

SUMMARY

DATED 6 JUNE 2023

In respect of an issue of up to
€32,000,000 5.5% Secured Bonds 2035
of a nominal value of €100 per bond, issued and redeemable at par by



JUEL GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 101395

WITH THE JOINT AND SEVERAL GUARANTEE OF
JUEL HOSPITALITY LIMITED (C 100482)
JUEL HOLDINGS LIMITED (C 92861)
MUSCAT HOLDINGS LIMITED (C 77653)
MUSCAT HOLDINGS (II) LIMITED (C 89275)

ISIN: - MT0002741206

THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURED BONDS THAT ARE THE SUBJECT OF THIS SUMMARY.

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

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Adrian Muscat", written over a horizontal line.

Adrian Muscat

A handwritten signature in blue ink, appearing to read "George Muscat", written over a horizontal line.

George Muscat

Signing in their own capacity as directors of the Issuer and on behalf of each of
Robert C. Aquilina, Mario Camilleri, and Dennis Gravina, as their duly appointed agents.

Sponsor



Manager & Registrar



Security Trustee

EQUINOX INTERNATIONAL
LIMITED

Legal Counsel

Dr Chris Cilia

1. INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Secured Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

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

Issuer	Juel Group p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 101395 and legal entity identifier (LEI) number 485100T71HGPIVIF136
Address	Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta
Telephone number	(+356) 27391085
Issuer website	www.juel.mt
LEI number	485100T71HGPIVIF136
Competent authority approving the Prospectus	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
Address of the MFSA	Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta
Telephone number of the MFSA	(+356) 2144 1155
MFSA Website	https://www.mfsa.mt/
Name of the securities	5.5% Secured Bonds due 2035 issued by the Issuer
ISIN number of the Secured Bonds	MT0002741206
Prospectus approval date	6 June 2023

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Secured Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- (ii) any decision of the investor to invest in the Secured Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Secured Bonds;
- (iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- (v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Secured Bonds.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Secured Bonds?

2.1.1 Domicile and Legal Form, its LEI and Country of Incorporation

The Issuer is Juel Group p.l.c., a public limited liability company registered in Malta in terms of the Companies Act. The Issuer was incorporated and is domiciled in Malta, with legal entity identifier (LEI) number 485100T71HGPIVIF136.

2.1.2 Principal Activities of the Issuer

The Issuer is the holding and finance company of the Group and was incorporated for the purpose of financing its Subsidiaries' respective projects. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and principal and interest due under intra-group loan agreements.

2.1.3 Organisational Structure of the Group

The Issuer is the holding and finance company of the Group and holds 100% of the shareholding in the Guarantors.

The Issuer also holds 33.3% of the voting shares in GAP Group Investments II.

One of the said Guarantors, Muscat Holdings II, holds a 49.99% shareholding in ACMUS Group Limited (C104599).

2.1.4 Major Shareholders of the Issuer

The Issuer's majority shareholder is Adrian Muscat, who holds 99.99% of the issued share capital of the Issuer.

2.1.5 Key Managing Directors

The Board of Directors is composed of the following persons: Adrian Muscat (executive director), George Muscat (non-executive director), Robert Aquilina (independent non-executive director), Dennis Gravina (independent non-executive director), and Mario Camilleri (independent non-executive director).

2.1.6 Statutory Auditors

The auditors of the Issuer are TACS Malta Limited (C 84698) of 1, Tal-Providenza Mansions, Main Street, Balzan, Malta. The Accountancy Board registration number of TACS Malta Limited is AB/2/17/22.

2.2 What is the key financial information regarding the Issuer?

The Issuer was incorporated on 24 January 2022 and as such, its first set of audited financial statements relate to the period 24 January 2022 to 31 December 2022. The key information regarding the Issuer on a consolidated basis is set out below:

	(€'000)
Income Statement	
Operating profit	3
Statement of Financial Position	
Net financial debt	22,388
Cash Flow Statement	
Cash flows from (used in) operating activities	(99)
Cash flows from (used in) financing activities	3
Cash flows from (used in) investing activities	1,260

The financial information set out below represents pro forma consolidated financial information. This pro forma information presents what the Issuer's consolidated statement of financial position would have looked like had the Group existed in its current form, comprising all its current constituent components, as at 31 December 2022. The pro forma adjustments include: (i) the inclusion of 33.3% of the voting shares in GAP Group Investments (II) Limited (C 75856), which equity stake was acquired by the Issuer on 14 April 2023; (ii) the assignment of related party balances to Adrian Muscat, the shareholder and ultimate beneficial owner; and (iii) the capitalisation of amounts due to the said shareholder following the adjustment in point (ii).

Pro Forma Consolidated Statement of Financial Position	31 December 2022 €'000
Total assets	39,744
Equity	20,941
Net debt	(22,388)

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

The most material risk factors specific to the Issuer, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1 The Issuer is dependent on the performance of its Subsidiaries

As a holding and finance company of the Group, the Issuer's only source of income is the receipt of dividends from its Subsidiaries and associate companies and payments of principal and interest under loan advancements granted to its Subsidiaries from time to time. The distribution of dividends is dependent on the cash flows and earnings of the relevant Subsidiary and, or associate company. The underperformance of any of the Issuer's Subsidiaries and, or associate companies may impact their ability to declare dividends and, or make loan repayments, which in turn may have an adverse effect on the performance of the Issuer and its ability to service payments of principal and interest under the Secured Bonds.

2.4 Risks relating to the Group

2.4.1 Economic and Financial Risks of the Group

(a) Risks relating to the financing of the Group's projects

The Group's property development projects have been part-financed through bank financing with local banks. The Group plans to incur additional debt for the purposes of financing future property development projects. Should a Group company significantly increase its debt obligations, this may have an adverse effect on the profitability of the respective company and the Group as a whole. Changes in banking risk appetite as a result of financial turmoil, property market saturation or any other reason, may decrease the willingness of banks to provide loans to companies and, or to grant loans on commercially favourable terms. As a result of the factors detailed herein, a Group company may not be able to raise the capital and financing it requires for the acquisition of new sites, completion of a project and, or the operation of its business, on commercially viable terms, or at all.

(b) Risks relating to rising costs of materials, resources, and utilities

The Group operates in both the property industry and the hospitality industry. Both industries necessitate the availability of certain resources, including human resources, materials, and utilities, at cost-effective prices. In recent years, the prices of raw materials have been subject to substantial increases caused by a combination of heightened market demand and low availability, inflationary pressures, ongoing global supply chain challenges, increase in shipping costs, and shortages in containers, ships, and human resources. A significant increase in the price of materials could result in material cost overruns and, or delays. Moreover, the inability of the Group to source sufficiently skilled human resources for both its property and development arms could adversely impact the Group's relations with its customers and suppliers, prejudice its goodwill, prejudice its contractual commitments in terms of the Franchise Agreements and, or could result in a material adverse effect on the financial position, financial performance, and operational results of the Group.

2.4.2 Operational Risks of the Group

(a) Risks relating to the Franchise Agreements

Pursuant to the Franchise Agreements, the Franchisor granted Juel Hospitality the non-exclusive right and obligation to use certain intellectual property of the Franchisor (including the "HYATT CENTRIC" brand) as well as its systems. Juel Hospitality (as franchisee) is required to comply with certain conditions as part of the Franchise Agreements. The breach of any of the conditions in the Franchise Agreements could result in the termination of the Franchise Agreements prior to the expiration of its term or the suspension thereof. Moreover, the Franchisor may impose penalties or seek to claim damages suffered as a result of the breach of any of the conditions of the Franchise Agreements. Accordingly, the success of the Hotel operations is dependent on the continuity of the contractual relationship with the Franchisor. Should the Franchise Agreements be terminated or not renewed, the profitability and financial condition of the Group may be materially adversely affected in view of its inability to benefit from the reputation and standards of the "HYATT CENTRIC" brand.

(b) Risks relating to the ability of the Group to secure approvals and licenses

Once completed, the Hotel will require a license from the Malta Tourism Authority to operate as a Class 3B hotel before the Group can open the Hotel's doors to its guests. Should the Hotel fail to open its doors within the projected timeframe (that is, by Q4 2024) due to a delay in the issue of a license to operate as a Class 3B hotel, the Group's business, financial condition, and results of operations may be adversely affected.

(c) Risks relating to property development and construction industry

The Group undertakes activities in the property development and construction industry. Pursuant to such activities, the Group is subject to several specific risks, including:

- (a) the risk of delays, including albeit not limited to delays (and, or refusals) in obtaining any necessary permits and cost overruns;
- (b) the possibility of delays pursuant to a strain on the availability of human and other capital resources required for the development and completion of such projects resulting from heightened levels of activity in the sector;
- (c) covenants, conditions, restrictions, and easements relating to the properties or their use, whether arising out of law, contractual arrangements, or orders, or other decisions of the competent judicial or government authorities; and
- (d) government restrictions concerning the free movement of people and goods, which might result in delays or changes in terms of established trade supply routes, changes in macro-economic conditions, as well as market and regulatory changes affecting the construction and property development processes.

The occurrence of any of the risk factors described above could have a material adverse effect on the Group's business, financial condition, and results of operations, including the increase of projected costs and times for completion of ongoing development projects.

(d) *Risks relating to competing projects*

The local hospitality industry is characterised by substantial competition given the variety of temporary accommodation available on the market. The Group's activities in the property development and rental sectors are also susceptible to competitive forces given the large number of properties and developments available on the local market. A reduction in reservations for hotel accommodation and, or the sale of units at prices which are lower than those projected may adversely affect the Group's business, financial condition, and results of operations.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

The Secured Bonds are being issued in an aggregate amount of up to €32,000,000 with a nominal value of €100 per Secured Bond issued and redeemable at par on 27 June 2035. The Secured Bonds bear interest at the rate of 5.5% per annum on the nominal value of the Secured Bonds. The first interest payment shall be effected on 27 June 2024 (covering the period 27 June 2023 to 26 June 2024).

The Secured Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading, the Secured Bonds shall have the following ISIN: MT0002741206. The Secured Bonds shall be freely transferable.

The Secured Bonds constitute the general, direct, unconditional, and secured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount by the Guarantors on a joint and several basis (the "Guarantee"). The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves. The Secured Bonds are secured by the following collateral constituted in favour of the Security Trustee for the benefit of Bondholders:

- (i) the first-ranking general hypothec for the amount of €32 million, over all the present and future property of the Issuer;
- (ii) the first-ranking general hypothec for the amount of €32 million, over all the present and future property of Juel Hospitality;
- (iii) the first-ranking special hypothec granted by Juel Hospitality for the amount of €32 million over the Hotel Site (and any developments and construction thereon); and
- (iv) a pledge over insurance policy proceeds as security for the full nominal value of the Secured Bonds and interest thereon (the "Pledge Agreement").

The Issuer and the Guarantors have entered into a Security Trust Deed with the Security Trustee which regulates, *inter alia*, the covenants of the Issuer and of each of the Guarantors to pay the principal amount and interest thereon under the Secured Bonds. The Guarantee and the Collateral shall be vested in the Security Trustee for the benefit of all Bondholders in proportion to their respective holding of Secured Bonds. The Security Trustee's role includes the holding of the Collateral for the benefit of the Bondholders and the enforcement of the Collateral upon the happening of certain events.

There are no special rights attached to the Secured 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 Secured Bonds; (ii) payment of capital and interest in accordance with the ranking of the Secured Bonds; (iii) the benefit of the Guarantee and the Collateral; and (iv) such other rights attached to the Secured Bonds emanating from the Securities Note. There are no restrictions on the free transferability of the Secured Bonds.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on the Official List.

3.3 Is there a guarantee attached to the securities?

The Secured Bonds are guaranteed by the Guarantors on a joint and several basis. Accordingly, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Secured Bonds on first demand (subject to the terms of the Guarantee), if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to demand payment from any or all of the Guarantors without having to first take action against the Issuer.

3.3.1 The Guarantors

The Guarantors are Juel Hospitality, Juel Holdings, Muscat Holdings and Muscat Holdings II.

Juel Hospitality was established on 18 October 2021 as a private limited liability company registered in Malta in terms of the Companies Act with company registration number C 100482. The LEI of Juel Hospitality is 485100XNSNCFMKQ64Y15. Juel Hospitality was incorporated with the purpose of owning and managing the Hotel in accordance with the terms and conditions of the Franchise Agreements.

Juel Holdings was established on 8 August 2019 as a private limited liability company registered in Malta in terms of the Companies Act with company registration number C 92861. The LEI of Juel Holdings is 485100C6IJTMPAF8X759. Juel Holdings operates in the property development and property rental sectors.

Muscat Holdings was established on 14 October 2016 as a private limited liability company registered in Malta in terms of the Companies Act with company registration number C 77653. The LEI of Muscat Holdings is 485100JM2ER0TVP5M38. Muscat Holdings operates in the property development and property rental sectors.

Muscat Holdings II was established on 7 November 2018 as a private limited liability company registered in Malta in terms of the Companies Act with company registration number C 89275. The LEI of Muscat Holdings II is 485100C1VOBCCXKOEN43. Muscat Holdings II operates in the property development sector.

3.3.2 Key financial information of the Guarantors

The key financial information of each of the Guarantors is set out below:

	Muscat Holdings Limited			Muscat Holdings (II) Limited		
	2020 (€'000)	2021 (€'000)	2022 (€'000)	2020 (€'000)	2021 (€'000)	2022 (€'000)
Income Statement						
Operating profit	1,092	493	119	(3)	2,142	145
Statement of Financial Position						
Net financial debt	1,342	928	3,689	4,239	(768)	3,802
Cash Flow Statement						
Cash flows from (used in) operating activities	2,443	579	(2,240)	(578)	4,908	(4,570)
Cash flows from (used in) financing activities	(1,549)	(808)	2,179	519	(3,193)	3,078
Cash flows from (used in) investing activities	(1,283)	(86)	-	-	-	-

	Juel Holdings Limited			Juel Hospitality Ltd
	2020 (€'000)	2021 (€'000)	2022 (€'000)	2022 (€'000)
Income Statement				
Operating profit	82	100	23	(7)
Statement of Financial Position				
Net financial debt	1,243	1,849	2,020	20,739
Cash Flow Statement				
Cash flows from (used in) operating activities	49	217	(190)	124
Cash flows from (used in) financing activities	1,525	(131)	54	21,036
Cash flows from (used in) investing activities	(1,293)	(41)	(15)	(20,883)

3.3.3 Key risks that are specific to the Guarantors and the Collateral

(a) Risks relating to the ranking of Collateral

The Secured Bonds are secured by the Collateral. The Collateral shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry in Malta securing the privileged creditor's claim. Privileged creditors include, but are not limited to, architects, contractors, masons, and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work. The ranking of Collateral has a bearing on the success of a creditor to get paid should the Issuer not have sufficient assets to pay all its creditors. The Security Trustee will be paid out of the assets of the Issuer after privileged creditors and those creditors which are given priority over the relevant Collateral by law. Accordingly, in the case of a competition of creditors, Bondholders may not recover their investment in the Secured Bonds, whether in full or in part.

(b) Enforcement of security

Although the Secured Bonds are secured by the Collateral, there can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Secured Bonds in case of a default. The amount which may be recovered under the general hypothecs constituted over the assets of the Issuer and Juel Hospitality

will depend on the nature and value of the assets forming part of the patrimony of the aforementioned collateral providers at the point in time that the Security Trustee enforces the general hypothecs. Juel Hospitality has constituted special hypothecs over the Hotel Site and any developments thereon in favour of the Security Trustee. There can be no guarantee that the value of the Hotel Site and the Hotel to be developed thereon will be sufficient to cover the full amount of interest and principal outstanding under the Secured Bonds. There can be no assurance that the property valuation and property-related assets will reflect actual market values at the time of enforcement of the Security Interests over the Hotel Site and the Hotel.

(c) *Risks relating to the Guarantee granted by the Guarantors*

The Secured Bonds are being guaranteed by the Guarantors on a joint and several basis. The strength of the undertakings given under the Guarantee and, accordingly, the level of recoverability by the Security Trustee from the Guarantors of any amounts due under any of the Secured Bonds is dependent upon and directly linked to the financial position and solvency of the Guarantors.

3.4 What are the key risks that are specific to the Securities?

(a) *Subsequent changes in interest rate and the potential impact of inflation*

The Secured Bonds are fixed rate debt securities. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Secured Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities (such as the Secured Bonds) tends to move in a way that is inversely proportional to changes in interest rates. The coupon payable on the Secured Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Secured Bond coupons. In a period of high inflation, an investor's real return on the Secured Bonds will be lower than the Secured Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Secured Bonds on the secondary market.

(b) *No prior market for the Secured Bonds*

Prior to the Bond Issue and Admission, there has been no public market for the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue.

(c) *Orderly and liquid secondary market*

The existence of an orderly and liquid market for the Secured Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Secured Bonds at any given time and the general economic conditions in the market in which the Secured Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Secured Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Secured Bonds at all.

(d) *Risks relating to funding from other sources*

There is no certainty that the Group will be able to obtain the full capital it requires for the completion of the Hotel through alternative financing or that it will obtain such financing on favourable terms. Accordingly, the Bondholders are subject to the risk that the completion of the Hotel may be stalled and, or, suspended until such financing is obtained by the Issuer. A shortage in the financing required will affect the projected timeline for the opening of the Hotel, which in turn may have an adverse effect on the financial position of the Group.

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

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

4.1.1 *The Intermediaries' Offer*

Pursuant to the Intermediaries' Offer, the Issuer shall enter into subscription agreements with Authorised Financial Intermediaries whereby the Issuer shall bind itself to allocate a total amount of up to €22,256,700 in nominal value of Secured Bonds to such Authorised Financial Intermediaries, which in turn shall bind themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Secured Bonds. The Authorised Financial Intermediaries shall be entitled to either: (i) distribute to their underlying customers any portion of the Secured Bonds subscribed for upon commencement of trading; or (ii) complete a data file representing the amount their underlying clients have been allocated in terms of the respective subscription agreement as provided by the Registrar by latest 16:00 hours on 27 June 2023. Authorised Financial Intermediaries must effect payment to the Issuer for the Secured Bonds subscribed to by not later than 16:00 hours on 27 June 2023.

4.1.2 Expected timetable of the Bond Issue

1. Intermediaries' Offer Period	08:30 hours on 12 June 2023 to 14:00 hours on 27 June 2023
2. Commencement of interest on the Secured Bonds	27 June 2023
3. Expected date of announcement of basis of acceptance	27 June 2023
4. Refunds of unallocated monies (if any)	30 June 2023
5. Expected dispatch of allotment advices	30 June 2023
6. Expected date of admission of the Secured Bonds to listing	30 June 2023
7. Expected date of commencement of trading in the Secured Bonds	3 July 2023
8. Expected date of constitution of Collateral	not later than 21 July 2023

4.1.3 Plan of distribution, allotment and allocation policy

The Secured Bonds shall be made available for subscription to all categories of investors. An amount of €9,743,300 in nominal value of the Secured Bonds has been reserved for MZI which has entered into a placement agreement with the Issuer. The remaining balance of €22,256,700 in nominal value of Secured Bonds is open for subscription by Authorised Financial Intermediaries (either for their own account or for the account of their underlying customers) pursuant to the Intermediaries' Offer.

Pursuant to the Intermediaries' Offer, during the Offer Period, Authorised Financial Intermediaries shall subscribe to Secured Bonds pursuant to subscription agreements entered into by and between the Issuer, the Guarantors, and the Authorised Financial Intermediaries. The allocation of the Secured Bonds shall be conditional upon the Secured Bonds being admitted to the Official List.

The Issuer has established a minimum aggregate subscription amount of €21 million on which the Bond Issue is conditional. In the event that the Bond Issue is not fully taken up, but the said minimum is satisfied or exceeded, the Issuer shall issue Secured Bonds up to the amount subscribed for.

The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 27 June 2023. Dealings in the Secured Bonds shall not commence prior to the Secured Bonds being admitted to the Official List.

4.2 Total estimated expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor and Manager & Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €640,000 in the aggregate. There is no particular order of priority with respect to such expenses.

4.3 Why is this Prospectus being produced?

4.3.1 Reasons for the issue and use of proceeds

The amount of €9,743,300 will not be received by the Issuer as net bond proceeds. An amount of €9,743,300 in nominal value of Secured Bonds shall be issued and allotted to MZI, or such persons as it may direct, in repayment of the Bond Advance Facility Amount and the premium outstanding thereunder.

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €21,616,700 shall be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- approximately €8 million shall be used to finance outstanding principal and interest under a bank loan granted by Bank of Valletta p.l.c. to the Issuer for the purpose of the acquisition of the Sans Souci Site by Juel Hospitality; and
- approximately €13,616,700 shall be used to finance costs required to partly construct and develop the Hotel in accordance with approved planning permits. This amount shall be released by the Security Trustee in a corresponding value contained in an architect's confirmation of value of works.

Should the Bond Issue not be fully subscribed to pursuant to the Intermediaries' Offer, the total amount of the net bond proceeds from the Bond Issue shall first be utilised for the purposes set out in section (a) above. Any remaining balance shall be utilised for the purposes set out in section (b) above.

4.4 Underwriting

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

4.5 Conflicts of interest

Adrian Muscat is a director of the Issuer as well as of the Guarantors and of GAP Group Investments (II) Limited (C 75856). George Muscat, who is the father of Adrian Muscat, is a director of the Issuer, Muscat Holdings, Muscat Holdings II, Juel Holdings and of GAP Group Investments (II) Limited (C 75856). Conflicts may arise between the potentially diverging interests of the Issuer and the Guarantors, particularly in connection with advances to be made by the Issuer to the applicable Guarantor in undertaking existing or new projects. Other than as stated above, there are no other conflicts of interest or potential conflicts of interest between the duties of the Adrian Muscat and George Muscat and their private interests.

Other than as stated above, so far as the Issuer is aware, there are no other conflicts of interest or potential conflicts of interest between the duties of the Directors and the directors of the Guarantors and their private interests.

REGISTRATION DOCUMENT

DATED 6 JUNE 2023

This document is a Registration Document issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.

By



JUEL GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 101395

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS APPROVED THIS REGISTRATION DOCUMENT 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 THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN THE SECURED BONDS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURED BONDS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

APPROVED BY THE BOARD OF DIRECTORS

A blue ink signature in cursive script, appearing to read "Adrian Muscat".

Adrian Muscat

A blue ink signature in cursive script, appearing to read "George Muscat".

George Muscat

Signing in their own capacity as directors of the Issuer and on behalf of each of Robert C. Aquilina, Mario Camilleri, and Dennis Gravina, as their duly appointed agents.

Sponsor



Manager & Registrar



Security Trustee

EQUINOX INTERNATIONAL
LIMITED

Legal Counsel

Dr Chris Cilia

1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE ISSUER AND THE GUARANTORS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY, THE ACT AND THE PROSPECTUS REGULATION.

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

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

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

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

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

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

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

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “ADVISERS” IN SECTION 4.6 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

ACMUS Group Limited	ACMUS Group Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 104599, and having its registered address at Juel Group, Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
Act or Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
Bank of Valletta	Bank of Valletta p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 2833 and having its registered address at 58, Zachary Street, Valletta VLT 1103, Malta;
Birkirkara Development	the development located on Triq I-Istazzjon c/w Triq Id-Dar tal-Kleru c/w, Triq Hal Qormi in Birkirkara, Malta, as further detailed in section 6.1.1. of this Registration Document;
Bond Issue	the issue of the Secured Bonds;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act;
Directors or Board or Board of Directors	the directors of the Issuer whose names are set out in section 4.1 of this Registration Document under the heading “ Directors of the Issuer ”;
Euro or €	the lawful currency of the Republic of Malta;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the laws of Malta);
Franchise Agreements	the franchise agreements between the Franchisor (as franchisor) and the Franchisee (as franchisee) and any other agreements between the Franchisor or its affiliates on the one part and Franchisee on the other part, relating to the Hotel, further details of which are included in section 6.7 of this Registration Document;
Franchisor	Hyatt International (Europe Africa Middle East) LLC a limited liability company, organised and existing under the laws of Switzerland with company registration number CHE-106.692.572 and having its registered address at The Circle 09, 8058, Zürich-Airport, Switzerland;
GAP Group	GAP Group p.l.c. and its Subsidiaries;
GAP Group Investments II	GAP Group Investments (II) Limited, a private limited liability company, duly registered and validly existing under the laws of Malta bearing company registration number C 75856 and having its registered office at GAP Holdings Head Office, Censu Scerri Street, Tigne, Sliema, Malta;
GAP Group p.l.c.	GAP Group p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 75875 and having its registered office at GAP Holdings, Head Office, Censu Scerri Street, Tigne, Sliema, SLM, 3060, Malta;
Group	the Issuer and its Subsidiaries;
Guarantors	collectively, (i) Juel Hospitality; (ii) Juel Holdings; (iii) Muscat Holdings; and (iv) Muscat Holdings II, and the term “ Guarantor ” shall be construed accordingly;
Hotel	the hotel to be developed on the Hotel Site, to be principally identified by the brand name “HYATT CENTRIC MALTA” as further described in section 6.3 of this Registration Document;
Hotel Site	the portion of land, comprising both the Rocheville Site and the Sans Souci Site, in the area known as “St George’s”, in Triq Santu Wistin in Swieqi, Malta, having an approximate superficial area of 996 square metres, as further described in section 6.4 of this Registration Document;
Imgarr Development	the block of apartments constructed and developed over a site located on Triq San Pietru in Imgarr, Malta, as further described in section 6.1.1 of this Registration Document;
Issuer	Juel Group p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 101395, and having its registered address at Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;

Juel Holdings	Juel Holdings Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 92861, and having its registered address at Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
Juel Hospitality or Franchisee	Juel Hospitality Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 100482, and having its registered address at Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
Kappara Development	the block of apartments constructed and developed over a site located on Triq I-Ispanjulett c/w, Triq il-Gallina in Kappara, San Gwann, Malta, as further described in section 6.1.1 of this Registration Document;
Luqa Development	the block of apartments and maisonettes constructed and developed over a site located on Triq I-Ahwa Vassallo in Luqa, Malta, as further described in section 6.1.1 of this Registration Document;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Financial Markets Act as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, bearing company registration number C 42525, and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Manager & Registrar or MZI	M.Z. Investment Services Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 23936, and having its registered address at 63, MZ House, St. Rita Street, Rabat, RBT 1523, Malta;
Marsascala Development I	the block of apartments and maisonettes which shall be built over a site located on Triq il-Bahara c/w Triq il-Gandoffli in Marsascala, Malta, as further described in section 6.1.2 of this Registration Document;
Marsascala Development II	the block of apartments and maisonettes which shall be built over a site located on Triq il-Hut in Marsascala, Malta, as further described in section 6.1.2 of this Registration Document;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
Muscat Holdings	Muscat Holdings Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 77653, and having its registered address at Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
Muscat Holdings II	Muscat Holdings (II) Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 89275, and having its registered address at Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
Naxxar Development	the block of apartments developed over a site accessible from Triq I-Abate and Triq Francis Attard in Naxxar, Malta, as further described in section 6.1.1 of this Registration Document;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary
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 Date	has the same meaning assigned to it in the Securities Note;
Registration Document	this document in its entirety;
Rocheville Site	the site over which the villa without an official number but named “Rocheville” was constructed, located on Triq Santu Wistin, in Swieqi, Malta, previously indicated as being situated in Saint Julian’s, including its relative subterrain and airspace, forming part of the Hotel Site, having an approximate superficial area of 612.12 square metres;

Sans Souci Site	the site over which the villa without official number but named “Sans Souci” was constructed, having a direct access onto Triq Santu Wistin, in Swieqi, Malta, previously indicated as being situated in Saint Julian’s, including its relative subterranean and airspace, forming part of the Hotel Site, having an approximate superficial area of 503.4 square metres and the divided portion of land measuring approximately 96.73 square metres located on Triq Santu Wistin, which fronts the villa named “Sans Souci”, including its overlying airspace and underlying subterranean;
Secured Bonds	the €32,000,000 secured bonds of a nominal value of €100 per bond payable in full upon subscription, redeemable at their nominal value on the Redemption Date and bearing interest at the rate of 5.5% per annum, as described in further detail in the Securities Note;
Securities Note	the securities note issued by the Issuer dated 6 June 2023, forming part of the Prospectus;
Security Trustee or Trustee	Equinox International Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 29674 and having its registered office at Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta, duly authorised to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Cap. 331 of the laws of Malta);
Sponsor or Jesmond Mizzi	Jesmond Mizzi Financial Advisors Limited, a private limited liability company duly registered and validly existing under the laws of Malta bearing company registration number C 30176 and having its registered office at 67, Flat 3, South Street, Valletta, Malta, and a member of the MSE;
St. Julian’s Development	the development located on Triq Guzeppi Xerri abutting on Triq Zammit Clapp in St. Julian’s, Malta, as further described in section 6.1.1 of this Registration Document;
Subsidiary	an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “ Subsidiaries ” shall collectively refer to the said entities;
Summary	the summary issued by the Issuer dated 6 June 2023, forming part of the Prospectus;
Trust Deed	the trust deed entered into by and between the Issuer, the Guarantors and the Security Trustee dated 6 June 2023; and
Valuation Report	the property valuation report on the Hotel Site and the Hotel dated 18 May 2023 incorporated by reference in the 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 word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- d. all references in this Registration Document to “*Malta*” shall be construed as defined in article 124 (1) of the Constitution of Malta;
- e. 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
- f. 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 date of this Registration Document.

3. RISK FACTORS

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

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

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

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE SECURED BONDS ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4 BELOW, THE SPONSOR, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE SECURED BONDS, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

3.1 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "projects", "anticipates", "expects", "envisages", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, 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 and, or the Group's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer or the Group are consistent with the forward-looking statements contained in the Prospectus, those results, or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

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

3.2 RISKS RELATING TO THE ISSUER

3.2.1 The Issuer is Dependent on the Performance of its Subsidiaries and Associate Companies

The Issuer is a finance and holding company of the Group and does not carry out any trading activities of its own. The Issuer is therefore economically dependent on the performance and financial position of its Subsidiaries and associate companies. In the event that any Subsidiary and, or associate company underperforms in any one or more financial year/s or otherwise experiences adverse fluctuations or volatility in cash flows, liquidity strains or other financial difficulties, such underperformance and, or adverse financial position and operational results would adversely affect the operational and financial results of the Group as a whole and consequently, that of the Issuer.

As a holding and finance company of the Group, the Issuer's only source of income is the receipt of dividends from its Subsidiaries and associate companies and payments of principal and interest under loan advancements granted to its Subsidiaries from time to time.

The distribution of dividends is dependent on the cash flows and earnings of the relevant Subsidiary and, or associate company. The underperformance of any of the Issuer's Subsidiaries and, or associate companies may impact their ability to declare dividends and, or make loan repayments, which in turn may have an adverse effect on the performance of the Issuer and its ability to service payments of principal and interest under the Secured Bonds.

3.3 RISKS RELATING TO THE GROUP

3.3.1 Economic and Financial Risks of the Group

Risks relating to the financing of the Group's projects

The Group's property development projects (described in section 6 of this Registration Document) have been part-financed through bank financing with local banks. The Group plans to incur additional debt for the purposes of financing future property development projects. Notwithstanding that the Group aims to maintain its debt-to-equity ratio at prudent levels with corresponding equity being injected at levels considered to be adequate and prudent under current banking practices, a substantial portion of the cash flow generated by the Group is utilised to repay the respective company's debt obligations pursuant to the terms of the facilities provided. Should a Group company significantly increase its debt obligations, this may have an adverse effect on the profitability of the respective company and the Group as a whole.

The agreements regulating the bank debt of the companies forming part of the Group impose significant financial covenants on the borrowing companies. These covenants could limit the ability of such companies to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Changes in banking risk appetite as a result of financial turmoil, property market saturation or any other reason, may decrease the willingness of banks to provide loans to companies and, or to grant loans on commercially favourable terms. As a result of the factors detailed herein, a Group company may not be able to raise the capital and financing it requires for the acquisition of a new site, the completion of a project and, or the operation of its business, on commercially viable terms, or at all.

Risks relating to rising costs of materials, resources, and utilities

The Group operates in the property and hospitality industries. The business strategy of the Group's property development component is to identify additional property and development opportunities. As at the date of this Registration Document, the Group has plans to develop the: (i) Hotel; (ii) Marsascala Development I; and (iii) Marsascala Development II. The Group's hospitality component relates to the Group's ownership and operation of the Hotel. Both industries necessitate the availability of certain resources, including human resources, materials, and utilities, at cost-effective prices.

In recent years, the prices of raw materials have been subject to substantial increases caused by a combination of factors, including heightened market demand and low availability, inflationary pressures, ongoing global supply chain challenges, increase in shipping costs, and shortages in containers, ships, and human resources. Accordingly, a surge in prices has been witnessed for, *inter alia*, aluminium, steel, copper, oil, wood, and paper. Although the Group has entered into fixed works contracts for the construction and completion of its property development projects, the Group may still be exposed to the risk of increases in the costs of raw materials, with such increases being ultimately borne by the Group. Furthermore, in respect of the Group's hospitality arm, the Group is also exposed to an increase in food prices. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the Group.

In addition, the Group may be unable to maintain an adequate stock of the materials and resources it requires, including the appropriate workforce for the Group's property development projects resulting in increased costs and project delays. Should the Group fail to attract sufficient, trained staff for the operation of the Hotel, the Hotel may not be able to provide the quality service it purports to offer.

A significant increase in the price of materials could result in material cost overruns and, or delays. Moreover, the inability of the Group to source sufficiently skilled human resources for both its property development and hospitality arm could adversely impact the Group's relations with its customers and suppliers, prejudice its goodwill, prejudice its contractual commitments in terms of the Franchise Agreements and, or could result in a material adverse effect on the financial position, financial performance, and operational results of the Group.

Wars, natural disasters, contagious disease, terrorist activity have in the past adversely affected the tourism industry and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity, war, and the targeting of hotels and popular tourist destinations in particular, have had a significant negative impact on the tourism industry globally and such events could have a similarly negative impact in the future. Events such as the aforementioned could directly or indirectly affect travel patterns and reduce the demand for hotel accommodation at the Hotel. Actual or threatened war, terrorist activity, political unrest, civil strike, and other geopolitical uncertainty may also reduce overall demand for business and leisure travel.

The invasion of Ukraine by Russia in February 2022 has caused an ongoing humanitarian crisis in Europe. It has also significantly impacted global commodity and financial markets, leading to supply chain disruptions and increases in the price of energy, oil, gas, and raw materials. The effect of Russia's military action against Ukraine on financial markets and general macroeconomic conditions remains uncertain, and there is a risk that the economic effects of Russia's military action against Ukraine could precipitate a recession in parts of the global economy, which would adversely affect the Group's businesses, results of operations and financial position. The continuation or escalation of the conflict between Russia and Ukraine, including the extension of the conflict to other countries in the region, could lead to further increases in energy prices (particularly gas prices, if supplies to Europe remain interrupted) and heightened inflationary pressures. This could lead to further increases in interest rates, impact financial market stability in the Eurozone and worsen the current cost of living crisis of potential guests of the Hotel. The exact duration and effects of the war in Ukraine and the financial and economic effects it will have on international travel and the local hospitality and tourism industry are inherently difficult to predict with any degree of accuracy. Consequently, the Group's business, operations, and financial performance remain susceptible to the risk of an increased aversion or appetite to travel directly or indirectly related to the effects of the war in Ukraine.

A decline in travel due to geopolitical reasons or reasons outside of the Group's control, such as war or contagious disease, could have a material adverse effect on the Group's hospitality arm and in turn, the financial position and operational performance of the Group.

3.3.2 Operational Risks of the Group

Risks relating to the Franchise Agreements

The Hotel will form part of the "HYATT CENTRIC" brand of hotels, a reputable international chain of hotels that has hotels across the globe. Juel Hospitality shall operate the Hotel under the "HYATT CENTRIC" brand in accordance with the terms of the Franchise Agreements. Pursuant to the Franchise Agreements, the Franchisor granted Juel Hospitality the non-exclusive right and obligation to use certain intellectual property of the Franchisor (including the "HYATT CENTRIC" brand) as well as its systems. Juel Hospitality (as franchisee) is required to comply with certain conditions as part of the Franchise Agreements, including but not limited to: (i) the timely construction, maintenance and opening of the Hotel; (ii) the satisfaction of performance thresholds under quality assurance programs to which it is subject under the Franchise Agreements; and (iii) compliance with certain required standards under the Franchise Agreements. The breach of any of the conditions in the Franchise Agreements could result in the termination of the Franchise Agreements prior to the expiration of their term or the suspension thereof. Moreover, the Franchisor may impose penalties or seek to claim damages suffered as a result of the breach of any of the conditions of the Franchise Agreements. Accordingly, the success of the Hotel operations is dependent on the continuity of the contractual relationship with the Franchisor.

Should the Franchise Agreements be terminated or not renewed, the profitability and financial condition of the Group may be materially adversely affected in view of its inability to benefit from the reputation and standards of the "HYATT CENTRIC" brand.

Risks relating to the ability of the Group to secure approvals and licenses

Once completed, the Hotel will require a license from the Malta Tourism Authority to operate as a Class 3B hotel before the Group can open the Hotel's doors to guests. Although it is the intention of the Group to construct the Hotel in accordance with licensing requirements and the standards of the Franchise Agreements, should the Malta Tourism Authority consider that not all applicable licensing conditions have been satisfied, there may be delays in the opening of the Hotel, which in turn could result in the Franchisor claiming a breach of the Franchise Agreements and the loss of the use of the "HYATT CENTRIC" brand by the Group. Should the Hotel fail to open its doors within the projected timeframe (that is, by Q4 2024) due to a delay in the issue of a license to operate as a Class 3B hotel, the Group's business, financial condition, and results of operations may be adversely affected.

Risks relating to the loss of, and inability to recruit, key personnel

The Group believes that its growth is partially attributable to the efforts and abilities of its executive director, Adrian Muscat, and other key personnel, including members of the management team of the Hotel, sales, investment, and project management personnel and upon its ability to attract, recruit, develop and retain key personnel to manage the Group's business efficiently and profitably. If one or more key members are unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

The Group intends to open the Hotel in Q4 2024. As at the date of this Registration Document, the Group has not yet identified the persons which shall form part of the internal management team of the Hotel. Should the Group fail to form an internal management team in a timely manner, this could delay the opening of the Hotel, which in turn could result in the Franchisor claiming a breach of the Franchise Agreements and the loss of the use of the "HYATT CENTRIC" brand by the Group. Delays in the opening of the Hotel or the loss of the right to use "HYATT CENTRIC" brand could result in a material adverse effect on the financial position, financial performance, and operational results of the Group.

Risks relating to competing projects

The local hospitality industry is characterised by substantial competition given the variety of temporary accommodation available on the local market. Accordingly, once completed, the Hotel may compete with local hotels and facilities offering various types of lodging options and related services to the public. Local competition is influenced by a variety of determining factors including price, variety and quality of services, availability, reliability, after-sales service, and logistical arrangements, and fluctuations in demand and supply in respect of both competing or substitute goods and services.

The Group's activities in the property development and rental sectors are also susceptible to competitive forces given the large number of properties and developments available on the local market. Should there be an increase in similar property developments which are of a similar quality and type to those being constructed, sold, or leased by the Group, particularly where such competing developments are available at cheaper prices, the Group may be unable to sell or otherwise lease the residential and commercial units, garages and, or developments (as applicable) forming part of the Group's property portfolio, in a cost-effective and efficient manner.

A reduction in reservations for hotel accommodation and, or the sale of units at prices which are lower than that projected may adversely affect the Group's business, financial condition, and results of operations.

Risks relating to changes in consumer preferences and demand

The Group's success in the property development, rental, and hospitality sectors is dependent on its ability to offer products and services that have a strong consumer appeal. Such sectors are susceptible to fluctuations in consumer trends because of changes in taste, consumer habits, general economic conditions, social trends, consumer attitude, consumer satisfaction and any other similar factors which are linked to consumer demand. The property market, whether for resale or letting purposes, is subject to changing preferences in the style and location of immovable properties. In the case of the hospitality sector, consumer preferences are largely determined by brand image and reputation. Brand images are key to the business of the Group and thus the inability to maintain a positive brand image could have a material adverse effect on the Group's revenue and results of operations. It cannot be predicted whether advertising, marketing and promotional programs will have the desired impact on the Group's products' and services' branding and on consumer preferences.

The Group's success in such sectors is dependent on its ability to swiftly anticipate, capitalise and adapt to changes in consumer attitude and preferences. Should the Group fail to do so, it may experience a reduction in revenue which could have a material adverse effect on its operational results and financial condition.

Risks relating to the Group's insurance policies

The Group has maintained insurance and, or otherwise plans to maintain insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the sectors in which the Group operates. Notwithstanding such insurance coverage, which insures against, *inter alia*, claims for damages, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurers due to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, *de minimis* liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or, representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto.

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

3.3.3 RISKS SPECIFIC TO THE PROPERTY SECTOR

The Group is heavily invested in the property acquisition, development, and management markets, which are constantly evolving market segments characterised by specific risks and uncertainties. The Group is thus intrinsically susceptible to the risks associated with activities in these market segments. The occurrence of any of the factors referred to below could negatively affect the Group's financial condition and results.

Risks relating to the property development and construction industry

The Group undertakes activities in the property development and construction industry. As detailed above, the Group has plans to develop the: (i) Hotel; (ii) Marsascala Development I; and (iii) Marsascala Development II.

Pursuant to such activities, the Group is subject to several specific risks, including:

- (a) the risk of delays, including albeit not limited to delays (and, or refusals) in obtaining any necessary permits and cost overruns;
- (b) the possibility of delays in the completion of the property development projects pursuant to a strain on the availability of human and other capital resources required for the development and completion of such projects resulting from heightened levels of activity in the sector;
- (c) covenants, conditions, restrictions, and easements relating to the properties or their use, whether arising out of law, contractual arrangement, or orders or other decisions of the competent judicial or government authorities; and
- (d) government restrictions concerning the free movement of people and goods, which might result in delays or changes in terms of established trade supply routes, changes in macro-economic conditions, as well as market and regulatory changes affecting the construction and property development processes.

The occurrence of any of the risk factors described above could have a material adverse effect on the Group's business, financial condition, and results of operations, including the increase of projected costs and times for the completion of ongoing property development projects.

Risks relating to the sale of property

The Group's business contemplates the construction and finishing of property developments and the subsequent sale or rental of the individual units / garages / car spaces forming part of such property developments. Whilst the Group's activities in this sector have been largely successful, there can be no assurance that the Group will be able to sell future developments in a profitable and efficient manner on account of: (a) market conditions; (b) the size and, or value of the property development; (c) specific local market conditions; (d) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (e) other local or international economic factors influencing the Group's operations or assets. It may also prove necessary to dispose of houses / units / garages / car spaces at values which management considers to be reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to meet long-term strategy and financing objectives.

Risks relating to the engagement and, or the involvement of third parties in connection with the Group's business and associated counterparty risks

The Group relies on third-party service providers such as architects, contractors and suppliers for the building, construction and completion of each of its property developments. The Group has engaged, and shall continue to engage, the services of third-party contractors for the purposes of the Hotel, including the excavation, construction and finishing and furnishing of the Hotel in a timely manner and within agreed cost parameters. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, this will result in delays in the development and completion of the Hotel as well as other property development projects undertaken by the Group, which could have an adverse impact on the Group's business, its financial condition, results of operations and prospects. Delays in the development and completion of the Hotel could have a material adverse impact on the Issuer's cash flows and revenue generation.

Risks relating to the rental income of the property retained by the Group

As detailed in section 6.2 of this Registration Document, the Group has a property portfolio of over 30 units which it leases under the "StayMela" brand. Given that the majority of the Group's customers are tourists, the revenue generated from such rental activities is dependent on the number and frequency of people travelling to Malta. Therefore, the risks attributable to the hospitality and tourism industry (described further in section 3.3.4 of this Registration Document) apply to the Group's rental activities under the "StayMela" brand.

Risks relating to property valuations and net realisable value

The valuation referred to in the Prospectus is prepared by an independent qualified architect with due consideration being afforded to the valuation standards published by the Royal Institution of Chartered Surveyors ('RICS'). However, the valuation of property is intrinsically subjective and based on several assumptions at a given point in time. In providing a market value of the respective property, the architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. Subsequently,

the Group may purchase and, or have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or expected market conditions which may fluctuate from time to time. There can be no assurance that the property valuation and property-related assets will reflect actual market values.

3.3.4 RISKS SPECIFIC TO THE HOSPITALITY AND TOURISM INDUSTRY

The Group's activities in the hospitality and tourism industries consists in the operation of the Hotel once completed and its rental activities under the brand "StayMela". The hospitality and tourism industries are susceptible to several factors which may impact the operations and revenue of owners and operators alike. Such factors include the following:

- changes in travel patterns or seasonal variations, as well as consumer preferences concerning price;
- increases in operating costs due to general market conditions, inflation, employment costs, workers' compensation and healthcare related costs, utility costs, increased taxes and insurance costs which could impact margins and could therefore impact the viability (or otherwise) of the Group's operations;
- quality, location, and type of hospitality packages;
- any cutbacks and stoppages on Malta-bound air or sea travel routes, or increases in taxes, surcharges and other expenses associated therewith, as well as the imposition of travel restrictions, bans or other measures by the relevant authorities;
- increases in the availability of air or sea travel routes to destinations competing with Malta;
- changes in laws and regulations, including those concerning the management and operation of hotels and other hospitality outlets, employment, catering and entertainment establishments, health and safety, alcohol licensing, environmental concerns, fiscal policies and zoning and development, and the related costs of compliance;
- the maintenance of licenses and other authorisations, as may be required from time to time, to operate and manage hospitality establishments;
- the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures, or other travel restrictions), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of business and leisure travellers;
- the termination, non-renewal and, or the renewal on less favourable terms of material contracts, including the Franchise Agreements, management or operation agreements, reseller agreements, distribution agreements, travel agent booking agreements, marketing agreements, services or supply agreements, and agreements entered into with tour operators; and, or
- increased competition from providers of alternative accommodation, including web-based booking channels that allow private accommodation to be made available by private individuals or via online peer-to-peer platforms, and other hospitality models such as bed and breakfasts (B&Bs), room-sharing and flexi-renting, and short-term lets of private property which may be offered at competitive rates.

The impact of any of these factors (or a combination of them) may adversely affect room rates and occupancy levels at the Hotel and, or the reservation of the residential units available for rent under the "StayMela" brand. In turn, this may cause a reduction in the income generated from the Group's hospitality component which would have a material adverse effect on the Group's business, financial condition, and results of operations and, in turn, on its ability to meet its obligations on time and in full.

Risks relating to the utilisation of reservation systems

The Hotel intends to utilise an online reservation system and other key technology platforms for the reservation of rooms at the Hotel. The Hotel's results of operations are primarily derived from its ability to drive reservations through its reservation system and technology platforms which are highly integrated with internal processes and linked to multiple sales channels, including the Hotel's own website, call centre, third-party intermediaries, and travel agents. Lack of resilience, connectivity and operational availability of these systems provided by the Group, or third-party technology providers could lead to prolonged service disruption and might result in significant business interruption, impact the guest booking experience and subsequently adversely impact the revenues and reputation of the Hotel and the Group, as the owner and operator of the Hotel.

3.3.5 Legal, Regulatory and Compliance Risks

Risks relating to the regulatory environment in which the Group operates

The Group's activities in the construction and development industry, as well as the Group's activities in the hospitality industry (including the rental of property under the "StayMela" brand and its operation of the Hotel, once complete), are subject to a vast array of rules and regulations, including but not limited to, environmental protection, property and rental law, construction, property acquisition, property development, consumer law, health, fire, and safety, among others. Furthermore, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones. In addition, the Group is susceptible to changes in the application and, or interpretation of such rules and regulations, whether as a result of judicial interpretation or due to decisions, orders, directives, and, or guidelines issued by the competent regulatory authorities.

Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on the Group's business, financial condition, and results of operations in the property development sector.

The inability of the Group to meet its ongoing regulatory and legal requirements, whether in whole or in part, or the inability of the Group to equip itself to comply with forthcoming legislation or regulation in a timely and suitable manner, may expose the Group to the risk of regulatory sanctioning, including but not limited to, the imposition of public reprimands, administrative or punitive fines or penalties, temporary suspension of activities, or even revocation of licenses, permits, or other authorisations, whether in whole or in part. In addition, lack of compliance with legal and regulatory requirements may negatively affect the reputation and goodwill of the Group and may result in a loss of existing or potential business, and, or a weakened competitive advantage. If any of these risks were to materialise, they could have a material adverse effect on the operational results, financial performance, and financial position of the Group.

Risks relating to personal data protection and privacy laws

In the ordinary course of its activities, particularly with respect to the Group's hotel operations once the Hotel is completed, the Group receives, processes, transmits and stores information relating to identifiable individuals ("**personal data**"). As a result, the Group is subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Group to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business practices and information security systems, policies, procedures, and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures, and practices implemented, or which may be implemented in the future, may not prevent the improper disclosure of personal data by the Group. Unauthorised access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Group, cause loss of consumer confidence, subject it to regulatory enforcement actions (including fines), and result in private litigation against the Group and, or Group companies, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of the Group.

Risk of litigation

All industries, including the property development, construction, and hospitality and tourism industries, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of litigation and dispute resolution processes, there can be no assurance that the resolution of any legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

Risk relating to disputes / investigations

The Issuer and, or Manager & Registrar are currently the subject of enquiries raised by the MFSA in respect of the manner in which funds were raised prior to the Bond Issue pursuant to an offering memorandum issued by the Issuer. Such enquiry, which as at the date of this Registration Document remains ongoing, could result in MFSA taking regulatory action against the Issuer and, or Manager & Registrar. In the event that any regulatory action were to be taken as aforesaid, this could have an adverse impact on the Issuer's reputation and business.

3.3.6 Risks Relating to the Failure to Implement Environmental, Social and Governance Considerations in the Group's Business Model

There is a growing expectation for enterprises to implement sustainability risks and consider sustainability factors in their day-to-day management and decision-making process. With an increased emphasis on environmental, social and governance ("**ESG**") considerations at global level, the implementation of sustainable factors in the Issuer's business model is likely to become under increased scrutiny by investors, regulators, and the public at large.

The Group's business entails three main sectors of operation: property development, rental of property and hospitality. ESG considerations for the purposes of the Group's business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

In particular, risks relating to the impact of climate change, through physical and transitional channels, including but not limited to, physical risks related to severe weather events, the rise in sea level, and other natural disasters; and transition risks attributable to regulatory, technological, and market or pricing changes, could have economic, operational and financial impacts on the Group, and accordingly the failure by the Group to manage these risks over the short, medium, and long term could have a material adverse effect on the Group's business operations, financial performance and prospects.

From a governance perspective, risks may arise relating to lack of skilful management or good governance within the Group and the inadequacy of proper control. Said risks cover a wide spectrum of areas including financial crime, regulatory compliance, fraud, systems, and processes which would in turn affect income and capital. Failure to manage these risks may result in negative impacts on the Group's business and reputation.

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

4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS

4.1 DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors is composed of the following persons:

Name	Designation	Date of Appointment
Adrian Muscat ID card number: 166682M	Executive Director	24 January 2022
George Muscat ID card number: 312355M	Non-Executive Director	14 March 2023
Mario Camilleri ID card number: 412068M	Independent Non-Executive Director	14 March 2023
Robert C Aquilina ID card number: 841255M	Independent Non-Executive Director	14 March 2023
Dennis Gravina ID card number: 009860M	Independent Non-Executive Director	14 March 2023

The business address of the Directors is the same as that of the Issuer.

The *curriculum vitae* of each of the Directors is set out in section 8.5 of this Registration Document.

4.2 DIRECTORS OF THE GUARANTORS

4.2.1 Directors of Juel Holdings

As at the date of this Registration Document, the directors of Juel Holdings are:

Name	Designation	Date of Appointment
Adrian Muscat ID card number: 166682M	Director	8 August 2019
George Muscat ID card number: 312355M	Director	28 March 2023

The business address of the directors of Juel Holdings is the same as that of Juel Holdings.

The *curriculum vitae* of each of the directors of Juel Holdings is set out in section 8.5 of this Registration Document.

4.2.2 Directors of Juel Hospitality

As at the date of this Registration Document, the directors of Juel Hospitality are:

Name	Designation	Date of Appointment
Adrian Muscat ID card number: 166682M	Director	18 October 2021
Mario Camilleri ID card number: 412068M	Director	28 March 2023

The business address of the directors of Juel Hospitality is the same as that of Juel Hospitality.

The *curriculum vitae* of each of the directors of Juel Hospitality is set out in section 8.5 of this Registration Document.

4.2.3 Directors of Muscat Holdings

As at the date of this Registration Document, the directors of Muscat Holdings are:

Name	Designation	Date of Appointment
Adrian Muscat ID card number: 166682M	Director	18 October 2021
George Muscat ID card number: 312355M	Director	28 March 2023

The business address of the directors of Muscat Holdings is the same as that of Muscat Holdings.

The *curriculum vitae* of each of the directors of Muscat Holdings is set out in section 8.5 of this Registration Document.

4.2.4 Directors of Muscat Holdings II

As at the date of this Registration Document, the directors of Muscat Holdings II are:

Name	Designation	Date of Appointment
Adrian Muscat ID card number: 166682M	Director	7 November 2018
George Muscat ID card number: 312355M	Director	28 March 2023

The business address of the directors of Muscat Holdings II is the same as that of Muscat Holdings II.

The *curriculum vitae* of each of the directors of Muscat Holdings II is set out in section 8.5 of this Registration Document.

4.3 COMPANY SECRETARY OF THE ISSUER

The company secretary of the Issuer is Dr Karen Coppini, holder of Maltese identity card number 091185M. The business address of the company secretary is Coppini Legal 74, Hope Street, Mosta MST 1306, Malta.

4.4 COMPANY SECRETARY OF THE GUARANTORS

The company secretary of each of the Guarantors is Adrian Muscat, holder of Maltese identity card number 166682M. The business address of the company secretary is Southridge, Block D, Flat 5.1, Triq id-Deru, Mellieha, Malta.

4.5 RESPONSIBILITY AND AUTHORISATION STATEMENT

The Directors are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Registration Document has been approved by the Malta Financial Services Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Malta Financial Services Authority has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer and, or the Secured Bonds.

4.6 ADVISERS

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Legal Adviser to the Issuer and Guarantors

Name: Dr Chris Cilia
Address: I C Law, Maisonette 1, Triq L-Ghenba, Attard, Malta

Financial Advisers to the Issuer and Guarantors

Name: Deloitte Advisory and Technology Limited
Address: Deloitte Place, Triq L-Intornjatur, Zone 3,
Central Business District, Birkirkara CBD 3050, Malta

Sponsor

Name: Jesmond Mizzi Financial Advisors Limited
Address: 67, Flat 3, South Street, Valletta, Malta

Manager & Registrar

Name: M.Z. Investment Services Limited
Address: 61, M.Z. House, St. Rita Street,
Rabat, RBT 1523

Security Trustee

Name: Equinox International Limited
Address: Level 3, Valletta Buildings, South Street,
Valletta VLT 1103, Malta

4.7 AUDITOR OF THE ISSUER AND THE GUARANTORS

Name: TACS Malta Limited
Address: 1, Tal-Providenza Mansions, Main Street,
Balzan BZN 1254, Malta

TACS Malta Limited is a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) with registration number AB/2/17/22.

(a) The Issuer

As of the date of this Registration Document, the auditor of the Issuer is TACS Malta Limited (C 84698).

The Issuer was incorporated on 24 January 2022. The annual statutory financial statements of the Issuer for the period ended 31 December 2022 have been audited by TACS Malta Limited (C 84698).

(b) Juel Holdings

As at the date of this Registration Document, the auditor of Juel Holdings is TACS Malta Limited (C 84698).

The annual statutory financial statements of Juel Holdings for the period from 8 August 2019 to 31 December 2020 and for the financial period ended 31 December 2021 have been audited by Ms Pamela Fenech. Ms Pamela Fenech holds a warrant to practice the profession of an accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta), with warrant number 10795. The annual statutory financial statements of Juel Holdings for the year ended 31 December 2022 have been audited by TACS Malta Limited (C 84698).

(c) Juel Hospitality

As at the date of this Registration Document, the auditor of Juel Hospitality is TACS Malta Limited (C 84698).

Juel Hospitality was incorporated on 18 October 2021. The annual statutory financial statements of Juel Hospitality for the period ended 31 December 2022 have been audited by TACS Malta Limited (C 84698).

(d) Muscat Holdings

As at the date of this Registration Document, the auditor of Muscat Holdings is TACS Malta Limited (C 84698).

The annual statutory financial statements of Muscat Holdings for the financial years ended 31 December 2020 and 31 December 2021 have been audited by Ms Pamela Fenech. The annual statutory financial statements of Muscat Holdings for the period ended 31 December 2022 have been audited by TACS Malta Limited (C 84698).

(e) Muscat Holdings II

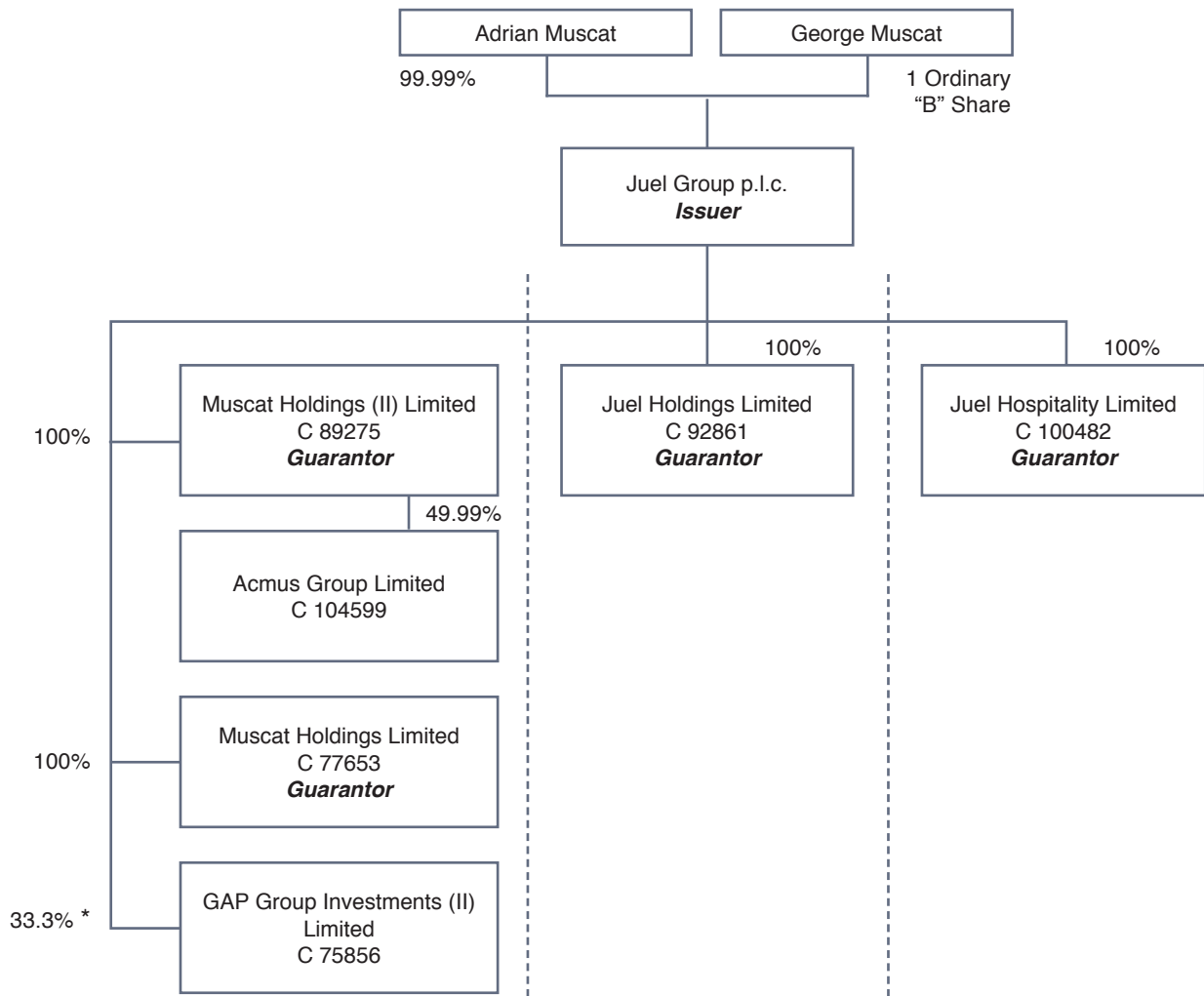
As at the date of this Registration Document, the auditor of Muscat Holdings II is TACS Malta Limited (C 84698).

The annual statutory financial statements of Muscat Holdings II for the financial years ended 31 December 2020 and 31 December 2021 have been audited by Ms Pamela Fenech. The annual statutory financial statements of Muscat Holdings II for the period ended 31 December 2022 have been audited by TACS Malta Limited (C 84698).

5. INFORMATION ABOUT THE ISSUER AND THE GUARANTORS

5.1 ORGANISATIONAL STRUCTURE OF THE GROUP

The Issuer was incorporated on 24 January 2022 and is the holding and finance company of the Group. It holds 100% of the shareholding in its Subsidiaries, the Guarantors. The organisational structure of the Group as at the date of this Registration Document is illustrated in the diagram hereunder:



*33.33% of Ordinary A shares carrying voting rights and the right to receive dividends.

5.2 THE ISSUER

5.2.1 History and Development of the Issuer

Full legal and commercial name	Juel Group p.l.c.
Registered address	Avian Hill, Triq l-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta
Place of registration and domicile	Malta
Company registration number	C 101395
Legal Entity Identifier ('LEI')	485100T71HGPIVIF136
Date of registration	24 January 2022
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	(+356) 27391085
Email	info@juel.mt
Website	www.juel.mt

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

5.2.2 Overview of the Issuer's Business & Principal Activities

The Issuer is the holding and finance company of the Group and was incorporated for the purpose of financing its Subsidiaries' respective projects, as and when the case requires. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and affiliate companies and principal and interest due under intra-group loan agreements.

The Issuer was established on 24 January 2022. It acquired the entire issued share capital of Juel Hospitality, Juel Holdings, Muscat Holdings and Muscat Holdings II on 22 December 2022, through a share for share exchange process which enabled the Group's majority shareholder, Adrian Muscat, to consolidate the operations of the Guarantors through a holding structure. On 14 April 2023, the Issuer acquired 33.3% of the voting shares in GAP Group Investments II. GAP Group Investments II is the 99.99% shareholder of the GAP Group, a group of companies which operates in the industry of property development. GAP Group p.l.c., the parent company of the GAP Group, has debt instruments admitted to listing on the Official List of the MSE.

The principal business objectives of the Group are: (i) to hold investment property for rental; (ii) to acquire new sites for residential properties for resale; (iii) to develop and construct properties acquired; and (iv) the operation of the Hotel.

As at the date of this Registration Document, the Issuer has entered into the following principal loan agreements with Juel Hospitality:

- i. a conditional loan agreement with Juel Hospitality pursuant to which it shall advance the net bond proceeds of the Bond Issue (amounting to approximately €13.61 million) to Juel Hospitality for the purposes of financing the development, construction and finishing costs of the Hotel;
- ii. a loan agreement with Juel Hospitality pursuant to which it advanced all the funds it received under a bond advance facility (amounting to approximately €9.27 million) to Juel Hospitality for the purposes of acquiring the Rocheville Site; and
- iii. a loan agreement with Juel Hospitality pursuant to which it advanced €8 million in funds it received in terms of a bank loan granted by Bank of Valletta for the purposes of acquiring the Sans Souci Site.

The Issuer may, from time-to-time, advance funds to its Subsidiaries for their operating requirements, as the case so requires. In view of the principal activity of the Issuer as the holding and finance company of the Group, it is economically dependent on the operational results, the financial position, and the financial performance of its Subsidiaries and associate companies.

5.3 THE GUARANTORS

5.3.1 Juel Hospitality

5.3.1.1 History and Development of Juel Hospitality

Full legal and commercial name	Juel Hospitality Limited
Registered address	Avian Hill, Triq l-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta
Place of registration and domicile	Malta
Company registration number	C 100482
Legal Entity Identifier ('LEI')	485100XNSNCFMKQ64Y15
Date of registration	18 October 2021
Legal form	Juel Hospitality is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number	(+356) 27391085
Email	info@juel.mt
Website	www.juel.mt

5.3.1.2 Overview of Business and Principal Activities of Juel Hospitality

Juel Hospitality was incorporated with the purpose of owning and managing the Hotel, which is in the process of being constructed, developed, and completed by third party contractors engaged for that purpose. The Hotel will be operated by Juel Hospitality under the "HYATT CENTRIC" brand in accordance with the terms of the Franchise Agreements. Further information on the purchase, construction and management of the Hotel is set out in section 6.3 of this Registration Document.

5.3.2 Juel Holdings

5.3.2.1 History and Development of Juel Holdings

Full legal and commercial name	Juel Holdings Limited
Registered address	Avian Hill, Triq l-Ispanjulett c/w Triq il-Gallina, Kappara, SanGwann, Malta
Place of registration and domicile	Malta
Company registration number	C 92861
Legal Entity Identifier ('LEI')	485100C6IJTMPAF8X759
Date of registration	8 August 2019
Legal form	Juel Holdings is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	(+356) 27391085
Email	info@juel.mt
Website	www.juel.mt

5.3.2.2 Overview of Business and Principal Activities of Juel Holdings

Juel Holdings operates in the property development and property rental sectors. As part of its property development activities, Juel Holdings acquired a site in Triq L-Ahwa, Luqa, Malta over which the Luqa Development was completed. The units forming part of the Luqa Development are held by the Group for resale and for lease to third parties. Further information on the Luqa Development is detailed in section 6.1.1 of this Registration Document. As part of its property rental activities, Juel Holdings leases to third parties, on a short-term and long-term basis, 34 residential units: 14 residential units within the Birkirkara Development, ten units within the Kappara Development and ten units within the Luqa Development.

5.3.3 Muscat Holdings

5.3.3.1 History and Development of Muscat Holdings

Full legal and commercial name	Muscat Holdings Limited
Registered address	Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta
Place of registration and domicile	Malta
Company registration number	C 77653
Legal Entity Identifier ('LEI')	485100JM2ER0TVPM5M38
Date of registration	14 October 2016
Legal form	Muscat Holdings is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number	(+356) 27391085
Email	info@juel.mt
Website	www.juel.mt

5.3.3.2 Overview of Business and Principal Activities of Muscat Holdings

Muscat Holdings operates in the property development and property rental sectors. Since its incorporation, Muscat Holdings has undertaken a number of property development projects as follows:

- On 2 February 2017, Muscat Holdings acquired a site in St. Julian's, Malta, over which the St. Julian's Development was completed. Further information on the St. Julian's Development is detailed in section 6.1.1 of this Registration Document.
- In 2017 and 2019, Muscat Holdings acquired three sites in Birkirkara, Malta, over which the Birkirkara Development was completed. Further information on the Birkirkara Development is detailed in section 6.1.1 of this Registration Document.
- On 13 June 2019, Muscat Holdings acquired a site in Kappara, Malta, over which the Kappara Development was completed.

As part of its property rental activities, Block A of the Birkirkara Development was leased by Muscat Holdings to Juel Holdings for a two-year term, ending on 31 May 2024. The units forming part of the Kappara Development are also leased to Juel Holdings for a two-year term ending on 31 May 2024. Juel Holdings sub-lets, on a short-term basis, the units forming part of the Kappara Development under the brand name "StayMela".

5.3.4 Muscat Holdings II

5.3.4.1 History and Development of Muscat Holdings II

Full legal and commercial name	Muscat Holdings (II) Limited
Registered address	Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta
Place of registration and domicile	Malta
Company registration number	C 89275
Legal Entity Identifier ('LEI')	485100C1VOBCCXKOEN43
Date of registration	7 November 2018
Legal form	Muscat Holdings II is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number	(+356) 27391085
Email	info@juel.mt
Website	www.juel.mt

5.3.4.2 Overview of Business and Principal Activities of Muscat Holdings II

Muscat Holdings II operates in the property development sector. Since its incorporation, Muscat Holdings II has completed or is in the process of completing the following projects:

- On 12 July 2019, Muscat Holdings II acquired a plot of land in Imgarr, Malta over which the Imgarr Development was completed.
- On 30 August 2019, Muscat Holdings II acquired a plot of land in Naxxar, Malta, over which the Naxxar Development was completed.
- On 25 February 2022, Muscat Holdings II acquired a plot of land in Marsascala, Malta over which the Marsascala Development I shall be developed.
- On 17 November 2022 Muscat Holdings II acquired three adjacent properties in Marsascala, Malta over which the Marsascala Development II shall be developed.

Muscat Holdings II holds a 49.99% shareholding in ACMUS Group Limited (a joint venture with The Ona Property Development Ltd (C 82490) established in Q1 2023). The principal object of ACMUS Group Limited is to seek property development opportunities. Further information on the property development projects identified by ACMUS Group Limited is set out in section 6.1.3 of this Registration Document.

6. THE PROJECTS

6.1 PROPERTY DEVELOPMENT

The operations of the Group in the property development sector are focused on small to medium-sized projects. Such projects predominantly consist of residential units for resale or letting purposes. However, a number of developments also contain commercial units. Juel Holdings, Muscat Holdings and Muscat Holdings II are the Subsidiaries which are involved in the property development segment of the Group. Each of these companies engage third parties for the purposes of carrying out development, construction and finishing works on their respective developments.

The acquisition, construction and finishing costs attributable to such projects have been primarily financed through bank financing and accumulated reserves from the sale of units / garages / car spaces. Through its Subsidiaries Juel Holdings, Muscat Holdings and Muscat Holdings II, the Group intends to acquire more sites across Malta for the subsequent development thereof. The Group plans to finance such future projects through bank financing and the reinvestment of funds received on the sale or lease of units / garages / car spaces forming part of the various properties owned by the Group.

The property development companies forming part of the Group have acquired sites in various localities around Malta, including St. Julian's, Kappara, Birkirkara, Imgarr, Naxxar, Luqa and Marsascala. The Group is in the process of developing two property development projects in Marsascala and has identified sites for development located in Imgarr, Malta. It will continue to identify new sites in various localities in Malta for small to medium-sized property development projects.

The property development projects of the Group are financed by bank financing. The property development projects of the Group are secured by hypothecs over the immovable property in the process of being developed or developed, in favour of the banks funding the property development projects.

6.1.1 Completed Property Developments

The following property developments have been completed by the Group:

6.1.1.1 The Imgarr Development

On 12 July 2019, Muscat Holdings II acquired a plot of land located on Triq Sant Pietru in Imgarr, Malta, with a superficial area of 537 square metres on which it subsequently developed the Imgarr Development. The construction and development of the Imgarr Development commenced in Q4 2019 and was completed in Q2 2021.

The Imgarr Development consists of one block of apartments of 14 residential units spread over three floors and a recessed floor level, and 15 garages. The residential units and garages forming part of the Imgarr Development, were placed on the market in Q3 2020 and were primarily targeted at first-time buyers.

All the residential units and garages forming part of the Imgarr Development have been sold, save for one garage. The aggregate net sales revenue from the sale of the units and garages forming part of the block was €5 million. The Imgarr Development was covered by a full development permit having permit number PA09062/18 and was financed through bank financing and accumulated reserves.

6.1.1.2 The Naxxar Development

On 30 August 2019, Muscat Holdings II acquired two plots of land, each accessible from Triq I-Abate and Triq Francis Attard in Naxxar, Malta, with a collective superficial area of 565 square metres, on which it subsequently developed the Naxxar Development. The construction and development of the Naxxar Development commenced in Q1 2020 and was completed in Q2 2021.

The Naxxar Development consists of one block of apartments of ten residential units and 12 garages. The residential units and garages forming part of the Naxxar Development, were placed on the market in Q3 2020 and were primarily targeted at first-time buyers.

All the residential units and garages forming part of the Naxxar Development have been sold. The aggregate net sales revenue from the sale of the units and garages forming part of the Naxxar Development was €4.1 million. The Naxxar Development was covered by a full development permit having permit number PA/08482/18 and was financed through bank financing and accumulated reserves.

6.1.1.3 The Luqa Development

On 10 January 2020, Juel Holdings acquired a site located on Triq l-Ahwa Vassallo in Luqa, Malta, with a superficial area of approximately 292 square metres over which it subsequently developed the Luqa Development. A portion of the site in Luqa was acquired jointly with Katari Developments Limited (C 89550). The construction and development of the Luqa Development commenced in Q1 2020 and was completed in Q1 2021.

The Luqa Development consists of two blocks of apartments. The first block of apartments was developed over the part of the site in Luqa which was jointly acquired with Katari Developments Limited (C 89550) and consists of nine residential units and ten garages / car spaces. Other than one apartment, all the residential units and garages / car spaces forming part of this block have been sold.

The second block within the Luqa Development is solely owned by Juel Holdings and consists of ten residential units and ten underlying garages. Juel Holdings leases the second block of apartments (with the exception of a small number of garages) to a third party. The aggregate net sales revenue from the sale of the units and garages forming part of the block was €752,000. The Luqa Development was covered by a full development permit having permit number PA/08482/18 and was financed through bank financing and accumulated reserves.

6.1.1.4 The Birkirkara Development

On 28 November 2017, Muscat Holdings acquired two sites located in Birkirkara over which it subsequently developed the Birkirkara Development: one site on Triq l-Istazzjon c/w Triq Id-Dar tal-Kleru c/w, Triq Hal Qormi in Birkirkara, Malta, with a superficial area of approximately 692 square metres; and another site located on Triq id-Dar tal-Kleru, with a superficial area of approximately 495 square metres. On 27 February 2019, it acquired another site located in Triq l-Istazzjon, Birkirkara, Malta with a superficial area of approximately 163 square metres. The three sites were acquired for the purposes of the development of the Birkirkara Development over the said sites. The construction and development of the Birkirkara Development commenced in Q3 2018 by Muscat Holdings and was completed in Q1 2020.

The Birkirkara Development consists of three blocks of residential units and underlying garages / car spaces. One block within the development consists of 14 residential units and nine garages / car spaces. Another block consists of 13 residential units and nine garages / car spaces and a final, third block consists of nine residential units and eight garages. The 13 residential units and nine garages / car spaces forming part of the first block (Block A) were sold between FY2020 and FY2021, save for one garage. The Group does not intend to place the units of the second block of apartments on the market. It has reserved this block of apartments for a third party as settlement of an existing liability. The third block of apartments forming part of the Birkirkara Development consisting of 14 residential units and nine garages / car spaces is leased by Muscat Holdings to Juel Holdings to be used exclusively for short let operational purposes by Juel Holdings.

The aggregate net sales revenue from the sale of the units and garages / car spaces forming part of the first block (Block A) of the Birkirkara Development was €2.9 million. The Birkirkara Development was covered by a full development permit having permit number PA/08596/18 and was financed through bank financing and accumulated reserves.

6.1.1.5 The Kappara Development

On 13 June 2019, Muscat Holdings acquired a site located on Triq l-Ispanjulett c/w, Triq il-Gallina, in Kappara, San Gwann, Malta with a superficial area of approximately 1,195 square metres over which it subsequently developed the Kappara Development. Construction works commenced in Q3 2019 and the development was fully completed in Q3 2020.

The Kappara Development comprises ten residential units spread over five floors, one commercial outlet at street level and three underlying garages at basement level. The individual units, including both the residential units and the commercial outlet, were constructed, and finished by third party contractors.

The entire Kappara Development was leased by Muscat Holdings to Juel Holdings to be used exclusively for short let purposes by Juel Holdings. At present, the commercial outlet is being used as an office by the Group.

The development was covered by a full development permit having permit number PA/09721/18 and was financed through bank financing and accumulated reserves.

6.1.1.6 *The St. Julian's Development*

On 7 February 2017, Muscat Holdings acquired a site located in the limits of St. Julian's, Malta, bounded on the southwest by Triq Giuseppe Xerri and on the east with Triq Zammit Clapp and having a superficial area of 840 square metres, over which the St. Julian's Development was developed. Construction works commenced in Q3 2017 and the development was fully completed in Q1 2019.

The St. Julian's Development was the first project undertaken by Muscat Holdings and consists of three blocks of a total of 31 residential units and 23 underlying garages.

All the residential units and garages forming part of the St. Julian's Development have been sold. The aggregate net sales revenue from the sale of units and garages forming part of the St. Julian's Development was €8.4 million. The development was covered by a full development permit having permit number PA/03945/15 and was financed through bank financing and accumulated reserves.

6.1.2 Property Developments under Construction

6.1.2.1 *The Marsascala Development I*

On 25 February 2022, Muscat Holdings II acquired a plot of land located on Triq il-Bahhara c/w Triq il-Gandoffli in Marsascala, Malta, having a superficial area of approximately 1022 square metres, for the purposes of developing the Marsascala Development I over the said land. Construction works on the Marsascala Development I commenced in Q3 2022 and are expected to be completed by Q4 2023.

On completion, the Marsascala Development I shall comprise a total of 28 residential units, which include six maisonettes, one commercial outlet and 35 lock-up garages. The 28 residential units shall comprise a mix of two bedroomed and three bedroomed units. The six maisonettes shall be located at ground floor level whilst the remaining 22 residential units shall be spread over four floors within three blocks and with the 35 lock-up garages located at basement levels. The commercial outlet shall consist of a Class 4A office. The Group plans to place the residential units, garages, and the commercial outlet on the market by Q4 2023. The units / garages shall be targeted at the first-time buyers' segment of the market.

The expected aggregate gross sales revenue from the sale of units and garages forming part of the Marsascala Development I is €7.8 million. The Marsascala Development I is covered by a full development permit having permit number PA/03522/21. The total cost for the construction and finishing of the Marsascala Development I is expected to be in the region of €3.4 million and is being financed through bank financing and accumulated reserves.

6.1.2.2 *The Marsascala Development II*

On 17 November 2022, Muscat Holdings II acquired three adjacent properties located on Triq il-Hut in Marsascala, Malta, for the purposes of the development of the Marsascala Development II. The Marsascala Development II shall be built across the sites on which the three properties are presently built, which comprise a total superficial area of approximately 540 square metres. Construction works on the Marsascala Development II commenced in February 2023 and are expected to be completed by Q2 2024.

On completion, the Marsascala Development II shall consist of a total of 25 residential units and 18 lock-up garages. The Marsascala Development II is covered by a full development permit having permit number PA/00876/22. On completion, the 25 residential units shall include three maisonettes at ground floor level whilst the remaining 22 apartments shall be spread over five floors and with the 18 lock-up garages at the lower and upper basement levels. The units / garages shall be targeted at the first-time buyers' segment of the market.

The Group plans to place the residential units, garages, and the commercial outlet on the market by Q3 2023. The expected aggregate gross sales revenue from the sale of units and garages forming part of the Marsascala Development II is €6.4 million. The total cost for the construction and finishing of the Marsascala Development II is expected to be in the region of €2.4 million (excluding land cost) and is being financed through bank financing and accumulated reserves.

6.1.3 New Identified Property Development Projects

The business strategy of the Group is to identify small to medium-sized property development projects in different localities in Malta. As at the date of this Registration Document, the Group has identified two sites in Imgarr, Malta for property development.

The majority shareholder of the Group, Adrian Muscat, has entered into a promise of sale agreement pertaining to two sites located in Imgarr, Malta. Adrian Muscat has also entered into an agreement with a third party pursuant to which the third party agreed to assign its rights under a promise of sale agreement relating to a site in Imgarr, Malta in favour of Adrian Muscat. Adrian Muscat intends to assign and transfer his rights under the aforementioned agreements to ACMUS Group Limited. The proposed developments are described below:

6.1.3.1 Proposed development in Imgarr (site 1)

On 14 September 2022, Adrian Muscat entered into an agreement with a third party pursuant to which the latter agreed to assign his rights to Adrian Muscat under a promise of sale agreement in respect of two adjacent properties in Triq Sir Harry Luke, Imgarr, Malta, which comprise a total superficial area of 280 square metres. The site has been earmarked by the Group to be redeveloped into six three-bedroomed apartments, a three-bedroomed penthouse and an office over five floors, with eight lock-up garages split equally over the ground and basement levels. The street level garages are divided into two one-car garages, a two-car garage, and a three-car garage.

The expected aggregate net sales revenue from the sale of the units and garages forming part of this property development project is expected to be in the region of €3.6 million. As at the date of this Registration Document, the Group has submitted a planning application having application number PA/05846/22 covering the proposed development which is pending approval. The total cost of this development, including acquisition, construction and finishing costs but excluding financing costs shall be approximately €2.5 million. The Group intends to finance such costs through bank financing and shareholder loans. Since the proposed property development is at application stage and is pending approval from the Planning Authority, the Group is not in a position to estimate when construction of the proposed development of the site will commence.

6.1.3.2 Proposed development in Imgarr (site 2)

On 6 July 2022, Adrian Muscat entered into a promise of sale agreement to acquire two adjacent properties in Triq San Pawl, Imgarr, Malta, which comprise a total superficial area of 265 square metres. The site over which the said properties are built has been earmarked by the Group to be redeveloped into three two-bedroom apartments, a two-bedroom penthouse and a one-bedroom penthouse over four floors, with six one-car garages and a three-car garage below street level.

The expected aggregate net sales revenue from the sale of the units and garages forming part of this property development project is expected to be in the region of €3.3 million. As at the date of this Registration Document, the Group has submitted a planning application having application number PA/06743/22 covering the proposed development which is pending approval. The total cost of this development including acquisition, construction and finishing costs but excluding financing costs shall be approximately €2 million. The Group intends to finance such costs through bank financing and shareholder loans. Since the proposed property development is at application stage and is pending approval from the Planning Authority, the Group is not in a position to estimate when construction of the proposed development of the site will commence.

6.2 RENTAL ACTIVITIES

In addition to its activities in the property development sector, the Group also retains a number of commercial and residential units located across Malta for rental purposes, both on a short-term and a long-term basis. The Group's rental activities are carried out through Juel Holdings. The short-let segment of the Group is operated under the brand "StayMela". The residential units available for rent under the "StayMela" brand are primarily targeted at tourists visiting Malta on a short-term basis which seek a more affordable alternative to hotels.

Juel Holdings, through the brand "StayMela", offers 34 self-serviced rental apartments in the localities of Kappara, Birkirkara (both of which are central towns in Malta) and Luqa (located in the South close to the Malta International Airport). Each apartment is equipped with a fully fitted kitchen. The finishing works for the residential units and common parts within each block have been completed to a high standard and each unit boasts of a modern interior with contemporary furniture and are equipped with all the amenities necessary to ensure the comfort of their visitors. Such amenities include, WiFi, flat screen televisions, bedroom and bathroom linen, air-conditioning, washing machine and dryer, ironing facilities, amongst others. Guests may also utilise indoor parking facilities in each building at a minimal daily fee. The brand operates an online reservation system through its website at <https://www.staymela.com/> albeit units may also be reserved through other online platforms.

Since the commencement of its operations in 2020, the short-let operation of the Group under the "StayMela" brand has had an average of 68% occupancy of the units leased on a short-term basis in the year 2020, 74% occupancy in the year 2021 and 83% occupancy in the year 2022. The Group attributes the success of its operations under the "StayMela" brand to its pricing strategy, high quality services and the comfort and convenience of the residential units. The aggregate net revenue of "StayMela"'s activities in the property rental sector for the year 2022 is in the region of €600,000 (net of tax).

6.3 THE HOTEL

The Group intends to extend its operations to the local hospitality sector through Juel Hospitality's ownership and management of the Hotel.

The Hotel is in the process of being constructed and developed over the Hotel Site, which was acquired by the Group in the year 2022. Juel Hospitality, as the owner of the Hotel Site, has engaged the services of third-party contractors for the excavation of the site and the construction and development of the Hotel. Once developed and finished, the Hotel shall be licensed as a Class 3B hotel and will form part of the "HYATT CENTRIC" brand of hotels. Further information on the Hotel is set out in section 6.5 of this Registration Document and in the Valuation Report. The Hotel shall feature 187 hotel rooms, spread over nine floors, of which 27 rooms are interconnected, a spa, pool facilities (indoor and outdoor), a restaurant and lounge.

The hospitality sector is one of the main pillars of the local economy and the tourism industry contributes substantially to the Maltese economy. Given the success and reputation of the “HYATT CENTRIC” brand, management believes that the Hotel, once constructed, shall be a strong contender in the local hospitality market. Moreover, the location of the Hotel is largely popular with tourists given the availability of restaurants, beaches, and nightlife in close proximity to the Hotel. The Hotel is set to open its doors and commence operations in Q4 2024.

Juel Hospitality was granted the non-exclusive right and obligation to use the Hyatt Centric brand, proprietary marks, and systems for the operation of the Hotel under the trade name “Hyatt Centric Malta” and associated proprietary marks. The Hyatt Centric brand forms part of the “Hyatt” collection of hotel brands. Whilst the Hotel shall not be the first “Hyatt” branded hotel in Malta, the Hotel shall be the first hotel in Malta to operate under the “HYATT CENTRIC” brand. The “HYATT CENTRIC” brand seeks to provide guests with a distinct experience from that provided by other “Hyatt” hotels albeit with the same high-quality standards attributable to all “Hyatt” brands. The “HYATT CENTRIC” brand was introduced in 2015 with the aim of providing a more simplistic and tailored approach aimed at business and leisure travellers, through the operation of various hotels in some of the world’s most popular cities, including Montreal, Hong Kong, Dublin, New Delhi, Madrid, and New York.

The “HYATT CENTRIC” brand seeks to target modern explorers who want a full-service hotel with minimum fuss which provides the necessary comforts in a less formalistic and uncomplicated manner. Emphasis is placed on the location and accessibility of the hotels forming part of the “HYATT CENTRIC” brand with each brand hotel being centrally located in the most popular cities and capital cities across the world. “HYATT CENTRIC” brand hotels are characterised by fun and eclectic interior design which focuses on the uniqueness and characteristic features of a hotel’s location. Whilst the same level of standards exists throughout all hotels under the “HYATT CENTRIC” brand, through its choice of services, design and amenities, each hotel seeks to provide its guests with an experience which is characteristic of a hotel’s location ensuring a more immersive and customised holiday experience.

6.4 ACQUISITION OF THE HOTEL SITE

The Hotel shall be built on two adjacent sites located in Swieqi, Malta. By virtue of a deed of sale dated 6 September 2022 in the records of Notary Andre Farrugia, Juel Hospitality purchased the Rocheville Site for the consideration of €9.25 million which was financed by a bond advance facility granted by MZI to the Issuer. The bond advance facility was granted by MZI in anticipation of the Bond Issue and will be repaid through the allotment of Secured Bonds to MZI or such persons as it may direct. If the minimum subscription amount upon which the Bond Issue is conditional is not satisfied, the bond advance facility shall be repaid in cash. As security for the bond advance facility granted by MZI, Equinox International Limited, in its capacity as security trustee, holds a special hypothec and special privilege over the Rocheville Site for the benefit of MZI.

By virtue of a deed of sale dated 15 September 2022 in the records of Notary Andre Farrugia, Juel Hospitality purchased the Sans Souci Site. The purchase price of the property transferred by virtue of this deed of sale was €9.25 million, which was financed through bank financing. Juel Hospitality granted Bank of Valletta, as lender, a special hypothec over the Sans Souci Site (and any developments thereon) for the amount of €8 million, as well as a general hypothec over its assets, present and future, for the same amount.

The Hotel Site has a combined superficial area of 996 square metres.

6.5 PERMITS

The Hotel Site shall be developed into a “hotel” as defined in the Malta Travel and Tourism Services Act (Cap. 409 of the laws of Malta). As at the date of this Registration Document, full development permits with permit PA/7099/21 have been granted for the demolition of the existing structures, the excavation of the site and the construction of four levels below road level and ten floors above road level. The drawings approved in accordance with PA 7099/21 cover 187 hotel rooms, spread over nine floors, of which 27 rooms are interconnected. Seven hotel rooms shall consist of twin interconnected rooms.

In accordance with the full development permit with permit number PA/7099/21, on completion the Hotel will be structured as follows:

Level	Proposed Use
Level -4	conference/three meeting rooms, spa/fitness facilities and indoor pool
Level -3	Office space, stores and staff facilities
Level -2	16 car parking bays, substation, and plant rooms
Level -1	14 car parking bays, plant room and generator room
Level 0	Reception area and hotel rooms
Level 1-8	Hotel rooms
Level 9	Restaurant and pool facility
Level 10	Pool facility

The demolition of the villas constructed on the Hotel Site and excavation works commenced in Q4 2022. The construction, finishing and furnishing of the Hotel is expected to be completed by Q3 2024, following which the Hotel would (subject to and in accordance with, the terms of the Franchise Agreements) open its doors to the public. The costs for the overall construction and finishing expenditure of the Hotel are expected to be in the region of €24,310,000, as detailed below:

Demolition and excavation works	€310,000
Construction	€4,100,000
Finishing and furnishing	€16,000,000
Financial/commission/ancillary costs	€3,900,000

Juel Hospitality has engaged local construction companies to carry out the development works and shall engage several service providers for the purpose of finishing and furnishing the Hotel.

The development, finishing and furnishing costs of the Hotel shall be financed through a mix of bond proceeds of the Bond Issue, a loan of €2 million granted by the Franchisor to the Franchisee and bank financing. The Issuer will on-lend the net bond proceeds it receives from the Bond Issue (amounting to approximately €13,616,700) to Juel Hospitality for the purposes of part funding the construction, development and finishing costs. The construction, development and finishing costs will also be financed through a loan granted by the Franchisor. On 17 March 2022, the Franchisor (in its capacity as lender), Juel Hospitality (in its capacity as borrower) and the Issuer (in its capacity as guarantor) entered into loan agreement pursuant to which the Franchisor granted a loan facility in the amount of €2 million which may be utilised from the opening of the Hotel until the eighth anniversary thereof.

The Hotel is expected to generate gross operating profit per available room (GOPAR) of €22,000 as from financial year 2027.

Further information on the Hotel Site and the Hotel to be developed is included in the Valuation Report.

6.6 LICENSES

The Hotel shall be constructed as a Class 3B hotel in terms of the Development Planning (Use Classes) Regulations (Subsidiary Legislation 552.15). Once the Hotel is completed, the Group shall apply to obtain a license to operate the Hotel as a hotel in terms of the Malta Travel and Tourism Services Act (Cap. 409 of the laws of Malta).

6.7 THE FRANCHISE AGREEMENTS

By virtue of the Franchise Agreements, Juel Hospitality was granted the right and obligation to utilise the “HYATT CENTRIC” brand and systems in the development and operation of the Hotel in accordance with the Franchise Agreements. This entitles Juel Hospitality to benefit from the authorised use of the proprietary marks and reputation of the brand and regulates the manner in which the Hotel services are provided to its guests and other customers to ensure that the Hotel meets the quality and standards of a “HYATT CENTRIC” brand hotel. Juel Hospitality as owner and operator of the Hotel, must develop and operate the Hotel within the parameters of the Franchise Agreements.

The term of the Hotel franchise pursuant to the Franchise Agreements is for a period of 25 years from the opening of the Hotel and may be further extended for up to two successive periods of five years each upon mutual agreement of Juel Hospitality and the Franchisor. In consideration for Juel Hospitality’s right to benefit from the Franchisor’s brand and systems, Juel Hospitality must pay annual franchisee fees calculated on the gross revenue attributable to the sale of hotel rooms and gross revenue attributable to or payable for food and beverage operations of the Hotel. The Franchise Agreements cater for certain restrictions and requirements on the design, finish, and operation of the Hotel throughout the term of the Franchise Agreements. The Franchisor has the right to terminate the Franchise Agreements in certain circumstances, including where the Franchisee fails to meet quality standards or other requirements set out in the Franchise Agreements.

In order to ensure that Juel Hospitality’s use and operation of the Hotel complies with the terms of the Franchise Agreements, the Franchise Agreements oblige Juel Hospitality to provide the Franchisor with routine information on the operations of the Hotel. Such reporting requirements also extend to matters concerning the ownership and control of Juel Hospitality and the Group as a whole.

6.8 MANAGEMENT OF THE HOTEL

Once the Hotel is open to the public, the Hotel shall be operated by Juel Hospitality through an internal management team. For this purpose, Juel Hospitality shall employ skilled and experienced personnel with the necessary qualifications to perform their respective functions and responsibilities. Whilst the operation of the Hotel necessitates the employment of a variety of persons in different roles, the Hotel shall adopt a management structure which allows for the integration of personnel, in a manner which maximizes efficiency.

The management of the Hotel shall be led by a core management team headed by a general manager approved by the Franchisor. Given that the construction and finishing works of the Hotel shall not be completed before Q3 2024, Juel Hospitality has not yet employed a general manager as well as other members of its core management team.

7. FUNDING STRUCTURE AND SOLVENCY

There are no recent events particular to the Issuer or the Guarantors which are to a material extent relevant to an evaluation of their respective solvency. Other than as disclosed in this section 7, the Directors are not aware of any material change in the Issuer's borrowing and funding structure since the date of its incorporation and of any material change in the Guarantors' borrowing and funding structure since the end of their latest financial year ending 31 December 2022.

The Directors expect the Issuer's and the Guarantors' working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the Group's operations; (ii) external bank credit and loan facilities; and (iii) the proceeds from the Secured Bonds.

8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 THE BOARD OF DIRECTORS

The Board of Directors consists of five Directors who are entrusted with the overall direction, administration, and management of the Group and which currently consists of one executive Director, one non-executive Director and three independent non-executive Directors.

As at the date of this Registration Document, the Board of Directors is constituted of the names which appear under section 4.1 of this Registration Document.

8.2 EXECUTIVE DIRECTOR

Adrian Muscat is the executive Director of the Issuer.

The executive Director of the Issuer is entrusted with the day-to-day management of the Group. The executive Director is supported in this role by several consultants and key management, and benefits from the know-how gained by members and officers of the Group.

8.3 NON-EXECUTIVE DIRECTORS

The non-executive Directors' main functions are to monitor the operations and performance of the executive Director, as well as to review any proposals tabled by the executive Director, bringing to the Board the added value of independent judgment.

The non-executive Directors are George Muscat, Mario Camilleri, Robert C. Aquilina and Dennis Gravina.

8.4 THE BOARD OF DIRECTORS OF THE GUARANTORS

As at the date of this Registration Document, the board of directors of the Guarantors is constituted of the names which appear under section 4.2 of this Registration Document.

8.5 CURRICULA VITAE OF THE DIRECTORS OF THE ISSUER AND THE GUARANTORS

Mr. Adrian Muscat (Executive Director of the Issuer and the Guarantors)

Adrian Muscat began his career as a property consultant before moving on to project management. As a founding member and director of Gap Holdings Limited (C 27803), Adrian Muscat has led the project team responsible for on-site management of the projects undertaken by Gap Group since 2001. During the past 21 years, he has been involved in several property development projects relating to the development of residential units in Malta and Gozo. Adrian Muscat is the son of George Muscat who is the ultimate beneficial owner of 50% of the Bay Street Group, and he himself is an indirect minority shareholder of Baystreet. As such, Adrian Muscat regularly attends executive team meetings of the be.Hotel and the Hyatt Regency Malta for the purposes of reviewing the operational performance of both properties and determining the development strategy thereof. Adrian is a director and the sole ultimate beneficial holder of the Issuer.

Mr. George Muscat (Non-Executive Director of the Issuer)

George Muscat started his property development and construction business in the 1970s. Over the years, George Muscat has embarked on a variety of projects, from single block residential apartments to large and ambitious projects including the development known as "Fort Cambridge" in Sliema, Malta. George Muscat is a shareholder and director of several companies which do not form part of the GAP Group, but which are involved in the construction, property development, and real estate business, including Gap Holdings Limited (C 27803) which has undertaken various property developments.

As at the date of this Registration Document, under the leadership of George Muscat, the GAP Group has built up a considerable portfolio of residential and commercial developments at prices which service all sectors of the market. George Muscat is also a director and the ultimate beneficial holder of 50% of the equity capital of Bay Street Holdings Limited (C 12058) which owns, manages, and operates the Bay Street Entertainment Complex in Paceville, St Julian's, Malta. The Bay Street Entertainment Complex has today evolved into an entertainment hub with more than 70 retail outlets, restaurants, a language school, a 4-star hotel (be.Hotel) and a 5-star hotel (Hyatt Regency).

Mr. Mario Camilleri (Independent Non-Executive Director of the Issuer)

Mario Camilleri commenced his professional life at Bank of Valletta where he gained experience in several areas of the banking sector. Throughout his career Mario Camilleri has held several board and committee appointments, and senior management positions in the retail, real estate, commercial property, land-based gaming, hotel and leisure and banking sectors.

Mario Camilleri joined Bank of Valletta in 1987 until the year 2006. Throughout the 19 years he spent at Bank of Valletta, Mario Camilleri progressed from retail banking to international trade finance and corporate banking and finance, in which role he was responsible for a loan portfolio spread mainly over the hotel and leisure, real estate and manufacturing sectors.

Following his departure from the bank in the year 2006, Mario Camilleri was appointed as general manager and eventually, chief executive officer of the Bigbon group of companies. He was employed by the said group for a period of 15 years during which he headed the transition of the group from a family run business to a modern organisation, run by a team of non-family executives. In 2010, Mario was appointed as a director of Main Street Complex plc (C 34767), a publicly listed company.

Combining his banking background with the significant experience he gained in the private sector, Mario Camilleri specialises in the planning and raising of finance and funding requirements to support re-structuring plans and growth strategies, including treasury and financial management and the overseeing and implementation of business plans within organisations. Throughout the years he has been involved in corporate re-organisations, management buy-outs, business mergers, acquisitions and transfers, capital markets listings and the preparation thereof, revision of corporate governance systems, and strategic planning.

Mario Camilleri has a degree in financial services from the London Institute of Banking and Finance. Between 2000 and 2006, Mario was a visiting lecturer at the Maltese branch of the Institute of Financial Services, where he lectured in marketing, sales, and customer service.

Mr. Robert C. Aquilina (Independent Non-Executive Director of the Issuer)

Robert C. Aquilina joined his family business, Salvo Grima Group in 1973, a business which was established in 1860. He was subsequently appointed as managing director in 1988 and eventually chairman and CEO of the group in 2003. During his tenure, Robert C. Aquilina was instrumental in expanding the group's business from ship suppliers to multiple business activities, including freight forwarding, freeport warehousing, travel retail outlets in Malta and Palma De Mallorca, as well as an FMCG (fast-moving consumer goods) distribution company in the Netherlands. In April 2016, he relinquished his position as CEO of the group and became a non-executive chairman of the Salvo Grima Group Limited (C 2635), in line with the family charter.

Robert C. Aquilina has previously served at public level as chairman of the Malta Shipyards (leading to its privatisation) as well as a director of Enemalta Corporation and the Malta Resources Authority. He has also served as a director at Nordic Offshore Services A/S Denmark (NOS), Valletta Cruise Port p.l.c. (C 26269) and MelitaUnipol Insurance Agency Limited (C 22256).

Robert C. Aquilina has been a member of the Malta Chamber of Commerce since 1983, a council member (for ten years) and senior vice president (for five years) at the International Marine Purchasing Association (IMPA) as well as a founding member of the Airport Tax Free Association and Duty-Free Port Shops Association, Malta.

Robert C. Aquilina is licensed by the MFSA to provide directorship services and sits on the board of directors of a number of Maltese companies including companies regulated by the MFSA and companies having issued debt securities to the public. Robert C. Aquilina acts as chairman of the board of directors of a licensed financial institution and is a member of its compliance / remuneration committee.

Mr. Dennis Gravina (Independent Non-Executive Director of the Issuer)

Dennis Gravina joined Mid-Med Bank Limited in Malta in 1977, which bank became HSBC Bank Malta plc (C 3177) in 1999. Dennis Gravina has occupied several positions during his 43 year-long career at HSBC Bank Malta plc (C 3177). This came to an end in January 2020 when he occupied the role of head wholesale credit risk and was responsible for the bank's commercial lending decisions. He also set up one of the bank's commercial centres with the objective of the bank providing a more efficient service to the commercial customers. He was also one of the main contributors of the establishment of the corporate branch of the bank through which specialised services and personal attention are provided to established borrowers of the bank. For a number of years, he also managed the bank's lending services department intended at re-directing relationships requiring special attention; the recoveries section as well as the litigation department.

Dennis Gravina joined Attard Bros Group as credit control executive assisting also in the drafting of contracts of supply and is responsible in driving any legal cases.

8.6 CURRICULUM VITAE OF THE COMPANY SECRETARY OF THE ISSUER

Dr. Karen Coppini is a warranted advocate in Malta, specialising in corporate and commercial law, with a focus on IT law. She practiced at a local law firm for a number of years, where she was eventually responsible for the commercial law (maritime and aviation) department. Dr. Karen Coppini was also heavily involved in litigation before the courts of Malta as well as arbitration at the Malta Arbitration Centre. She subsequently opened her own legal practice "Coppini Legal". Dr. Karen Coppini has been involved in a number of assignments relating to GDPR compliance, including data audits and Data Protection Impact Assessments (DPIAs). Dr. Karen Coppini advises clients on various IT and commercial matters together with activity regulated by the MFSA, including financial institutions, capital markets and virtual financial assets. Following an examination on virtual financial assets organized by the Malta Institute of Management in 2019, Dr. Karen Coppini is authorised to be appointed as a "designated person" for VFA licensable activity.

Dr. Karen Coppini is authorised to act as a company services provider by the Malta Financial Services Authority. Dr. Karen Coppini has been appointed as company secretary for various companies, including companies listed on the MSE such as Von der Heyden Group Finance plc (C 77266) as well as the group company secretary of Hili Ventures Limited (C 57902), including four of its listed companies: Hili Properties plc (C 57954), Hili Finance Company plc (C 85692), 1923 Investments plc (C 63261), and Premier Capital plc (C 36522). During her appointment as company secretary for the four companies (December 2015 – December 2018) Dr. Karen Coppini worked closely with all departments of the group, advising the group's shareholders, directors and committee members on corporate and commercial matters, compliance procedures and corporate governance.

Dr. Karen Coppini is a lecturer at Global Business School Limited in business law in a digital context and until January 2023 formed part of the executive team of the Malta IT Law Association (MITLA).

8.7 MANAGEMENT STRUCTURE

The Issuer is a holding and finance company incorporated under the laws of Malta. The business of the Issuer is managed by the Board of Directors and does not separately employ any senior management. The Directors believe that the present organisational structure is adequate for the current activities of the Issuer. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The overall management of each Guarantor is entrusted to its board of directors who are the persons responsible for establishing the strategy of each Guarantor, including the responsibility for the appointment of all executive officers and other key members of management.

8.8 CONFLICTS OF INTEREST

Adrian Muscat is a director of the Issuer as well as the Guarantors. He is also a director of GAP Group Investments II and is the majority shareholder of the Issuer. George Muscat, who is the father of Adrian Muscat, is a director of the Issuer, Muscat Holdings, Muscat Holdings II, Juel Holdings and of GAP Group Investments II. Conflicts may arise between the potentially diverging interests of the Issuer and the Guarantors, particularly in connection with advances to be made by the Issuer to the applicable Guarantor in undertaking existing or new projects. Other than as stated above, there are no other conflicts of interest or potential conflicts of interest between the duties of Adrian Muscat and George Muscat and their private interests.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled according to law. The presence of an Audit Committee has the task to ensure that any potential abuse is managed, controlled, and resolved in the best interests of the Issuer. Any member of the Audit Committee who has a direct or indirect interest in any contract, transaction or arrangement that is brought before the Audit Committee is prohibited from being present at, and from voting, at any meeting of the Audit Committee during which such contract, transaction or arrangement is being discussed.

The presence of independent non-executive Directors on the Board of the Issuer aims to minimise the possibility of any abuse of control by its majority shareholder. Furthermore, in terms of the Memorandum and Articles of Association of the Issuer, in the event that a Director has a personal material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director is not entitled to vote on any decisions taken in connection therewith. This ensures that any director sitting on the boards of the Guarantors and the Issuer is precluded from using his vote on any decisions involving a contract or arrangement between the Guarantors and the Issuer.

8.9 BOARD PRACTICES

8.9.1 Audit Committee

The Audit Committee's primary objective is to assist the Board of Directors 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 external auditors are invited to attend Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance of the Issuer. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

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

- (a) its monitoring responsibility over the financial reporting processes, financial policies, and internal control structures;
- (b) maintaining communications on such matters between the Board, management, and the external auditors; and
- (c) preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

All three Directors sitting on the Audit Committee are independent non-executive Directors. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board.

Mario Camilleri is the independent non-executive Director who is competent in accounting and, or auditing matters in terms of the Capital Markets Rules. The chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Mario Camilleri occupies the post of chairman of the Audit Committee.

Pursuant to its terms of reference, the Audit Committee's remit covers the Issuer and each of the Guarantors.

8.9.2 Compliance with the Code of Corporate Governance

Prior to the present Prospectus, the Issuer was not regulated by the Capital Markets Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code"). As a consequence of the Bond Issue, the Issuer shall comply with the Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer as a debt issuer.

The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

Going forward, in view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, in line with the "comply or explain" philosophy of the Code, explaining the reasons for non-compliance, if any.

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

Principle 7 (Evaluation of the Board's Performance): The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board itself (half of which is composed by independent non-executive Directors), the Issuer's shareholders, the market and all of the rules and regulations to which the Issuer is subject as a company with its securities listed on a regulated market.

Principle 8 (Committees): The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined by the shareholders of the Issuer in accordance appointment process set out in the Issuer's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principle 9 (Relations with Shareholders and with the Market): currently there is no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholders via the office of the company secretary. In addition, such requirement in the Code is, in the Board's view, targeted at equity issuers rather than debt issuers.

9. MAJOR SHAREHOLDERS

9.1 THE ISSUER

As at the date of this Registration Document, all of the issued share capital (other than one non-voting share) of the Issuer is held by Adrian Muscat.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

9.2 THE GUARANTORS

The entire issued share capital of: (i) Juel Holdings; (ii) Juel Hospitality; (iii) Muscat Holdings; and (iv) Muscat Holdings II is held by the Issuer.

There are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Guarantors.

10. TREND INFORMATION AND FINANCIAL INFORMATION CONCERNING THE ISSUER'S AND THE GUARANTORS' ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

10.1 TREND INFORMATION

The Directors are of the view that the Issuer and each of the Guarantors shall, generally, be subject to the normal business risks associated with the property market in Malta and barring unforeseen circumstances, do not anticipate any likely material adverse effect on the Issuer's and each of the Guarantors' prospects, at least for the next 12 months. Upon completion of development and commencement of operations of the Hotel in 2024, the Group shall be subject to the normal business risks associated with the hospitality industry in Malta.

In 2022, real GDP growth reached 6.9%¹, which is higher than the 5.7% projected in autumn.² The economy showed strong growth in both private and public consumption, which were partially offset by a decrease in gross fixed capital formation. In addition to strong performance by the services sectors in general, the export of tourism services in 2022 rebounded quickly, both in terms of total number of visitors and tourism expenditures, contributing to overall positive economic results.

In 2023, real GDP is forecast to grow at a slower pace, by 3.1%, following a wider economic slowdown in Malta's main trading partners. In 2024, real GDP growth is expected to reach 3.7%, supported by net exports and growth in domestic demand. The strong impulse to growth from the recovery in tourism is however set to moderate in 2024, as tourist flows approach pre-pandemic levels.

Harmonised Index of Consumer Prices (HICP) inflation in 2022 reached 6.1%, despite energy prices being kept at 2020 level by government intervention. The Maltese authorities announced that they will continue limiting energy inflation in 2023 and 2024. Nonetheless, inflation in 2023 is set to remain elevated at 4.3%, due to continuing pressures in food, transport, and imported goods prices. In 2024, inflation is expected to subside to 2.4% as imported price pressures are also set to moderate.³

The Group's long-term strategy is to focus on operating the Hotel and on acquiring suitable sites for the development of residential and commercial units. The Directors are cautiously optimistic on the health of the hospitality and property markets in Malta, which opinion is based on the assumption that the international travel for leisure and, or business purposes will continue to grow, the general economy continues on its upward trajectory and that business confidence and disposable income remain positive.

In the near term, the Group will be principally focused on developing the Marsascala Development I and Marsascala Development II and to market the units that shall form part of the aforementioned projects once completed. At the same time, the Group will direct resources towards the development of the Hotel.

There has been no material adverse change in the financial performance and prospects of the Issuer and Guarantors since 31 December 2022 (being the date of the last published unaudited financial statements of each of the Issuer and Guarantors).

10.2 HISTORICAL FINANCIAL INFORMATION

The Issuer was incorporated on 24 January 2022. Its first set of audited financial statements relate to the period from 24 January 2022 to 31 December 2022.

Juel Hospitality was incorporated on 18 October 2021. Its first set of audited financial statements relate to the period from 18 October 2021 to 31 December 2022.

¹ National Statistics Office Malta – News Release 036/2023.

² European Economic Forecast, November 2022, European Commission Institutional Paper 187, page 104).

³ European Economic Forecast – Winter 2023 (European Commission Institutional Paper 194 Feb 2023).

The historical financial information pertaining to Muscat Holdings, Muscat Holdings II and Juel Holdings for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 has been extracted from the respective audited financial statements.

All the above financial statements are incorporated by reference in this Registration Document and may be accessed at the following hyperlink: <https://juel.mt/investor-relations/>

Pursuant to Regulation (EC) No. 1606/2002 on the application of international accounting standards, the financial statements for the financial years ended 31 December 2020 and 31 December 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the European Union.

The table below provides a cross-reference list to key sections of the financial statements of (i) Muscat Holdings, Muscat Holdings II and Juel Holdings for the financial years ended 31 December 2020, 31 December 2021, and 31 December 2022; (ii) GAP Group Investments II for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and the interim unaudited financial statements for the period commencing 1 January 2022 and ended 30 June 2022; and (iii) of the Issuer and Juel Hospitality for the financial year ended 31 December 2022.

	2019	2020	2021	2022
Muscat Holdings Limited:				
Independent auditor's report		13 - 14	3 - 5	3 - 5
Statement of comprehensive income		3	6	6
Statement of financial position		4	7	7
Statement of changes in equity		-	8	8
Statement of cash flows		-	9	9
Notes to the financial statements		5 - 12	10 - 25	10 - 26
Muscat Holdings (II) Limited:				
Independent auditor's report		11 - 12	3 - 5	3 - 5
Statement of comprehensive income		3	6	6
Statement of financial position		4	7	7
Statement of changes in equity		-	8	8
Statement of cash flows		-	9	9
Notes to the financial statements		5 - 10	10 - 23	10 - 25
Juel Holdings Limited:				
Independent auditor's report		15 - 16	3 - 5	3 - 5
Statement of comprehensive income		3	6	6
Statement of financial position		4	7	7
Statement of changes in equity		-	8	8
Statement of cash flows		-	9	9
Notes to the financial statements		5 - 14	10 - 24	10 - 26
Issuer:				
Independent auditor's report				2 - 5
Statement of comprehensive income				6
Statement of financial position				7
Statement of changes in equity				8
Statement of cash flows				9
Notes to the financial statements				10 - 35
Juel Hospitality Limited:				
Independent auditor's report				3 - 5
Statement of comprehensive income				6
Statement of financial position				7
Statement of changes in equity				8
Statement of cash flows				9
Notes to the financial statements				10 - 26
Gap Group Investments II Limited:				
Independent auditor's report	6 - 9	6 - 8	6 - 8	
Statement of comprehensive income	10	9	9	5
Statement of financial position	11 - 12	10 - 11	10 - 11	6 - 7
Statement of changes in equity	13	12	12	8
Statement of cash flows	14	13	13	9
Notes to the financial statements	15 - 41	14 - 40	14 - 41	10 - 12

There has been no significant change in the financial position of each of the Issuer and Guarantors since 31 December 2022 (being the date of the last financial period for which financial information has been published).

10.3 OPERATING AND FINANCIAL REVIEW

Set out below are condensed extracts from the financial statements prepared on a consolidated basis, referred to in section 10.2 above.

10.3.1 The Issuer

Juel Group p.l.c.**Consolidated Statement of Comprehensive Income
for the year ending 31 December 2022**

	Audited 11 months €'000
Revenue	5
Cost of sales	<u>(2)</u>
Gross profit	3
Administrative expenses	<u>(6)</u>
Operating loss	(3)
Net finance costs	<u>2</u>
Loss before tax	(1)
Taxation	<u>2</u>
Profit for the year	<u>1</u>

Juel Group p.l.c.**Consolidated Cash Flow Statement
for the year ending 31 December 2022**

	Audited 11 months €'000
Net cash from (used in) operating activities	(99)
Net cash from (used in) investing activities	1,260
Net cash from (used in) financing activities	<u>3</u>
Net movement in cash and cash equivalents	1,164
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>1,164</u>

Juel Group p.l.c.
Consolidated Statement of Financial Position
as at 31 December 2022

	Audited
	€'000
ASSETS	
Non-current assets	
Property, plant and equipment	21,129
Investment property	10,700
	<u>31,829</u>
Current assets	
Inventory	6,188
Trade and other receivables	919
Cash and cash equivalents	1,164
	<u>8,271</u>
Total assets	<u>40,100</u>
EQUITY	
Capital and reserves	
Called up share capital	10,951
Other equity	(18)
Retained earnings	1
	<u>10,934</u>
LIABILITIES	
Non-current liabilities	
Bank borrowings	6,064
Deferred taxation	856
	<u>6,920</u>
Current liabilities	
Bank overdraft and loans	8,000
Bond advance facility	9,488
Trade and other payables	4,758
	<u>22,246</u>
	<u>29,166</u>
Total equity and liabilities	<u>40,100</u>

The Issuer was incorporated on 24 January 2022 to act as the holding and finance company of the Group. Other than the acquisition of the Guarantors on 22 December 2022, the Issuer did not undertake any business activity during FY2022. Accordingly, the consolidated statement of comprehensive income for FY2022 primarily comprises the performance of the Guarantors between 23 December 2022 and 31 December 2022.

Non-current assets of the Group as at 31 December 2022 included the following:

- Property, plant and equipment of €21.1 million primarily related to the acquisition of the Hotel Site and development works thereon.
- Investment property amounted to €10.7 million and comprised 34 residential units (14 units in Birkirkara, ten units in Kappara and ten units in Luqa) which the Group manages for short let or long let purposes.

Current assets mainly comprised inventory and cash balances. Inventory predominantly related to property development units at cost.

The Group's equity amounted to €10.9 million as at 31 December 2022. Total liabilities totalled €29.2 million at year end and included bank borrowings and a bond advance facility of €23.6 million (in aggregate) and other creditors of €4.8 million.

10.3.2 The Guarantors

Muscat Holdings Limited			
Income Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Revenue	3,021	1,070	-
Cost of sales	(1,895)	(584)	-
Gross profit	1,126	486	-
Administrative expenses	(67)	(86)	(24)
Depreciation	(2)	(2)	(2)
Rental income	35	95	145
Operating profit	1,092	493	119
Gain on revaluation of investment property	-	3,887	-
Interest payable	(113)	(43)	(63)
Profit before taxation	979	4,337	56
Taxation	(161)	(683)	(18)
Profit for the year	818	3,654	38

Muscat Holdings Limited			
Cash Flow Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Net cash from / (used in) operating activities	2,443	579	(2,240)
Net cash from / (used in) investing activities	(1,283)	(86)	-
Net cash from / (used in) financing activities	(1,549)	(808)	2,179
Net movement in cash and cash equivalents	(389)	(315)	(61)
Cash and cash equivalents at beginning of period/year	1,219	830	515
Cash and cash equivalents at end of period/year	830	515	454

Muscat Holdings Limited
Statement of Financial Position
as at 31 December

	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Non-current assets			
Property, plant and equipment	18	16	13
Investment property	3,727	7,700	7,700
	<u>3,745</u>	<u>7,716</u>	<u>7,713</u>
Current assets			
Inventory - development project	1,654	1,059	1,059
Trade and other receivables	2,395	1,536	3,805
Cash and cash equivalents	830	515	454
	<u>4,879</u>	<u>3,110</u>	<u>5,318</u>
Total assets	<u>8,624</u>	<u>10,826</u>	<u>13,031</u>
EQUITY			
Capital and reserves			
Called up share capital	200	200	200
Retained earnings	3,813	6,867	6,905
	<u>4,013</u>	<u>7,067</u>	<u>7,105</u>
LIABILITIES			
Non-current liabilities			
Bank loans	-	522	2,800
Deferred tax	-	616	616
	<u>-</u>	<u>1,138</u>	<u>3,416</u>
Current liabilities			
Bank loans	924	60	-
Trade and other payables	2,439	1,178	1,167
Other financial liabilities	1,248	1,383	1,343
	<u>4,611</u>	<u>2,621</u>	<u>2,510</u>
	<u>4,611</u>	<u>3,759</u>	<u>5,926</u>
Total equity and liabilities	<u>8,624</u>	<u>10,826</u>	<u>13,031</u>

Income Statement

The first project undertaken by Muscat Holdings consisted of the development of three blocks in St Julian's, Malta comprising 31 units and 23 underlying garages (the St Julian's Development). Construction works commenced in 2017 and the development was fully completed in 2019. All said units and garages have been sold and the majority of contracts were signed in FY2019 and the initial part of FY2020.

Thereafter, Muscat Holdings developed three blocks in Birkirkara, Malta (the Birkirkara Development), of which, one block of 13 units and nine garages were completely sold, save for one garage, between FY2020 and FY2021, a second block of nine units has been committed to a third-party contractor in settlement of a liability of Muscat Holdings, while the third block consisting of 14 units and nine garages was retained for rental purposes as further described below.

In FY2020, Muscat Holdings developed a property in Kappara comprising ten residential units, a street level retail outlet with underlying car spaces (the Kappara Development).

Block 3 in Birkirkara has been leased to Juel Holdings for the purposes of renting such property as short lets under the brand name "StayMela". The Kappara Development (including the retail shop) was leased to a third party through Juel Holdings under a long-term lease agreement which expired on 23 May 2022. Thereafter, the retail shop was converted to an office for use by the Group, while the ten units in the Kappara Development are being used for short let operation purposes by Juel Holdings.

During FY2020 and FY2021, Muscat Holdings generated revenue of €4.1 million from the sale of property units in the St Julian's Development and the Birkirkara Development. Rental income of €130,000 reflects the lease of units in the Birkirkara Development and the Kappara Development to Juel Holdings. The fair value of the afore-stated leased property was increased by €3.9 million in FY2021. Aggregate profit for the financial years under review amounted to €4.5 million.

No property sales were executed during FY2022. As such, revenue for the said year represented rental income from Juel Holdings amounting to €145,000. Overall, Muscat Holdings reported a profit for FY2022 of €38,000.

Statement of Financial Position

Total assets as at 31 December 2022 amounted to €13.0 million and mainly comprised investment property of €7.7 million and receivables of €3.8 million. The former amount represents the fair value of the leased property forming part of the Birkirkara Development and the Kappara Development (in aggregate, 24 residential units). Receivables primarily include amounts due from related parties.

Equity as at 31 December 2022 amounted to €7.1 million, while total liabilities amounted to €5.9 million. Bank loans of €2.8 million relates to the outstanding balance of the bank facility used to end-finance the acquisition of the Kappara Development site and an equity release facility to inject funds into Juel Hospitality for the acquisition of the two Swieqi sites, forming part of the Hotel Site.

Muscat Holdings (II) Limited			
Income Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Revenue	-	8,745	370
Cost of sales	-	(6,332)	(221)
Gross profit	-	2,413	149
Administrative expenses	(3)	(271)	(4)
Operating profit	(3)	2,142	145
Interest payable	-	-	-
Profit/(loss) before taxation	(3)	2,142	145
Taxation	-	(431)	(19)
Profit/(loss) for the year	(3)	1,711	126

Muscat Holdings (II) Limited			
Cash Flow Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Net cash from / (used in) operating activities	(578)	4,908	(4,570)
Net cash from / (used in) financing activities	519	(3,193)	3,078
Net movement in cash and cash equivalents	(59)	1,715	(1,492)
Cash and cash equivalents at beginning of period/year	93	34	1,749
Cash and cash equivalents at end of period/year	34	1,749	257

Muscat Holdings (II) Limited
Statement of Financial Position
as at 31 December

	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Current assets			
Inventory - development project	5,425	266	5,050
Trade and other receivables	4	1,308	903
Cash and cash equivalents	34	1,749	257
	<u>5,463</u>	<u>3,323</u>	<u>6,210</u>
Total assets	<u>5,463</u>	<u>3,323</u>	<u>6,210</u>
EQUITY			
Capital and reserves			
Called up share capital	1	100	100
Retained earnings	(6)	1,706	1,832
	<u>(5)</u>	<u>1,806</u>	<u>1,932</u>
LIABILITIES			
Non-current liabilities			
Bank Loans	-	-	3,264
	<u>-</u>	<u>-</u>	<u>3,264</u>
Current liabilities			
Bank overdraft and loans	3,216	-	-
Trade and other payables	1,195	536	219
Other financial liabilities	1,057	981	795
	<u>5,468</u>	<u>1,517</u>	<u>1,014</u>
	<u>5,468</u>	<u>1,517</u>	<u>4,278</u>
Total equity and liabilities	<u>5,463</u>	<u>3,323</u>	<u>6,210</u>

Income Statement

In 2019, Muscat Holdings II acquired a plot of land situated in Imgarr, Malta and two plots in Naxxar, Malta for the development of the Imgarr Development and the Naxxar Development, respectively. The former project was completed in April 2021 and consisted of 14 residential units and 15 garages. The Naxxar Development was constructed between February 2020 and June 2021 and comprised ten residential units and 12 garages. Other than one garage within the Imgarr Development, all units and garages were sold in FY2021 and FY2022 and generated revenue amounting to €9.1 million. In the financial years under review, Muscat Holdings II registered a net profit (in aggregate) of €1.8 million.

Statement of Financial Position

Total assets as at 31 December 2022 amounted to €6.2 million and mainly included property acquisitions and one garage in Imgarr, Malta (inventory – property development project) of €5.1 million.

In February 2022, Muscat Holdings II acquired a plot of land in Triq il-Bahhara, Marsascala, Malta for the purposes of developing 28 residential units, one commercial outlet and 35 lock-up garages. The Marsascala Development I is covered by a fully development permit having permit number PA/03522/21. Construction works commenced in Q3 2022 and are scheduled for completion by Q4 2023 at an estimated cost of *circa* €5.4 million (inclusive of land cost). The project is being funded through bank financing and accumulated reserves. The directors are projecting to generate approximately €7.8 million in gross revenue.

In November 2021, Muscat Holdings II acquired three adjacent properties in Triq il-Hut, Marsascala for the purposes of developing the Marsascala Development II. The site is earmarked to be redeveloped into 25 residential units and 18 lock-up garages. Land acquisition and development costs are expected to amount to €4.4 million and shall be financed through a bank loan facility and accumulated reserves. Construction works commenced in February 2023 and are expected to be completed by Q2 2024. The Marsascala Development II is covered by a full development period having permit number PA/00876/22. The directors are projecting to generate approximately €6.4 million in gross revenue.

Total equity as at 31 December 2022 amounted to €1.9 million, while total liabilities amounted to €4.3 million. The principal amount related to a bank loan of €3.3 million used for the acquisition and development of the Marsascala Development I and the Marsascala Development II.

Juel Holdings Limited			
Income Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	17 months		
	(€'000)	(€'000)	(€'000)
Revenue	673	489	686
Cost of sales	(466)	(210)	(387)
Gross profit	207	279	299
Administrative expenses	(121)	(148)	(242)
Depreciation	(4)	(31)	(34)
Operating profit	82	100	23
Gain on revaluation of investment property	-	1,952	-
Interest payable	-	-	(2)
Profit before taxation	82	2,052	21
Taxation	(2)	(270)	(1)
Profit for the year	80	1,782	20

Juel Holdings Limited			
Cash Flow Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	17 months		
	(€'000)	(€'000)	(€'000)
Net cash from / (used in) operating activities	49	217	(190)
Net cash from / (used in) investing activities	(1,293)	(41)	(15)
Net cash from / (used in) financing activities	1,525	(131)	54
Net movement in cash and cash equivalents	281	45	(151)
Cash and cash equivalents at beginning of year	-	281	326
Cash and cash equivalents at end of year	281	326	175

Juel Holdings Limited
Statement of Financial Position
as at 31 December

	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Non-current assets			
Property, plant and equipment	1,289	251	232
Investment property	-	3,000	3,000
Deferred income tax	26	-	2
	<u>1,315</u>	<u>3,251</u>	<u>3,234</u>
Current assets			
Inventory - development project	177	130	79
Trade and other receivables	114	816	1,008
Cash and cash equivalents	281	326	175
	<u>572</u>	<u>1,272</u>	<u>1,262</u>
Total assets	<u>1,887</u>	<u>4,523</u>	<u>4,496</u>
EQUITY			
Capital and reserves			
Called up share capital	1	1	1
Retained earnings	80	1,862	1,882
	<u>81</u>	<u>1,863</u>	<u>1,883</u>
LIABILITIES			
Non-current liabilities			
Deferred tax	-	240	240
	<u>-</u>	<u>240</u>	<u>240</u>
Current liabilities			
Trade and other payables	282	245	178
Other financial liabilities	1,524	2,175	2,195
	<u>1,806</u>	<u>2,420</u>	<u>2,373</u>
	<u>1,806</u>	<u>2,660</u>	<u>2,613</u>
Total equity and liabilities	<u>1,887</u>	<u>4,523</u>	<u>4,496</u>

Income Statement

Juel Holdings was established in August 2019 and initiated operations by acquiring a site in Luqa, Malta for the development of two blocks of residential units. One block of apartments was owned jointly with a third party and to date all units have been sold, although the sale contract of one residential unit is yet to be executed. The second block, consisting of ten residential units and ten garages, is being managed for rental purposes under the brand name “StayMela”.

As such, Juel Holdings presently manages for short let or long let purposes 34 residential units – 14 units in Birkirkara, Malta and ten units in Kappara, Malta (owned by Muscat Holdings) and the above-mentioned ten units forming part of the Luqa Development.

Revenue generated by Juel Holdings over the three-year period under review amounted to €1.8 million and operating profit, in aggregate, amounted to €206,000. In FY2021, the fair value of the ten residential units at the Luqa Development was increased by €1.95 million. Overall, Juel Holdings reported profits for the three-year period of €1.9 million.

Statement of Financial Position

Total assets as at 31 December 2022 amounted to €4.5 million and principally comprised investment property amounting to €3.0 million (being ten units at the Luqa Development) and trade and other receivables of €1.0 million (mainly consisting of amounts due from shareholder and related parties).

Total equity as at 31 December 2022 amounted to €1.9 million while total liabilities amounted to €2.6 million. The latter amount primarily reflects amounts due to related parties.

Juel Hospitality Limited Income Statement for the year ended 31 December	2022 Audited 15 months (€'000)
Revenue	-
Cost of sales	-
Gross profit	-
Administrative expenses	(7)
Depreciation	-
Operating loss	(7)
Interest payable	(1)
Loss before taxation	(8)
Taxation	-
Loss for the year	(8)

Juel Hospitality Limited Cash Flow Statement for the year ended 31 December	2022 Audited 15 months (€'000)
Net cash from / (used in) operating activities	124
Net cash from / (used in) investing activities	(20,883)
Net cash from / (used in) financing activities	21,036
Net movement in cash and cash equivalents	277
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	277

Juel Hospitality Limited	
Statement of Financial Position	
as at 31 December	
	2022
	Audited
	(€'000)
Non-current assets	
Property, plant and equipment	20,883
	<u>20,883</u>
Current assets	
Trade and other receivables	97
Cash and cash equivalents	277
	<u>374</u>
Total assets	<u>21,257</u>
EQUITY	
Capital and reserves	
Called up share capital	20
Retained earnings	<u>(8)</u>
	<u>12</u>
LIABILITIES	
Non-current liabilities	
Other financial liabilities	17,592
	<u>17,592</u>
Current liabilities	
Trade and other payables	229
Other financial liabilities	3,424
	<u>3,653</u>
	<u>21,245</u>
Total equity and liabilities	<u>21,257</u>

Juel Hospitality was set up on 18 October 2021 and its main activity since incorporation has been the acquisition of adjacent sites in Swieqi in September 2022, for a consideration of *circa* €18.5 million. The said properties have a superficial area of approximately 996m² and are being developed into the Hotel to be operated by Juel Hospitality under the brand "Hyatt Centric Malta". As at 31 December 2022, the carrying value of the Hotel amounted to €20.9 million (accounted for as property, plant and equipment).

Total equity and liabilities amounted to €21.3 million and principally comprised amounts due to related parties (primarily the Issuer).

10.4 PRO FORMA FINANCIAL INFORMATION

The financial information set out in this review represents pro forma consolidated financial information. This pro forma information presents what the Issuer's consolidated statement of financial position would have looked like had the Group existed in its current form, comprising all its current constituent components, as at 31 December 2022.

Details relating to the basis for preparation and the pro forma adjustments for the compilation of the pro forma statement of financial position at 31 December 2022 are available for review on the Issuer's website and is available for inspection as detailed in section 17 of this Registration Document. The pro forma statement of financial position together with the independent accountant's report thereon is incorporated by reference in this Registration Document.

The table below provides a cross-reference list to key sections of the pro forma consolidated financial information:

	Page No.
Independent accountant's report	i - iii
Purpose of the pro forma consolidated financial information	2
Basis of preparation	3
Pro forma consolidated statement of financial position	4
Notes to the pro forma financial information	5 - 14
Statement of pro forma adjustments	15 - 17

A statement of financial position of the Group as at 31 December 2022 including comparatives based on pro forma adjustments as at the same financial period, are set out below:

Juel Group p.l.c.
Pro forma Consolidated Statement of Financial Position
as at 31 December 2022

	Audited	Adjustments			Pro forma
	(€'000)	(I) (€'000)	(II) (€'000)	(III) (€'000)	(€'000)
Non-current assets					
Investment property	10,700	-	-	-	10,700
Property, plant and equipment	21,129	-	-	-	21,129
Equity-accounted investees	-	7,915	-	-	7,915
	<u>31,829</u>	<u>7,915</u>	<u>-</u>	<u>-</u>	<u>39,744</u>
Current assets					
Inventory - development project	6,188	-	-	-	6,188
Trade and other receivables	145	-	-	-	145
Amounts due from shareholders	774	-	(774)	-	-
Cash and cash equivalents	1,164	-	-	-	1,164
	<u>8,271</u>	<u>-</u>	<u>(774)</u>	<u>-</u>	<u>7,497</u>
Total assets	40,100	7,915	(774)	-	47,241
EQUITY					
Capital and reserves					
Share capital and premium	10,951	7,915	-	2,092	20,958
Retained earnings	(17)	-	-	-	(17)
	<u>10,934</u>	<u>7,915</u>	<u>-</u>	<u>2,092</u>	<u>20,941</u>
LIABILITIES					
Non-current liabilities					
Borrowings	6,064	-	-	-	6,064
Deferred tax liability	856	-	-	-	856
	<u>6,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,920</u>
Current liabilities					
Bank loans	8,000	-	-	-	8,000
Bond advance facility	9,488	-	-	-	9,488
Trade and other payables	1,892	-	-	-	1,892
Amounts due to related parties	2,851	-	(2,851)	-	-
Amounts due to shareholders	15	-	2,077	(2,092)	-
	<u>22,246</u>	<u>-</u>	<u>(774)</u>	<u>(2,092)</u>	<u>19,380</u>
	<u>29,166</u>	<u>-</u>	<u>(774)</u>	<u>(2,092)</u>	<u>26,300</u>
Total equity and liabilities	40,100	7,915	(774)	-	47,241

The pro forma adjustments include the following:

- I) Represents the inclusion of 33.3% of the voting shares in GAP Group Investments II, which equity stake was acquired by the Issuer on 14 April 2023;
- II) Represents the assignment of related party balances to Mr. Adrian Muscat, the ultimate beneficial owner;
- III) Reflects the capitalisation of amounts due to the shareholder following the adjustment in point (II) above.

On a pro forma basis, total equity of the Group as at 31 December 2022 amounted to €20.9 million.

Total liabilities amounted to €26.3 million, primarily made up of outstanding bank loans amounting to €14.1 million and a bond advance facility of €9.5 million.

Total assets amounted to €47.2 million and principally comprised investment property (residential units used for rental purposes), property, plant, and equipment (the Hotel), investment in GAP Group Investments II and inventory of development projects.

11. LEGAL AND ARBITRATION PROCEEDINGS

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

12. REGULATORY MATTERS

In anticipation of the Bond Issue, MZI granted a facility in the amount of approximately €9.27 million to the Issuer to be utilised for the purposes of the acquisition of the Rocheville Site. The said funds were advanced pursuant to a bond advance facility agreement which provides that the amount of €9.27 million and a premium thereon shall be repaid by the Issuer to MZI either by virtue of the allocation of Secured Bonds in favour of MZI or such persons as it may direct (subject to the Issue of Secured Bonds being completed) or in cash.

MZI advanced funds to the Issuer based on information on the Group's business and its financial position as contained in an offering memorandum published by the Issuer. The offering memorandum related to an offer of an €8 million zero coupon exchangeable global note issued in favour of MZI and the subsequent issue of participation notes by MZI (as global noteholder) in favour of third-party investors which expressed a willingness to invest in the global note. The global note is redeemable unless previously exchanged for bonds issued by the Issuer. The total amount raised by the Issuer pursuant to the offering memorandum was in the amount of approximately €3.98 million. The amount of approximately €5.29 million was raised by MZI separately from the offer made pursuant to the offering memorandum.

The Issuer and MZI were of the view that in light of the nature of the offer made at the time, it was not necessary for such offering memorandum to be submitted for approval by the MFSA. As a result, said offering memorandum was not submitted to the MFSA for its approval, and accordingly the MFSA did not approve the offering memorandum. As at the date of this Registration Document, the MFSA is assessing whether the issuance of the offering memorandum was in line with the Prospectus Regulation and applicable legislation. The Issuer has received a series of letters from the MFSA requiring clarification and supporting evidence in this regard. Whilst the Issuer has responded to the said queries and requests for clarification, should the MFSA take the view that the offering memorandum was not issued in accordance with the Prospectus Regulation and applicable legislation, the Issuer may be subject to regulatory action by the MFSA.

13. SHARE CAPITAL

13.1 SHARE CAPITAL OF THE ISSUER

As at the date of this Registration Document, the issued share capital of the Issuer is 19,066,227 divided into 19,066,226 Ordinary "A" Shares and one Ordinary "B" Share, each having nominal value of one Euro (€1.00), fully paid-up.

In terms of the Issuer's Memorandum and Articles of Association, none of the capital shall be issued in such a way as would effectively alter the control of the Issuer without the prior approval of the Issuer in a general meeting.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application has been filed for the shares of the Issuer to be quoted on the Malta Stock Exchange.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

13.2 SHARE CAPITAL OF THE GUARANTORS

The Guarantors are private companies established under the Act and none of their share capital is admitted to listing or trading on an exchange.

There is no capital of any Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the company is to be put under option.

The issued share capital of the Guarantors is set out below:

Guarantor	Issued share capital
Juel Holdings	€1,200 divided into 1,200 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.
Juel Hospitality	€20,000 divided into 20,000 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.
Muscat Holdings	€200,000 divided into 200,000 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.
Muscat Holdings II	€100,000 divided into 100,000 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.

13.3 MEMORANDUM AND ARTICLES OF THE ISSUER AND THE GUARANTORS

13.3.1 Memorandum and articles of the Issuer

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

- a) to act as a holding company and invest and hold share participations and debentures in any other company, partnership, or business;
- b) to provide management, administration, technical, financial, and professional services and to provide human resources to its subsidiaries and, or associated companies of other companies relative and incidental to its business; and
- c) to obtain loans, overdrafts, credits and other financial and monetary facilities without limitation and otherwise borrow or raise money in such a manner as it shall think fit and to secure the repayment of any money borrowed, raised or owing by privilege, hypothec, mortgage or charge upon the whole or any part of its property and assets (whether present or future) including all or any of the uncalled capital for the time being of the company, and also by similar privilege, hypothec, mortgage or charge to secure and guarantee the performance of the company of any contracts, obligations or liabilities it may undertake.

13.3.2 Memorandum and articles of the Guarantors

The memorandum and articles of association of Muscat Holdings, Muscat Holdings II and Juel Holdings are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the aforementioned Guarantors is set out in clause four of their respective memorandum of association. The main trading activity of each of the aforementioned Guarantors is:

- (i) to purchase, sell, exchange, improve, mortgage, charge, rent, let on lease, hire, surrender, license, accept surrenders of and otherwise acquire and/or deal with any freehold, leasehold or other immovable property, chattels and effects, erect, pull down, repair, alter, develop, sell or otherwise deal in any immovable property;

The memorandum and articles of association of Juel Hospitality are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which Juel Hospitality is established is set out in clause three of its memorandum of association. The main trading activity of Juel Hospitality is:

- (i) to carry on the business of owners and/or operators of hotels, and of guest houses, restaurants, and catering establishments forming part of such Hotel.

The memorandum and articles of association of all the Guarantors give each respective Guarantor the power:

- (i) to guarantee the payment of moneys whether due to the Company or by any third party, or to guarantee the performance of any contract or obligation in which the Company or any subsidiary of the Company or any associated company of the Company may be interested, even by hypothecation of the Company's property present and future.

14. MATERIAL CONTRACTS

Neither the Issuer nor the Guarantors have entered into any material contract not entered into in the ordinary course of their business, which could result in the Issuer, the respective Guarantor or any member of the Group being under an obligation or entitlement that is material to the ability of the Issuer or the Guarantors to meet their obligations in respect of the Secured Bonds.

15. PROPERTY VALUATION REPORT

The Issuer commissioned Architect Ruben Sciortino to issue the Valuation Report. The following are the details of Architect Ruben Sciortino:

Business Address: Sorenson, Danny Cremona Street, Hamrun, Malta.
Qualifications: B.E.&A. (Hons) A.&C.E.

The Valuation Report is incorporated by reference to the Prospectus and is accessible at the following hyperlink: <https://juel.mt/investor-relations/>

16. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Valuation Report and the financial analysis summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, which has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Jesmond Mizzi, Managing Director at Jesmond Mizzi. Jesmond Mizzi does not have any material interest in the Issuer.

The Valuation Report has been included in the form and context in which it appears with the authorisation of Architect Ruben Sciortino who has given and has not withdrawn his consent to the inclusion of the report herein. Architect Ruben Sciortino does not have any material interest in the Issuer.

The Issuer confirms that the financial analysis summary and the Valuation Report have been accurately reproduced in the Prospectus and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

17. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration of this Registration Document, the following documents are available for inspection at the registered address of the Issuer and are incorporated by reference in the Prospectus:

- (a) the audited financial statements of: (i) Juel Holdings for the period commencing on 8 August 2020 to 31 December 2020, the financial year ended 31 December 2021 and the financial year ended 31 December 2022; (ii) Muscat Holdings for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022; (iii) Muscat Holdings II for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022; (iv) Juel Hospitality for the period commencing on 18 October 2021 to 31 December 2022; and (v) the Issuer for the period commencing on 24 January 2022 to 31 December 2022, all of which are accessible at the following hyperlink: <https://juel.mt/investor-relations/>;
- (b) the audited financial statements of GAP Group Investments II for the three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and the interim unaudited financial statements for the period commencing 1 January 2022 and ended 30 June 2022 of GAP Group Investments II, all of which are accessible at the following hyperlink: <https://juel.mt/investor-relations/>;
- (c) the pro forma statement of financial position of the Issuer as at 31 December 2022, accessible at the following hyperlink: <https://juel.mt/investor-relations/>;
- (d) the financial analysis summary, prepared by the Sponsor and dated 6 June 2023, accessible at the following hyperlink <https://juel.mt/investor-relations/>; and
- (e) the Valuation Report, accessible at the following hyperlink: <https://juel.mt/investor-relations/> .

Copies of the memorandum and articles of association of the Issuer and each of the Guarantors are also available for inspection in electronic form on the Issuer's website at www.juel.mt.

The Trust Deed is available for inspection at the registered address of the Issuer.

SECURITIES NOTE

DATED 6 JUNE 2023

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

In respect of an issue of up to **€32,000,000 5.5% secured bonds 2035** of a nominal value of €100 per bond, issued and redeemable at par by



JUEL GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 101395

WITH THE JOINT AND SEVERAL GUARANTEE OF
JUEL HOSPITALITY LIMITED (C 100482), JUEL HOLDINGS LIMITED (C 92861),
MUSCAT HOLDINGS LIMITED (C 77653) AND MUSCAT HOLDINGS (II) LIMITED (C 89275)

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

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

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

APPROVED BY THE BOARD OF DIRECTORS

A blue ink signature of Adrian Muscat, consisting of a large, stylized 'A' followed by a cursive name.

Adrian Muscat

A blue ink signature of George Muscat, consisting of a cursive name.

George Muscat

Signing in their own capacity as directors of the Issuer and on behalf of each of Robert C. Aquilina, Mario Camilleri, and Dennis Gravina, as their duly appointed agents.

Sponsor



Manager & Registrar



Security Trustee

EQUINOX INTERNATIONAL
LIMITED

Legal Counsel

Dr Chris Cilia

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1. IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF UP TO €32,000,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.5% PER ANNUM PAYABLE ANNUALLY ON 27 JUNE OF EACH YEAR. THE NOMINAL VALUE OF THE SECURED BONDS SHALL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE SECURED BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE SECURED BONDS, AS APPLICABLE, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURED BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS OR ADVISERS.

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

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

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

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

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

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

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

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING “**ADVISERS**” IN SECTION 4.6 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

2. DEFINITIONS

Words, expressions, and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document. Additionally, the following words and expressions used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Admission	admission of the Secured Bonds to the Official List and to trading on the main market for listed securities of the MSE becoming effective in accordance with the Capital Markets Rules and the MSE Bye-Laws;
Applicant/s	a person or persons who subscribes for Secured Bonds;
Application/s	the application to subscribe for Secured Bonds through an Authorised Financial Intermediary in the form provided to the Applicant by the relevant Authorised Financial Intermediary;
Authorised Financial Intermediaries	the financial intermediaries whose details appear in Annex II, appended to this Securities Note;
Bond Advance Facility Agreement	the bond advance facility agreement dated 5 September 2022 as amended on 14 April 2023 by and between MZI, the Issuer, Juel Hospitality and Equinox International Limited (C 29674) in its capacity as security trustee in terms of such facility, whereby the Issuer was granted the Bond Advance Facility Amount for the purpose of part financing the acquisition of the Hotel Site;
Bond Advance Facility Amount	the amount of €9,272,300;
Bondholder	a holder of Secured Bonds whose name and other details are registered from time to time in the register of Bondholders maintained at the CSD;
Bondholders' Meeting	means a meeting of Bondholders held in accordance with section 6.14 of this Securities Note;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Civil Code	the Civil Code (Cap. 16 of the laws of Malta);
Collateral or Security Interests	means, collectively, the following security interests to be constituted in favour of the Security Trustee: <ul style="list-style-type: none">(i) the first-ranking general hypothec for the amount of €32 million, over all the present and future property of the Issuer;(ii) the first-ranking general hypothec for the amount of €32 million, over all the present and future property of Juel Hospitality;(iii) the first-ranking special hypothec granted by Juel Hospitality for the amount of €32 million over the Hotel Site (and any developments and constructions thereon); and(iv) the Pledge Agreement;
CSD	the Central Securities Depository of the Malta Stock Exchange having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Guarantee	the joint and several guarantee granted by Juel Holdings, Juel Hospitality, Muscat Holdings, and Muscat Holdings II to the Security Trustee appended to this Securities Note as Annex I;
Interest Payment Date	27 June of each year between and including each of the years 2024 and 2035, provided that if any such day is not a Business Day such Interest Payment Date shall be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of Secured Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements as further described in section 8.4. of this Securities Note;
Issue Date	expected on 30 June 2023;
Offer Period	the period between 08:30 hours on 12 June 2023 and 14:00 hours on 27 June 2023;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;

Pledge Agreement or Pledge	the pledge agreement to be entered into by and between Juel Hospitality, the Issuer, and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds as security for the full nominal value of the Secured Bonds and interest thereon;
Redemption Date	27 June 2035;
Redemption Value	the nominal value of each Secured Bond (€100 per Secured Bond);
Registration Document	the registration document issued by the Issuer dated 6 June 2023, forming part of the Prospectus;
Securities Note	this document in its entirety; and
Terms and Conditions	the terms and conditions of the Secured Bonds set out in sections 5.5 and 6 of this Securities Note.

Unless it appears otherwise from the context:

- (i) words importing the singular shall include the plural and *vice-versa*;
- (ii) words importing the masculine gender shall also include the feminine gender and *vice-versa*;
- (iii) the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- (iv) all references in this Securities Note to “Malta” shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- (v) 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
- (vi) any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force as the date of this Securities Note.

3. RISK FACTORS

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

AN INVESTMENT IN THE SECURED BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURED BONDS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURED BONDS IF SUCH RISK FACTOR WERE TO MATERIALISE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE SECURED BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY SECURED BONDS, SHOULD PURCHASE ANY SECURED BONDS. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE.

3.1 FORWARD LOOKING STATEMENTS

This Securities Note contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s and, or the Group’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Group’s actual results of operations, financial condition, liquidity, and the development of its business may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, and, or liquidity of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results, or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled “**Risk Factors**” in the Registration Document, for a review of the factors that could affect the Issuer’s performance. 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.

3.2 RISKS RELATING TO THE SECURED BONDS

3.2.1 Risks Relating to the Secured Bonds

3.2.1.1 Subsequent changes in interest rate and the potential impact of inflation

The Secured Bonds are fixed rate debt securities. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Secured Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities (such as the Secured Bonds) tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Secured Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Secured Bonds can generally be expected to rise.

The coupon payable on the Secured Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Secured Bond coupons. In a period of high inflation, an investor’s real return on the Secured Bonds will be lower than the Secured Bonds’ nominal interest rate and thus undermine an investor’s expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Secured Bonds on the secondary market.

3.2.1.2 No prior market for the Secured Bonds

Prior to the Bond Issue and Admission, there has been no public market for the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue. The market price of the Secured Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in section 3 of the Registration Document.

3.2.1.3 Orderly and liquid secondary market

The existence of an orderly and liquid market for the Secured Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Secured Bonds at any given time and the general economic conditions in the market in which the Secured Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Secured Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Secured Bonds at all.

3.2.1.4 Future public offers

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

3.2.1.5 Currency of reference

A Bondholder shall bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Secured Bonds (this being the Euro “€”) and the Bondholder’s currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

3.2.1.6 Changes in law

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

3.2.1.7 Amendments to the Terms and Conditions

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions it may call a Bondholders' Meeting in accordance with the provisions of section 6.14 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Furthermore, each Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' Meeting duly convened and held, to amend or waive the Terms and Conditions which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to the following changes: (i) the amount payable by a Guarantor under the Guarantee; (ii) the term and, or frequency of such payments; (iii) the Events of Default specified in section 6.11 of this Securities Note; and, or (iv) any other term which may otherwise increase the exposure of a Guarantor to the enforcement of the Guarantee. Were any of the Guarantors to exercise such right of veto, the proposed amendment to, or waiver of, the Terms and Conditions would not be put into effect.

3.2.1.8 Continuing Obligations

After the Secured Bonds are admitted to trading on the Official List, the Issuer must remain in compliance with the Capital Markets Rules relating to its continuing obligations and other regulatory and, or legal requirements. The MFSA has the authority to suspend trading of the Secured Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the MFSA may discontinue the listing of the Secured Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Secured Bonds are no longer possible, or upon the request of the Issuer or 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 Secured Bonds.

3.2.2 Risks relating to the Guarantors and the Collateral

3.2.2.1 Risks relating to the business of the Guarantors

The risk factors contained in section 3.3 of the Registration Document entitled "**Risks relating to the Group**" apply to the business and operations of the Guarantors. If any of the risks mentioned in section 3.3 of the Registration Document were to materialise, they could have a material adverse effect on the ability of the Guarantors to satisfy their respective obligations under the Guarantee.

3.2.2.2 Risks relating to the ranking of the Collateral

The Secured Bonds are secured by the Collateral. The Collateral shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry in Malta securing the privileged creditor's claim.

Privileged creditors include, but are not limited to, architects, contractors, masons, and other workmen. Privileged creditors may register a special privilege over an immovable constructed, reconstructed or repaired by them for the debts due to them in respect of the expenses and price of their work. The contractor responsible for the development of the Hotel has waived its right to the registration of a special privilege with the Public Registry in Malta and has further undertaken to use best efforts to ensure that any of its sub-contractors will also waive their right to a special privilege. However, over the course of their business, the Issuer and Juel Hospitality may contract debts with other privileged creditors. In such case, privileged creditors will rank with preference to the Security Trustee in whose favour the general hypothecs and special hypothecs shall be constituted.

The ranking of security has a bearing on the success of a creditor to get paid from the enforcement of the Collateral should the Issuer not have sufficient assets to pay all its creditors. The Security Trustee will be paid out of the assets of the Issuer after privileged creditors and those creditors which are given priority over the relevant Collateral by law. Accordingly, in the case of a competition of creditors, Bondholders may not recover their investment in the Secured Bonds, whether in full or in part.

3.2.2.3 Enforcement of security

Although the Secured Bonds are secured by the Collateral, there can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Secured Bonds in case of a default. The amount which may be recovered under the general hypothecs constituted over the assets (both present and future) of the Issuer and Juel Hospitality will depend on the nature and value of the assets forming part of the patrimony of the aforementioned collateral providers at the point in time that the Security Trustee enforces the general hypothecs.

Juel Hospitality has constituted a first-ranking special hypothec over the Hotel Site and any developments thereon in favour of the Security Trustee. There can be no guarantee that the value of the Hotel Site and the Hotel to be developed thereon will be sufficient to cover the full amount of interest and principal outstanding under the Secured Bonds. This may be caused by a number of factors, including but not limited to, general economic factors that could have an adverse impact on the value of the Hotel Site and, or Hotel. If such circumstances were to arise or subsist at the time that the special hypothec is enforced by the Security Trustee, it could have a material adverse effect on the value of the Hotel Site and, or the Hotel and the recoverability of all the amounts outstanding under the Secured Bonds.

In addition to the aforesaid, the valuation of the Hotel Site and the Hotel prepared by an independent qualified architect contains certain assumptions, which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that the property valuation and property-related assets will reflect actual market values at the time of enforcement of the Collateral over the Hotel Site and, or the Hotel.

3.2.2.4 Risks relating to the Guarantee granted by the Guarantors

The Secured Bonds are being guaranteed by the Guarantors on a joint and several basis. Accordingly, the Security Trustee, for the benefit of the Bondholders, shall be entitled to request any or all of the Guarantors to pay both the interest due and the principal amount under the said Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantors without having to first take action against the Issuer.

The strength of the undertakings given under the Guarantee and, accordingly, the amount which may be recovered by the Security Trustee from the Guarantors is dependent upon and directly linked to the financial position and solvency of the Guarantors.

3.2.2.5 Risks relating to funding from other sources.

As further described in section 5.1 of this Securities Note, the Bond Issue is conditional upon the subscription of a minimum of €21,000,000 in nominal value of Secured Bonds. The Issuer requires approximately €20,400,000 to complete the development and finishing of the Hotel. The Issuer has secured bank financing and financing from the Franchisor in an approximate total amount of €6,700,000. On the assumption that a total of €21,000,000 Secured Bonds is subscribed to by Bondholders, the Group will require approximately €11,000,000 to fund the projected balance of the costs for the completion and development of the Hotel. In this circumstance, the Issuer's financing strategy is to seek alternative funding, either through the issuance of instruments on the capital markets, through bank financing, through its own reserves or through a mix of these financing options.

There is no certainty that the Group will be able to obtain the full capital it requires for the completion of the Hotel through alternative financing or that it will obtain such financing on favourable terms. Accordingly, the Bondholders are subject to the risk that the completion of the Hotel may be stalled and, or suspended until such financing is obtained by the Issuer. A shortage in the financing required will affect the projected timeline for the opening of the Hotel, which in turn may have an adverse effect on the financial position of the Group.

4 PERSONS RESPONSIBLE

This Securities Note includes information given in compliance with the Prospectus Regulation for the purpose of providing prospective investors with information regarding the Issuer. All of the Directors whose names appear in section 4.1 of the Registration Document entitled "**Directors of the Issuer**" accept responsibility for the information contained in this Securities Note.

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

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors take sole responsibility for all such representations and statements. The Sponsor, Manager & Registrar, and the Issuer's advisers have advised and assisted the Issuer in the preparation of this document, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

4.1 CONSENT FOR USE OF THE PROSPECTUS

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

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

- (i) in respect of Secured Bonds subscribed for through the Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
- (ii) to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place in Malta; and
- (iii) to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place within 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor nor the Manager & Registrar or any of their respective advisers take responsibility for any actions of an Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of the Secured Bonds.

Other than as set out above, neither the Issuer, the Sponsor nor the Manager & Registrar has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Secured Bonds by any person in any circumstance. Any such unauthorised offers are not made on behalf of the Issuer, the Sponsor or the Manager & Registrar and neither the Issuer, the Sponsor nor the Manager & Registrar has any responsibility or liability for the actions of any person making such offers.

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

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

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

Any resale, placement, or other offering of Secured Bonds to an investor by an Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it shall be the responsibility of the respective Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information.

Any Authorised Financial Intermediary using this Securities Note in connection with a resale, placement, or other offering of Secured Bonds subsequent to the Bond Issue shall, limitedly for a period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Securities Note for such resale, placement, or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note shall be made available through a company announcement which shall also be made available on the Issuer's website: www.juel.mt.

5 ESSENTIAL INFORMATION

5.1 REASONS FOR THE BOND ISSUE AND USE OF PROCEEDS

The amount of €9,743,300 will not be received by the Issuer as net bond proceeds. An amount of €9,743,300 in nominal value of Secured Bonds shall be issued and allotted to MZI, or such persons as it may direct, in repayment of the Bond Advance Facility Amount and the premium outstanding thereunder.

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €21,616,700, shall be used for the following purposes:

- (i) approximately €8,000,000 shall be used to finance outstanding principal and interest under a bank loan granted by Bank of Valletta to the Issuer for the purposes of the acquisition of the Sans Souci Site by Juel Hospitality;
- (ii) approximately €13,616,700 shall be utilised to partly finance the construction and development of the Hotel in accordance with approved planning permits as well as finishing costs attributable to the construction and completion of the Hotel. For this purpose, the Issuer (as lender) has entered into a conditional loan agreement with Juel Hospitality (as borrower) whereby the Issuer has agreed to advance the amount of €13,616,700 to Juel Hospitality, subject to the terms and conditions listed therein. The obligation of the Issuer to advance the said funds to Juel Hospitality is conditional upon, *inter alia*, the issue and allotment of the Secured Bonds, which in turn is conditional upon the Secured Bonds being admitted to the Official List. The net bond proceeds relative to this purpose will only be released by the Security Trustee in such amounts as confirmed by an architect or project manager to be due by the Group.

The Issuer has established a minimum aggregate subscription amount of €21,000,000 on which the Bond Issue is conditional. In the event that the Bond Issue is not fully taken up, but the said minimum is satisfied or exceeded, the Issuer shall issue Secured Bonds up to the amount subscribed for.

Should the Bond Issue not be fully subscribed to pursuant to the Intermediaries' Offer, the total amount of net bond proceeds from the Bond Issue shall first be utilised for the purposes set out in section 5.1(i) above. Any remaining balance shall be utilised for the purposes set out in section 5.1(ii).

Following the Bond Issue, all proceeds shall be held by the Security Trustee. The Security Trustee shall, save for the payment of the expenses related to the Bond Issue, retain all remaining net bond proceeds until the Secured Bonds are admitted to the Official List.

5.2 DYNAMICS FOR CLOSING

The net bond proceeds shall be released by the Security Trustee, and the Collateral shall be constituted in favour of the Security Trustee, in the manner described in this section 5.2.

Upon the issue, allotment and listing of the Secured Bonds in favour of MZI in a nominal amount of €9,743,300, Equinox International Limited (C 29674), in its capacity as security trustee, will appear on a deed of cancellation to cancel and terminate all the existing security interests which it holds for the benefit of MZI.

It is expected that within 15 Business Days following listing of the Secured Bonds, approximately €8,000,000 in net bond proceeds shall be released by the Security Trustee to Bank of Valletta to finance outstanding principal and interest under the bank loan in the amount of €8,000,000 granted by Bank of Valletta to the Issuer. Simultaneously with the release of this tranche of net bond proceeds, the Security Trustee shall appear on a public deed to subrogate in favour of Bank of Valletta's note of hypothec having reference number H/20213/2022. By virtue of the aforementioned subrogation, the Security Trustee will benefit from the following security interests:

- (i) the first-ranking general hypothec for the amount of €8,000,000, over all the present and future property of the Issuer;
- (ii) the first-ranking general hypothec for the amount of €8,000,000, over all the present and future property of Juel Hospitality; and
- (iii) the first-ranking special hypothec granted by Juel Hospitality for the amount of €8,000,000 over the San Souci Site (and any developments and constructions thereon).

The Issuer, Juel Hospitality and the Security Trustee shall appear on a public deed to constitute the following collateral:

- (i) a general hypothec for the amount of €24,000,000 and interest thereon, over all the present and future property of the Issuer;
- (ii) a general hypothec for the amount of €24,000,000 and interest thereon, over all the present and future property of Juel Hospitality; and
- (iii) a special hypothec granted by Juel Hospitality for the amount of €24,000,000 and interest thereon over the Hotel Site (and any developments and constructions thereon).

In terms of Maltese law, hypothecs rank according to their date of registration. Notwithstanding the fact that the Collateral is constituted by virtue of separate notes of inscription registered in the Public Registry in Malta on different dates, the Security Trustee shall, for all intents and purposes, be a first-ranking creditor in respect of the Collateral.

In addition to the above, the Pledge Agreement shall be entered into.

5.3 FUNDING FROM OTHER SOURCES

The Group requires approximately €20,400,000 to finance the construction, finishing and furnishing of the Hotel (excluding financing, commissions, and ancillary costs). The amount of €13,616,700 from the net proceeds of the Bond Issue to be received by the Issuer shall be on-lent to Juel Hospitality to partly finance costs required to develop and complete the Hotel. The remaining balance of €6,783,300 shall be financed from a mix of loans granted by the Franchisor, intra-group loans, bank loans and the Group's cash flows.

On the assumption that a total of €21,000,000 Secured Bonds is subscribed to by Bondholders, the Group will require approximately €11,000,000 to fund the projected balance of the costs for the completion and development of the Hotel. In this circumstance, the Issuer's financing strategy is to seek alternative funding, either through the issuance of instruments on the capital markets or through bank financing or through its own reserves or through a mix of these financing options.

5.4 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor, and Manager & Registrar fees, selling commission, and other miscellaneous expenses in connection with the Bond Issue are estimated not to exceed €640,000. There is no particular order of priority with respect to such expenses.

5.5 ISSUE STATISTICS

Amount:	up to €32,000,000;
Form:	the Secured Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
ISIN:	MT0002741206;
Minimum amount per subscription agreement:	minimum of €2,000 and multiples of €100 thereafter, applicable to each subscription agreement and to each underlying Applicant applying for the Secured Bonds through Authorised Financial Intermediaries;
Redemption Date:	27 June 2035;
Plan of Distribution:	the Bond Issue is open for subscription to all categories of investors as follows: (i) an amount of €9,743,300 in nominal value of the Secured Bonds has been reserved for MZI, which has entered into a placement agreement with the Issuer and the Guarantors; and (ii) the remaining balance of €22,256,700 in nominal value of Secured Bonds is open for subscription by Authorised Financial Intermediaries (either for their own account or for the account of their underlying customers) pursuant to the Intermediaries' Offer;
Bond Issue Price:	at par (€100 per Secured Bond);
Status of the Secured Bonds:	the Secured Bonds shall constitute general, direct, secured, and unconditional obligations of the Issuer, to be secured in the manner described in section 6.2, guaranteed by the Guarantors and shall at all times rank <i>pari passu</i> and without any preference among themselves;
Guarantee:	the joint and several guarantee granted by Juel Holdings, Juel Hospitality, Muscat Holdings, Muscat Holdings II to the Security Trustee appended to this Securities Note as Annex I;
Status of the Guarantee:	the Guarantee granted by the Guarantors shall constitute a direct, secured, and unconditional obligation of each Guarantor;
Listing:	application has been made to the Malta Financial Services Authority to approve the Secured Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on its Official List;
Allocation:	Applicants may apply for Secured Bonds through the Authorised Financial Intermediaries during the Offer Period;
Intermediaries' Offer Period:	08:30 hours on 12 June 2023 to 14:00 hours on 27 June 2023, both days included;
Interest:	5.5% per annum;
Interest Payment Date/s:	annually on 27 June as from 27 June 2024 (the first Interest Payment Date);
Governing Law of the Secured Bonds:	the Secured Bonds are governed by and shall be construed in accordance with Maltese law; and
Jurisdiction:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Secured Bonds.

5.6 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE

Save for the subscription of Secured Bonds by the Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, and any fees payable in connection with the Bond Issue to the Sponsor, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

6 INFORMATION CONCERNING THE SECURED BONDS TO BE ISSUED AND ADMITTED TO TRADING

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

6.1 GENERAL

The principal terms of the Secured Bonds are set out below:

- 6.1.1 Each Secured Bond forms part of a duly authorised issue of 5.5% Secured Bonds of a nominal value of €100 per Secured Bond issued by the Issuer at par up to the principal amount of €32,000,000 (except as otherwise provided under section 6.13 entitled “Further Issues”).
- 6.1.2 The Issue Date of the Secured Bonds is expected to be 30 June 2023.
- 6.1.3 The Bond Issue is guaranteed by the Guarantors and secured with the Collateral.
- 6.1.4 The currency of the Secured Bonds is Euro (€).
- 6.1.5 The Secured Bonds are expected to be listed on the Official List on 30 June 2023 and dealing can be expected to commence thereafter.
- 6.1.6 Subject to admission to listing of the Secured Bonds to the Official List, the Secured Bonds are expected to be assigned ISIN: MT0002741206.
- 6.1.7 Unless previously purchased and cancelled, the Secured Bonds shall be redeemable at par on the Redemption Date.
- 6.1.8 The issue of the Secured Bonds is made in accordance with the requirements of the Capital Markets Rules, the Companies Act, and the Prospectus Regulation.
- 6.1.9 Applications per underlying Applicant pursuant to the Intermediaries’ Offer are for a minimum amount of €2,000 per Applicant and in multiples of €100 thereafter.
- 6.1.10 In the event that an Applicant has not been allocated any Secured Bonds or has been allocated a number of Secured Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Secured Bonds applied for but not allocated, without interest, by credit transfer to such account indicated by the Applicant to the Authorised Financial Intermediary in the Application, at the Applicant’s sole risk. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.
- 6.1.11 The Bond Issue is not underwritten.
- 6.1.12 There are no special rights attached to the Secured Bonds other than the right of Bondholders to the payment of capital and interest in accordance with the ranking specified in section 6.2 of this Securities Note.
- 6.1.13 All Applicants shall be subject to the terms and conditions of the Bond Issue as set out in section 8 of this Securities Note, the terms of which shall form an integral part hereof.

6.2 RANKING OF THE SECURED BONDS, THE COLLATERAL AND GUARANTEE

The ability of Bondholders to enforce their rights as creditors of the Issuer depends on whether other security holders or creditors have claims that would be viewed as senior, as having priority, or otherwise limiting the rights of the Bondholders to any payments on the Secured Bonds.

6.2.1 Status of the Secured Bonds

The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, and secured obligations of the Issuer, and shall be guaranteed in respect of both the interest due and the principal amount under the Secured Bonds by the Guarantors. The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves.

6.2.2 Security Trustee and Collateral

The Collateral shall be constituted in favour of the Security Trustee for the benefit of the Bondholders.

The Issuer and the Guarantors have entered into the Trust Deed with the Security Trustee which consists of the covenants of the Issuer to pay the principal amount under the Secured Bonds on the Redemption Date and interest thereon and the covenants of the Guarantors to pay principal and interest on the Secured Bonds in the event of a claim under the Guarantee in accordance with its terms. The Trust Deed also regulates the constitution of the Collateral and the Guarantee in favour of the Security Trustee.

The Guarantee and the Collateral shall be vested in the Security Trustee for the benefit of each Bondholder in proportion to its respective holding of the Secured Bonds. The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the Collateral and the Guarantee upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Secured Bonds which remain exclusively the obligations of the Issuer (or, in the case of default by the Issuer, of the Guarantors, as applicable).

As security for the payment of principal and interest under the Secured Bonds, the Bondholders shall have the benefit of the Collateral detailed in sections 6.2.2.1 to 6.2.2.2 below:

6.2.2.1 Collateral provided by the Issuer

The Issuer shall provide a first-ranking general hypothec over all its assets, present and future, for the amount of €32,000,000.

6.2.2.2 Collateral provided by Juel Hospitality

Juel Hospitality (in its capacity as Guarantor) shall provide the following collateral:

- (i) A first-ranking general hypothec for the amount of €32,000,000, over all the present and future property of Juel Hospitality; and
- (ii) a first-ranking special hypothec granted over the Hotel Site (and any developments and constructions thereon) for the amount of €32,000,000.

6.2.2.3 Guarantee

Furthermore, the Guarantors have provided a corporate guarantee in favour of the Security Trustee.

Pursuant to the Guarantee, the Guarantors have agreed, on a joint and several basis, to guarantee the punctual performance by the Issuer of the payment of principal and interest under the Secured Bonds. The Guarantee shall become effective upon the admission to listing of the Secured Bonds on the Official List.

Each Guarantor has the power to veto a decision of the Bondholders, taken at a Bondholders' Meeting duly convened and held, to amend or waive the Terms and Conditions which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in:

- (a) the amount payable by a Guarantor under the Guarantee;
- (b) the term and, or frequency of such payments;
- (c) the Events of Default specified in section 6.11 of this Securities Note; and, or
- (d) any other term which may otherwise increase the exposure of a Guarantor to the enforcement of the Guarantee.

Where any of the Guarantors to exercise such right of veto, the proposed amendment to, or waiver of, the Terms and Conditions would not be put into effect.

6.2.3 Ranking of Collateral

In terms of Maltese law, hypothecary debts are paid according to the order of registration in the Public Registry in Malta. Privileged debts rank with priority over hypothecary debts and accordingly, privileged creditors shall be paid before those creditors in whose favour a hypothec has been registered.

Should the Security Trustee declare that an Event of Default has occurred which is continuing, the Security Trustee (for the benefit of Bondholders) may enforce the Collateral. The Security Trustee is a first-ranking creditor in respect of the Collateral, except for privileged creditors, which will rank prior to the Security Trustee. During the course of construction of the Hotel over the Hotel Site (or any future developments over the Hotel Site generally), situations may arise whereby the contractors or suppliers engaged by the Group may become entitled by law to register a special privilege over the Hotel (or any future developments over the Hotel Site generally), thereby obtaining a priority in ranking over the Security Trustee in respect of the Hotel Site. In this respect, Juel Hospitality has entered into an agreement with its principal contractor, whereby it has waived its right to register any special privilege over the Hotel Site. However, privileged debts may arise from time to time.

6.2.3.1 Nature of the special hypothec and the general hypothec

The general hypothecs granted by the Issuer and Juel Hospitality will extend over their respective property, both present and future. Such property includes any movable, immovable, tangible, intangible, intellectual property owned by the Issuer and Juel Hospitality. Property transferred out of the patrimony of the Issuer and Juel Hospitality will not be captured by the general hypothec upon such transfer or other disposal.

The special hypothec granted by Juel Hospitality over the Hotel Site (and any constructions and developments thereon) is a type of security interest which attaches to immovable property, the Hotel Site. It will continue to attach to the Hotel Site and, or the Hotel even if the Hotel Site and, or the Hotel is transferred to a third party, unless the special hypothec is duly cancelled in accordance with applicable law.

6.2.4 The Pledge Agreement

In terms of the Trust Deed, the Issuer and Juel Hospitality shall enter into the Pledge Agreement. A pledge creates a right of preference in favour of the collateral holder to be paid out of the asset so secured (the insurance policy) in priority to other creditors. The insurance policy to be pledged shall constitute a contractor's all risk insurance. Following the completion of the Hotel, an insurance policy securing the replacement value of the Hotel shall be pledged by the Issuer and Juel Hospitality in favour of the Security Trustee.

6.3 THE GUARANTEE

The Secured Bonds shall be guaranteed by the Guarantors on a joint and several basis. Accordingly, the Security Trustee, for the benefit of the Bondholders, shall be entitled to request any of the Guarantors to pay both the interest due and the principal amount under said Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against any of the Guarantors without having to first take action against the Issuer.

Information on the Guarantors is contained in section 4.2 of the Registration Document entitled "**Directors of the Guarantors**", section 5.3 of the Registration Document entitled "**The Guarantors**" (which section contains an overview of the Guarantors' business), sections 5.3, 10.2, 10.3 and 10.4 of the Registration Document entitled "**Historical Financial Information**", "**Operating and Financial Review**" and "**Pro Forma Financial Information**".

6.4 RIGHTS ATTACHING TO THE SECURED BONDS

This Securities Note in its entirety contains the terms and conditions of issue of the Secured Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Secured Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Secured Bonds, including:

- (i) the repayment of capital;
- (ii) the payment of interest;
- (iii) the benefit of the Security Interests through the Security Trustee;
- (iv) the benefit of the Guarantee;
- (v) the right to attend, participate in and vote at Bondholders' Meetings in accordance with the Terms and Conditions; and
- (vi) enjoy all such other rights attached to the Secured Bonds emanating from the Prospectus.

6.5 INTEREST

The Secured Bonds shall bear interest from, and including, 27 June 2023 at the rate of 5.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be effected on 27 June 2024 (covering the period from 27 June 2023 to 26 June 2024). Any Interest Payment Date which falls on a day other than a Business Day shall be carried over to the next following day that is a Business Day.

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

6.6 THE LIMITS OF THE VALIDITY OF CLAIMS

In terms of article 2156 of the Civil Code, the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Secured Bonds is barred by the lapse of five years.

6.7 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds is 5.5% per annum.

6.8 REGISTRATION, FORM, DENOMINATION AND TITLE

Certificates shall not be delivered to Bondholders in respect of the Secured Bonds. The entitlement to Secured Bonds shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There shall be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of Bondholders and particulars of the

Secured Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

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

Upon subscribing for Secured Bonds, 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 Secured 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 s.borzamalta.com.mt/. Those Bondholders who opt not to avail themselves of this facility should indicate such to the Authorised Financial Intermediary in the form of Application. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

The Secured Bonds shall be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Secured Bonds shall be subscribed for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Secured Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

Any person in whose name a Secured 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 Secured Bond. Title to the Secured Bonds may be transferred as provided below under the heading entitled "**Transferability of the Bonds**" in section 6.12 of this Securities Note.

6.9 PAYMENTS

Payment of the principal amount of Secured Bonds shall be made in Euro by the Issuer to the person in whose name such Secured Bonds are registered, with interest accrued up to the Redemption 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. Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Secured Bonds shall be redeemed, and the appropriate entry made in the electronic register of the Secured Bonds at the CSD.

In the case of Secured 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 Secured Bonds.

Payment of interest on a Secured Bond shall be made to the person in whose name such Secured Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven 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 Secured 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 Secured 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.

6.10 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Secured Bonds shall be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 27 June 2035.

Subject to the provisions of this section 6.10, the Issuer may at any time purchase Secured Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

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

6.11 EVENTS OF DEFAULT

Pursuant to the Trust Deed, the Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of not less than 75% in value of the Bondholders, by notice in writing to the Issuer and each of the Guarantors declare the Secured Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events (“**Events of Default**”):

- (i) the Issuer fails to effect the payment of interest under the Secured Bonds on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof by the Security Trustee to the Issuer;
- (ii) the Issuer fails to pay the principal amount of a Secured Bond on the date fixed for its redemption; and such failure continues for a period of 60 days after written notice thereof by the Security Trustee to the Issuer;
- (iii) the Issuer fails to perform or shall otherwise be in breach of any other material obligation contained in the Prospectus and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by a Bondholder;
- (iv) the Collateral is not constituted and perfected in accordance with the ranking set out in the Prospectus;
- (v) the Issuer distributes dividends without the consent of the Security Trustee;
- (vi) the Collateral and, or the Guarantee are not enforceable against the Issuer and, or any of the Guarantors (as applicable);
- (vii) in terms of article 214(5) of the Companies Act, a court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn, or discharged within one month;
- (viii) the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business;
- (ix) the Issuer or any of the Guarantors are unable to pay their debts within the meaning of article 214(5) of the Companies Act, or any statutory modification or re-enactment thereof;
- (x) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or any of the Guarantors and such appointment is certified by the Security Trustee to be prejudicial, in its opinion, to the Bondholders;
- (xi) an order is made, or an effective resolution is passed for winding up of the Issuer or any of the Guarantors, except for the purpose of a reconstruction, amalgamation or division, the terms of which have been approved in writing by the Security Trustee;
- (xii) the Issuer or any of the Guarantors substantially change the object or nature of business as currently carried on without the consent of the Security Trustee;
- (xiii) the Issuer or any of the Guarantors commit a breach of any of the covenants or provisions contained in the Trust Deed and on their part to be observed and performed and the said breach still subsists for 60 days after having been notified by the Security Trustee (other than any covenant for the payment of interests or principal monies owing in respect of the Secured Bonds);
- (xiv) the security constituted by any hypothec, pledge, or charge upon the whole or any part of the undertaking or assets of the Issuer or any of the Guarantors shall become enforceable, and steps are taken to enforce same and the taking of such steps shall be certified in writing by the Security Trustee to be in its opinion prejudicial to the Bondholders;
- (xv) any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or any of the Guarantors is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee;
- (xvi) any material indebtedness of the Issuer or any of the Guarantors is not paid when properly due or becomes properly due and payable or any creditor of the Issuer or any of the Guarantors (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer or any of the Guarantors in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding one million Euro (€1,000,000);
- (xvii) any consent, permit, authorisation, licence or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required by the Issuer or Juel Hospitality in connection with the Hotel or its development and construction; or pursuant to the execution, delivery, validity, enforceability or admissibility in evidence hereof, or the performance by the Issuer of its obligations hereunder, is substantially modified in the sole opinion of the Security Trustee, or is not granted, or is revoked, or terminated, or expires and is not renewed, or otherwise ceases to be in full force and effect;
- (xviii) it becomes unlawful at any time for the Issuer or any of the Guarantors to perform all or any of their obligations in terms of the Guarantee;
- (xix) it becomes unlawful at any time for the Group to develop and, or operate the Hotel;
- (xx) in the sole opinion of the Security Trustee, a material part of the undertakings, assets, rights, revenues, shares or other ownership interests in the Issuer and, or any of the Guarantors are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; or
- (xxi) an event of default under the Trust Deed.

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

Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times act on and in accordance with any directions / instructions it may receive in a meeting of Bondholders satisfying the conditions set out

in the Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer and, or the Guarantors are observing and performing all the obligations, conditions and provisions on their respective parts, as applicable, of the Secured Bonds and the Trust Deed.

6.12 TRANSFERABILITY OF THE SECURED BONDS

The Secured Bonds are freely transferable and once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Secured 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 Secured 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 Secured Bond, or procuring the transfer of the Secured Bond, in favour of that person.

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

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

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

6.13 FURTHER ISSUES

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

6.14 MEETINGS OF BONDHOLDERS

6.14.1 Authority of the Bondholders' Meeting

- 6.14.1.1 The Bondholders' Meeting represents the supreme authority of the Bondholders in all matters relating to the Secured Bonds and has the power to make all decisions altering the Terms and Conditions.
- 6.14.1.2 A Bondholders' Meeting may be called for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus or the Trust Deed require the approval of a Bondholders' Meeting and to effect any change to the applicable Terms and Conditions, including any change to a material term of issuance of the Secured Bonds or the Prospectus.
- 6.14.1.3 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 Secured Bonds.

6.14.2 Procedural Rules for Bondholders' Meetings

- 6.14.2.1 A Bondholders' Meeting shall be held at the written request of:
 - (i) the Issuer; or
 - (ii) the Security Trustee.
- 6.14.2.2 The Bondholders' Meeting shall be called by the Security Trustee. A request for a Bondholders' Meeting shall be made in writing to the Security Trustee and shall clearly state the matters to be discussed.
- 6.14.2.3 If the Security Trustee does not call the Bondholders' Meeting within 21 days from receipt of the said request, the requesting party may call the Bondholders' Meeting itself.

- 6.14.2.4 The Security Trustee 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 or the terms of the Secured Bonds 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.
- 6.14.2.5 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 Secured 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 Directors to the Bondholders present at that meeting. 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.
- 6.14.2.6 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 to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 6.14.2.7 The Bondholders' Meeting shall be held on the premises designated by the Security Trustee. The Bondholders' Meeting shall be chaired by the Security Trustee, unless otherwise decided by the Bondholders' Meeting.
- 6.14.2.8 Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders and Secured 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 Security Trustee.
- 6.14.2.9 The Bondholders and the Security Trustee have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. A Bondholder may attend by a representative holding proxy.
- 6.14.2.10 The Security Trustee shall circulate proxy forms to Bondholders with the notice convening the Bondholders' Meeting.
- 6.14.2.11 Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present when voting takes place.
- 6.14.2.12 The Trustee may provide for virtual or remote meetings of Bondholders, provided that any such meetings allow Bondholders to ask questions and to exercise their right to vote at such meetings.

6.14.3 Resolutions passed at Bondholders' Meetings

6.14.3.1 Unless otherwise specified in this Prospectus and, or the Trust Deed, 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, provided that in the event that the amendment or waiver in question may give rise to changes in:

- (a) the amount payable by a Guarantor under the Guarantee;
- (b) the term and, or frequency of such payments;
- (c) the Events of Default; and, or
- (d) any other term which may otherwise increase the exposure of a Guarantor to the enforcement of the Guarantee, then the Guarantor has the right to veto the decision by the Bondholders to amend or waive the Terms and Conditions.

Where any of the Guarantors to exercise such right of veto, the proposed amendment or waiver to the Terms and Conditions would not be put into effect.

6.14.3.2 At the Bondholders' Meeting each Bondholder may cast one vote for each Secured 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.

6.14.3.3 In all matters, the Issuer, the Security Trustee, and any Bondholder shall have the right to demand a poll.

6.14.3.4 The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

6.14.3.5 The Security Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented; however, the Security Trustee may refuse to carry out resolutions being in conflict with the Prospectus or any applicable law.

6.14.3.6 The Issuer and the Bondholders shall be notified of resolutions passed at the Bondholders' Meeting.

6.15 AUTHORISATIONS AND APPROVALS

The Directors authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 22 May 2023. The Guarantee being given by the Guarantors in respect of the Secured Bonds has been authorised by a resolution of the board of directors of: (i) Juel Hospitality dated 22 May 2023; (ii) Juel Holdings dated 22 May 2023 (iii) Muscat Holdings dated 22 May 2023; and (iv) Muscat Holdings II dated 22 May 2023.

6.16 NOTICES

Notices 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.

6.17 GOVERNING LAW AND JURISDICTION

The Secured Bonds are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit, or proceedings against the Issuer and, or any of the Guarantors arising out of or in connection with the Secured Bonds and, or the Prospectus shall be brought exclusively before the Maltese courts.

7 TAXATION

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

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

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

7.2 MALTA TAX ON INTEREST

Interest payable in respect of a Secured Bond which is the subject of a public issue should constitute “investment income” in terms of article 41(a)(iv)(1) of the Income Tax Act, Cap. 123 of the laws of Malta (the “**Income Tax Act**”). As a result, unless:

- i) the Bondholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, to receive the interest gross of any withholding tax, or
- ii) the Bondholder does not qualify as a “Recipient” in terms of article 41(c) of the Income Tax Act,

interest will be paid to such Bondholder net of a final withholding tax, currently at the rate of 15% (or 10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act.

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

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

In the case of a valid election in terms of article 35 of the Income Tax Act made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his 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.

Any such election made by a “Recipient” 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. Even in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such “Recipients”.

In terms of article 12(1)(c)(i) of the Income Tax Act, Bondholders who do not qualify as “Recipients” and who satisfy the applicable conditions set out in the Income Tax Act should be exempt from tax in Malta on the interest paid to them and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law. Such Bondholders should seek advice on the taxation of such income in Malta and on any foreign tax implications that may be applicable to them.

7.3 EXCHANGE OF INFORMATION

In terms of 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 Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that the information contained in this section does not constitute tax advice and prospective investors in the Secured Bonds are to consult their own independent tax advisers in case of doubt.

7.3.1 The Common Reporting Standard and the Directive on Administrative Cooperation

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

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by

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

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

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

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

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

7.3.2 The Exchange of Information (United States of America) (FATCA) Order

The United States of America (“**U.S.**”) has enacted rules, commonly referred to as ‘FATCA’, that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA in Malta which has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 (“**FATCA Legislation**”).

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

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

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

Although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Issuer will be able to satisfy these obligations. If the Issuer becomes subject to a withholding tax as a result of the FATCA regime, the Bondholders may suffer losses.

7.4 MALTESE TAXATION ON CAPITAL GAINS ARISING ON TRANSFER OF THE SECURED BONDS

On the basis that the Secured Bonds should not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act (that is, ‘*shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*’), and to the extent that the Secured Bonds are held as capital assets by a Bondholder, no income tax or capital gains should be chargeable in Malta in respect of a transfer of the Secured Bonds. Such Bondholders should seek advice on any foreign tax implications that may be applicable to them.

7.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), (the “**Duty on Documents and Transfers Act**”), duty of 2% on the consideration or the real value (whichever is higher) is chargeable *inter alia* on the transfer *inter vivos* or transmission *causa mortis* of a “marketable security”. However, on the basis that the Secured Bonds should not fall within the definition of a “marketable security”, defined in the Duty on Documents and Transfers Act as ‘*a holding of share capital in any company and any document representing the same*’, the transfer/transmission of the Secured Bonds should not be chargeable to duty.

Furthermore, in terms of article 50 of the Financial Markets Act, as the Secured Bonds should constitute qualifying financial instruments of a company quoted on a regulated market (that is, the MSE) any transfers or transmissions of the Secured Bonds should, in any case, be exempt from duty.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS SECURITIES NOTE, 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 SECURED BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SECURED 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 AND DEPENDS, AMONG OTHER THINGS, ON THE PARTICULAR INDIVIDUAL CIRCUMSTANCES OF THE INVESTORS AND OF THE CLASSIFICATION OF THE SECURED BONDS FROM A MALTESE TAX PERSPECTIVE.

8 TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1. Offer Period	08:30 hours on 12 June 2023 to 14:00 hours on 27 June 2023
2. Commencement of interest on the Secured Bonds	27 June 2023
3. Expected date of announcement of basis of acceptance	27 June 2023
4. Refunds of unallocated monies (if any)	30 June 2023
5. Expected dispatch of allotment advices	30 June 2023
6. Expected date of admission of the Secured Bonds to listing	30 June 2023
7. Expected date of commencement of trading in the Secured Bonds	3 July 2023
8. Expected date of constitution of Collateral	not later than 21 July 2023

8.2 TERMS AND CONDITIONS OF THE SECURED BONDS

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

- 8.2.1** The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Official List. In the event that this condition is not satisfied within 15 Business Days from the closing of the Offer Period, any Application monies will be returned without interest by direct credit into the Applicant’s bank account.
- 8.2.2** During the Offer Period, the Issuer shall enter into subscription agreements with a number of Authorised Financial Intermediaries pursuant to which the Issuer shall bind itself to allocate a maximum amount of €22,256,700 in nominal value of Secured Bonds to the said Authorised Financial Intermediaries. As described in more detail under section 8.4 below, Authorised Financial Intermediaries (in the names of underlying clients) must provide details of Applicants representing the amount they have been allocated by completing a data file as provided by the Registrar by latest 27 June 2023, accompanied by full payment.
- 8.2.3** By submitting a form of Application to an Authorised Financial Intermediary, the Applicant is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, as applicable, that the Applicant’s remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the respective Authorised Financial Intermediary, reserves the right to invalidate the relative form of Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered

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

- 8.2.4** The contract created by the Issuer's acceptance of a data file submitted by an Authorised Financial Intermediary pursuant to the subscription agreements, shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. It is the responsibility of investors wishing to apply for the Secured Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.
- 8.2.5** If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the respective Authorised Financial Intermediary, but it shall not be the duty or responsibility of the respective Authorised Financial Intermediary to ascertain that such representative is duly authorised to submit an Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be made available.
- 8.2.6** In the case of joint Applicants, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The first person, as designated in the respective MSE account number quoted by the Applicant or first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders designated in the MSE account number quoted by the Applicant or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Secured Bonds so held.
- 8.2.7** In the case of corporate Applicants or Applicants having separate legal personality, it shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such Applicant is, or are, in fact duly authorised. Applications by corporate Applicants have to include a valid legal entity identifier (LEI) which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 8.2.8** Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Secured Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s subscribing for Secured Bonds on the minor's behalf, until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 8.2.9** In respect of a Secured Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Secured Bonds so held and shall have the right to receive interest on the Secured Bonds and to vote at meetings of the Bondholders but shall not, during the continuance of the Secured Bonds, have the right to dispose of the Secured Bonds so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Secured Bonds (which shall be due to the bare owner).
- 8.2.10** In the event that a cheque accompanying a form of Application is not honoured on its first presentation, the Authorised Financial Intermediary reserves the right to invalidate the form of Application.
- 8.2.11** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 586 of the laws of Malta) (the "**Data Protection Act**") and the General Data Protection Regulation (GDPR) (EU) 2016/679 ("**GDPR**"), as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.

- 8.2.12** It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Secured Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 (“MiFIR”), as well as applicable MFSA rules for investment services providers.
- 8.2.13** No person receiving a copy of the Prospectus or any form of Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such form of Application unless, in the relevant territory, such an invitation or offer could lawfully be made to such person, or such form of Application could lawfully be used without contravention of any registration or other legal requirements.
- 8.2.14** Subscription for Secured Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax and legal advisers) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Secured Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself / herself / itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 8.2.15** The Secured Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 8.2.16** The Secured Bonds will be issued in multiples of €100. The minimum subscription amount of Secured Bonds that can be subscribed for by an Applicant is €2,000.
- 8.2.17** Subject to all other terms and conditions set out in the Prospectus, the respective Authorised Financial Intermediary reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and, or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the respective Authorised Financial Intermediary is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
- 8.2.18** On completing and delivering a form of Application, the Applicant:
- (i) accepts to be irrevocably contractually committed to acquire the number of Secured Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Secured Bonds applied for by the Applicant (or any smaller amount of Secured Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the form of Application and the Memorandum and Articles of Association of the Issuer;
 - (ii) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Secured Bonds contained therein;
 - (iii) warrants that the information submitted by the Applicant in the form of Application is true and correct in all respects. All forms of Application need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant in accordance with section 8.2.1 above. In the event of a discrepancy between the personal details (including name and surname and the Applicant’s address) appearing on the form of Application and those held by the MSE in relation to the MSE account number indicated on the form of Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - (iv) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer’s website at www.juel.mt. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant’s consent, in the circumstances set out in the GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he / she / it has been provided with and read the privacy notice;
 - (v) authorises the Issuer (or its service providers, including the CSD and, or the Sponsor and, or the Manager & Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data provided by the Applicant for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the Malta Stock Exchange. The requests must be signed by the Applicant to whom the personal data relates;

- (vi) confirms that in making such Application, no reliance was placed on any information or representation in relation to the Issuer or the issue of the Secured Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (vii) agrees that any refund of unallocated Application monies, without interest, will be paid by direct credit, at the Applicant's own risk, to the bank account as indicated by the Applicant in the form of Application. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- (viii) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Secured Bonds, unless and until a payment is made in cleared funds for such Secured Bonds and such payment is accepted by the respective Authorised Financial Intermediary (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Secured Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Secured Bonds as void and may allocate such Secured Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Secured Bonds (other than return of such late payment);
- (ix) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (x) warrants, in connection with the subscription of the Secured Bonds, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the subscription of Secured Bonds in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Sponsor or the Manager & Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Secured Bonds;
- (xi) agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which may be requested in connection with the Application;
- (xii) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (xiii) agrees that all Applications, forms of Application, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, forms of Application, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (xiv) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (xv) agrees that the Advisers to the Bond Issue (listed in section 4.5 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Secured Bonds or the suitability of the Applicant;
- (xvi) warrants that, where an Applicant submits a form of Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit your power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- (xvii) agrees that all documents in connection with the issue of the Secured Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applicants, the address of the first named Applicant) as designated in the respective MSE account quoted by the Applicant; and
- (xviii) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Secured Bonds.

8.2.19 All forms of Application are to be lodged with an Authorised Financial Intermediary.

8.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Secured Bonds shall be made available for subscription to all categories of investors as follows:

- (i) an amount of €9,743,300 in nominal value of the Secured Bonds has been reserved for MZI, which has entered into a placement agreement with the Issuer; and
- (ii) the remaining balance of €22,256,700 in nominal value of Secured Bonds are open for subscription by Authorised Financial Intermediaries (either for their own account or for the account of their underlying customers) pursuant to the Intermediaries' Offer.

During the Offer Period, Authorised Financial Intermediaries shall subscribe to Secured Bonds pursuant to conditional subscription agreements entered into by the Issuer, the Guarantors, and the Authorised Financial Intermediaries. The total maximum aggregate amount in nominal value of Secured Bonds which may be subject to the subscription agreements shall be €22,256,700.

Pursuant to the subscription agreements entered into during the Offer Period, Authorised Financial Intermediaries may subscribe for Secured Bonds for their own account or for their underlying clients. The allocation of the Secured Bonds shall be conditional upon the Secured Bonds being admitted to the Official List.

Applications may be made through any of the Authorised Financial Intermediaries. It is expected that an allotment advice will be dispatched to Applicants within five Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

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

8.4 INTERMEDIARIES' OFFER

Pursuant to the Intermediaries' Offer, the Issuer shall enter into subscription agreements with Authorised Financial Intermediaries whereby the Issuer shall bind itself to allocate a total amount of up to €22,256,700 in nominal value of Secured Bonds to such Authorised Financial Intermediaries, which in turn shall bind themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Secured Bonds, subject to the Secured Bonds being admitted to trading on the Official List.

The Authorised Financial Intermediaries shall be entitled to subscribe for the Secured Bonds either for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:

- (i) distribute to the underlying customers any portion of the Secured Bonds subscribed for upon commencement of trading; or
- (ii) complete a data file representing the amount their underlying clients have been allocated in terms of the respective subscription agreement as provided by the Registrar by latest 16:00 hours on 27 June 2023.

Authorised Financial Intermediaries must effect payment to the Issuer for the Secured Bonds subscribed to by not later than 16:00 hours on 27 June 2023.

8.5 PRICING

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

8.6 ALLOCATION POLICY

The Issuer has reserved the full amount of the Secured Bonds as follows:

- (i) an amount of €9,743,300 in nominal value of the Secured Bonds has been reserved for MZI which has entered into a placement agreement with the Issuer; and
- (ii) the remaining balance of €22,256,700 in nominal value of Secured Bonds are open for subscription by Authorised Financial Intermediaries (either for their own account or for the account of their underlying customers) pursuant to the Intermediaries' Offer;

The Issuer has established a minimum aggregate subscription amount of 21 million on which the Bond Issue is conditional. In the event that the Bond Issue is not fully taken up, but the said minimum is satisfied or exceeded the Issuer shall issue Secured Bonds up to the amount subscribed for.

The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 27 June 2023.

8.7 ADMISSION TO TRADING

Application has been made to the Malta Financial Services Authority to authorise the Secured Bonds as admissible to listing pursuant to the Capital Markets Rules.

Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on the Official List.

The Secured Bonds are expected to be admitted to the Malta Stock Exchange with effect from 30 June 2023 and trading is expected to commence on 3 July 2023.

8.8 ADDITIONAL INFORMATION

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

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor does not have any material interest in the Issuer and, or the Guarantors. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The business address of the Sponsor is at 67, Flat 3, South Street, Valletta, Malta.

ANNEX I – THE GUARANTEE

To: Equinox International Limited
No 9, Level 3, Valletta Buildings,
South Street,
Valletta VLT 1103 – MALTA
(Hereinafter, together with its lawful successors and assigns referred to as the “**Security Trustee**”).

6 June 2023

Dear Sirs,

Re: GUARANTEE & INDEMNITY

1. Juel Holdings Limited, a company registered and existing under the laws of Malta bearing company registration number C 92861 and having its registered office at Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta (hereinafter together with its lawful successors and assigns, referred to as “**Juel Holdings**”);
2. Juel Hospitality Limited, a company registered and existing under the laws of Malta bearing company registration number C 100482 and having its registered office at Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta (hereinafter together with its lawful successors and assigns, referred to as “**Juel Hospitality**”);
3. Muscat Holdings Limited, a company registered and existing under the laws of Malta bearing company registration number C 77653 and having its registered office at Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta (hereinafter together with its lawful successors and assigns, referred to as “**Muscat Holdings**”);
4. Muscat Holdings (II) Limited, a company registered and existing under the laws of Malta bearing company registration number C 89275 and having its registered office at Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta (hereinafter together with its lawful successors and assigns, referred to as “**Muscat Holdings II**”),

(Each a “**Guarantor**” and together, collectively, the “**Guarantors**”).

The Guarantors, having noted that:

- A. by virtue of a prospectus dated 6 June 2023 issued by Juel Group p.l.c., a public limited liability company registered and existing under the laws of Malta, bearing company registration number C 101395 (hereinafter, the “**Issuer**”) in connection with the issue of up to €32 million secured bonds (as the same may be amended, varied or supplemented, hereinafter referred to as the “**Prospectus**”) the Issuer shall, under the joint and several guarantee of the Guarantors (as defined hereunder), issue up to €32 million secured bonds at an annual interest rate of 5.5% to be redeemed and finally repaid on 27 June 2035 (hereinafter, referred to as the “**Secured Bonds**”), on which the Issuer shall be entitled to prepay all or part of the principal amount of the Secured Bonds and all interest accrued up to the date of prepayment, subject to the terms and conditions of the Prospectus;
- B. Each Guarantor is a fully owned subsidiary company of the Issuer;
- C. it is a condition precedent for the issuance of the Secured Bonds that, *inter alia*, the Guarantors execute and grant this Guarantee and Indemnity (hereinafter, referred to as the “**Guarantee**”) of the obligations of the Issuer above referred to in favour of the Security Trustee; and
- D. the Guarantors have agreed to the conclusion and execution of this Guarantee in favour of the Security Trustee.

NOW, THEREFORE, THE GUARANTORS ARE HEREBY COVENANTING IN FAVOUR OF THE SECURITY TRUSTEE AS FOLLOWS:

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;

- (b) **“Indebtedness”** means any and all moneys, obligations, and liabilities now or hereafter due, owing or incurred by the Issuer under the Secured Bonds to the Bondholders (whether alone and, or with others) in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability; and
- (c) **“writing”** or **“in writing”** shall mean any method of visual representation and shall include facsimile transmissions, telexes, and other such electronic methods.

2. GUARANTEE

2.1 Covenant to Pay

In satisfaction of the conditions precedent for the issuance of the Secured Bonds, and in consideration of the Bondholders acquiring the Secured Bonds, the Guarantors, as duly authorised, without proof of liability or evidence and as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantee to the Security Trustee, for the benefit of the Security Trustee and the Bondholders the payment of, and undertakes on first demand in writing made by the Security Trustee on a Guarantor, to pay the Indebtedness to the Security Trustee or any balance thereof at any time due or owing under the Secured Bonds.

2.2 Maximum Liability of the Guarantors

This is a continuing Guarantee for the whole amount due or owing under the Secured Bonds or which may hereafter at any time become due or owing under the Secured Bonds by the Issuer but the amount due by a Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of €32,000,000 (thirty-two million Euro) apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee’s rights against the Issuer and the Guarantors which shall be additional to the maximum sum herein stated.

2.3 Indemnity

As a separate and independent stipulation, each Guarantor agrees to indemnify the Security Trustee on demand for any damages, losses (excluding loss of profit), costs and expenses arising from any failure on the part of the Issuer to perform any obligation to the Security Trustee and each Guarantor so agrees to indemnify the Security Trustee even in the event that any obligation of the Issuer to the Security Trustee is invalid or ceases to be valid and enforceable against the Issuer for any reason whatsoever including, but without limitation, any legal limitation or any disability or incapacity of the Issuer. In such an event, each Guarantor shall be liable towards the Security Trustee as if that obligation were fully valid and enforceable and as if the respective Guarantor were the principal debtor in respect thereof and shall pay all sums due to the Security Trustee within seven days of a demand in writing by the Security Trustee.

3. CONTINUING AND UNCONDITIONAL LIABILITY

The liability of the Guarantors under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of:

- (a) the bankruptcy, insolvency or winding up of the Issuer, or any of the Guarantors; or
- (b) the incapacity of the Issuer or any other person liable for any reason whatsoever; or
- (c) any change in the name, style, constitution, any amalgamation, or reconstruction of either the Issuer, or any of the Guarantors; or
- (d) the Security Trustee conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or
- (e) any event, act or omission that might operate to exonerate a Guarantor without settlement in full of the Indebtedness towards the Security Trustee.

4. WAIVER OF THE GUARANTORS' RIGHTS AND THE GUARANTORS' WARRANTIES

4.1 Until the Indebtedness has been paid in full each Guarantor agrees that it will not, without the prior written consent of the Security Trustee,

- (a) exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness;
- (b) demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the respective Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same;
- (c) take any step to enforce any right against the Issuer or any other person liable for the Indebtedness; and
- (d) claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the respective Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.

4.2 Subject to the overriding provisions of the Prospectus until the Indebtedness has been paid in full, each Guarantor further agrees that:

- (a) if an Event of Default under the Prospectus occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Security Trustee and shall be paid to the Security Trustee immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Prospectus;
- (b) all rights of relief and subrogation arising in favour of the respective Guarantor upon a partial payment to the Security Trustee against the Issuer and any other person who may be liable for the Indebtedness, shall be suspended;
- (c) the Security Trustee may and shall receive and retain the whole of the liquidation dividends to the exclusion of the rights (if any) of the respective Guarantor in competition with the Security Trustee and pursuant to the above, the Security Trustee is entitled to hold all payments made by a Guarantor or the Issuer on account of the Indebtedness in suspense for a period of six months from the date of payment and any such payments on account shall not be applied in reduction of the Indebtedness for a period of six months as stated. The Security Trustee may accordingly prove for the whole Indebtedness of the Issuer in liquidation after excluding any and all payments made within a period of six months prior to the liquidation of the Issuer; and
- (d) the Security Trustee shall not be required to exhaust any remedy or remedies it may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against a Guarantor under this Guarantee which is to be construed as entirely independent from the relationship between the Security Trustee and the Issuer and providing immediate recourse against a Guarantor under this Guarantee. Each Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

5. SETTLEMENTS CONDITIONAL

Any release, discharge or settlement between a Guarantor and the Security Trustee shall be conditional upon no security, disposition or payment to the Security Trustee by the Issuer or a Guarantor or any other third party liable to being void or set aside for any reason whatsoever and if, for any reason whatsoever, this condition is not fulfilled, such release, discharge or settlement shall be of no effect whatsoever and this Guarantee shall again come into force for all effects and purposes of law.

6. ADDITIONAL GUARANTEE.

This Guarantee is to be construed as being in addition to and in no way prejudicing any other securities or guarantees which the Security Trustee may now or hereafter hold from or on account of the Issuer and is to be binding on the Guarantors as a continuing Guarantee until full and final settlement of all the Issuer's indebtedness towards the Security Trustee. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

7. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT.

7.1 This Guarantee is to be immediately binding upon the Guarantors for the benefit of the Security Trustee and the liability hereunder is not subject to any conditions as to additional security being received by the Security Trustee or otherwise.

7.2 The Guarantors shall not be entitled to assign or transfer any of their obligations under the Guarantee.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Each Guarantor represents and warrants: -

- (a) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (b) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the respective Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (c) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (d) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (e) that this Guarantee shall not result in or cause the creation or imposition of or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
- (f) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and nor is it threatened with any such procedures;
- (g) that, save for any other priority and preference created by virtue of the deed of hypothec, the obligations binding it under this Guarantee rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
- (h) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;
- (i) that all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts; and
- (j) that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

8.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Security Trustee, and for as long as this Guarantee shall remain in force, the Guarantors shall each hold true, good, and valid all the representations and warranties given under this clause.

9. DEMANDS AND PAYMENTS

9.1 All the Indebtedness shall be due by a Guarantor under this Guarantee as a debt, certain, liquidated, and due on the seventh day following the Security Trustee's first written demand to a Guarantor to pay. All demands shall be sent to the address or facsimile or other numbers as are stated below in clause 10 as the same may be changed by notice in writing by one party to the other.

The demand shall be accompanied by a statement by the Security Trustee confirming that to the best of its knowledge there exist, at the time of the demand, circumstances which constitute an Event of Default or such that may render the underlying obligations of the Issuer to the Security Trustee or any Collateral invalid and unenforceable for any reason whatsoever.

It is expressly agreed that the requirement of such statement is not a condition of liability of a Guarantor under this Guarantee and is entirely without prejudice to the on-demand nature of this Guarantee. Any disagreement by a Guarantor as to the contents of the statement shall not entitle the respective Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.

9.2 The statement by the Security Trustee of the amount due under this Guarantee shall be binding on the Guarantors and shall be conclusive evidence of the sum due, saving only manifest error.

9.3 All payments shall be made to the Security Trustee without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to a Guarantor by the Issuer or the Security Trustee. Each Guarantor authorises the Security Trustee to apply any credit balance that the respective Guarantor may have with the Security Trustee towards the satisfaction of the Indebtedness. The Security Trustee shall notify the said Guarantor forthwith of the exercise of this right giving full details relating thereto.

10. NOTICES

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by facsimile, at the time of transmission of the facsimile.

For the purposes of this Guarantee, the proper addresses and facsimile numbers of the parties are:

The Guarantors

Juel Holdings

Address: Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta
Tel. No.: (+356) 27391085
Fax No: N/A
Contact Person: Edward Camilleri Bonici

Juel Hospitality

Address: Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta
Tel. No.: (+356) 27391085
Fax No: N/A
Contact Person: Edward Camilleri Bonici

Muscat Holdings

Address: Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta
Tel. No.: (+356) 27391085
Fax No: N/A
Contact Person: Edward Camilleri Bonici

Muscat Holdings II

Address: Avian Hill, Triq I-Ispanjulett C/W Triq il-Gallina, Kappara, San Gwann, Malta
Tel. No.: (+356) 27391085
Fax No: N/A
Contact Person: Edward Camilleri Bonici

Equinox International Limited

Address: Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta
Tel. No.: (+356) 21238989
Fax No: (+356) 21223048
Contact Person: Louis de Gabriele

Provided that each party may at any time change such address or telefax number by giving seven days' prior written notice to the other party. Every notice, request, demand, letter, or other communication hereunder shall be in writing and shall be delivered by hand or by post or through any other communication methods including telex, telefax or otherwise and shall be deemed to be received in case of post within seven days of dispatch or in case of other methods immediately upon confirmed transmission.

11. AMENDMENTS

Each Guarantor has the power to veto any changes to the terms and conditions of the Secured Bonds which are issued with the benefit of its Guarantee.

12. APPLICABLE LAW AND JURISDICTION

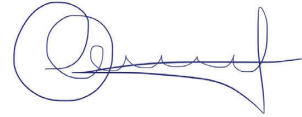
This Guarantee shall be governed by and construed in accordance with Maltese law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance, or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

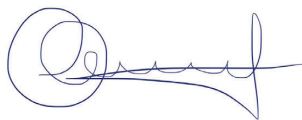
Signature Page



Name: Adrian Muscat
duly authorised, for and on behalf of
Juel Hospitality Limited



Name: Adrian Muscat
duly authorised, for and on behalf of
Juel Holdings Limited



Name: Adrian Muscat
duly authorised, for and on behalf of
Muscat Holdings Limited



Name: Adrian Muscat
duly authorised, for and on behalf of
Muscat Holdings (II) Limited

WE ACCEPT



Name: Louis de Gabriele
duly authorised, for and on behalf of
Equinox International Limited

ANNEX II – AUTHORISED FINANCIAL INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2560 3000
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
CiliaFormosa Financial Advisors Ltd	Triq id-Delu, Mosta MST 3355	2226 0200
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Medirect Bank (Malta) plc	The Centre, Tigne` Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	2145 3739
Timberland Invest Ltd	Aragon House Business Centre, Dragonara Road, St Julians STJ 3140	20908100

**FINANCIAL
ANALYSIS
SUMMARY**

6 JUNE 2023

ISSUER

JUEL GROUP P.L.C.
(C 101395)

REGISTERED ADDRESS

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The Directors
Juel Group p.l.c.
Avian Hill
Triq L-Ispanjulett c/w Triq il-Galina
Kappara, San Gwann, Malta

6 June 2023

Dear Directors,

Financial Analysis Summary

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Juel Group p.l.c. (the “**Issuer**” or the “**Company**”), and Muscat Holdings Ltd, Muscat Holdings (II) Ltd, Juel Holdings Ltd and Juel Hospitality Ltd being the guarantors in relation to the issue of 5.50% secured bonds 2035 (ISIN: MT0002741206) (the “**Guarantors**” together with the Issuer, the “**Group**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 has been extracted from the audited financial statements of Muscat Holdings Ltd, Muscat Holdings (II) Ltd and Juel Holdings Ltd.
- (b) Historical financial data for the year ended 31 December 2022 has been extracted from the audited financial statements of the Issuer and Juel Hospitality Ltd.
- (c) Pro forma consolidated statement of financial position of the Issuer as at 31 December 2022.
- (d) The projected consolidated financial data relating to the Issuer for the years ending 31 December 2023, 31 December 2024 and 31 December 2025 have been provided by management.
- (e) Our commentary on the results of the Group and on its financial position is based on the explanations provided by management.
- (f) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (g) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as the websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer’s securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer’s securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer’s securities.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Mizzi', written over a light blue circular scribble.

Jesmond Mizzi
Managing Director

www.jesmondmizzi.com

Jesmond Mizzi Financial Advisors Ltd. is licensed to conduct Investment Services Business by the Malta Financial Services Authority.
A Member Firm of the Malta Stock Exchange.
Company Registration Number: C30176

A member of the Atlas Group

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DEFINITIONS

ACMUS Group Ltd	ACMUS Group Limited (C 104599);
Franchise Agreement	the franchise agreements between the Franchisor and Juel Hospitality as franchisee;
Franchisor	Hyatt International (Europe Africa Middle East) LLC a limited liability company, organised and existing under the laws of Switzerland with company registration number CHE-106.692.572 and having its registered address at The Circle 09, 8058, Zürich-Airport, Switzerland;
Issuer	Juel Group p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 101395, and having its registered address at Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
GAP Group	GAP Group p.l.c. and its Subsidiaries;
GAP Group Investments II Limited	GAP Group Investments (II) Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 75856 and having its registered office at GAP Holdings, Head Office, Censu Scerri Street, Tigne, Sliema, SLM, 3060;
GAP Group p.l.c.	GAP Group p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 75875 and having its registered office at GAP Holdings, Head Office, Censu Scerri Street, Tigne, Sliema, SLM, 3060;
Group	the Issuer and its Subsidiaries - Juel Holdings, Juel Hospitality, Muscat Holdings and Muscat Holdings II;
Guarantors	each of Juel Holdings, Juel Hospitality, Muscat Holdings and Muscat Holdings II;
Hotel	the four-star hotel to be developed on two adjacent sites (the "Rocheville Site" and "San Souci Site" respectively) in the area known as "St George's" in Triq Santu Wistin, Swieqi, Malta, measuring approximately 996m ² , and to be operated under the brand name "HYATT CENTRIC MALTA";
Juel Holdings	Juel Holdings Ltd (C 92861);
Juel Hospitality	Juel Hospitality Limited (C 100482);
Muscat Holdings	Muscat Holdings Limited (C 77653);
Muscat Holdings II	Muscat Holdings (II) Limited (C 89275);
MZI	M.Z. Investment Services Ltd (C 23936);
Subsidiary	an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term " Subsidiaries " shall collectively refer to the said entities.

PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

1.1 INTRODUCTION

The Issuer was incorporated on 24 January 2022 and is the holding and finance company of the Group. It acquired the entire issued share capital of Juel Hospitality, Juel Holdings, Muscat Holdings and Muscat Holdings II on 22 December 2022, through a share for share exchange process which enabled the Group's majority shareholder, Adrian Muscat, to consolidate the operations of the Guarantors through a holding structure. On 14 April 2023, the Issuer acquired 33.3% of the Ordinary A shares (carrying voting rights and the right to receive dividends) of GAP Group Investments II Ltd, which is the 99.99% shareholder of the GAP Group, a group of companies which operates in the industry of property development. GAP Group p.l.c., the parent company of the GAP Group, has debt instruments admitted to listing on the Official List of the Malta Stock Exchange.

In February 2023, ACMUS Group Ltd was incorporated as a joint venture with The Ona Property Development Ltd (C 82490), a subsidiary company of The Ona p.l.c. (C 101370). The Ona p.l.c. has a bond issue listed on the official list of the Malta Stock Exchange and the majority shareholder thereof is Cliona Muscat, the sister of Adrian Muscat. ACMUS Group Ltd will serve as a property development vehicle for joint projects between the Group and The Ona p.l.c. Group.

The principal business objectives of the Group are to: (i) hold investment property for rental; (ii) acquire new sites for residential properties for resale; (iii) develop and construct properties acquired; and (iv) operate and manage the Hotel. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its subsidiaries and associate companies, and interest receivable due under intra-group loan agreements.

As at the date of this report, the Issuer has entered into the following loan agreements with Juel Hospitality:

- (i) a conditional loan agreement with Juel Hospitality pursuant to which it shall advance the net bond proceeds of the Bond Issue (amounting to approximately €13.61 million) to Juel Hospitality for the purposes of partly financing the development, construction and finishing costs of the Hotel;
- (ii) a loan agreement with Juel Hospitality pursuant to which it advanced all the funds it received under a bond advance facility (amounting to approximately €9.27 million) to Juel Hospitality for the purposes of acquiring the Rocheville Site. The said bond advance facility will be repaid through the allotment of Bonds to MZI or such persons as it may direct. As security for the bond advance facility granted by MZI, Equinox International Limited, in its capacity as security trustee, holds a special hypothec and special privilege over the Rocheville Site for the benefit of MZI; and
- (iii) a loan agreement with Juel Hospitality pursuant to which it advanced €8 million in funds it received in terms of a bank loan granted by Bank of Valletta p.l.c. for the purposes of acquiring the San Souci Site.

The Issuer may, from time-to-time advance funds to its Subsidiaries for their operating requirements, as the case so requires. In view of the principal activity of the Issuer as the holding and finance company of the Group, it is economically dependent on the operational results, the financial position, and the financial performance of its Subsidiaries and associate companies.

2. DIRECTORS AND SENIOR MANAGEMENT

2.1 DIRECTORS OF THE ISSUER

The Issuer is managed by a Board comprising five directors who are entrusted with its overall direction and management. The Board members of the Issuer as at the date of this report are included hereunder:

Adrian Muscat	Executive Director
George Muscat	Non-Executive Director
Mario Camilleri	Independent Non-Executive Director
Robert C. Aquilina	Independent Non-Executive Director
Dennis Gravina	Independent Non-Executive Director

2.2 DIRECTORS OF THE GUARANTORS

Juel Holdings

Adrian Muscat	Director
George Muscat	Director

Juel Hospitality

Adrian Muscat	Director
Mario Camilleri	Director

Muscat Holdings

Adrian Muscat	Director
George Muscat	Director

Muscat Holdings II

Adrian Muscat	Director
George Muscat	Director

2.3 SENIOR MANAGEMENT

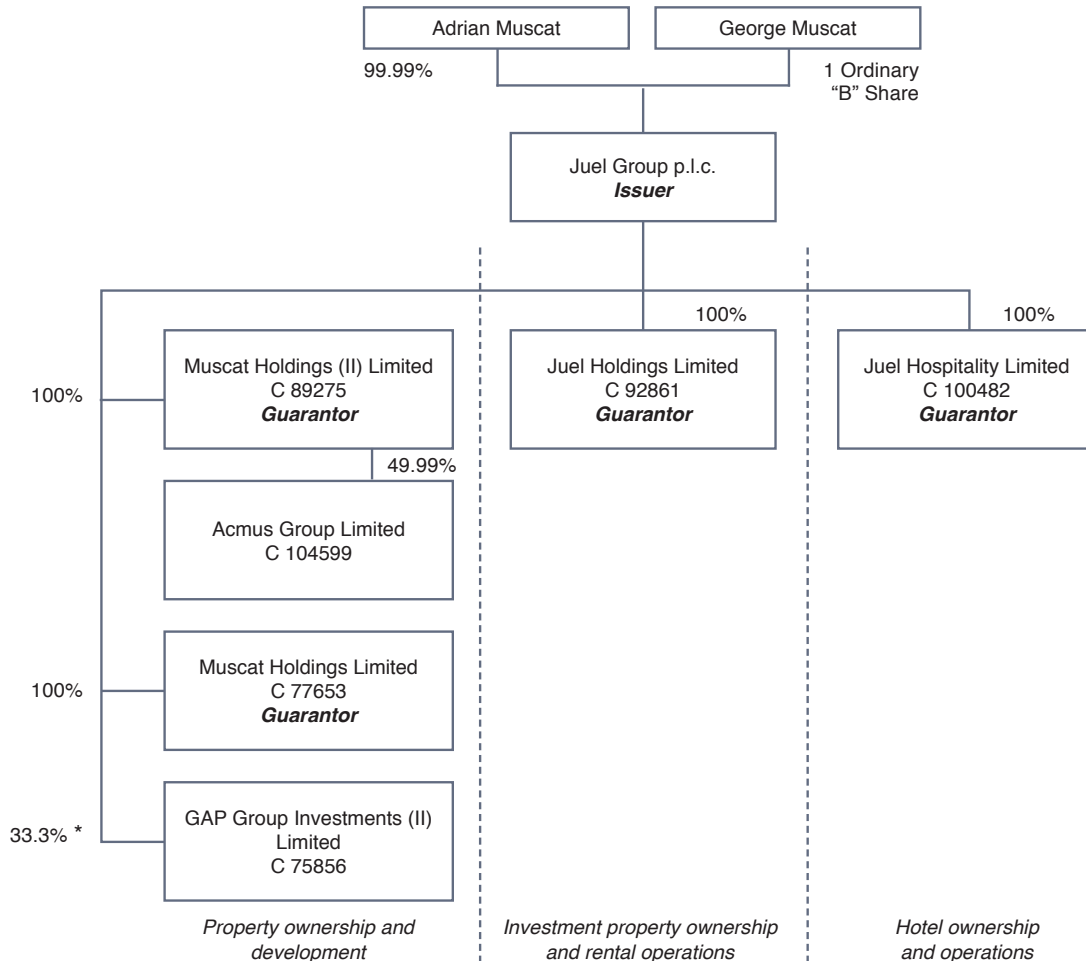
Adrian Muscat is the sole Executive Director of the Issuer entrusted with the day-to-day management of the Group. Mr Muscat is also a director or officer of other companies forming part of the Group. The Executive Director is supported in this role by several consultants and key management, and benefits from the know-how gained by members and officers of the Group.

The overall management of each Guarantor is entrusted to its board of directors who are the persons responsible for establishing the strategy of each Guarantor, including the responsibility for the appointment of all executive officers and other key members of management.

Once the Hotel is open to the public, the Hotel shall be operated by Juel Hospitality through an internal management team. For this purpose, Juel Hospitality shall employ skilled and experienced personnel with the necessary qualifications to perform their respective functions and responsibilities. Whilst the operation of the Hotel necessitates the employment of a variety of persons in different roles, the Hotel shall adopt a management structure which allows for the integration of personnel, in a manner that maximises efficiency.

The management of the Hotel shall be led by a core management team headed by a general manager approved by the Franchisor. Given that the construction and finishing works of the Hotel shall not be completed before the latter part of 2024, Juel Hospitality has not yet employed a general manager as well as other members of its core management team. Certain staff members and key personnel of the Hotel may be required to attend brand training programmes.

3. ORGANISATIONAL STRUCTURE



The organisational structure of the Group is depicted above. The Issuer is owned by Mr Adrian Muscat (ID: 166682M) as to 99.99%, whilst one share is held by Mr George Muscat (ID: 312355M). The Issuer also holds 33.3% of the Ordinary A shares (carrying voting rights and the right to receive dividends) of GAP Group Investments II Ltd.

3.1 GUARANTORS

3.1.1 JUEL HOSPITALITY

Juel Hospitality was incorporated on 18 October 2021 with the purpose of managing the Hotel under the “HYATT CENTRIC” brand as further described hereunder.

The Hotel Site, which consists of two adjacent sites known as the Rocheville Site and San Souci Site situated in Swieqi, Malta and measuring in aggregate 996 square metres, was acquired in September 2022 for an aggregate consideration of circa €18.5 million.

The Hotel is in the process of being constructed and developed over the above-mentioned Hotel Site. Once developed and finished, the Hotel shall be licensed as a Class 3B hotel and will form part of the “HYATT CENTRIC” brand of hotels. The Hotel shall feature 187 hotel rooms of which 27 rooms are interconnected spread over nine floors, a spa, pool facilities (indoor and outdoor), a restaurant and lounge.

The demolition of the villas constructed over the Hotel Site and excavation works were completed in Q1 2023 and construction works commenced in Q2 2023. The construction, finishing and furnishing of the Hotel is expected to be completed by Q3 2024, following which the Hotel would (subject to and in accordance with the terms of the Franchise Agreements) open its doors to the public. The costs for the overall construction and finishing expenditure of the Hotel are expected to be in the region of €24,310,000, as detailed below:

Type of work	Projected cost
Demolition and excavation works	€0.31 million
Construction	€4.10 million
Finishing and furnishing	€16.00 million
Financial, commission, ancillary cost	€3.90 million

Juel Hospitality has engaged local construction companies to carry out the development works and shall engage several service providers for the purpose of finishing and furnishing the Hotel. The development, finishing and furnishing costs of the Hotel shall be financed through a mix of net bond proceeds of the Bond Issue, a loan of €2 million granted by the Franchisor to the Franchisee and bank financing.

Juel Hospitality was granted the non-exclusive right and obligation to use the Hyatt Centric brand, proprietary marks, and systems for the operation of the Hotel under the trade name “Hyatt Centric Malta” and associated proprietary marks. The Hyatt Centric brand forms part of the “Hyatt” collection of hotel brands. Whilst the Hotel shall not be the first “Hyatt” branded hotel in Malta, the Hotel shall be the first hotel in Malta to operate under the “HYATT CENTRIC” brand.

Once the Hotel is open to the public, the Hotel shall be operated by Juel Hospitality through an internal management team. For this purpose, Juel Hospitality shall employ skilled and experienced personnel with the necessary qualifications to perform their respective functions and responsibilities. Whilst the operation of the Hotel necessitates the employment of a variety of persons in different roles, the Hotel shall adopt a management structure which allows for the integration of personnel, in a manner which maximises efficiency.

The management of the Hotel shall be led by a core management team headed by a general manager approved by the Franchisor. Given that the construction and finishing works of the Hotel shall not be completed before Q3 2024, Juel Hospitality has not yet employed a general manager as well as other members of its core management team.

The Hotel is expected to generate gross operating profit per available room (GOPAR) of €22,000 as from financial year 2027.

Juel Hospitality was incorporated on 18 October 2021 and as such, its first set of audited financial statements relates to the period from 18 October 2021 to 31 December 2022. An extract thereof is provided below:

Juel Hospitality Limited	
Financial Information	
for the year ended 31 December	2022
	Audited
	15 months
	(€'000)
Revenue	-
Loss for the year	(8)
Cash balance as at year end	277
Property, plant and equipment	20,883
Equity	12
Other financial liabilities	21,016

During the financial year under review, Juel Hospitality was principally involved in the acquisition of the Hotel Site and development thereon. As at 31 December 2022, the carrying value of the Hotel amounted to €20.9 million (accounted for as property, plant and equipment). Other financial liabilities amounted to €21.0 million and principally included amounts due to Group companies.

3.1.2 JUEL HOLDINGS

Juel Holdings was incorporated on 8 August 2019 and operates in the property development and property rental sectors. Historical financial information for the years ended 31 December 2020, 2021 and 2022 pertaining to Juel Holdings has been extracted from the respective audited financial statements.

Juel Holdings Limited			
Income Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	17 months		
	(€'000)	(€'000)	(€'000)
Revenue	673	489	686
Cost of sales	(466)	(210)	(387)
Gross profit	207	279	299
Administrative expenses	(121)	(148)	(242)
Depreciation	(4)	(31)	(34)
Operating profit	82	100	23
Gain on revaluation of investment property	-	1,952	-
Interest payable	-	-	(2)
Profit before taxation	82	2,052	21
Taxation	(2)	(270)	(1)
Profit for the year	80	1,782	20

Juel Holdings Limited			
Cash Flow Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	17 months		
	(€'000)	(€'000)	(€'000)
Net cash from / (used in) operating activities	49	217	(190)
Net cash from / (used in) investing activities	(1,293)	(41)	(15)
Net cash from / (used in) financing activities	1,525	(131)	54
Net movement in cash and cash equivalents	281	45	(151)
Cash and cash equivalents at beginning of year	-	281	326
Cash and cash equivalents at end of year	281	326	175

Juel Holdings Limited
Statement of Financial Position
as at 31 December

	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Non-current assets			
Property, plant and equipment	1,289	251	232
Investment property	-	3,000	3,000
Deferred income tax	26	-	2
	<u>1,315</u>	<u>3,251</u>	<u>3,234</u>
Current assets			
Inventory - development project	177	130	79
Trade and other receivables	114	816	1,008
Cash and cash equivalents	281	326	175
	<u>572</u>	<u>1,272</u>	<u>1,262</u>
Total assets	<u>1,887</u>	<u>4,523</u>	<u>4,496</u>
EQUITY			
Capital and reserves			
Called up share capital	1	1	1
Retained earnings	80	1,862	1,882
	<u>81</u>	<u>1,863</u>	<u>1,883</u>
LIABILITIES			
Non-current liabilities			
Deferred tax	-	240	240
	<u>-</u>	<u>240</u>	<u>240</u>
Current liabilities			
Trade and other payables	282	245	178
Other financial liabilities	1,524	2,175	2,195
	<u>1,806</u>	<u>2,420</u>	<u>2,373</u>
	<u>1,806</u>	<u>2,660</u>	<u>2,613</u>
Total equity and liabilities	<u>1,887</u>	<u>4,523</u>	<u>4,496</u>

Juel Holdings initiated operations in January 2020 through the acquisition of a site located on Triq I-Ahwa Vassallo in Luqa, Malta, with a superficial area of approximately 292 square metres over which it subsequently developed the Luqa Development. A portion of the site in Luqa was acquired jointly with Katari Developments Limited (C 89550). The construction and development of the Luqa Development commenced in March 2020 and was completed in Q1 2021.

The Luqa Development consists of two blocks of apartments. The first block of apartments was developed over the part of the site in Luqa which was jointly acquired with Katari Developments Limited (C 89550). The first block within the Luqa Development consists of 9 residential units and 10 garages / car spaces. Other than one apartment, all the residential units and garages / car spaces forming part of this block have since been sold.

The second block within the Luqa Development is owned by Juel Holdings and consists of 10 residential units and 10 underlying garages. Juel Holdings leases the second block of apartments (with the exception of a small number of garages) to a third party.

Apart from the above-mentioned 10 units within the Luqa Development, Juel Holdings leases to third parties, on a short-term and long-term basis, another 24 residential units: 14 residential units within the Birkirkara Development (owned by Muscat Holdings) and 10 units within the Kappara Development (owned by Muscat Holdings).

The short-let segment of the Group is operated under the brand “StayMela”. The residential units available for rent under the “StayMela” brand are primarily targeted at tourists visiting Malta on a short-term basis which seek a more affordable alternative to hotels. Since the commencement of its operations in 2020, the short-let operation of the Group under the “StayMela” brand has had an average of 68% occupancy of the units leased on a short-term basis in the year 2020, 74% occupancy in the year 2021 and 83% occupancy in the year 2022. The Group attributes the success of its operations under the “StayMela” brand to its pricing strategy, high quality services and the comfort and convenience of the residential units.

Revenue generated by Juel Holdings over the three-year period under review amounted to €1.8 million and operating profit, in aggregate, amounted to €205,000. In FY2021, the fair value of the 10 residential units at the Luqa Development was increased by €1.95 million. Overall, Juel Holdings reported profits for the three-year period of €1.9 million.

Total assets in the Statement of Financial Position as at 31 December 2022 amounted to €4.5 million and principally comprised investment property amounting to €3.0 million (being 10 units at the Luqa Development) and trade and other receivables of €1.0 million (mainly consisting of amounts due from shareholder and related parties).

Total equity as at 31 December 2022 amounted to €1.9 million while total liabilities amounted to €2.6 million. The latter amount primarily reflects amounts due to related parties.

3.1.3 MUSCAT HOLDINGS

Muscat Holdings was established on 14 October 2016 and operates in the property development and property rental sectors. Historical financial information for the years ended 31 December 2020, 2021 and 2022 pertaining to Muscat Holdings has been extracted from the respective audited financial statements.

Muscat Holdings Limited			
Income Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Revenue	3,021	1,070	-
Cost of sales	(1,895)	(584)	-
Gross profit	1,126	486	-
Administrative expenses	(67)	(86)	(24)
Depreciation	(2)	(2)	(2)
Rental income	35	95	145
Operating profit	1,092	493	119
Gain on revaluation of investment property	-	3,887	-
Interest payable	(113)	(43)	(63)
Profit before taxation	979	4,337	56
Taxation	(161)	(683)	(18)
Profit for the year	818	3,654	38

Muscat Holdings Limited

Cash Flow Statement

for the year ended 31 December

	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Net cash from / (used in) operating activities	2,443	579	(2,240)
Net cash from / (used in) investing activities	(1,283)	(86)	-
Net cash from / (used in) financing activities	(1,549)	(808)	2,179
Net movement in cash and cash equivalents	(389)	(315)	(61)
Cash and cash equivalents at beginning of period/year	1,219	830	515
Cash and cash equivalents at end of period/year	830	515	454

Muscat Holdings Limited

Statement of Financial Position

as at 31 December

	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Non-current assets			
Property, plant and equipment	18	16	13
Investment property	3,727	7,700	7,700
	<u>3,745</u>	<u>7,716</u>	<u>7,713</u>
Current assets			
Inventory - development project	1,654	1,059	1,059
Trade and other receivables	2,395	1,536	3,805
Cash and cash equivalents	830	515	454
	<u>4,879</u>	<u>3,110</u>	<u>5,318</u>
Total assets	8,624	10,826	13,031
EQUITY			
Capital and reserves			
Called up share capital	200	200	200
Retained earnings	3,813	6,867	6,905
	<u>4,013</u>	<u>7,067</u>	<u>7,105</u>
LIABILITIES			
Non-current liabilities			
Bank loans	-	522	2,800
Deferred tax	-	616	616
	<u>-</u>	<u>1,138</u>	<u>3,416</u>
Current liabilities			
Bank loans	924	60	-
Trade and other payables	2,439	1,178	1,167
Other financial liabilities	1,248	1,383	1,343
	<u>4,611</u>	<u>2,621</u>	<u>2,510</u>
	4,611	3,759	5,926
Total equity and liabilities	8,624	10,826	13,031

The first project undertaken by Muscat Holdings consisted of the development of three blocks in St Julian's comprising 31 residential units and 23 underlying garages (the "**St Julian's Development**"). Construction works commenced in 2017 and the development was fully completed in 2019. All said units and garages have been sold and the majority of contracts were signed in FY2019 and the initial part of FY2020.

Thereafter, Muscat Holdings developed three blocks in Birkirkara between Q3 2018 and Q1 2020 (the "**Birkirkara Development**"), of which, one block of 13 residential units and 9 garages were completely sold, save for one garage, between FY2020 and FY2021, a second block of 9 residential units has been reserved for a third party as settlement of an existing liability, while the third block consisting of 14 residential units and nine garages is leased by Muscat Holdings to Juel Holdings to be used exclusively for short let operation purposes by Juel Holdings.

Between Q3 2019 and Q3 2020, Muscat Holdings developed a property in Kappara comprising 10 residential units over five floors, a street level retail outlet and three underlying garages at basement level (the "**Kappara Development**"). The Kappara Development (including the retail shop) was leased to a third party through Juel Holdings under a long-term lease agreement which expired on 23 May 2022. Thereafter, the retail shop was converted to an office for use by the Group. The 10 units in the Kappara Development are being used for short let operation purposes by Juel Holdings.

During FY2020 and FY2021, Muscat Holdings generated revenue of €4.1 million from the sale of property units in the St Julian's Development and the Birkirkara Development. Rental income of €130,000 reflects the lease of units in the Birkirkara Development and the Kappara Development to Juel Holdings. The fair value of the afore-stated leased property was increased by €3.9 million in FY2021. Aggregate profit for the financial years under review amounted to €4.5 million.

No property sales were executed during FY2022. As such, revenue for the said year represented rental income from Juel Holdings amounting to €145,000. Overall, Muscat Holdings reported a profit for FY2022 of €38,000.

Total assets in the Statement of Financial Position as at 31 December 2022 amounted to €13.0 million and mainly comprised investment property of €7.7 million and receivables of €3.8 million. The former amount represents the fair value of the leased property forming part of the Birkirkara Development and the Kappara Development (in aggregate, 24 residential units). Receivables primarily include amounts due from related parties.

Equity as at 31 December 2022 amounted to €7.1 million, while total liabilities amounted to €5.9 million. Bank loans of €2.8 million relates to the outstanding balance of the bank facility used to end-finance the acquisition of the Kappara Development site and an equity release facility to inject funds into Juel Hospitality for the acquisition of the two Swieqi sites, forming part of the Hotel Site.

3.1.4 Muscat Holdings II

Muscat Holdings II was established on 7 November 2018 and operates in the property development sector. Historical financial information for the years ended 31 December 2020, 2021 and 2022 pertaining to Muscat Holdings II has been extracted from the respective audited financial statements.

Muscat Holdings (II) Limited			
Income Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Revenue	-	8,745	370
Cost of sales	-	(6,332)	(221)
Gross profit	-	2,413	149
Administrative expenses	(3)	(271)	(4)
Operating profit	(3)	2,142	145
Interest payable	-	-	-
Profit/(loss) before taxation	(3)	2,142	145
Taxation	-	(431)	(19)
Profit/(loss) for the year	(3)	1,711	126

Muscat Holdings (II) Limited			
Cash Flow Statement			
for the year ended 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Net cash from / (used in) operating activities	(578)	4,908	(4,570)
Net cash from / (used in) financing activities	519	(3,193)	3,078
Net movement in cash and cash equivalents	(59)	1,715	(1,492)
Cash and cash equivalents at beginning of period/year	93	34	1,749
Cash and cash equivalents at end of period/year	34	1,749	257

Muscat Holdings (II) Limited			
Statement of Financial Position			
as at 31 December			
	2020	2021	2022
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Current assets			
Inventory - development project	5,425	266	5,050
Trade and other receivables	4	1,308	903
Cash and cash equivalents	34	1,749	257
	<u>5,463</u>	<u>3,323</u>	<u>6,210</u>
Total assets	5,463	3,323	6,210
EQUITY			
Capital and reserves			
Called up share capital	1	100	100
Retained earnings	(6)	1,706	1,832
	<u>(5)</u>	<u>1,806</u>	<u>1,932</u>
LIABILITIES			
Non-current liabilities			
Bank Loans	-	-	3,264
	<u>-</u>	<u>-</u>	<u>3,264</u>
Current liabilities			
Bank overdraft and loans	3,216	-	-
Trade and other payables	1,195	536	219
Other financial liabilities	1,057	981	795
	<u>5,468</u>	<u>1,517</u>	<u>1,014</u>
	5,468	1,517	4,278
Total equity and liabilities	5,463	3,323	6,210

In 2019, Muscat Holdings II acquired a plot of land situated in Imgarr and two plots in Naxxar for the development of the Imgarr Development and the Naxxar Development, respectively. The former project was completed in April 2021 and consisted of 14 residential units and 15 garages. The Naxxar Development was constructed between February 2020 and June 2021 and comprised 10 residential units and 12 garages. Other than one garage within the Imgarr Development, all units and garages were sold in FY2021 and FY2022 and generated revenue amounting to €9.1 million. In the financial years under review, Muscat Holdings II registered a net profit (in aggregate) of €1.8 million.

Total assets in the Statement of Financial Position as at 31 December 2022 amounted to €6.2 million and mainly included property acquisitions (namely, "Marsascale Development I" and "Marsascale Development II") and one garage in Imgarr (inventory – development project) of €5.1 million.

In February 2022, Muscat Holdings II acquired a plot of land in Triq il-Bahhara, Marsascala for the purposes of developing 28 residential units, one commercial outlet and 35 lock-up garages. The Marsascala Development I is covered by a fully development permit having permit number PA/03522/21. Construction works commenced in Q3 2022 and are scheduled for completion by Q4 2023 at an estimated cost of *circa* €5.4 million (inclusive of land cost). The project is being funded through bank financing and accumulated reserves. The Directors are projecting to generate approximately €7.8 million in sales proceeds.

In November 2022, Muscat Holdings II acquired three adjacent properties in Triq il-Hut, Marsascala for the purposes of developing the Marsascala Development II. The site is earmarked to be redeveloped into 25 residential units and 18 lock-up garages. Land acquisition and development costs are expected to amount to €4.4 million and is being financed through a bank loan facility and accumulated reserves. Construction works commenced in February 2023 and are expected to be completed by Q2 2024. The Marsascala Development II is covered by a full development period having permit number PA/00876/22. The Directors are projecting to generate approximately €6.3 million in sales proceeds.

Total equity as at 31 December 2022 amounted to €1.9 million, while total liabilities amounted to €4.3 million. The principal amount related to a bank loan of €3.3 million used for the acquisition and development of the Marsascala Development I and the Marsascala Development II.

4. NEW IDENTIFIED PROPERTY DEVELOPMENT PROJECTS

The business strategy of the Group is to identify small to medium-sized property development projects in different localities in Malta. As at the date of this report, the Group has identified two sites in Imgarr for property development.

he majority shareholder of the Juel Group, Adrian Muscat, has entered into a promise of sale agreements pertaining to two sites located in Imgarr. Adrian Muscat has also entered into an agreement with a third party pursuant to which the third party agreed to assign its rights under a promise of sale agreement relating to a site in Imgarr in favour of Adrian Muscat. Adrian Muscat intends to assign and transfer his rights under the aforementioned agreements to ACMUS Group Ltd. The proposed developments are described below:

(a) Proposed development in Imgarr (site 1)

On 14 September 2022, Adrian Muscat entered into an agreement with a third party pursuant to which latter agreed to assign his rights to Adrian Muscat under a promise of sale agreement in respect of two adjacent properties in Triq Sir Harry Luke, Imgarr, Malta, which comprises a total superficial area of 280 square metres. The site has been earmarked by the Group to be redeveloped into six three-bedroomed apartments, a three-bedroomed penthouse and an office over five floors, with eight lock-up garages split equally over the ground and basement levels. The street level garages are divided into two one-car garages, a two-car garage and a three-car garage.

The expected aggregate net sales revenue from the sale of the units and garages forming part this property development project is expected to be in the region of €3.6 million. As at the date of this report, the Group has submitted a planning application having application number PA/05846/22 covering the proposed development which is pending approval. The total cost of this development, including acquisition, construction and finishing costs but excluding financing costs shall be approximately €2.5 million. The Group intends to finance such costs through bank financing, and shareholder loans. Since the proposed property development is at application stage and is pending approval from the Planning Authority in Malta, the Group is not in a position to estimate when construction of the proposed development of the site will commence.

(b) Proposed development in Imgarr (site 2)

On 6 July 2022, Adrian Muscat entered into a promise of sale agreement to acquire two adjacent properties in Triq San Pawl, Imgarr, Malta, which comprises a total superficial area of 265 square metres. The site over which the said properties are built has been earmarked by the Group to be redeveloped into three two-bedroomed apartments, a two-bedroomed penthouse and a one-bedroom penthouse over four floors, with six one-car garages and a three-car garage below street level.

The expected aggregate net sales revenue from the sale of the units and garages forming part this property development project is expected to be in the region of €3.3 million. As at the date of this report, the Group has submitted a planning application having application number PA/06743/22 covering the proposed development which is pending approval. The total cost of this development including acquisition, construction and finishing costs but excluding financing costs shall be approximately €2 million. The Group intends to finance such costs through bank financing and shareholder loans. Since the proposed property development is at application stage and is pending approval from the Planning Authority in Malta, the Group is not in a position to estimate when construction of the proposed development of the site will commence.

5. ECONOMIC AND SECTOR ANALYSIS

5.1 ECONOMIC UPDATE

In 2022, real GDP growth reached 6.9%¹, which is higher than the 5.7% projected in autumn². The economy showed strong growth in both private and public consumption, which were partially offset by a decrease in gross fixed capital formation. In addition to strong performance by the services sectors in general, the export of tourism services in 2022 rebounded quickly, both in terms of total number of visitors and tourism expenditures, contributing to overall positive economic results.

In 2023, real GDP is forecast to grow at a slower pace, by 3.1%, following a wider economic slowdown in Malta's main trading partners. In 2024, real GDP growth is expected to reach 3.7%, supported by net exports and growth in domestic demand. The strong impulse to growth from the recovery in tourism is however set to moderate in 2024, as tourist flows approach pre-pandemic levels.

Harmonised Index of Consumer Prices (HICP) inflation in 2022 reached 6.1%, despite energy prices being kept at 2020 level by government intervention. The Maltese authorities announced that they will continue limiting energy inflation in 2023 and 2024. Nonetheless, inflation in 2023 is set to remain elevated at 4.3%, due to continuing pressures in food, transport, and imported goods prices. In 2024, inflation is expected to subside to 2.4% as imported price pressures are also set to moderate.³

5.2 HOSPITALITY⁴

In 2022, the number of inbound tourists increased considerably by 136% over 2021, reaching 2,286,597 (2021: 968,136 visitors), but still remained 17% below 2019 pre-pandemic level (2019: 2,753,239 inbound tourists). In absolute terms, tourists visiting Malta for leisure purposes accounted for most of the year-on-year increase in arrivals although the number of visitors with business and other motives also increased.

The total number of guest nights that tourists spent in Malta during 2022 increased to around 16.6 million from 8.4 million a year earlier (+98%), but 14% less than the level recorded in 2019 (19.3 million guest nights). Guest nights at collective accommodation made up 52% of the aggregate (2021: 49%), while rented accommodation (other than collective accommodation) held a 48% share (2021: 51%).

Inbound tourists for the first three months of 2023 amounted to 443,062, an increase of 4.0% over the same period in 2019. Total nights spent by inbound tourists surpassed 2.9 million nights in Q1 2023, an increase of 3.8% when compared to Q1 2019.⁵

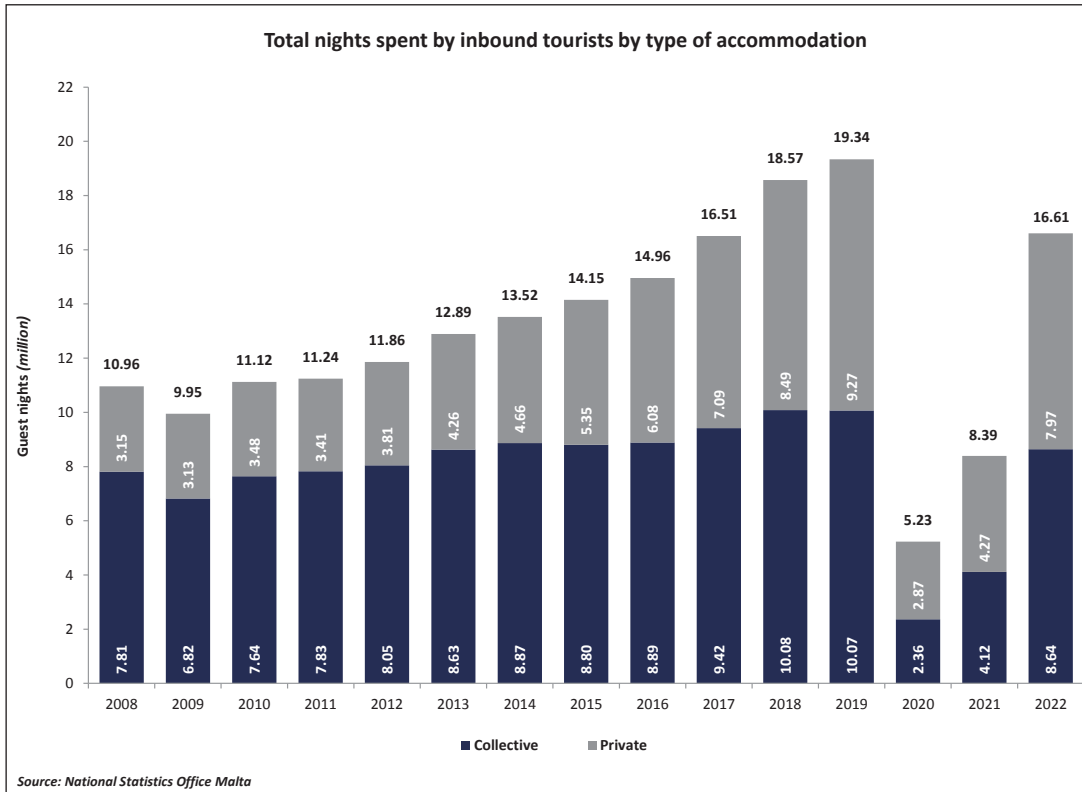
¹ National Statistics Office Malta – News Release 036/2023.

² European Economic Forecast, November 2022, European Commission Institutional Paper 187, page 104).

³ European Economic Forecast – Winter 2023 (European Commission Institutional Paper 194 Feb 2023).

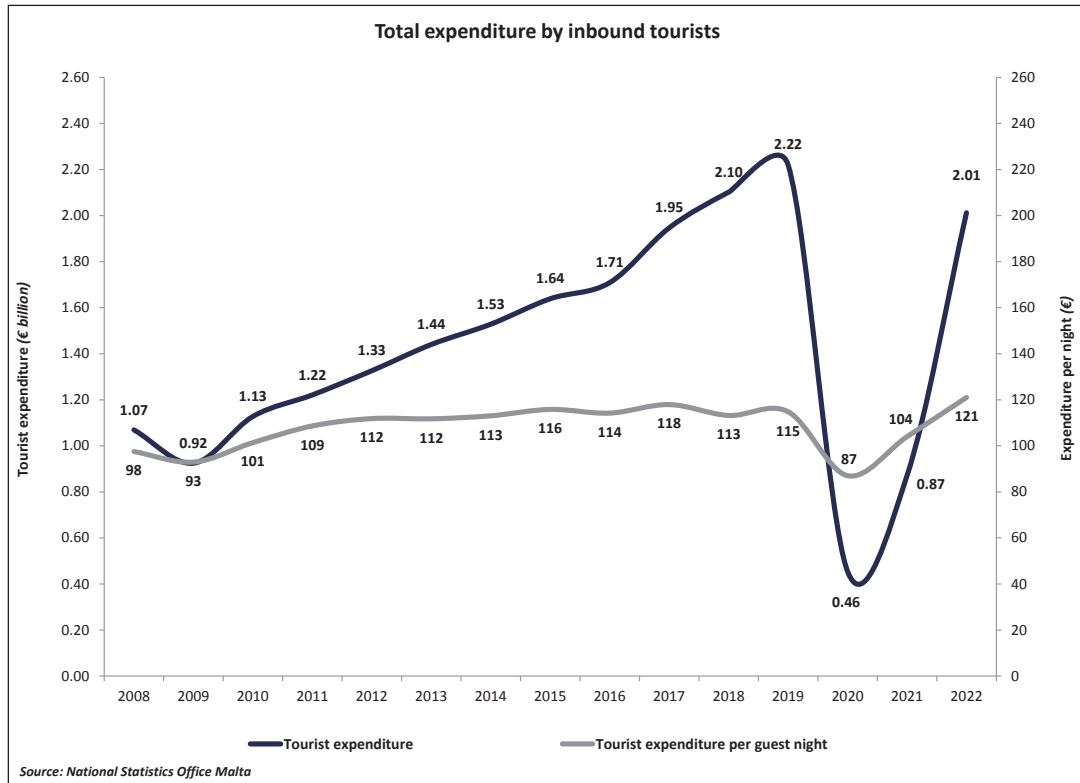
⁴ National Statistics Office Malta – News Release 020/2023.

⁵ National Statistics Office Malta – News Release 078/2023.



The total occupancy rate in collective accommodation establishments during 2022 rose to 53.3%, from 33.2% a year earlier. However, it remained below that recorded in 2019, when it had reached 65.7%. All categories reported increases in their occupancy rates over 2021, with the 2-star category registering the largest increase – of 24.3 percentage points. This was followed by a rise of 23.0 percentage points in the 4-star category. Meanwhile, the smallest increase – of 13.6 percentage points – was registered in the ‘other’ collective accommodation category. Occupancy rates remained below those prevailing before the pandemic, with the most significant gap recorded among 5-star hotels, while in 2-star establishments the rate has almost converged to that prevailing then.¹

¹ National Statistics Office Malta – News Release 040/2023.



Tourist expenditure in Malta more than doubled in 2022 to €2,012.5 million compared to the prior year (2021: €870.7 million). Total spending was just 9% below the level registered in the corresponding period of 2019. Expenditure per capita decreased by 2% from €899 in 2021 to €880 in 2022 (2019: €807), while average length of stay also decreased from 8.7 nights in 2021 to 7.3 nights in 2022 (2019: 7.0 nights). In Q1 2023, total tourist expenditure was estimated at €312.4 million compared to €272.4 million in the same period in 2019 (+15%).

5.3 PROPERTY MARKET

The NSO's Property Price Index (PPI) – which is based on actual transactions involving apartments, maisonettes and terraced houses – continued to increase in annual terms, albeit at a slower pace. The annual rate of change stood at 5.9% in the fourth quarter of 2022, from 6.3% in the third quarter of 2022 (see chart below). House price inflation in Malta was higher when compared to the euro area, where prices increased q-o-q by 3.0%.



Residential property prices continue to be supported by numerous factors, including the Government schemes supporting demand for property, such as the first-time and second-time buyers' schemes, the purchase of properties located in Urban Conservation Areas (UCA), purchases of property in Gozo, as well as refund schemes for restoration expenses. The recovery of tourism and normalisation of migrant workers flows from pandemic lows may have also shored up demand for property and contributed to the recent increase in property prices.¹

In 2021, the number of final deeds of sale relating to residential property amounted to 14,368 compared to 11,057 deeds in 2020 (+30%). The value of deeds completed in 2021 amounted to €3,161.9 million, an increase of 49% when compared to the prior year (2020: €2,126.6 million). During 2022, 14,305 final deeds of sale were concluded, a decrease of 63 deeds from a year earlier (2021: 14,368 deeds). The value of the aforementioned deeds amounted to €3,248.8 million compared to €3,161.9 million in 2021 (+€86.9 million or +2.7%).²

In the first quarter of 2023, 3,088 final deeds were registered, an annual decrease of 9.4%. The value of the deeds registered during this period went up by 3.2% over the same quarter of the previous year and amounted to €789.9 million.³

The number of residential building permits issued in 2022 amounted to 1,271 permits (2021: 1,633 permits) for the development of 9,599 residential units (2021: 7,578 residential units). As shown in the below chart, the number of units in 2022 (9,599) reflects a decrease of 26% from the all-time high of 12,885 units in 2018.³ During the first quarter of 2023, 496 building permits for a total of 2,540 new dwellings were approved. When compared to the same quarter of the previous year, the number of building permits decreased by 18.6% while the number of approved new dwellings decreased by 20.7%.⁴

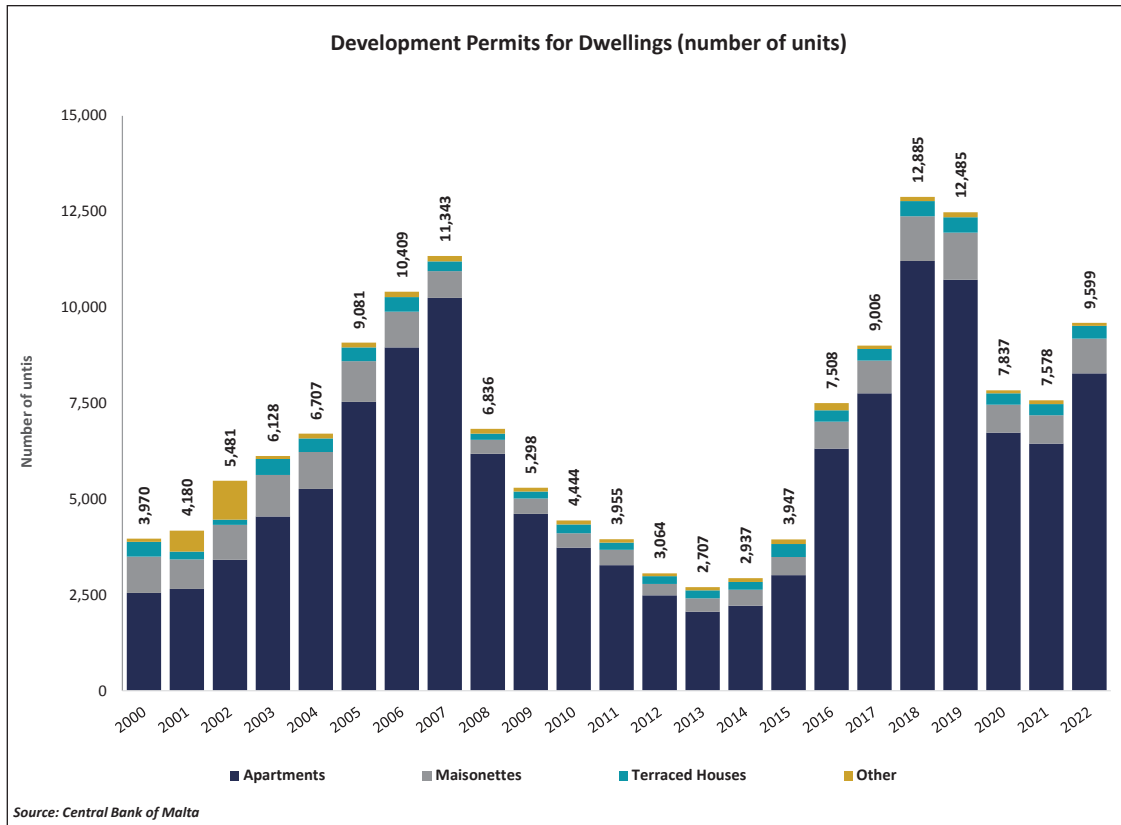
¹ Central Bank of Malta Quarterly Review (2023 Vol. 56 No. 1; page 43).

² National Statistics Office Malta – News Release 006/2023.

³ National Statistics Office Malta – News Release 059/2023.

⁴ <https://www.centralbankmalta.org/real-economy-indicators> (Development Permits for Dwellings, by Type).

⁵ National Statistics Office Malta – News Release 084/2023.



PART 2 – GROUP PERFORMANCE REVIEW

6. PRO FORMA FINANCIAL INFORMATION RELATING TO THE ISSUER

The financial information set out in this review represents pro forma consolidated financial information. This pro forma information presents what the Issuer's consolidated statement of financial position would have looked like had the Group existed in its current form, comprising all its current constituent components, as at 31 December 2022.

Juel Group p.l.c.

Pro forma Consolidated Statement of Financial Position
as at 31 December 2022

	Audited (€'000)	Adjustments			Pro forma (€'000)
		(I) (€'000)	(II) (€'000)	(III) (€'000)	
Non-current assets					
Investment property	10,700	-	-	-	10,700
Property, plant and equipment	21,129	-	-	-	21,129
Equity-accounted investees	-	7,915	-	-	7,915
	<u>31,829</u>	<u>7,915</u>	<u>-</u>	<u>-</u>	<u>39,744</u>
Current assets					
Inventory - development project	6,188	-	-	-	6,188
Trade and other receivables	145	-	-	-	145
Amounts due from shareholders	774	-	(774)	-	-
Cash and cash equivalents	1,164	-	-	-	1,164
	<u>8,271</u>	<u>-</u>	<u>(774)</u>	<u>-</u>	<u>7,497</u>
Total assets	40,100	7,915	(774)	-	47,241
EQUITY					
Capital and reserves					
Share capital and premium	10,951	7,915	-	2,092	20,958
Retained earnings	(17)	-	-	-	(17)
	<u>10,934</u>	<u>7,915</u>	<u>-</u>	<u>2,092</u>	<u>20,941</u>
LIABILITIES					
Non-current liabilities					
Borrowings	6,064	-	-	-	6,064
Deferred tax liability	856	-	-	-	856
	<u>6,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,920</u>
Current liabilities					
Bank loans	8,000	-	-	-	8,000
Bond advance facility	9,488	-	-	-	9,488
Trade and other payables	1,892	-	-	-	1,892
Amounts due to related parties	2,851	-	(2,851)	-	-
Amounts due to shareholders	15	-	2,077	(2,092)	-
	<u>22,246</u>	<u>-</u>	<u>(774)</u>	<u>(2,092)</u>	<u>19,380</u>
	<u>29,166</u>	<u>-</u>	<u>(774)</u>	<u>(2,092)</u>	<u>26,300</u>
Total equity and liabilities	40,100	7,915	(774)	-	47,241

The pro forma adjustments include the following:

- (I) Represents the inclusion of 33.3% of the voting shares in GAP Group Investments II Limited, which equity stake was acquired by the Issuer on 14 April 2023;
- (II) Represents the assignment of related party balances to Mr Adrian Muscat, the ultimate beneficial owner;
- (III) Reflects the capitalisation of amounts due to the shareholder following the adjustment in point (II) above.

On a pro forma basis, total equity of the Group as at 31 December 2022 amounted to €20.9 million.

Total liabilities amounted to €26.3 million, primarily made up of outstanding bank loans amounting to €14.1 million and a bond advance facility of €9.5 million.

Total assets amounted to €47.2 million and principally comprised investment property (residential units used for rental purposes), property, plant and equipment (the Hotel), investment in GAP Group Investments (II) Ltd and inventory of development projects.

7. FINANCIAL INFORMATION RELATING TO THE ISSUER

The Issuer was incorporated on 24 January 2022 and as such, its first set of audited financial statements relate to the period 24 January 2022 to 31 December 2022.

The projected consolidated financial information of the Group for the years ending 31 December 2023, 31 December 2024 and 31 December 2025 has been provided by management of the Issuer.

The projected financial information relates to events in the future and is based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

Juel Group p.l.c.				
Consolidated Statement of Comprehensive Income				
for the year ending 31 December				
	2022	2023	2024	2025
	Actual	Projection	Projection	Projection
	11 months			
	€'000	€'000	€'000	€'000
Revenue - property development	-	2,975	9,663	1,800
Revenue - hotel operations	-	-	2,038	7,135
Property rental net operating profit	5	315	321	328
Revenue	5	3,290	12,022	9,263
Cost of sales and operating expenses	(8)	(2,217)	(8,735)	(5,272)
EBITDA	(3)	1,073	3,287	3,991
Depreciation and amortisation	-	(27)	(502)	(985)
Operating profit (loss)	(3)	1,046	2,785	3,006
Share of results of associated company	-	3,276	1,842	2,405
Net finance costs	2	103	(980)	(1,982)
Profit (loss) before tax	(1)	4,425	3,647	3,429
Taxation	2	(338)	(894)	(244)
Profit for the year	1	4,087	2,753	3,185
Other comprehensive income				
Hotel revaluation, net of tax	-	-	2,215	560
Total comprehensive income for the year	1	4,087	4,968	3,745

Key Accounting Ratios

	FY2023	FY2024	FY2025
	Projection	Projection	Projection
EBITDA margin (%) <i>(EBITDA / revenue)</i>	32.61	27.34	43.09
Operating profit margin (%) <i>(Operating profit / revenue)</i>	31.79	23.17	32.45
Net profit margin (%) <i>(Profit after tax / revenue)</i>	124.22	22.90	34.38
Return on equity (%) <i>(Profit after tax / average equity)</i>	22.73	10.01	9.99
Return on assets (%) <i>(Profit after tax / average assets)</i>	7.26	3.66	3.99
Return on invested capital (%) <i>(Operating profit / average equity and net debt)</i>	2.35	4.53	4.36
Interest cover (<i>times</i>) <i>(EBITDA / net finance costs)</i>	(10.42)	3.35	2.01

Source: Jesmond Mizzi Financial Advisors Limited

The Issuer was incorporated on 24 January 2022 to act as the holding and finance company of the Group. Other than the acquisition of the Guarantors on 22 December 2022, the Issuer did not undertake any business activity during FY2022. Accordingly, the consolidated statement of comprehensive income for FY2022 primarily comprises the performance of the Guarantors between 23 December 2022 and 31 December 2022.

Revenue from property development operations is expected to amount to €14.4 million during the projected period (FY2023 to FY2025), mainly on account of sales to be generated from the Marsascale Development I and Marsascale Development II projects. The said developments are expected to be completed in Q4 2023 and Q2 2024 respectively.

The Hotel is projected to commence operations in Q4 2024 and revenue for the initial period to 31 December 2024 is estimated to amount to €2.0 million. During the first full year of operations (FY2025), the Hotel is expected to generate revenue of €7.1 million from accommodation and food & beverage.

Property rental net operating profit reflects the net income to be generated from short and long lets of existing inventory of apartments. The projected figures are based on current rentals and taking into account an inflationary rate of 2% per annum.

EBITDA in FY2024 and FY2025 is projected to amount to €3.3 million and €4.0 million respectively. However, due to the volatility in timing of property sales, coupled with the Hotel's operations commencing in late FY2024, EBITDA margin is estimated at 27% and 43% in FY2024 and FY2025 respectively. Interest cover for the said financial years is projected at 3.35 times and 2.01 times respectively.

Share of results of associated company primarily represents the 33.3% share of GAP Group profits which is projected to amount to €6.8 million over the three projected financial years. In FY2025, the Group is projecting an investment income of €0.7 million from its 49.99% shareholding in ACMUS Group Ltd.

Projected net profit is expected to be fairly stable on an annual basis and is estimated to amount to €10.0 million (in aggregate).

On completion of the Hotel and commencement of operations thereof in FY2024, the Group anticipates that the fair value of the property will increase by €2.2 million.

Juel Group p.l.c.

Consolidated Statement of Financial Position

as at 31 December

	2022	2023	2024	2025
	Actual	Projection	Projection	Projection
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment	21,129	32,657	46,239	46,230
Investment property	10,700	10,700	10,700	10,700
Investment in associate	-	11,857	13,699	14,724
	<u>31,829</u>	<u>55,214</u>	<u>70,638</u>	<u>71,654</u>
Current assets				
Inventory	6,188	8,130	4,456	5,956
Trade and other receivables	919	140	436	489
Cash and cash equivalents	1,164	9,026	2,508	3,582
	<u>8,271</u>	<u>17,296</u>	<u>7,400</u>	<u>10,027</u>
Total assets	<u>40,100</u>	<u>72,510</u>	<u>78,038</u>	<u>81,681</u>
EQUITY				
Capital and reserves				
Called up share capital	10,951	20,959	20,959	20,959
Other equity	-	(18)	(18)	(18)
Revaluation reserve	-	-	2,215	2,775
Retained earnings	(17)	4,089	6,842	10,027
	<u>10,934</u>	<u>25,030</u>	<u>29,998</u>	<u>33,743</u>
LIABILITIES				
Non-current liabilities				
Bank borrowings	6,064	-	2,000	1,850
Debt securities	-	31,402	31,464	31,526
Deferred taxation	856	856	2,049	2,350
	<u>6,920</u>	<u>32,258</u>	<u>35,513</u>	<u>35,726</u>
Current liabilities				
Bank overdraft and loans	8,000	8,425	6,066	7,421
Bond advance facility	9,488	-	-	-
Trade and other payables	4,758	1,173	1,818	1,917
Capital creditors	-	5,194	3,482	1,703
Other current liabilities	-	430	1,161	1,171
	<u>22,246</u>	<u>15,222</u>	<u>12,527</u>	<u>12,212</u>
	<u>29,166</u>	<u>47,480</u>	<u>48,040</u>	<u>47,938</u>
Total equity and liabilities	<u>40,100</u>	<u>72,510</u>	<u>78,038</u>	<u>81,681</u>

Key Accounting Ratios

	FY2022 Actual	FY2023 Projection	FY2024 Projection	FY2025 Projection
Net debt-to-EBITDA (<i>times</i>) (<i>Net debt / EBITDA</i>)	n/a	28.71	11.26	9.32
Net debt-to-equity (<i>times</i>) (<i>Net debt / total equity</i>)	2.05	1.23	1.23	1.10
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	67.19	55.17	55.24	52.45
Debt-to-asset (<i>times</i>) (<i>Total debt / total assets</i>)	0.59	0.55	0.51	0.50
Leverage (<i>times</i>) (<i>Total assets / total equity</i>)	3.67	2.90	2.60	2.42
Current ratio (<i>times</i>) (<i>Current assets / current liabilities</i>)	0.37	1.14	0.59	0.82

Source: Jesmond Mizzi Financial Advisors Limited

Non-current assets of the Group include the following:

- Property, plant and equipment primarily relates to the Hotel. The projections assume that the Hotel is initially recognised at cost and revalued to €46.0 million upon completion in FY2024.
- Investment property is projected to remain static at €10.7 million and comprises 34 residential units (14 units in Birkirkara, 10 units in Kappara and 10 units in Luqa) which the Group manages for short let or long let purposes.
- Investment is associate represents the 33.3% of voting shares in GAP Group Investments II Limited and the 49.99% shareholding in ACMUS Group Ltd.

Current assets mainly comprise inventory and cash balances. Inventory predominantly relates to property development units at cost.

The Group's equity is projected to amount to €25.0 million as at 31 December 2023 and increase to €33.7 million by 31 December 2025 (+€8.7 million). The increase of €8.7 million is on account of uplifts in the carrying value of the Hotel and accumulated profits assumed to be generated in the projected period.

As at 31 December 2023, total liabilities of the Group shall mainly comprise the proposed €32 million bond issue, and bank loans and capital creditors totalling €13.6 million.

The net gearing of the Group is expected to reach 55% in FY2023 in consequence of an increase in borrowings utilised for the purposes of developing residential units and the Hotel, which should improve to 52% by FY2025.

Juel Group p.l.c.

**Consolidated Cash Flow Statement
for the year ending 31 December**

	2022	2023	2024	2025
	Actual	Projection	Projection	Projection
<i>11 months</i>				
	€'000	€'000	€'000	€'000
Net cash from / (used in) operating activities	(99)	(519)	7,009	2,696
Net cash from / (used in) investing activities	1,260	(7,168)	(11,192)	(793)
Net cash from / (used in) financing activities	3	15,549	(2,335)	(829)
Net movement in cash and cash equivalents	1,164	7,862	(6,518)	1,074
Cash and cash equivalents at beginning of year	-	1,164	9,026	2,508
Cash and cash equivalents at end of year	1,164	9,026	2,508	3,582
Free cash flow¹	1,161	(7,687)	(4,183)	1,903

¹ Free cash flow is arrived at by deducting capital expenditure from cash generated from operating activities.

Operating activities in FY2023 is expected to result in a net cash outflow of €0.5 million on account of an adverse movement in working capital relating to property development works-in-progress. Net cash from operating activities in FY2024 is expected to amount to €7.0 million, principally reflecting net cash inflows to be generated from property sales (being Marsascala Development I and Marsascala Development II) and to a lesser extent the initial 3 months of operation of the Hotel. In the subsequent year (FY2025), net cash inflows from operating activities are projected at €2.7 million mainly reflective of the first full year of operation of the Hotel.

During the three projected years, net cash used in investing activities is estimated to amount to €19.1 million. Cash outflows relating to the development of the Hotel are expected to amount to €19.8 million, while the Group is projecting to receive net dividends from ACMUS Group Ltd of €0.7 million.

In FY2023, net cash from financing activities is projected to amount to €15.5 million and shall principally comprise net proceeds from the proposed bond issue, partly offset by repayment of bank loans. Financing activities in FY2024 and FY2025 are expected to principally include bank loan repayments and interest payments.

8. RELATED PARTY DEBT SECURITIES

The Issuer owns 33.3% of the Ordinary A shares in GAP Group Investments II Ltd, which is the 99.99% shareholder of the GAP Group. Below is a list of outstanding debt securities listed on the Malta Stock Exchange of the GAP Group as at the date of this report.

Security ISIN	Security Name	Amount Listed (€'000)
MT0001231209	4.25% GAP Group plc Secured Bonds 2023	8,349,900
MT0001231225	3.70% GAP Group plc Secured Bonds 2023-2025	16,617,900
MT0001231233	3.90% GAP Group plc Secured Bonds 2024-2026	21,000,000
MT0001231241	4.75% GAP Group plc Secured Bonds 2025-2027	23,000,000
		68,967,800

PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Issuer and its Bond Issue with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are a number of variances between the activities of the Issuer and other issuers (including principal markets, competition, corporate life cycle, capital requirements, etc), and also differences between the risks associated with the Group's business model and that of other issuers, the comparative analysis serves as an indication of the financial performance and strength of the Group.

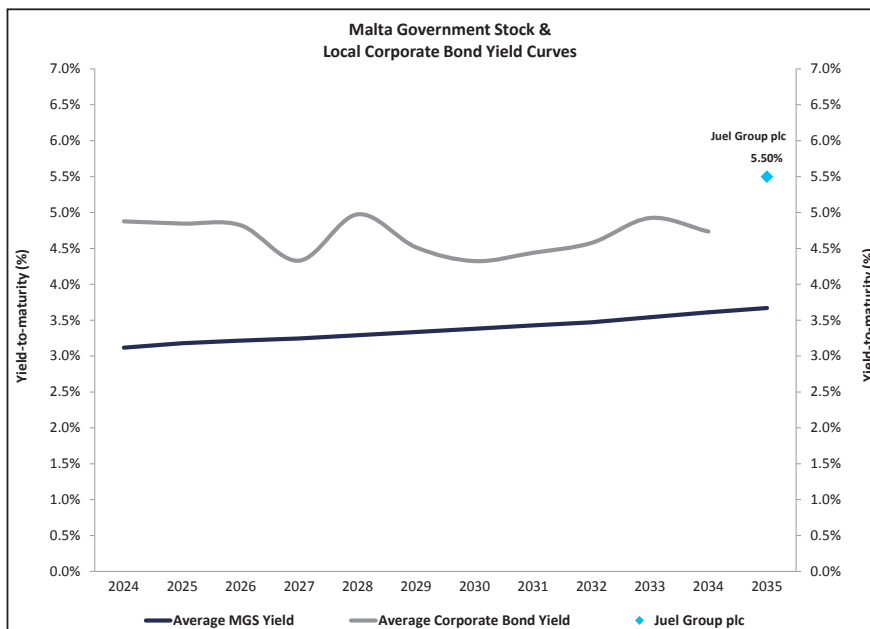
Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
6.00% AX Investments plc Unsecured & Guaranteed 2024	40,000	7.21	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2024	35,000	4.96	1.87	11.42	41.92	0.40
5.75% International Hotel Investments plc Unsecured 2025	45,000	4.68	1.87	11.42	41.92	0.40
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	4.28	1.66	12.42	42.46	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	3.83	1.87	11.42	41.92	0.40
4.00% International Hotel Investments plc Unsecured 2026	60,000	4.18	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	3.85	1.75	14.74	30.01	0.28
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.36	4.60	2.66	27.22	0.27
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	4.55	4.24	5.37	25.33	0.23
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	3.75	4.84	5.58	28.97	0.26
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	4.59	4.84	5.58	28.97	0.26
3.75% AX Group plc Unsecured 2029	10,000	4.14	1.75	14.74	30.01	0.28
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.69	1.87	11.42	41.92	0.40
4.50% The Ona plc Secured & Guaranteed 2028/2034	16,000	4.73	32.26	9.77	64.11	0.59
5.50% Juel Group plc € Secured 2035	32,000	5.50	4.04	9.25	55.29	0.51

*As at 08 May 2023

Sources: Malta Stock Exchange

Jesmond Mizzi Financial Advisors Limited

Most recent audited annual financial statements except for Juel Group plc (FY2024 - projection).



To date, there are no corporate bonds which have a redemption date beyond 2034. The Malta Government Stock yield curve has been included as it is widely considered to be the benchmark risk-free rate for Malta.

The **5.50% Juel Group plc secured and guaranteed bonds** have been priced at a premium of 183 basis points over the corresponding average Malta Government Stock yield.

PART 4 – EXPLANATORY DEFINITIONS

INCOME STATEMENT

Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation.
Operating profit	Profit from core operations excluding interest and tax.
Profit after tax	Net profit generated from all business activities.

PROFITABILITY RATIOS

EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit as a percentage of total revenue.
GOPAR	Gross operating profit per available room is a hospitality industry metric that measures the operating profitability of a hotel. It is calculated by dividing a hotel's gross operating profit by the total number of available rooms, and usually serves as a measure for comparing a hotel's performance with other properties within the same category or market.
Net profit margin	Profit after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on the company's net assets and is computed by dividing the net profit by average equity.
Return on assets	Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets.
Return on invested capital	Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt.

CASH FLOW STATEMENT

Net cash flow from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Cash flow from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Cash flow from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.

BALANCE SHEET

Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises the cost of the asset over the number of years for which the asset will be in use instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

Financial Strength/Credit Ratios

Interest cover	Measures the extent of how many times a company can pay its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity.
Debt-to-asset	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets.
Leverage	Shows how much equity a company is using to finance its assets.
Current ratio	Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets.
