%	87.5%	74.0%	40.3%
Return on Equity (Net Profit / Average Equity)	5.1%	5.5%	4.7%	3.2%
Return on Capital Employed (EBIT / Average Capital Employed)	5.6%	6.2%	5.2%	5.5%
Return on Assets (Net Profit / Average Assets)	3.2%	3.3%	2.8%	1.9%
Current Ratio (Current Assets / Current Liabilities)	2.3x	0.9x	2.8x	5.8x
Cash Ratio (Cash & cash equivalents / Current Liabilities)	2.1x	0.2x	1.6x	5.7x
Interest Coverage ratio (EBITDA / Net finance costs)	4.2x	3.9x	3.0x	2.6x
Gearing Ratio (Net debt / [Net Debt + Total Equity])	20.7%	30.0%	20.8%	27.2%
Gearing Ratio (2) [Total debt / (Total Debt plus Total Equity)]	27.9%	33.5%	32.0%	38.9%
Net Debt to EBITDA (Net Debt / EBITDA)	6.5x	11.1x	7.1x	7.7x

Profitability Ratios

The Group's profit margins remained substantially strong during the three-year historic period to FY2021. The net profit margin, will however, decline in FY2022 as a result of the tax charge following the sale of the Birkirkara property during the said year. This is also expected to weaken the returns on equity, capital employed and assets, in view of the anticipated drop in net profit.

Liquidity Ratios

The Group's liquidity ratios were particularly strong in each of FY2019 and FY2021 in view of the healthy cash position of the Group in the said years following the disposal of properties. This was not the case in FY2020 as a result of the decline in the cash balance following the outflow of the €7.8 million for the purchase of the Swatar property and the impact of the change in classification of certain borrowings from long-term to short term prior to being refinanced. For FY2022, liquidity ratios are expected to improve compared to those of FY2021 and earlier periods, following the receipt of proceeds from the Birkirkara property and the bond issue, which will see the Group closing the year at a positive cash balance of €15.1 million.

Solvency Ratios

Equity levels have consistently been at a level which allowed the MPC Group to leverage its position and borrow whenever an opportunity to expand its investment property portfolio arises. Nonetheless, the Group's gearing ratio has remained at an acceptable level throughout the years, peaking at 30% in FY2020. In terms of net debt to EBITDA, by the end of FY2021, the Group required the generation of 7 years' worth of EBITDA to repay its level of borrowings. This is expected to weaken marginally to 7.7 times as the anticipated improvement in EBITDA in FY2022, is expected to be offset by the increase in net borrowings.

Additional Ratios

The following additional ratios are being computed in relation to the listed shares of the Company:

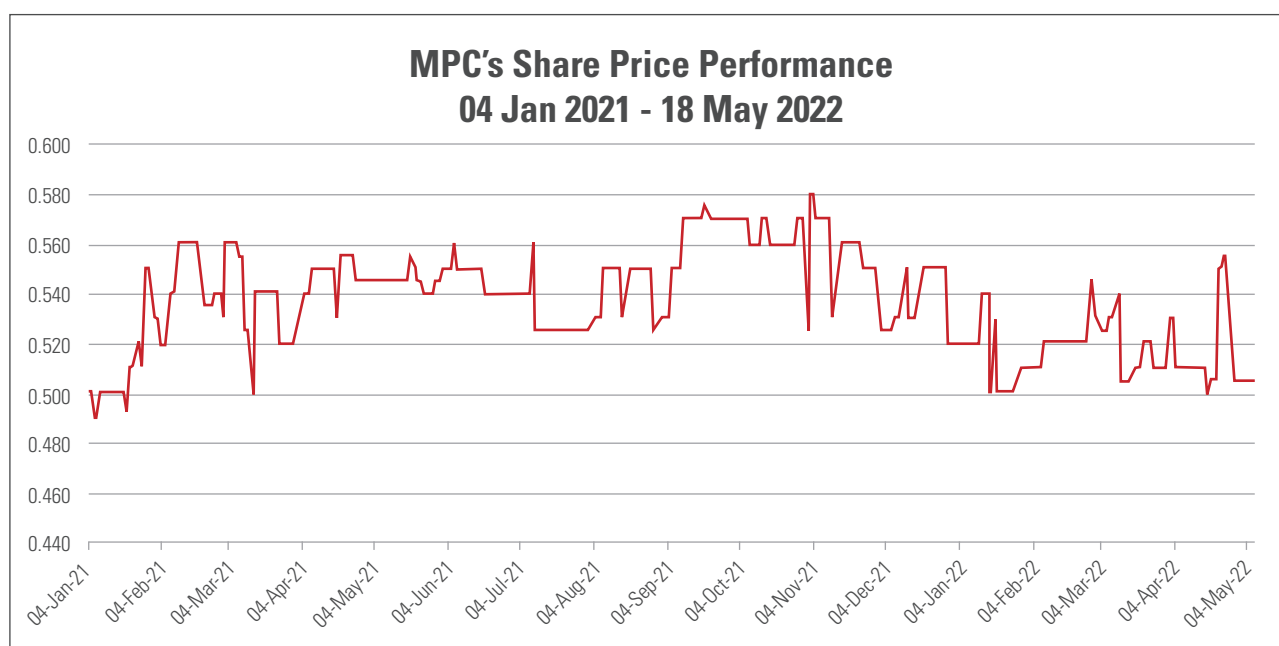
	2019 (A)	2020 (A)	2021 (A)	2022 (F)
Earnings per Share (EPS)				
(Net profit / No. of shares in issue)	€0.0265	€0.0294	€0.0261	€0.0180
Dividend Cover				
(EPS / Dividend paid per share)	2.65x	2.45x	2.18x	1.50x

The Group's performance has been relatively stable in recent years as evidenced by the stable earnings per share. Moreover, the Group's dividend cover has historically been strong at above two times. In FY2022, MPC expects to maintain its dividend payout and therefore the dividend cover is anticipated to weaken in view of the drop in earnings as explained in section 8.

PART C LISTED SECURITIES

MPC's shares are listed on the Official List of the Malta Stock Exchange. Details of its listed securities are included hereunder:

Number of shares in issue:	101,310,488 shares
ISIN:	MT0000990102
Highest price in 2021:	€0.580
Lowest price in 2021:	€0.490
2021 Closing Price:	€0.550
Current price:	€0.505 (as at 18 May 2022)



Enterprise Value (EV) ⁴ :	€66,040,275
Price to Earnings (P/E) Ratio ⁵ :	19.3x

4 Based on the market capitalisation as at 18 May 2022 and the figures extracted from the Statement of Financial Position as at 31 December 2021.

5 Based on the share price as at 18 May 2022 and the earnings per share for the financial year ended 31 December 2021.

PART D COMPARATIVES

The table below compares MPC's financial metrics to those of other companies which have debt securities listed on the Malta Stock Exchange with a similar maturity as that of the Company.

It is to be noted, however, that there are significant differences in the business models of each of the listed companies being compared below and an exact match to the operations and business of the Issuer is not available. Thus, while the metrics below can be used as a gauge of MPC's financial strength against other issuers listed locally, they do not capture the quantitative factors such as the differences in business models of each issuer, their competitive position in the market, KPIs, etc.

Bond Details	Outstanding Amount	Gearing Ratio*	Net Debt to EBITDA	Interest Cover**	YTM [^]
	(€)		(times)	(times)	
4.00% Exalco Finance plc 2028 (Secured)	15,000,000	25.3%	3.60	4.31	3.63%
3.65% Stivala Group Finance plc 2029 (Secured)	15,000,000	26.5%	33.59	0.79	3.57%
4.00% Central Business Centres plc 2027/2033 (Callable)	21,000,000	54.7%	21.30	1.88	4.00%
4.00% Malta Properties Company plc 2032 (Secured)	25,000,000	20.8%	7.12	3.05	4.00%

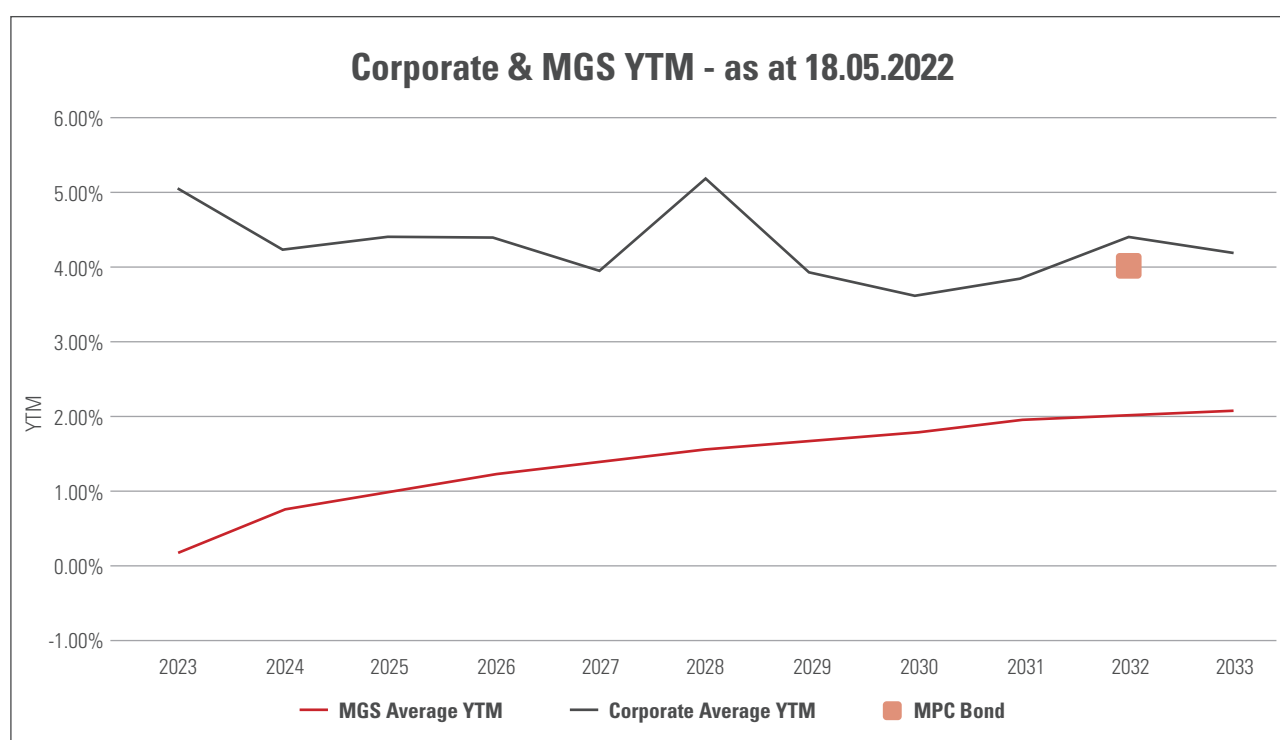
Source: Yield to Maturity from rizzofarrugia.com based on bond prices of 18 May 2022. Ratio workings and financial information quoted have been based on the respective issuers' published financial data (or their guarantors, where and as applicable) available as at 18 May 2022. Where negative, the respective ratios are marked as 'n/a' due to their incomparability.

[^]Yield to Maturity (YTM) based on bond prices as at 18 May 2022.

*Gearing Ratio: Net Debt / (Net Debt + Equity)

**Interest Cover: EBITDA / Net Finance Cost

The chart below shows the average yield to maturity of the MPC bond compared to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 18 May 2022.



At a coupon of 4.00% per annum, the Company's bonds are priced approximately 199 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2032 and at a discount of approximately 38 basis points over the average yield to maturity of corporate bonds maturing in 2032 (data correct as at 18 May 2022).

PART E GLOSSARY

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
EBIT	Earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

PROFITABILITY RATIOS

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.

Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing earnings before interest and tax by capital employed.
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Return on Assets	Return on assets (ROA) measures the rate of return on the assets of the company. This is computed by dividing profit after tax by total assets.
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LIQUIDITY RATIOS

Current Ratio	The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
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Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.
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SOLVENCY RATIOS

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
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Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
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Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.
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OTHER DEFINITIONS

Earnings per Share (EPS)	This is calculated by dividing the company's profit by the number of shares in issue.
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Dividend Cover	This is calculated by dividing the EPS by the dividend per share.
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Enterprise Value (EV)	EV measures the company's total value comprising its market capitalisation and net debt.
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Price to Earnings (P/E)	The P/E ratio is a valuation multiple used to compare the company's share price with its EPS.
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A large, abstract graphic composed of thick, curved red lines on a white background. The lines form a series of nested, overlapping shapes that suggest a stylized letter or a dynamic, flowing form. The red is a vibrant, slightly dark shade, and the white is a clean, bright white. The overall effect is modern and minimalist.

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