

OFFERING MEMORANDUM

Dated 5 September 2024

In respect of an issue of:

**Up to €4,900,000 Zero-Coupon unlisted Secured Notes
of a nominal value of €100 per unlisted Secured Note due by not later than 20 March 2026
issued at the Subscription Value and redeemable at the Redemption Value
(the “Secured Notes”)**

by



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CF ESTATES FINANCE P.L.C.

a public limited liability company duly incorporated under the Laws of Malta, with Company registration number C 102839
with the joint and several Guarantee of CF Estates Ltd.

a private limited company registered in Malta with company registration number C 102632

NO REGULATORY AUTHORITY (INCLUDING THE MFSA) HAS REVIEWED OR APPROVED THE CONTENTS OF THIS OFFERING MEMORANDUM, NOR HAS ANY REGULATORY AUTHORITY (INCLUDING THE MFSA) MADE ANY ASSESSMENT OR JUDGEMENT ON THE ACCURACY OR COMPLETENESS OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFERING MEMORANDUM. THE ISSUER IS NOT LICENSED OR AUTHORISED BY ANY REGULATORY AUTHORITY (INCLUDING THE MFSA).

PROSPECTIVE INVESTORS SHOULD ALWAYS SEEK INDEPENDENT ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT SUCH AS THE SECURED NOTES. PROSPECTIVE INVESTORS SHOULD NOT TAKE ANY DECISION TO INVEST IN THE SECURED NOTES BEFORE READING AND CAREFULLY UNDERSTANDING ALL OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM, INCLUDING THE RISKS INVOLVED IN INVESTING IN THE SECURED NOTES.

IT IS THE RESPONSIBILITY OF PROSPECTIVE INVESTORS TO INFORM THEMSELVES OF AND TO OBSERVE AND TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS, INCLUDING ALL LEGAL, TAX AND INVESTMENT REQUIREMENTS OF INVESTING IN THE SECURED NOTES.

APPROVED BY THE DIRECTORS

Francis Agius

*in his capacity as Director of the Company and on behalf of each of Joseph Portelli,
Stephen Muscat, Mario Vella and Peter Portelli*

IMPORTANT INFORMATION

This Offering Memorandum (“Offering Memorandum” or “Memorandum”) includes particulars for the purpose of giving information with regard to the Issuer and the Secured Notes as are relevant for the purpose of the Offering. The Directors of the Issuer, whose names appear hereunder, accept responsibility for the information contained in this Offering Memorandum. 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 Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the advisers or any person mentioned in this Offering Memorandum, other than the Issuer and the Directors, shall be responsible for the information contained in this Offering Memorandum and any supplement to the Offering Memorandum, in any documents incorporated by reference or in any term sheet, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All the advisers to the Issuer have acted and are acting exclusively for the Issuer in relation to this Offering Memorandum and have no contractual, fiduciary or other obligation or responsibility towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the contents of and any information contained in the Offering Memorandum, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Offering Memorandum acknowledges that such person has not relied on any of the advisers in connection with its investigation of the accuracy of such information or its investment decision and it will rely on its own evaluation of the Offering Memorandum and the merits and risks involved in investing in the Secured Notes.

The Issuer is constituted as a company under the Act, and consequently rules relating to the constitution, proceedings and other corporate matters concerning the Issuer are also set out in the Company’s Articles. The latest Company’s Articles are available for inspection by prospective or existing Noteholders during ordinary office hours at the registered office of the Company.

This Offering Memorandum is not required by Maltese law to be registered or lodged and will not be registered or lodged with the Registry of Companies or with any other competent authority in Malta.

Whilst the Issuer has issued securities, namely the Existing Bonds, which are listed and traded on the Official List of the Malta Stock Exchange, it is not intended that, and no action will be taken by the Issuer so that, and the Issuer will not allow or give its consent that, the Secured Notes be listed, or dealt in, on any regulated market or stock exchange or multilateral trading facility.

The Offering of Secured Notes under this Offering Memorandum is exempt from the obligation to publish a prospectus in accordance with Article 3(1) of the Prospectus Regulation, by virtue of Article 12A(2) of the Financial Markets Act, since *inter alia* the total consideration of such offer in the European Union and the EEA is less than five million Euro (€5,000,000) calculated over a period of twelve (12) months. This notwithstanding, the Secured Notes may be offered to any number of investors, without limitation and shall be available for subscription by all categories of investors, including the general public.

The Secured Notes are being offered and will be issued, sold and allotted by the Issuer pursuant hereto solely to investors who are non-U.S. Persons without registration in any jurisdiction, and such Secured Notes will not and may not at any time be offered, sold, resold, transferred or assigned (including as a result of a transmission ‘causa mortis’ or pledge), and this Memorandum and any other offering materials relating to the Secured Notes may not be distributed or made available, to any person in a transaction which would require such registration or the drawing up of a prospectus complying with the provisions of the Companies Act and the provisions of the Prospectus Regulation.

The Secured Notes subject to the Offering are complex instruments. Financial intermediaries or placement agents selling or placing the Secured Notes must undertake an appropriateness test where the Secured Notes are sold on a non-advisory basis and, when providing advice in respect of a purchase of the Secured Notes or pursuant to the provision of portfolio management services, a suitability test, on prospective Noteholders in order to be satisfied that the Secured Notes are a suitable investment for the respective client, prior to executing a purchase of the Secured Notes. The Issuer disclaims any and all responsibility for any dealings made, representations given or processes adopted by financial intermediaries or placement agents in their effort to sell or place Secured Notes or to re-sell Secured Notes subscribed by them.

This Offering Memorandum does not constitute and may not be used for or in connection with, any offer or invitation to subscribe for securities by any person in any jurisdiction in which such offer or invitation is not lawful or is not authorised or in which the person making such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Offering Memorandum and the offer and sale of the Secured Notes or their eventual resale, transfer or assignment, in certain jurisdictions may be restricted by law and therefore the distribution of this Offering Memorandum and the offer and sale, resale, transfer or assignment of the Secured Notes in such jurisdictions shall be prohibited. In particular (but without limitation), the Secured Notes have not been nor will they be registered under the U.S. Securities Act, 1933 as amended, or under any federal or state securities law in the United States of America 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 "United States") or to or for the benefit of, directly or indirectly, any U.S. Person. Furthermore, the Issuer will not be registered under the U.S. Investment Company Act, 1940 as amended and investors will not be entitled to the benefits set out therein.

It is the responsibility of any persons in possession of this Offering Memorandum and any persons wishing to apply for Secured Notes, or to acquire in any manner and by any title any Secured Notes or any interests therein, to inform themselves of, and to observe and comply with, any such restrictions as aforesaid and all applicable laws, regulations and formalities of the countries of their nationality, residence or domicile or of any other relevant jurisdiction applicable to them, including (without limitation): (a) the legal requirements and formalities within any such jurisdiction for the purchase, holding or disposal of Secured Notes; (b) any foreign exchange restrictions which may affect them; and (c) the income and other tax consequences which may apply in any such jurisdiction relevant to the purchase, holding or disposal of Secured Notes. Prospective investors should not construe the contents of this Memorandum as legal, tax or financial advice. Each prospective investor should consult its own professional advisors as to the legal, tax, financial or other consequences of and matters relevant to an investment in the Secured Notes and as to the suitability of such investment for such investor, and as to any questions concerning the contents of this Memorandum.

The Issuer has the right to reject any application for subscription of Secured Notes for any reason without being obliged to disclose the same, and the transfer or other transactions in or involving Secured Notes may be restricted in specified circumstances, as provided herein.

Neither this Memorandum nor any other information supplied by or on behalf of the Issuer in connection with the Secured Notes, should be considered or taken as recommendations by the Issuer that any recipient of this Memorandum or of any other information supplied as aforesaid should purchase or otherwise acquire any of the Secured Notes or any interests therein or should, after purchasing or otherwise acquiring any Secured Notes or interests therein, exercise any rights in respect thereof to which he may become entitled.

No distributor, broker, dealer, salesperson or other person is authorised by the Issuer to give any information or to make any representation, or to issue any advertisement containing information or representations, in connection with the issue of or otherwise in connection with the Secured Notes save as contained in this Memorandum and in the documents attached to herewith and, if given or made, such information or representations must not be relied upon as having been authorised by and on behalf of the Issuer, and such reliance shall be solely at the risk of the investor.

This Memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire in investigating the Issuer or the Offering. Each investor must conduct and rely on its own evaluation and assessment of the Issuer, the Secured Notes and the terms of the issue of the Secured Notes, including the merits and risks involved in making an investment decision with respect to the Secured Notes.

The information contained in this Offering Memorandum was prepared by the Issuer and is being furnished solely for the personal use by prospective investors who receive it in connection with the Offering.

Nothing contained herein is, or should be relied upon, as a promise or representation as to the future performance of the Issuer or the Secured Notes. The value of investments can go up or down and past performance is not necessarily indicative of future performance. Investment in the Secured Notes is subject to risks and is not intended to be a complete investment programme for any investor. The attention of investors is drawn to Section 2, titled 'Risk Factors', of this Memorandum. Prospective investors should carefully consider whether an investment in Secured Notes is suitable for them in light of their circumstances and financial resources. Prospective investors are invited to obtain individual professional advice where appropriate so as to be fully aware of how they may be affected financially or otherwise by such risks.

Neither the delivery at any time of this Memorandum and/or any other offering materials relating to the Secured Notes prepared or authorised by the Issuer nor any offer made in connection with the issue of the Secured Notes nor any sale made thereunder or consequent thereto shall, under any circumstances, create any implication that (i) the information contained in such documents is accurate and complete subsequent to their respective dates of issue, (ii) there has been no adverse change in the financial condition of the Issuer since such dates or (iii) any other information supplied in connection with the Offering is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Secured Notes, all the rights and obligations of the Noteholders and the Issuer, and any non-contractual obligations arising out of or in connection with the Secured Notes, shall be governed by and construed in accordance with Maltese law. The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Secured Notes, all the rights and obligations of the Noteholders and/or the Issuer, and any non-contractual obligations arising out of or in connection with the Secured Notes. Statements made in this document are (except where otherwise stated) based on the law and practice currently in force in Malta and are subject to changes thereto.

This Offering Memorandum can only be used for the purposes for which it has been published.

This Offering Memorandum was approved by the Board of Directors of the Issuer by virtue of resolutions taken at a meeting held on 29 August 2024.

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1. DEFINITIONS

In this Memorandum the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

2022 Bond Issue	The issue of the Existing Bonds by the Issuer pursuant to the 2022 Prospectus;
2022 Prospectus	The prospectus dated 28 November 2022 issued by the Company in relation to the issue of the Existing Bonds;
Act	The Companies Act, 1995, Cap. 386, Laws of Malta;
Agent	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorized to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Cap. 370 of the laws of Malta);
Applicant/s	A person or persons (in the case of joint applicants) who subscribe(s) for the Secured Notes;
Application	The application to subscribe for Secured Notes made by an Applicant/s through the Agent;
Application Form	The subscription agreement or application form for subscription for Secured Notes made by an Applicant;
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;
CF Business Centre Ltd.	CF Business Centre Ltd., a limited liability company registered under the laws of Malta, with company registration number C 95327, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
CF Contracting Ltd.	CF Contracting Ltd., a limited liability company registered under the laws of Malta, with company registration number C 96370, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
CF Homes Ltd.	CF Homes Ltd., a limited liability company registered under the laws of Malta, with company registration number C 96073, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
CF Homes 2 Ltd.	CF Homes 2 Ltd., a limited liability company registered under the laws of Malta, with company registration number C 97986, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
CF Leisure Ltd.	CF Leisure Ltd., a limited liability company registered under the laws of Malta, with company registration number C 104594, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Collateral	<p>The following security to be granted in favour of the Security Trustee for the benefit of Noteholders:</p> <ul style="list-style-type: none"> (a) the Pledge over the Pledged Shares to be granted by the Shareholders; and (b) the Guarantee;

Conditions Precedent	The condition/s to which the issue and final allotment of the Secured Notes is subject, namely the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed, within 7 Business Days of the close of the Offer Period;
Designated Early Redemption Date	any date falling between (and including) the First Possible Early Redemption Date and the date immediately preceding the Full Term Redemption Date (20 March 2026), at the sole option of the Issuer, on which the Issuer shall be entitled to redeem all or part of the Secured Notes and prepay the Redemption Value thereof, by giving not less than 15 days' notice to the Noteholders and the term "Early Redemption" shall be construed accordingly;
Directors or Board	The directors of the Issuer whose names are set out in Section 5.4 hereof;
Euro or €	The official currency of the member States of the European Union that form part of the Euro-zone, including Malta;
Existing Bondholders	The holders of the Existing Bonds, each an "Existing Bondholder";
Existing Bonds	The 5% secured bonds due 2028-2033 issued by the Issuer pursuant to the 2022 Prospectus, of a nominal value of €100 per bond and of an aggregate nominal value of €30,000,000, and carrying ISIN MT0002701200;
Financial Markets Act	The Financial Markets Act, Cap. 345, Laws of Malta;
Finish Furnish Limited	Finish Furnish Limited, a limited liability company registered under the laws of Malta, with company registration number C 76264, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
First Possible Early Redemption Date	20 December 2024;
Full Term Redemption Date	20 March 2026;
Group or CF Group	The Guarantor and its direct or indirect Subsidiaries, including the Issuer, and the term "Group Company" shall mean any one of the companies forming part of the Group;
Guarantee	The joint and several guarantee dated 5 September 2024 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Note Issue, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Noteholders by the Security Trustee. A copy of the Guarantee (which contains a description of the nature and scope and the terms of the Guarantee) is appended to this Memorandum as Annex I hereto;
Guarantor	CF Estates Ltd., a limited liability company registered under the laws of Malta with company registration number C102632 and having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta;
Issue Date	Expected on 20 September 2024, as the same may be brought forward by the Issuer in the event of full subscription or over-subscription;
Issuer or Company	CF Estates Finance p.l.c., a limited liability company registered under the laws of Malta with company registration number C 102839 and having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta;

Issuer-Guarantor Loan	The loan facility between the Issuer (as lender) and the Guarantor (as borrower) referred to in Section 7.2 hereof, by virtue of which the proceeds of the Note Issue will be made available by the Issuer to the Guarantor;
Issuer-Guarantor Loan 2022	The loan facility between the Issuer (as lender) and the Guarantor (as borrower) by virtue of which the proceeds of the 2022 Bond Issue were made available by the Issuer to the Guarantor and regulated by the public deed in the records of Notary Kristen Dimech of the 11 January 2023;
Malta Financial Services Authority or MFSA	The Malta Financial Services Authority, established in terms of Article 3 of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Memorandum and Articles of Association or Articles	The memorandum and articles of association of the Issuer in force at the time of publication of this Memorandum;
MIFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast);
Mistral Hotel Ltd.	Mistral Hotel Ltd., a limited liability company registered under the laws of Malta, with company registration number C 88387, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Noteholders	The holders of the Secured Notes, each a “Noteholder”;
Note Issue	The issue of Secured Notes;
Offer Period	The period between 9 September 2024 and 20 September 2024, both days included, during which the Secured Notes are on offer (or such earlier date as may be determined by the Issuer in the event of full subscription or over-subscription);
Offering	The Issuer’s offering of the Secured Notes pursuant to this Offering Memorandum;
Offering Memorandum or Memorandum	This Offering Memorandum in its entirety;
Other Subsidiaries	The Subsidiaries within the Group, namely the Subsidiaries of the Guarantor, other than the Issuer;
Pledge	The first ranking pledge over the Pledged Shares to be granted by the Shareholders in favour of the Security Trustee, for the benefit of Noteholders, to secure the claim of the Security Trustee, for the benefit and in the interest of Noteholders, for the payment of the Redemption Value of the Secured Notes by the Issuer, as set out in Section 7.4 of this Memorandum;
Pledge Agreement	An agreement to be entered into <i>inter alia</i> by and between the Guarantor, the Security Trustee and the Shareholders, whereby the Shareholders shall constitute the Pledge over the Pledged Shares respectively owned by them in favour of the Security Trustee for the benefit of Noteholders;
Pledged Shares	The totality of the issued shares in the capital of the Guarantor held respectively by the Shareholders;
Prospectus Regulation	Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;

Ratcon Ltd.	Ratcon Ltd., a limited liability company registered under the laws of Malta, with company registration number C 91834, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Redemption Date	The Full Term Redemption Date or a Designated Early Redemption Date, whichever is the earlier;
Redemption Value	<ul style="list-style-type: none"> • If the Redemption Date falls at any time between the First Possible Early Redemption Date and 20 March 2025 (both days included): €93.20 per Note; • If the Redemption Date falls at any time between 21 March 2025 and 20 June 2025 (both days included): €94.90 per Note; • If the Redemption Date falls at any time between 21 June 2025 and 20 September 2025 (both days included): €96.60 per Note; • If the Redemption Date falls at any time between 21 September 2025 and 20 December 2025 (both days included): €98.25 per Note; • If the Redemption Date falls at any time between 21 December 2025 and the Full Term Redemption Date (both days included): €100 per Note (at par);
Register of Debentures	The register of debentures held by or on behalf of the Issuer as required by the Act;
Secured Notes or Notes	The €4,900,000 zero-coupon secured notes of a nominal value of €100 per note, which may be subscribed at the Subscription Value and redeemable at their Redemption Value on the Redemption Date, as set out herein;
Security Trust Deed or Trust Deed	The security trust deed entered into in respect of the Note Issue between the Security Trustee, the Issuer, the Guarantor and the Shareholders dated 5 September 2024;
Security Trustee	CSB Trustees and Fiduciaries Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 40390 and having its registered office at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara 4013, Malta, duly authorized 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);
Shareholders	The shareholders of the Guarantor and ultimate beneficial owners of the Group, namely Joseph Portelli (holder of Identity Card number 497193M), Duncan Micallef (holder of Identity Card number 52477M), Clifton Cassar (holder of Identity Card number 145483M), Francis Agius (holder of Identity Card number 225774M) and Stephen Falzon (holder of Identity Card number 117782M);
Subscription Value	€89.80 per Note;
Subsidiary	When such term used in respect of an undertaking (a parent undertaking) it means an undertaking which is such parent undertaking's direct or indirect "subsidiary undertaking", as such latter term is defined in Article 2(2)(c) of the Act, and for such purpose the term "parent undertaking" shall have the meaning assigned to it in Article 2(2)(a) of the Act, and "Subsidiaries" shall be construed accordingly;
Terms and Conditions	The terms and conditions of issue of the Secured Notes, set out in Sections 7.5, 8 and 9 of this Memorandum;
U.S. Person	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; and

United States

the United States of America, its territories or its possessions, or any area subject to its jurisdiction.

All references in the Memorandum to “Malta” are to the “Republic of Malta”.

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 also the feminine gender and *vice-versa*;
- (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (d) any references to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
- (e) any phrase introduced by the term “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding the term; and
- (f) any references to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Memorandum.

2. RISK FACTORS

AN INVESTMENT IN THE SECURED NOTES TO BE ISSUED BY THE ISSUER INVOLVES CERTAIN RISKS, INCLUDING BUT NOT LIMITED TO THOSE RISKS DESCRIBED IN THIS SECTION. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, TOGETHER WITH THEIR INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS (NOT LISTED IN ORDER OF PRIORITY) AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE OFFERING MEMORANDUM BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER AND THE SECURED NOTES.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES THAT 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.

SHOULD ANY OF THE RISKS DESCRIBED BELOW MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURED NOTES AND/OR ON THE VALUE, YIELD, MARKETABILITY, REPAYABILITY AND OTHER CHARACTERISTICS OF THE SECURED NOTES.

THE FOLLOWING RISKS ARE THOSE IDENTIFIED BY THE ISSUER AS MATERIAL AS AT THE DATE OF THIS OFFERING MEMORANDUM. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES OR AFFECTING THE SECURED NOTES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE THE DIRECTORS OF THE ISSUER MAY NOT CURRENTLY BE AWARE OF OR WHICH THEY DO NOT CURRENTLY DEEM AS MATERIAL, COULD WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER, ON THE SECURED NOTES OR ON THE NOTEHOLDERS' RIGHTS THEREUNDER. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CAREFULLY READ, CONSIDER AND UNDERSTAND THIS OFFERING MEMORANDUM AS A WHOLE BEFORE INVESTING IN THE SECURED NOTES. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PROBABILITY OF A PARTICULAR CAUSE OF LOSS ARISING OR OF THE EXTENT OF THAT LOSS SHOULD IT ARISE.

NEITHER THIS OFFERING MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH: (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 ANY OF ITS ADVISORS THAT ANY RECIPIENT OF THIS OFFERING MEMORANDUM OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURED NOTES.

Forward-looking Statements

This document includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer and/or the Directors. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Offering Memorandum will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer's control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations and financial condition of the Issuer are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Subject to any 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 statement is based.

2.1 Risks relating to the Issuer

Risks relating to the Issuer's Business and its reliance on the Group

The Issuer was incorporated relatively recently, on 26 July 2022, and accordingly has limited trading record or history of operations that can be used as a basis for an evaluation of the Issuer's potential performance. Furthermore, the Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. The Issuer itself therefore does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group and, as such, its assets are intended to consist primarily of loans issued to Group companies (including the existing Issuer-Guarantor Loan 2022 and the proposed Issuer-Guarantor Loan).

The Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies, principally the Guarantor, which in turn economically depends on the results and performance of its Subsidiaries (from which it expects to receive dividends and/or payments of shareholders' loans, as applicable).

Therefore, the risks intrinsic in the business and operations of Group companies have an effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of the Redemption Value when due (including, in the case of the Guarantor, any payments that it may be required to make under the Guarantee). Accordingly, the risks of the Issuer are indirectly those of the Group, in particular the Guarantor and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

2.2 Risks relating to the Guarantor and the Group

The Guarantor, being the holding company of the Group, is ultimately dependent financially on the results and performance of its Subsidiaries from which it expects to receive payments of and under any shareholders' loans made to them to finance their respective projects and/or operations and from which it expects to receive dividends from time to time, which loan payments and dividends will be used 'inter alia' to finance payments under the Issuer-Guarantor Loan by the Guarantor to the Issuer. The various Subsidiaries in turn depend on the viability, profitability and success of their respective projects, business and operations, for their continued liquidity, financial soundness and growth and their ability to make payments to the Guarantor as aforesaid and also to banks and other third parties providing them with finance. The respective business and operations of the Subsidiaries and therefore the financial performance of the Group as a whole will be subject to certain risks.

Economic and financial risks

Risks arising from war and/or conflict

Wars and conflicts which may from time to time occur in various parts of the world, including the Russia – Ukraine armed conflict and the Middle Eastern conflict as at the date of this Memorandum, may present new risks or exacerbate certain risks to which the operations of the Group are subject, including shortage of and/or increase in prices and delay in importation and delivery of building material and supplies needed for the development projects, apart from the negative effects these conflicts may have on the economy as a whole and on particular economic drivers, such as tourism.

Risks relating to inflation

As at the date of this Memorandum, inflation is relatively high and in various regions or countries is on the rise. Inflation may negatively affect the future financial performance of the Group, including through the consequent increase in the prices of goods and services and the cost of new opportunities, higher borrowing costs, and the overall decrease in purchasing power.

Risks relating to financing of the Group

The Group's indebtedness could adversely affect its financial position.

As at the date of this Memorandum, various companies within the Group have bank debt, and the Guarantor also has the Issuer-Guarantor Loan 2022. The Group's overall financial gearing levels will further increase pursuant to the Note Issue. This may also increase as a result of further indebtedness which may from time to time in future be obtained by the Group to fund the Subsidiaries' respective existing and new projects from time to time, or for the maintenance or to refinance existing indebtedness or otherwise for their respective business purposes. The increase in the level of financial gearing gives rise to all risks typically associated with higher leverage, including lower asset cover and lower debt service cover levels.

As a result of such indebtedness as aforesaid a substantial portion of the Group's generated cash flows may need to be used to service the same. Should the Guarantor or its Subsidiaries significantly increase their debt obligations, this may have an adverse effect on the profitability of the Guarantor or its Subsidiaries.

There can be no assurance that the Group will have access to such further debt financing as may be required from time to time at reasonable interest rates and at reasonable terms. Furthermore, any borrowings under bank credit facilities will likely be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates.

Business and operational risks

The Group depends on third parties in connection with its business, giving rise to counter-party risks

The Group is subject to various counter-party risks.

The Group relies upon third party or related service providers such as architects, project managers, building contractors, subcontractors, suppliers, hotel operators and others for the construction and completion and/or (as applicable) operation of its property developments and immovable assets. 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, the resulting development cost overruns or delays in completion or loss of revenue could have an adverse impact on the Group's business, and its financial condition, results of operations and prospects, and may also expose the respective Group company to claims or litigation by property buyers and other third parties for contractual default.

Prospective purchasers of properties may default on their obligations under preliminary agreements of sale with CF Homes Ltd., in particular by failing to appear on the final deed of sale and/or pay the outstanding amounts of the price when due, and tenants of property owned by the Group may default on their rental payment obligations, thus causing potential liquidity shortages for the Group (including, indirectly, the Issuer).

Material risks relating to real estate acquisition, development and sale

As seen in Section 5 of this Memorandum, one of the main lines of business of the Group is the acquisition, development and subsequent resale of immovable property.

A number of factors commonly affect the real estate development industry, which could adversely affect the financial performance of the Group and the value of the immovable properties under development within the portfolio of the Group. Such factors, most of which are typically outside the Group's control, include:

- inability to secure the necessary planning permits in a timely manner or at all, and costs of addressing oppositions to applications for such permits;
- general industry trends, including the cyclical nature of the real estate market;
- changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;
- increased competition in the market segment in which the Group operates which may lead to an oversupply of residential or commercial properties in such markets, resulting in a lowering of prices and rental rates and a corresponding reduction in revenue for the Group;
- shortages and/or price increases in raw materials, services or other construction inputs, such as, among others, cement, steel, energy and other utilities, leading to cost overruns;
- insufficiency or unavailability of resources to complete the projects, as a result of sudden and unexpected events, such as outbreaks of contagious diseases, wars or civil conflicts;
- sales or rental of properties not being made at the prices and/or at the timings envisaged resulting in a liquidity strain or even potential penalties or other financial sanction or litigation;
- possible structural problems;
- potential environmental related issues, restrictions and litigation;
- acts of God and other force majeure events, such as earthquakes and floods and other natural disasters, that may damage any of the properties or delay development thereof; and
- the health and safety risks inherent to property development, including the risk of serious injury or even fatality, and the claims and litigations that may arise therefrom.

Furthermore, real estate investments may be illiquid.

Any of the factors described above could have a material adverse effect on the Group's business and financial condition.

Risks relating to the hospitality business of the Group

Apart from the real estate development business, the Group is also involved in the hospitality business, mainly through the hotel operations.

The hospitality business is exposed to a number of external factors and risks, including (without limitation), changes in travel patterns and customer trends, the seasonality and cyclical nature of the tourism industry, the impact of outbreaks of contagious diseases, wars and possibly of other unexpected calamities on patterns and/or volume of travel, the introduction of new laws or more restrictive laws and requirements related to the hospitality industry, increases in operating costs and increased taxes, the strong and increasing local and global competition in the tourism sector, the increased availability and popularity of alternative hospitality solutions and alternative accommodation which represent a competitive threat to hotels.

The impact of any of these factors (or a combination of them) may adversely impact room rates and occupancy levels at the hotels of the Group, or otherwise cause a reduction in the Group's revenue from hospitality services, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the rental business of the Group

The Group is also involved in the commercial (particularly office) rental business.

The office and commercial rental business may be affected by a number of factors, including national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation and other economic, political and social factors, an increase in the supply of offices and commercial outlets and increased competition which could negatively impact capital values and income streams and the ability to source new lessees, defaults by lessees on their respective lease obligations, early termination of leases or the non-renewal thereof upon termination, as well as possible increases in operating and other expenses with respect to the leased properties which may be at the charge of the Group and not recoverable from the third party tenants.

Any of these factors or a combination thereof may adversely impact the rental business of the Group and could have a material adverse effect on the Group's business, financial condition and operational results.

Risks relating to the leisure business of the Group

The Group also has exposure to the entertainment and leisure industry, particularly through the entertainment arena operated by CF Leisure Ltd. These leisure operations and the profits which may be generated by the Group therefrom may be adversely affected by various factors and risks, beyond the Group's control, including changes in leisure trends and appetites of consumers, increased competition from similar and also alternative forms of entertainment attractions, the high costs involved in maintenance and updating of relevant technological equipment and health and safety risks arising from operation and use of certain entertainment attractions.

The Group's key senior personnel and management have been and remain material to its growth

The Group believes that its growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If the services of one or more of the members of this team were to become unavailable, 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 and operations.

Legal and regulatory risks

Risks relative to changes in laws and new industry standards and practices

The Group companies and their respective current and future operations are subject to laws and regulatory requirements applicable to property development, hospitality and other respective business sectors within which they operate, including laws and regulations relating to planning, construction and development, health and safety, environment, accommodation, bribery and corruption, data privacy and information protection, financial matters, accounting and tax. Compliance with such laws involves substantial costs and utilisation of human and other resources engaged in ensuring such compliance. Furthermore, as with any business, the Group is at risk in relation to changes in laws and regulations to which it is subject and

the timing and effects thereof, including changes in the interpretation thereof, and in administrative practices, which cannot be predicted and which can negatively affect the business and operations of Group companies, apart from the additional costs of compliance which these may entail.

Risks relating to health and safety

As owners of various properties which are still under construction, the Guarantor and its Subsidiaries must comply and ensure compliance with, and can be exposed to claims relating to, health and safety at work, and may also be exposed to claims for injury or even death at the workplace, all of which could have a detrimental effect on their operations and profits. As regards completed and operational properties retained by the Group, the respective Group companies owning or operating the same will be required to ensure compliance with applicable health and safety standards and practices in the relevant sectors in which they will operate, including the hospitality, entertainment, office administration business, and failure to comply with such standards or practices could expose such Group companies to third party claims which could in turn have a material adverse effect on their business, profitability and reputation.

Litigation risk

The real estate development industry as well as the other business sectors in which the Group is involved and/or operating, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's results of operations, financial condition or reputation.

2.3 Risks relating to the Secured Notes

Suitability of the Secured Notes as a complex financial instrument

Debt instruments which may be redeemed by an issuer prior to their maturity date are considered as having an embedded call option, and the price of the Secured Notes will take this factor into account. The Secured Notes may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of this early redemption component, the Secured Notes are deemed as complex financial instruments for the purposes of MIFID II, to the extent that they qualify as financial instruments under the said MIFID II. Accordingly, the Secured Notes are only suitable for investors who have the knowledge and experience to understand the risks related to the Secured Notes. Investors are urged to consult an independent investment adviser before investing in the Secured Notes.

In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Secured Notes, the merits, and risks of investing in the Secured Notes and the information contained or incorporated by reference in this Memorandum or any applicable supplement;
- (b) is able to assess whether the Secured Notes meet its investment objectives;
- (c) has sufficient financial resources and liquidity to bear all the risks of an investment in the Secured Notes, including where the currency for payments under the Secured Notes is different from the prospective investor's currency;
- (d) understands thoroughly the terms of the Secured Notes; and
- (d) is able to evaluate (either alone or with the help of an advisor) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Secured Notes, and the inherent risks associated with the Group's business. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of this Memorandum, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

No secondary market for the Secured Notes; no admission to listing or trading

The Issuer presently does not intend to apply for the listing and trading of the Secured Notes on any stock or other recognised or regulated investment exchange or multilateral trading facility. Accordingly, there will not be a liquid or any secondary market for the Secured Notes after their issue. Illiquidity can have a severe adverse effect on the market value of the Secured Notes and the price that a third party may be willing to pay for the Secured Notes may be at a significant discount to the original purchase price of those Secured Notes. There can be no assurance that Noteholders will be able to sell the Secured Notes at or above the price at which the Issuer issued the Secured Notes or at all.

Currency risk

Any investor whose currency of reference is not the Euro shall bear the risk of any fluctuations in exchange rates between the currency of denomination of the Secured Notes (€) and the Noteholder's currency of reference.

Amendments to Terms and Conditions

The Issuer may call a meeting of Noteholders in accordance with the provisions of this Memorandum and the Security Trust Deed in the event that it wishes to amend any of the Terms and Conditions of this Note Issue. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Additional indebtedness and security

Both the Issuer and the Guarantor may incur further borrowings or indebtedness, including through the issue of other debt securities, and may create or permit to subsist security interests upon the whole or any part of their respective present or future undertakings, assets or revenues (including uncalled capital), save only that no issue may be made that would rank senior to the Secured Notes in respect of the Collateral. No prediction can be made about the effect of any future public offering or other offers of the Issuer's securities, or any takeover or merger activity involving the Issuer or the Group, may have on the market price of the Secured Notes prevailing from time to time.

Ratings

The Issuer has not sought, nor does it intend to seek, the credit rating of an independent agency and there has been no assessment by any independent rating agency of the Secured Notes.

2.4 Risks relating to the Collateral***Risks relating to the Guarantee***

The Secured Notes, as and when issued and allotted, shall constitute the general, direct, and unconditional obligations of the Issuer and shall be guaranteed in respect of the Redemption Value due under the said Secured Notes by the Guarantor and the Pledge.

The Secured Notes are being guaranteed by the Guarantor on a joint and several basis, and accordingly the Security Trustee, for the benefit of itself and the Noteholders, shall be entitled to request the Guarantor to pay the Redemption Value of the said Secured Notes if the Issuer fails to pay the same, when due in terms of this Memorandum. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer. The Guarantee shall constitute a direct, and unconditional obligation of the Guarantor, and the Guarantor's obligations under the Guarantee shall rank *pari passu* with all its other unsecured and unsubordinated obligations.

The strength of the undertakings on the part of the Guarantor under the Guarantee and therefore, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Secured Notes, is dependent upon and directly linked to the financial position and solvency of the Guarantor, which will be affected by the level of indebtedness and liabilities incurred by such Guarantor, including indebtedness under the Existing Bonds and the joint and several guarantee granted by the said Guarantor to secure the obligations of the Issuer under the said Existing Bonds, as well as by the amount of payments received by the Guarantor from other Group companies, in the form of payments under shareholders' loans or other advances made to them or in the form of dividends or otherwise.

Risks relating to the Collateral constituted by the Pledge and the value thereof

The Secured Notes shall at all times rank *pari passu* without any priority or preference among themselves but, in respect of the Shareholders, and save for such exceptions as may be provided by applicable law, they shall rank with priority or preference over all unsecured indebtedness of the Shareholders, if any, by virtue and to the extent of the first ranking Pledge which the said Shareholders will constitute over the Pledged Shares in favour of the Security Trustee for the benefit of the Noteholders.

Whilst this Pledge in respect of the Secured Notes grants the Security Trustee a right of preference and priority for repayment of the Secured Notes over the creditors of the Shareholders in respect of the Pledged Shares, and whilst the Pledged Shares are effectively shares of the parent company of the Group which should indirectly reflect the value of the Group as a whole, there can be no guarantee that the value of the said Pledged Shares over the term of the Secured Notes will be and/or remain sufficient to cover the full Redemption Value outstanding under the said Secured Notes. This may be the result of various factors, including general economic factors that could have an adverse impact on the performance and financial condition of the Group and the value of the Pledged Shares. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Notes.

3. PERSONS RESPONSIBLE

All of the Directors whose names appear under Section 4 of this Offering Memorandum are the persons responsible for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect its import, and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

4. ADVISORS AND AUDITORS

4.1 Advisors

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

Agent

Name: Calamatta Cuschieri Investment Services Limited
Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

The Agent has been appointed as the Issuer's subscription agent, redemption agent and paying agent. The main responsibilities of the Agent are (as the Issuer's agent) the collection and processing of Application Forms from Applicants, ensuring that the Secured Notes are issued and registered in the investors' names or on their behalf and the processing of all redemptions of the Secured Notes on Redemption Date, in accordance with the Terms and Conditions, including the calculation and co-ordination of payment of the redemption amount due (as applicable).

Financial Advisors

Name: Grant Thornton Malta
Address: Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD1050, Malta

Legal Counsel

Name: Saliba Stafrace Legal
Address: 9/4, Britannia House, Old Bakery Street, Valletta VLT1450, Malta

4.2 Auditors of the Issuer and the Guarantor

As at the date of this Memorandum, the statutory auditors of the Issuer are:

Name: Grant Thornton (Malta)
Address: Fort Business Centre, Level 2, Mriehel Bypass, Birkirkara BKR 3000

The annual statutory financial statements of the Issuer for the first accounting reference period commencing on the date of incorporation and ending 31 December 2023 have been audited by Grant Thornton (Malta). Grant Thornton (Malta) is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta). The Accountancy Board registration number of Grant Thornton (Malta) is AB/26/84/22.

As at the date of this Memorandum, the statutory auditors of the Guarantor are also Grant Thornton (Malta).

The annual statutory financial statements of the Guarantor for the accounting reference periods ended 31 December 2022 and 31 December 2023 have been audited by the said Grant Thornton (Malta).

4.3 Security Trustee

Name: CSB Trustees & Fiduciaries Limited
Registered Office: Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara 4013, Malta

5. INFORMATION ABOUT THE ISSUER AND THE GROUP AND THEIR BUSINESS

5.1 History and Development of the Issuer

Full legal and commercial name of the Issuer:	CF Estates Finance p.l.c.
Registered address:	CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta
Place of registration and domicile:	Malta
Registration number:	C 102839
Date of registration:	26 July 2022
Legal Form:	A public limited liability company duly registered in terms of the Act
Telephone number:	+356 21411000
Email:	info@cf.com.mt
Website:	www.cf.com.mt*

**The information on the Issuer's website does not form part of this Memorandum unless that information is incorporated by reference into the said Memorandum.*

5.2 History and Development of the Guarantor

Full legal and commercial name of the Guarantor:	CF Estates Ltd.
Registered address:	CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta
Place of registration and domicile:	Malta
Registration number:	C102632
Date of registration:	30 June 2022
Legal Form:	A private limited liability company duly registered in terms of the Act
Telephone number:	+356 21411000
Email:	info@cf.com.mt
Website:	www.cf.com.mt*

**The information on the Guarantor's website does not form part of this Memorandum unless that information is incorporated by reference into the said Memorandum.*

5.3 Organisational Structure of the Group

The Issuer, which has been incorporated relatively recently in July 2022, is a fully-owned subsidiary of the Guarantor, which is the parent company of the Group, except for one (1) share which is held by Mr Joseph Portelli.

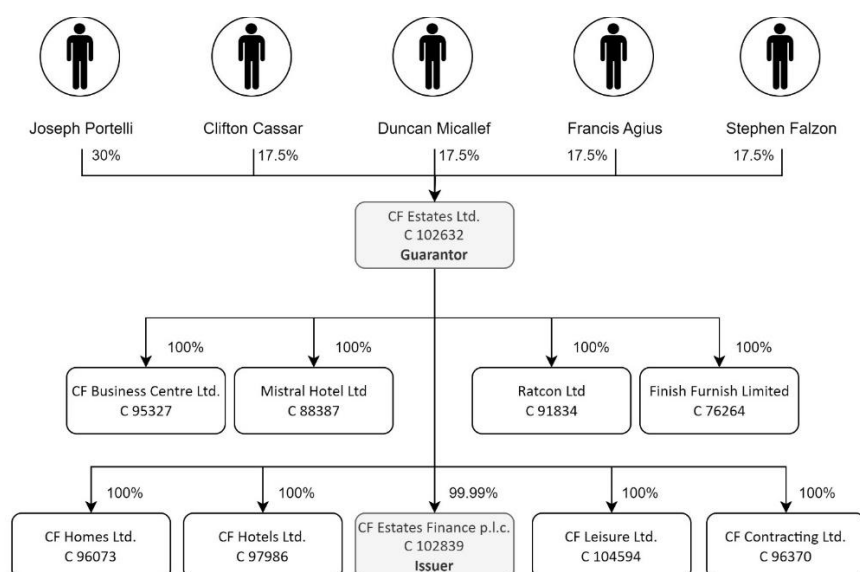
The Group currently consists of the following entities:

- i. The Guarantor, being the parent company, which has also been set up relatively recently in June 2022, is essentially a holding company and holds the totality of the issued share capital in each of its Subsidiaries mentioned below (save for one (1) share in the Issuer which is held by Mr Joseph Portelli) and is owned by the shareholders and beneficial owners referred to in Section 5.5 below;
- ii. CF Homes Ltd., a private limited liability company, incorporated under the laws of Malta on 8 July 2020 with registration number C 96073 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which carries on the business of property developers of various residential and other projects, including the current main property developments specifically mentioned in Section 5.7 below;
- iii. CF Business Centre Ltd., a private limited liability company, incorporated under the laws of Malta on 2 April 2020 with registration number C 95327 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the office and commercial outlet building named “CF Business Centre” in Triq Sant’Andrija – Triq Gort c/w Triq Gdida fi Trejjet San Gorg, Paceville, St. Julians, Malta;
- iv. Mistral Hotel Ltd., a private limited liability company, incorporated under the laws of Malta on 19 September 2018 with registration number C 88387 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the Mistral Hotel in Triq Luigi Apap, Paceville, St. Julians;
- v. Ratcon Ltd., a private limited liability company, incorporated under the laws of Malta on 16 May 2019 with registration number C 91834 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the Levante Hotel in Triq Gort, Paceville, St. Julians, and the Scirocco Hotel in Triq Ross, Paceville, St. Julians;
- vi. CF Homes 2 Ltd., a private limited liability company, incorporated under the laws of Malta on 26 January 2021 with registration number C 97986 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the land on which the fourth hotel in Triq Luigi Apap c/w, Triq Ross, St. Julians, will be constructed;
- vii. CF Leisure Ltd. a private limited liability company, incorporated under the laws of Malta on 2 March 2023 with registration number C 104594 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which carries on the leisure and entertainment business of the Group;
- viii. CF Contracting Ltd., a private limited liability company, incorporated under the laws of Malta on 13 August 2020 with registration number C 96370 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which carries on the business of property contractors;
- ix. Finish Furnish Limited, a private limited liability company, incorporated under the laws of Malta on 4 July 2016 with registration number C 76264 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which used to carry on the business of dealing in and providing services in respect of tiles, sanitaryware, furnishings, fittings and furniture for residential and commercial buildings, but which is now in a winding down process;
- x. the Issuer, which does not have any substantial assets apart from loans to companies within the Group (principally the Guarantor), and is essentially a special purpose vehicle set up to act as a financing company for the Group, and intended to serve as a vehicle through which the Group will continue to finance its existing and future projects.

The Group, in its existing form, has been constituted in 2022 following the incorporation of the Guarantor (as parent) and a corporate restructuring process involving a series of share transfers and share exchanges and other corporate transactions leading to the other companies becoming Subsidiaries of the Guarantor, apart from the incorporation of the Issuer as a Subsidiary itself of the said Guarantor.

Following such restructuring and constitution of the Group as aforesaid, the Guarantor is now directly owned by, and each of the above-mentioned Subsidiaries is indirectly beneficially owned by, Joseph Portelli, Duncan Micallef, Clifton Cassar, Francis Agius and Stephen Falzon in the proportions of 30%, 17.5%, 17.5%, 17.5% and 17.5% respectively.

The organisational structure of the Group, as at the date of this Offering Memorandum, is illustrated in the diagram hereunder:



Dependence of Issuer and Guarantor on the Group

As previously stated, the Issuer is, essentially, a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of the Group, particularly the Guarantor. More specifically, the Issuer is principally dependent, including for the purpose of servicing payments under the Secured Notes, on the receipt of loan payments from the Guarantor to which the proceeds of the Note Issue will be advanced by way of loan under the Issuer-Guarantor Loan.

As the holding company of the Group, the Guarantor is ultimately dependent on the results and performance of its Subsidiaries from which it expects to receive payments under any shareholders' loans made to them to finance their respective projects and/or operations and from which it expects to receive dividends from time to time, which loan payments and dividends will be used to finance payments under the Issuer-Guarantor Loan by the Guarantor to the Issuer.

5.4 Administrative, Management and Supervisory Bodies

Directors of the Issuer

The Issuer is currently managed by a Board consisting of five Directors entrusted with its overall direction and management. As at the date of this Memorandum, the Board of Directors of the Issuer is constituted by the following persons:

Name and Identity Card number	Office Designation
Joseph Portelli (497193M)	Executive Director
Francis Agius (225774M)	Executive Director
Stephen Muscat (460561M)	Independent non-executive Director
Mario Vella (672753M)	Independent non-executive Director
Peter Portelli (364666M)	Independent non-executive Director

Joseph Portelli and Francis Agius are executive Directors and occupy senior executive positions within the Group. The other three Directors, Stephen Muscat, Mario Vella and Peter Portelli serve on the Board of the Issuer in a non-executive capacity. They are considered as independent Directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement.

The business address of the Directors is at the registered office of the Issuer.

Director of the Guarantor

As at the date of this Memorandum, the board of directors of the Guarantor is constituted by the following persons:

Name and Identity Card number	Office Designation
Joseph Portelli (497193M)	Executive Director
Clifton Cassar (145483M)	Executive Director
Duncan Micallef (52477M)	Executive Director
Francis Agius (225774M)	Executive Director
Stephen Falzon (117782M)	Executive Director

Curriculum vitae of directors of the Issuer and the Guarantor

Stephen Muscat (Non-executive Director of the Issuer)

Stephen Muscat is a Certified Public Accountant and a graduate of the University of Malta with a BA (Honours) Accountancy degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors (UK). He is the former CEO and Director of Maltacom p.l.c., today GO p.l.c. (C 22334).

Stephen is an authorised Company Service Provider serving as a Non-executive Director of holding and trading companies. He is also a director of locally licensed financial institutions and a bank. Currently he is a member of the board of directors and chairs the audit committee of public bond issuers trading on the Malta Stock Exchange main market and bond issuers on the Prospects MTF.

Mario Vella (Non-executive Director of the Issuer)

Mario Vella joined Barclays Bank in Malta in 1969 and has occupied several positions within the bank concluding his career with HSBC in 2013 in the role of Head of Corporate Banking in which position he was responsible for the major share of the Bank's lending portfolio and its largest corporate customers. He has been involved in driving through major changes in banking strategies especially on Mid-Med Bank's take-over by HSBC. Over the years Mario has arranged finance for a significant number of high-profile projects including via a mix of bank / syndicated lending and capital markets.

In 2013, after 43 years in banking, Mario moved to KPMG as Director, Deal Advisory. In this role he has served as consultant to several companies. He helped clients restructure and refinance their trading activities and raise financing for new ventures. He has participated in putting together high-profile mergers and other significant business deals.

Mario retired from KPMG in August 2017 but continues to provide consultancy services to various businesses. He presently also sits as non-executive director or chairman on a number of corporate boards, including boards of companies with securities listed on the Malta Stock Exchange, apart from the Issuer.

Peter Portelli (Non-executive Director of the Issuer)

Peter Portelli obtained a degree of BA (Hons) Public Administration from the University of Malta in 1990 and a Masters in Business Administration from Henley Management College (UK) in 1997.

Between 1990 and 1998, he held various middle management and senior positions within the Ministry of Tourism and the Office of the Prime Minister, Malta. From 1998 to 2004 he was Private Secretary to the Prime Minister, and later Private Secretary to His Excellency, the President of Malta for a short period between April to December 2004. From January 2005 to June 2013, Peter acted as Permanent Secretary within the Maltese Public Service, heading the Ministry responsible for Tourism, with a portfolio that also included Culture and the Environment. Since July 2013 he is an Officer in Grade 2, Malta Public Service. Since 2015, he has held the position of Executive Secretary of The Strickland Foundation.

Peter presently sits as non-executive director on a number of corporate boards, including the board of another company which has securities listed on the Malta Stock Exchange.

Joseph Portelli (Executive Director of the Issuer and director of the Guarantor)

Joseph Portelli is a self-made businessman. Starting his business in the year 1996, Joseph Portelli has been involved in a number of successful property development projects within the real estate market in Malta and Gozo, which include the acquisition, development and sale or operation of all types of residential and commercial properties, including Mercury Towers Project in St. Julians, Villagg San Guzepp in Gozo, Forum Residences in St. Andrews, Hal Saghtrija Complex in Zebbug, Gozo as well as a foray into the hospitality sector with Quaint Boutique Hotels in Gozo.

Joseph is also a shareholder and/or beneficial owner and/or director of various other companies involved in property development and real estate / hospitality projects. Amongst others he is the sole shareholder and beneficial owner of Mercury Group which has developed the Mercury Project in St. Julians.

In 2022, he joined forces with Francis Agius, Duncan Micallef, Stephen Falzon and Clifton Cassar and had various companies in which he was involved merging operations into the CF Group through a restructuring exercise.

Apart from overseeing the day-to-day operations of the Group, his current main responsibilities today are main administration and business development.

Francis Agius (Executive Director of the Issuer, director of the Guarantor)

After completing his education at St. Edwards College, Malta in 1990, Francis Agius joined his father to help run a shopping outlet, whilst furthering his studies. His willingness to adapt and aptitude for hard work helped Francis gain the knowledge and experience needed to enable him to manage an outlet.

As a result, in 1995 Francis opened his first retail outlet focusing on clothing, shoes and cosmetics. He then expanded the business by opening two outlets whereby he rented videos and dvds and sold mobile phones, electronics and white goods. In 1999, Francis joined Melita as a reseller for 13 outlets, while also supplying mobile phones and repairs for their customers.

In 2011 Francis ventured into property development through a partnership with Duncan Micallef and Stephen Falzon, and has since been involved in various property developments around Malta and Gozo.

In 2016, Francis, Duncan and Stephen, together with Joseph Portelli took over Finish Furnish Limited. They were then involved in the restructuring of the different companies owned by the separate Shareholders into the CF Group in 2022.

Francis' main responsibilities within the Group are those of account keeping, co-ordination and reconciliation of payments and main administration.

Clifton Cassar (Director of the Guarantor)

Clifton commenced his career in 2005 by opening an outlet in Mosta selling mobile services (as a GO authorised reseller), devices and accessories. The business expanded throughout the years, and now he owns and manages three outlets across Malta.

Clifton inherited his passion for property development and design from his father and today Clifton is recognised as one of the top property developers locally. As a result, he began venturing into property development whereby his leadership skills and eye for detail enable him to ensure that all projects are completed in a timely manner and in line with budget and quality standards. Nowadays Clifton has a vast experience in property construction and property finishings, including the development and finishing of various hotels, a business centre and over 30 residential projects.

Clifton's current main responsibilities within the Group consist of management and oversight of property development.

Duncan Micallef (Director of the Guarantor)

Duncan commenced his career in 1993 as a freight clerk with Wings Cargo Floriana. In 1999 he started working with Gollcher Co. Ltd. as an Alitalia Cargo Coordinator, whereby he held this post until 2005.

During this period he began venturing into property development, mostly by acquiring and reselling various residential units, whilst also operating a mobile phone business despite a turbulent entry to the market by leveraging on trusted suppliers from Hong Kong. The business expanded over time, and by 2005, he commenced working on these ventures on a full time basis whilst also supplying around 50% of the mobile phone retail shops in Malta. In 2007, Duncan opened his first property company, DD Properties Ltd, whilst in 2010, Duncan opened Totalnet which traded overseas successfully, however in 2015, he opted to close this latter outlet in order to focus on the property business.

In 2013, Duncan, together with Stephen Falzon and Francis Agius, incorporated SDF Ltd which was aimed at acquiring and developing residential properties throughout Malta.

Following an acquisition of a project to build a hotel in Rabat with Joseph Portelli and Clifton Cassar in 2016, these three shareholders opened JDC Projects Ltd which then continued to acquire and develop more projects, including CF Business Centre and three hotels, Scirocco Hotel, Levante Hotel, and Mistral Hotel.

In 2016, Francis, Duncan, and Stephen, together with Joseph Portelli took over Finish Furnish Limited.

The different companies owned by the separate Shareholders were restructured into the CF Group in 2022.

Duncan's current main responsibilities within the Group are business development and hotel operations overview.

Stephen Falzon (Director of the Guarantor)

Stephen commenced his career in 2003 whereby he sold electronic components to retailers.

He then ventured into property development with Duncan Micallef and Francis Agius through a company called SDF Limited. One of their initial projects was the acquisition and reselling of the Forum Residences in Swieqi, and since then they have been involved in various property development focusing primarily on apartments around Malta and Gozo.

In 2016, Francis, Duncan and Stephen, together with Joseph Portelli took over Finish Furnish Limited. In 2020, Stephen, Duncan, Francis and Joseph formed 7 Dwarfs Limited and together acquired and developed property around Malta.

The different companies owned by the separate Shareholders were restructured into the CF Group in 2022.

Stephen's current main responsibilities within the Group relate to sales.

Management structure and management team

The Issuer is the finance arm of the Group. Its business is managed by its Board of Directors and it does not separately employ any senior management. The Directors believe that the current organisational structures are adequate for the current activities of the Issuer, and that the Issuer does not require an elaborate management structure. The Directors will maintain these existing structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The key members of the Group's management team are the executive directors of the Issuer and the directors of the Guarantor, each of whom also serves as director with executive functions on various Subsidiaries within the Group. The said directors are also supported by a number of executive staff.

Audit Committee

Being a listed company with the Existing Bonds listed on the Malta Stock Exchange, the Issuer was required to appoint and has appointed an Audit Committee, currently composed of non-executive and independent Directors on the Board of the Issuer, namely of Stephen Muscat, Mario Vella and Peter Portelli. The Audit Committee is chaired by Stephen Muscat. Mr Stephen Muscat and Mr Mario Vella are the independent, non-executive Directors who are competent in accounting and/or auditing matters. The terms of reference of the Audit Committee, as adopted by the Board, establish its composition, role and functions, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every quarter, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

The primary purpose of an audit committee is to protect the interests of the company's shareholders and assist the directors in conducting their role effectively. The terms of reference of the Audit Committee of the Issuer consist of inter alia its support to the Board in its responsibilities in dealing with issues of risk, control and governance. Briefly, the Audit Committee is expected to deal with and advise the Board on its monitoring responsibility over the financial reporting processes, financial policies and internal control structures; maintaining communications on such matters between the Board, management and the independent auditors; facilitating the independence of the external audit process and addressing issues arising from the audit process; and preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

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

The Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and all other entities comprising the Group on a quarterly basis

5.5 Capital Structure, Major Shareholders and Memorandum and Articles of Association

The Issuer

The authorised and issued share capital of the Issuer is €250,000 divided into 249,999 ordinary A shares of a nominal value of €1.00 each, fully paid up and subscribed by the Guarantor and 1 ordinary B share of a nominal value of €1.00, fully paid up and subscribed by Mr Joseph Portelli.

Ordinary A shares entitle their holders to voting rights at general meetings (1 vote for every share held) and the right to participate in and receive dividend distributions and distribution of assets upon winding up. Ordinary B shares only have the right to receive notice of general meetings of the Company but do not have voting rights or rights to participate in dividend distributions and distribution of assets upon winding up.

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry.

The principal objects of the Issuer are set out in clause 3 of the Issuer's Memorandum and Articles of Association. These include, but are not limited to, the carrying on the business of a finance and investment company and in particular (but without prejudice to the generality of the foregoing) the financing or re-financing of the funding requirements of the business of the group of companies of which the Issuer forms part, to borrow and raise money for the purpose of its business and to secure the repayment of the money borrowed by hypothecation or other charge upon the whole or part of the movable and immovable assets or property of the Issuer present and future, and to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected at the registered office of the Issuer and on the Issuer's website, on the following hyperlink <https://cf.com.mt>, and also at the Malta Business Registry.

The Guarantor

The Guarantor has an authorised share capital of €7,000,000 divided into 2,100,000 ordinary Class A shares, 1,225,000 ordinary Class B shares, 1,225,000 ordinary Class C shares, 1,225,000 ordinary Class D shares, and 1,225,000 ordinary Class E shares, having a nominal value of €1 each.

The issued share capital of the Guarantor as at the date of this Memorandum is €6,308,200, divided into:

- (i) 1,892,460 ordinary Class A shares of a nominal value of €1 each, fully paid up and subscribed by Mr Joseph Portelli;
- (ii) 1,103,935 ordinary Class B shares of a nominal value of €1 each, fully paid up and subscribed by Mr Francis Agius;
- (iii) 1,103,935 ordinary Class C shares of a nominal value of €1 each, fully paid up and subscribed by Mr Clifton Cassar;
- (iv) 1,103,935 ordinary Class D shares of a nominal value of €1 each, fully paid up and subscribed by Mr Duncan Micallef; and
- (v) 1,103,935 ordinary Class E shares of a nominal value of €1 each, fully paid up and subscribed by Mr Stephen Falzon.

Save as otherwise expressly provided in the Memorandum and Articles of Association of the Guarantor, the different classes of ordinary shares in the Guarantor essentially have equal rights and rank *pari passu* in all respects. The holders of each of these classes are entitled to nominate and appoint one (1) director each to the Board of Directors of the Guarantor. The legal and judicial representation of the Guarantor is vested in Mr. Clifton Cassar and Mr. Francis Agius, acting jointly, without prejudice to the authority of the Board of Directors, by resolution, to delegate such representation to any person or persons in a particular case or cases or classes of cases.

The Memorandum and Articles of Association of the Guarantor are registered with the Registrar of Companies at the Malta Business Registry.

The principal objects of the Guarantor are set out in clause 3 of the Guarantor's Memorandum and Articles of Association. These include that of acting as a holding company, namely to subscribe for, acquire, hold, manage, administer, dispose of or otherwise deal with, directly or indirectly, any shares, stock, debentures, debenture stock, bonds, notes, options, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons, only in the name of and on behalf of the Guarantor. The Guarantor's objects additionally include *inter alia*:

- (i) to guarantee the performance of obligations on the payment of money by any person and to mortgage or charge the Guarantor's assets for that purpose;
- (ii) to borrow, or in any manner raise money, without any limit, for the purpose of or in connection with the Guarantor's business; to secure the repayment of any monies borrowed or any other obligations by giving hypothecary or other security upon the whole or part of the movable and immovable property of the Guarantor; and
- (iii) to lend or advance money, with or without security, to corporate bodies engaged in activities similar or ancillary to those performed by the Guarantor or to corporate entities in which the Guarantor shall acquire participations or similar holdings, only where necessary and in relation to the business of the Guarantor.

A copy of the Memorandum and Articles of Association of the Guarantor may be inspected at the registered office of the Issuer and on the Issuer's website, on the following hyperlink <https://cf.com.mt>, and also at the Malta Business Registry.

5.6 Conflicts of interest

As at the date of the Memorandum, the executive Directors of the Issuer, namely Mr Joseph Portelli and Mr Francis Agius, are directors and shareholders of the parent company, namely the Guarantor, and also beneficial owners and/or director/s of various other Group companies. The other directors of the Guarantor are also themselves beneficial owners and/or directors of various Subsidiaries within the Group. This makes the said Directors of the Issuer and directors of the Guarantor susceptible to potential conflicts between the potentially diverging interests of the different members of the Group, including the Issuer-Guarantor Loan to be advanced by the Issuer to the Guarantor out of the proceeds of the Note Issue.

The said executive Directors of the Issuer and directors of the Guarantor, or any of them, are or may in future be involved, as shareholders, beneficial owners, directors, officers or otherwise in business or in entities outside the Group carrying out business which may be similar to or even competing with the business of the Group, including property development, or in entities supplying works, goods or services to or otherwise carrying out transactions with any Group company. Such involvements of such Directors of the Issuer and directors of the Guarantor may create conflicts between the potentially diverging interests of the Guarantor and/or any of its Subsidiaries on the one hand and the private interests of the said directors and/or the interests of the entities outside the Group in which such directors are or may be involved as aforesaid.

In situations of conflict of interests involving the Issuer, the Directors shall act in accordance with the majority decision of the Directors and in line with the advice of outside legal counsel.

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 major shareholders and/or beneficial owners.

5.7 Business Overview of the Group

Principal activities and markets

The Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. Accordingly, the Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies.

Subject to the successful issue and allocation of the Secured Notes, the Issuer will grant the Issuer-Guarantor Loan to the Guarantor, by virtue of which the proceeds of the Note Issue will be made available to such Guarantor as set out in more detail in Section 7.2 below.

The Group, through the various Subsidiaries comprised therein, is involved in a mixed range of business activities and sectors, including in particular:

- (i) real estate – principally the identification, acquisition, design, development and resale of residential and commercial real estate developments of various sizes;
- (ii) hospitality and tourism – principally the acquisition and/or development and operation of hotels;
- (iii) office rentals – principally the acquisition and/or development of office spaces and their rental to third parties; and
- (iv) leisure – principally the operation of leisure and entertainment facilities.

A more detailed explanation of these main lines of business of the Group is provided below.

Overview of the main business lines of the Group

Sale of real estate projects

The Group, principally through CF Homes Ltd., currently owns or is in the process of concluding the acquisition of various sites of various sizes and in various localities which it is in the process of developing into residential and/or residential and commercial complexes or buildings for eventual resale. Some of these projects have already secured a planning permit whilst others are in the process of obtaining the relative permit.

These on-going projects include the following projects, which have a planning permit issued in respect thereof:

1. Artemis and Hestia developments in Qrendi, consisting of two connected developments which were approved by the planning authorities pursuant to application PA/08753/21 and application PA/08754/21 respectively, consisting of a total of 67 residential units including penthouses (including jacuzzi and pools) and 60 garages/car spaces, and which development has been constructed in shell form and is currently being finished;
2. Mayfair in Attard, a major development which has been approved by the planning authorities by virtue of planning permit PA/03873/21, consisting of 34 two to three-bedroom apartments (including 4 penthouses) and 9 maisonettes and 44 garages, and which development has been constructed in shell form and is currently being finished;
3. Gardenia in Birkirkara, a development which has been approved by the planning authorities by virtue of planning permit PA/08899/20, consisting of 14 residential units and 3 garages/garage spaces, which has on the date hereof been completed;
4. Sunrise Corner in Swatar, a development which has been approved by the planning authorities by virtue of planning permit PA/7062/21, consisting of 8 apartments (including two duplexes with pool), 1 office/shop and 1 garage, which has on the date hereof been completed;
5. Greenwood Court in Marsaxlokk, a development which has been approved by the planning authorities by virtue of planning permit PA/07532/21, consisting of 10 residential units and 3 garages/car spaces, and which development has been constructed in shell form and is currently being finished;
6. Vermont Court in Pieta', a development which has been approved by the planning authorities by virtue of planning permit PA/08738/21, consisting of 38 apartments, 4 maisonettes, 1 retail shop / office and 9 garages, and which development has been constructed in shell form and is currently being finished;
7. Macael Apartments in Paola, a development which has been approved by the planning authorities by virtue of planning permit PA/01895/21, consisting of approximately 45 apartments including penthouses (including jacuzzi/pool) and 19 garages, and which development has been constructed in shell form and is currently being finished;
8. Azalea in St. Julians, a development which has been approved by the planning authorities by virtue of planning permit PA/7126/20, consisting of 6 residential units, and 2 garages/garage spaces/shops, which has on the date hereof been completed;
9. Marigold in Fgura, a development which has been approved by the planning authorities by virtue of planning permit PA/08739/21, consisting of approximately 27 residential units and 12 garages/garage spaces/shops, and which development is currently being constructed in shell form;
10. Regent in Balzan, a development which has been approved by the planning authorities by virtue of planning permit PA/8992/21, consisting of approximately 11 residential units and 21 garages/garage spaces/shops, and which development is currently being constructed in shell form;
11. Baetha in St. Julians, a development which has been approved by the planning authorities by virtue of planning permit PA/04563/15, consisting of approximately 8 residential units and 4 garages/garage spaces/shops, and which development has been constructed in shell form and is currently being finished;
12. Meadow in Burmarrad, a development which has been approved by the planning authorities by virtue of planning permit PA/3317/21, consisting of approximately 19 residential units and 12 garages/garage spaces/shops, and which development is currently being constructed in shell form;
13. Dovecote in Mosta, a development which has been approved by the planning authorities by virtue of planning permit PA/06265/22, consisting of approximately 47 residential units and 47 garages/garage spaces/shops, and which development is currently being constructed in shell form;
14. Field View in Mqabba, a development which has been approved by the planning authorities by virtue of planning permit PA/04317/23, consisting of approximately 43 residential units and 41 garages/garage spaces/shops, and which development is currently being constructed in shell form;

15. Sienja in Mellieha, a development which has been approved by the planning authorities by virtue of planning permit PA/04255/23, consisting of approximately 5 residential units, and which development is currently being constructed in shell form;
16. Corner Residences in Fgura, a development which has been approved by the planning authorities by virtue of planning permit PA/7378/23, consisting of approximately 28 residential units and 27 garages/garage spaces/shops, and which development is currently being constructed in shell form.

The Group, through CF Homes Ltd., is also involved in other on-going real estate projects, which are quite advanced in terms of the process of acquisition of the relevant site and the relevant design and planning permits and, in some cases, also in terms of development thereof. The largest of such other projects currently is the Park Lane residences in Balzan, in respect of which a planning permit has already been issued by the planning authorities with reference PA/8693/20, but which permit is currently being negotiated with the planning authorities and the construction of the project is currently on hold.

Furthermore the Group is always seeking new opportunities for profitable residential or residential and commercial developments.

As mentioned earlier, these real estate development projects undertaken by the Group as mentioned above are typically intended for resale to third parties, typically in shell form, apertures installed and finished common parts, but at times also with the respective property being contracted to be acquired by the relevant buyer in a finished state.

As at 29th August 2024, the expected total sales value of all the ongoing residential developments referred to in 1 to 16 above, was of approximately €103,464,000, out of which a total of approximately €70,740,000 in sales value of property had already been allocated to, and formed the subject of binding preliminary agreements with, third parties.

Retention and operation of hotels

The Group, principally through Ratcon Ltd. and Mistral Hotel Ltd., currently owns three hotels in Paceville, St. Julians, Malta, namely:

1. Levante Hotel, owned by Ratcon Ltd, which consists of 19 rooms;
2. Scirocco Hotel, owned by Ratcon Ltd, which consists of 37 rooms; and
3. Mistral Hotel, owned by Mistral Hotel Ltd., which consists of 51 rooms.

The above-mentioned three hotels are all fully completed and finished and are being operated, as 3-star hotels, by the respective Group company owning the same. Such operation is being carried out through the hotel operation and management services of Meliá Hotels International S.A. (www.meliahotelsinternational.com/en) and Prodigios Interactivos S.A. under a hotel management agreement which each of the said hotel-owning Group companies has entered into with the said Meliá Hotels International S.A. and Prodigios Interactivos S.A. whereby the latter agreed to provide the said services in respect of the operation of the relevant hotels under the affiliation brand name of 'Meliá'.

Furthermore, CF Homes 2 Ltd. has acquired property in Triq Luigi Apap c/w, Triq Ross, San Giljan, which has been pulled down and the relative site has been excavated, with the intention of eventually building thereon a hotel. There is already a planning permit in respect of this site issued by the planning authorities which has reference PA/06415/22, but such permit is currently in respect of the demolition of the previously existing property and excavation of the site (which has already been carried out) and for the construction of 4 maisonettes, 20 apartments, 1 penthouse and 6 garages/ garage spaces. CF Homes 2 Ltd. however is in the process of applying for a change in such permit, to actually construct a hotel of approximately 63 to 69 rooms. Such hotel, when constructed (once a permit is issued in respect thereof), will be the fourth hotel of the Group and it is the intention that this will be operated by CF Homes 2 Ltd. as a 4-star hotel, always through the hotel operation and management services of Meliá Hotels International S.A. (www.meliahotelsinternational.com/en) and Prodigios Interactivos S.A. and under the affiliation brand name of 'Meliá'.

Retention and letting of offices

The Group, through CF Business Centre Ltd., currently owns the CF Business Centre, a luxurious and spacious work environment which boasts of high quality facilities and modern design. It is a completed and finished complex of offices, having its main entrance abutting onto Triq Sant'Andrija – Triq Gort c/w Triq Gdida fi Trejjet San Gorg, Paceville, St. Julians, Malta. It is built on a site measuring approximately 351 sq.m. As at the date of this Memorandum, the totality of the office space and catering outlet space available for rent within the CF Business Centre is subject to lease contracts.

Leisure business

The Group, through CF Leisure Ltd. is also involved in the leisure and entertainment business. Principally, CF Leisure Ltd. operates the indoor go-karting entertainment arena consisting of go-karts, VR simulators, an ice-rink, a suspended obstacle rope course and a dedicated area for children with ancillary facilities, situated at the second and third basement levels within the Mercury Towers Project in St. Julians. It has been leased by CF Leisure Ltd. from Mercury Commercial Mall Ltd. (C 100729) a company ultimately beneficially owned in full by Joseph Portelli. The lease contract and its terms and conditions have however been agreed on an arm's length basis and are based on standard rental terms and conditions, where the rent is calculated at the higher of the agreed base rent and a top-up rent based on the turnover generated by the arena.

5.8 Financing and Solvency

Solvency and credit ratings

There are no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to an evaluation of their respective solvency.

No credit ratings have been assigned to the Issuer or the Guarantor at the request or cooperation of the said Issuer or (as the case may be) the Guarantor in the rating process.

Financing and funding structure of the Issuer and the Group

Existing Bonds

Pursuant to the 2022 Bond Issue, the Issuer raised the sum of €30,000,000 through the issue of €30,000,000 secured bonds due in 2028-2033 of a nominal value of €100 per Bond having a coupon of 5% per annum pursuant to the 2022 Prospectus (ISIN: MT0002701200).

The said Existing Bonds are listed on the Official List of the MSE and have been admitted to trading on the said regulated market in Malta.

These bonds are secured as follows:

- by a joint and several guarantee dated 28 November 2022 granted by the Guarantor as security for the Issuer's payment obligations under the 2022 Bond Issue, held on trust for the benefit of the Existing Bondholders by the Security Trustee;
- by a first ranking special hypothec constituted by Ratcon Ltd., Mistral Hotel Ltd. and CF Business Centre Ltd. on the Security Property (as defined in the 2022 Prospectus) respectively owned by them, essentially the Levante Hotel, the Scirocco Hotel, the Mistral Hotel and the CF Business Centre.

The proceeds of the Existing Bonds were made available by the Issuer to the Guarantor through the Issuer-Guarantor Loan 2022 as a loan facility for the purpose of, and were used, essentially for the purposes of financing the redemption or conversion into Existing Bonds of unlisted secured zero-coupon notes which were issued by the Issuer in August 2022 for an aggregate nominal value of €3,500,000, refinancing of bank loans at the time due by Ratcon Ltd. to BNF Bank plc and by Mistral Hotel Ltd. and CF Business Centre Ltd. respectively to MeDirect Bank (Malta) plc, financing remaining development costs of the Levante Hotel, the Scirocco Hotel and the Mistral Hotel, financing of development costs of certain residential projects of CF Homes Ltd. and for general corporate funding purposes, all as described in the 2022 Prospectus.

The Issuer-Guarantor Loan 2022, which is still outstanding as at the date of this Memorandum, was created and is regulated by public deed in the records of Notary Doctor Kristen Dimech of the 11 January 2023, which provides that the loan will bear interest at 6% per annum and payable on 2 January of each year, and the principal amount thereof shall be repayable by not later

than 2 January 2033, subject to earlier repayment in case the Issuer exercises the earlier redemption option of the Existing Bonds under the 2022 Prospectus. Such interest payment and repayment terms were designed to ensure that the Issuer would timely receive sufficient funds to finance payments due under the Existing Bonds, with a residual amount to finance its corporate funding requirements.

Financing through bank and other loans

As at the date hereof, various companies within the Group have taken out various bank loan facilities from various banks in Malta to finance their respective operations, including the site acquisition costs and development and completion costs of real estate projects undertaken by CF Homes Limited, the acquisition and development and completion of the new hotel in Triq Luigi Apap c/w, Triq Ross, San Giljan, by CF Homes 2 Ltd. as well as the operational costs of the entertainment arena by CF Leisure Ltd. As at 23 August 2024, the Group, through the various Group companies mentioned below, had total bank borrowings (outstanding amount) as shown in the table below.

Borrower Group company	Bank	Balance as at 23/08/2024	Purpose
CF Homes Ltd.	Lombard	€2,467,000	Regent (Balzan) – Land and works; general funding
CF Homes Ltd.	MeDirect Bank (Malta) plc	€5,183,341	Artemis (Qrendi) - Land and works
CF Homes Ltd.	MeDirect Bank (Malta) plc	€4,313,983	Dovecote (Mosta) - Land and works
CF Homes Ltd.	MeDirect Bank (Malta) plc	€1,528,507	Marigold (Fgura) - Land and works
CF Homes Ltd.	FCM Bank Limited	€869,891	Meadow (Burmarrad) - Land and works
CF Homes Ltd.	FIMBank plc	€6,975,916	Field View (Mqabba) - Land and works; Sienja (Mellieha) - Land and works; Corner Residences (Fgura) - Land and works
CF Homes 2 Ltd.	FCM Bank Limited	€2,710,000	New hotel in Triq Luigi Apap c/w, Triq Ross, San Giljan - Land, works and finishes
CF Leisure Ltd.	FCM Bank Limited	€2,660,000	Entertainment arena - Operational

The bank borrowings and facilities mentioned above are secured through various security interests granted over assets of the Group or otherwise granted by the Group, including in some cases over assets of third parties or entities outside the Group. Such security interests typically include (without limitation) a general hypothec by the relevant borrowing Group company over all its present and future assets, a first special hypothec and/or privilege over the property owned by the relevant borrowing Group company the development whereof constitutes the purpose or one of the purposes of the relevant loan or facility (where applicable), a pledge on insurance proceeds under various insurance policies of the relevant borrowing Group company and/or the shareholders/beneficial owners of the Group (as applicable), personal guarantees by the shareholders/beneficial owners, as well as a series of covenants and undertakings by the relevant borrowing Group company and/or the shareholders/beneficial owners, including undertakings that no declaration and payment of dividends, repayments of shareholders' or related party loans, and no change in the shareholding structure are to be made by or in respect of the relevant borrowing Group company without the relevant bank's prior consent.

Various developments and operations within the Group are also currently partly financed by inter-company loans between companies within the Group, principally in the form of unsecured interest-free loans.

The Group may from time to time seek further financing from banks as well as from other sources for various projects or operations.

Further financing through the Secured Notes and possible future issues

The Group intends to obtain further financing for its operations through the issue of the Secured Notes, by virtue of which the Issuer intends to raise €4,400,200 (namely 49,000 Secured Notes at a consideration / Subscription Value of €89.80 per Secured

Note) and to make the proceeds from the Note Issue available to the Group. The Secured Notes will not have a coupon and will not pay interest. The Secured Notes will be due in eighteen (18) months, namely on 20 March 2026, subject to the Issuer being entitled to redeem the Secured Notes on any date after 20 December 2024. Secured Notes will be so redeemed at the applicable Redemption Value, depending on the date when they are redeemed. The Secured Notes will be placed by the Agent and will not be listed on a regulated market or other trading venue. The proceeds of the Secured Notes will be made available by the Issuer to the Guarantor by way of loan under the Issuer-Guarantor Loan, which will be used for general corporate funding purposes, all as set out in Section 7.2 below.

The Group may also from time to time in future issue further debt or other securities, whether by way of public offer or by way of private placement and whether these will be listed on a regulated market or multilateral trading facility or unlisted.

Financing of Issuer's operations and of payment obligations

The Directors expect the Issuer's and the Group's working capital and funding requirements to be met by a combination of the following sources of finance: (i) cash flow from profits generated by the Group's operations; (ii) the proceeds of the Existing Bonds referred to above (iii) external bank credit and loan facilities as mentioned above; and (iv) the proceeds from the Secured Notes and possible further issues as referred to above.

The various business lines within the Group are expected to generate operational profits for the respective Group companies, principally (but not limitedly) in the form of revenues generated from the sale of residential and commercial immovable properties by CF Homes Ltd., the hotel operational revenues generated by Ratcon Ltd. and Mistral Hotel Ltd. in respect of the hotels owned by them and eventually by CF Homes 2 Ltd. in respect of the proposed new hotel, the office and commercial rental income generated by CF Business Centre Ltd. and the trading and operational profits to be made by CF Leisure Ltd. from its leisure business, as well as other operational revenues to be generated from any other business activities from time to time by the Group and the companies forming part thereof. Such operational revenues will be used to finance investments, acquisitions and expenses involved in the business operations and growth of the various Group companies, and are also expected to finance payments under bank borrowings obtained by the various Group companies as well as payments of dividends and/or payments of shareholders' loans or other payments to the Guarantor by the various Group companies, thus financing the payments due under the Secured Notes by the Guarantor.

5.9 Litigation

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve months prior to the date of this Memorandum which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

5.10 Material contracts

Each of the Issuer and the Guarantor has not entered into any material contracts which are not in the ordinary course of their respective business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or the Guarantor's ability to meet its respective obligations to security holders in respect of the Secured Notes being issued pursuant to, and described in, this Memorandum.

6. FINANCIAL INFORMATION

The audited financial statements of the Issuer and of the Guarantor for the financial year ended 31 December 2023, the unaudited half-yearly financial statements of the Issuer for the six months period ended 30 June 2024 and the latest Financial Analysis Summary of the Issuer prepared by Calamatta Cuschieri Investment Services Limited dated 17 June 2024 may be inspected at the registered office of the Issuer and on the Issuer's website, on the following hyperlink <https://cf.com.mt>.

7. ESSENTIAL INFORMATION REGARDING THE OFFERING

7.1 Interest of natural and legal persons involved in the Note Issue

Without prejudice to the potential conflicts of interest of Directors disclosed in Section 5.6 above, and save for the subscription for Secured Notes by the Agent, which is appointed as authorised financial intermediary and placement agent in respect of the Secured Notes, and any fees payable in connection with the Note Issue to the said Agent, so far as the Issuer is aware no person involved in the Note Issue has an interest material to the Note Issue.

7.2 Reasons for the offer and use of proceeds

The proceeds from the Note Issue will be used by the Issuer to provide a loan facility to the Guarantor, to be used as provided below (the “Issuer-Guarantor Loan”). The outstanding loan amount of the Issuer-Guarantor Loan shall be repayable by not later than 18 March 2026: provided that where the Issuer exercises its discretion to redeem the Secured Notes earlier than the Full Term Redemption Date, on a Designated Early Redemption Date at any time from or after 20 December 2024, by giving at least fifteen (15) days’ notice to the Noteholders as provided in Section 8.5 below, then the outstanding amount of the Issuer-Guarantor Loan shall become repayable upon request in writing made by the Issuer to the Guarantor at the relevant time by giving not less than ten (10) days’ notice to the said Guarantor. The Issuer-Guarantor Loan shall bear interest at the rate of 8% per annum payable in full on the repayment date; provided that:

- If the repayment date falls at any time between 20 December 2024 and 20 March 2025 (both days included), interest shall be calculated at the above-mentioned rate for the whole period from the date when the Issuer-Guarantor Loan was made until 20 March 2025 (both days included);
- If the repayment date falls at any time between 21 March 2025 and 20 June 2025 (both days included), interest shall be calculated at the above-mentioned rate for the whole period from the date when the Issuer-Guarantor Loan was made until 20 June 2025 (both days included);
- If the repayment date falls at any time between 21 June 2025 and 20 September 2025 (both days included), interest shall be calculated at the above-mentioned rate for the whole period from the date when the Issuer-Guarantor Loan was made until 20 September 2025 (both days included);
- If the repayment date falls at any time between 21 September 2025 and 20 December 2025 (both days included), interest shall be calculated at the above-mentioned rate for the whole period from the date when the Issuer-Guarantor Loan was made until 20 December 2025 (both days included);
- If the repayment date falls at any time between 21 December 2025 and 18 March 2026 (both days included), interest shall be calculated at the above-mentioned rate for the whole period from the date when the Issuer-Guarantor Loan was made until 18 March 2026 (both days included).

In turn, the Issuer-Guarantor Loan will be utilised for general corporate funding purposes of the Group.

All proceeds from the Note Issue shall be received by the Agent which shall apply and forward the same as provided herein.

If the Conditions Precedent is/are not satisfied or if the subscription for the Secured Notes is not accepted by the Issuer for any reason whatsoever, all proceeds received from Applicants shall be refunded by the Agent accordingly, and the Note Issue shall be cancelled forthwith.

Where the Conditions Precedent is/are satisfied and the subscription of the Secured Notes is accepted by the Issuer, the total amount of the Issuer-Guarantor Loan, which will be held by way of Note Issue proceeds by the Agent, excluding those required to fund the expenses of the Note Issue which are expected to amount to approximately €130,000, shall be drawn down in full in one drawdown following a request by the Guarantor to the Issuer made after the constitution of the Collateral, whereupon the Issuer shall promptly instruct the Agent to transfer the relevant amount to the Guarantor: provided that such part of the loan facility which is required by the Guarantor to fund the expenses of the Note Issue shall be forwarded by the Agent to or to the order of the Issuer upon request.

It is expected that within 7 Business Days from the closing of the Offer Period, the Issuer, the Guarantor and the Security Trustee shall execute a loan agreement whereby the Issuer will agree to make the Issuer-Guarantor Loan to the Guarantor, namely to make available a loan facility in the total amount equal to the proceeds from the Note Issue, and simultaneously the Guarantor,

the Security Trustee and the Shareholders will execute the Pledge Agreement whereby the Shareholders shall constitute the Pledge over the Pledged Shares respectively owned by them in favour of the Security Trustee for the benefit of Noteholders. The issue and final allotment of the Secured Notes is conditional upon the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed within 7 Business Days of the close of the Offer Period. In the event that any of the aforesaid Condition Precedent is not satisfied, the Note Issue proceeds shall be returned to the investors.

7.3 Expenses

Professional fees, and costs related to printing, agency, management and registrar fees, selling commission, and other miscellaneous expenses in connection with this Note Issue are estimated not to exceed €130,000. There is no particular order of priority with respect to such expenses.

The expenses pertaining to the Note Issue shall be borne by the Guarantor and shall form part of the Issuer-Guarantor Loan, provided that these shall, following the satisfaction of the Conditions Precedent, be released and paid by the Agent to or to the order of the Issuer upon request.

7.4 Security

The Secured Notes are secured and Noteholders shall have the benefit of the following security:

- (a) a first ranking Pledge over the Pledged Shares; and
- (b) the Guarantee in respect of all Secured Notes.

The security shall be constituted in favour of the Security Trustee for the benefit of the relevant Noteholders (as applicable) from time to time registered on the Register of Debentures held by the Issuer.

The Issuer, the Guarantor and the Shareholders have entered into a Trust Deed with the Security Trustee for the benefit of the Noteholders and having as trust property security which consists of the covenants of the Issuer and the Guarantor to pay the applicable Redemption Value of the Secured Notes on the Redemption Date, the privileged rights under the Pledge, the undertakings of the Guarantor under the Guarantee and all the rights and benefits under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Noteholders in proportion to their respective holding of Secured Notes.

The Security Trustee's role includes holding of the Collateral for the benefit of the Noteholders and the enforcement of the said Collateral upon the happening of certain events. The Security Trustee shall have no payment obligations to Noteholders under the Secured Notes which remain exclusively the obligations of the Issuer (or, in the case of default by the Issuer, of the Guarantor).

The terms and conditions of the Trust Deed, which is available for inspection as set out in Section 10 hereof, shall be binding on each registered Noteholder as if it had been a party thereto and as if the Trust Deed contained covenants on the part of each registered Noteholder to observe and be bound by all the provisions thereof applicable thereto, and the Security Trustee is authorised and required to do the things required of it by the Trust Deed. The Security Trustee is also authorised to deal or allow the Shareholders to deal with the Pledged Shares and to allow or give effect to a reduction, cancellation and creation or otherwise redefinition of the Collateral or a substitution of any part of the Collateral with other collateral, always with due regard to the interests of all the Noteholders and with due protection to their interests.

7.5 Offer statistics

Issue:	€4,900,000 Zero-Coupon Secured Notes 2024-2026.
Total nominal value:	€4,900,000 (namely 49,000 Secured Notes at a nominal value of €100 per Secured Note).

Form:	The Secured Notes will be in registered and certificated form. The Noteholders and the relevant amount of Secured Notes subscribed by each of them will be registered by or on behalf of the Issuer by the making of an appropriate entry in the Issuer's Register of Debentures and each Noteholder will be provided with a certificate representing Secured Notes issued to that Noteholder.
Denomination (currency):	Euro (€).
Subscription Value:	€89.80 per Note.
Minimum amount per subscription:	Minimum of €10,000 and integral multiples of €100 thereafter.
Offer Period:	From 9 September 2024 to 20 September 2024 (or such earlier date as may be determined by the Issuer in the event of full subscription or over-subscription), both days included.
Plan of Distribution:	The Secured Notes are open for subscription by all categories of investors.
Redemption Date:	20 March 2026 (the Full Term Redemption Date) or a Designated Early Redemption date, whichever is the earlier.
Designated Early Redemption Date	The Issuer shall be entitled, at its sole option, to redeem all or part of the Secured Notes and prepay the Redemption Value thereof on any date falling between 20 December 2024 (the First Possible Early Redemption Date) and 19 March 2026 (the date immediately preceding the Full Term Redemption Date), by giving not less than 15 days' notice to the Noteholders (Early Redemption).
First Possible Early Redemption Date:	20 December 2024;
Redemption Value:	<ul style="list-style-type: none"> • If the Redemption Date falls at any time between the First Possible Early Redemption Date and 20 March 2025 (both days included): €93.20 per Note; • If the Redemption Date falls at any time between 21 March 2025 and 20 June 2025 (both days included): €94.90 per Note; • If the Redemption Date falls at any time between 21 June 2025 and 20 September 2025 (both days included): €96.60 per Note; • If the Redemption Date falls at any time between 21 September 2025 and 20 December 2025 (both days included): €98.25 per Note; • If the Redemption Date falls at any time between the 21 December 2025 and the Full Term Redemption Date (both days included): €100 per Note (at par);

Status of the Secured Notes:	The Secured Notes, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves. The Secured Notes shall be guaranteed in respect of the Redemption Value due under said Secured Notes by the Guarantor in terms of the Guarantee and secured by the Pledge to be constituted by the Shareholders on the Pledged Shares respectively owned by them. In respect of the said Shareholders, save for such exceptions as may be provided by applicable law, the Secured Notes shall rank with priority or preference to all present and future unsecured obligations of the said Shareholders, by virtue and to the extent of the first ranking Pledge over the respective Pledged Shares which they will respectively constitute in favour of the Security Trustee for the benefit of the Noteholders.
Guarantee	The joint and several guarantee dated 5 September 2024 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Note Issue.
Status of the Guarantee	The Guarantee shall constitute a direct, and unconditional obligation of the Guarantor, and the Guarantor's obligations under the Guarantee shall rank <i>pari passu</i> with all its other unsecured and unsubordinated obligations.
Placement:	The Issuer has entered or shall enter into a conditional placement agreement with the Agent whereby the full amount of €4,900,000 in nominal value of the Secured Notes shall be made subject to placement (on a non-committed basis) by the said Agent and such amount will accordingly be made available for subscription to such Agent, for its own account or on behalf of its clients;
Governing Law:	The Secured Notes are governed by and shall be construed in accordance with Maltese law.
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Secured Notes and accordingly any legal action or proceedings arising out of or in connection with the Secured Notes shall be brought exclusively before the Maltese Courts.

8. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED

Each Note shall be issued on the terms and conditions set out in this Memorandum and, by subscribing to or otherwise acquiring the Secured Notes, the Noteholders are deemed to have knowledge of all the Terms and Conditions of the Secured Notes herein described and to accept and be bound by the said Terms and Conditions.

8.1 General

Each Note forms part of a duly authorised issue of zero-coupon Secured Notes 2024-2026 of a nominal value of €100 per Note issued by the Issuer at the Subscription Value up to the principal amount / nominal value of €4,900,000 (except as otherwise provided under Section 8.10 "Further Issues").

The Issue Date of the Secured Notes is expected to be 20 September 2024 as the same may be brought forward by the Issuer in the event of full subscription or over-subscription. The Note Issue is guaranteed by the Guarantor and secured with the Collateral. The Secured Notes are created under Maltese law.

- (a) The currency of the Secured Notes is Euro (€).
- (b) Unless previously purchased and cancelled, the Secured Notes shall be redeemable at the applicable Redemption Value on the Redemption Date, whether a Full Term Redemption Date or a Designated Early Redemption Date, whichever is the earlier.
- (c) The issue of the Secured Notes is made in accordance with the requirements of the Act.
- (d) The minimum subscription amount of Secured Notes that can be subscribed for by an Applicant is €10,000 and in multiples of €100 thereafter.
- (e) In the event that an Applicant has not been allocated any Secured Notes or has been allocated a number of Secured Notes 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 Notes applied for but not allocated, without interest, at the Applicant's sole risk.
- (f) The Note Issue is not underwritten.
- (g) In view of the early redemption component, the Secured Notes are complex financial instruments for the purposes of MIFID II. Accordingly, the Secured Notes may only be suitable for investors who have the knowledge and experience to understand the risk related to this type of financial instrument.
- (h) There are no special rights attached to the Secured Notes other than the right of the Noteholders to the payment of the Redemption Value and in accordance with the ranking specified in Section 8.3 hereunder.
- (j) All Applications shall be subject to the terms and conditions of the Note Issue as set out in Section 9 hereunder, the terms of which shall form an integral part hereof.

8.2 Registration, form, denomination and title

The Secured Notes will be issued in registered and certificated form.

Certificates will be delivered to Noteholders in respect of the Secured Notes subscribed by them. The entitlement to Secured Notes will be represented by the appropriate entry in the Register of Debentures held by or on behalf of the Issuer. There will be entered in such Register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) of the Noteholders and particulars of the Secured Notes held by them respectively, and the Noteholders shall have, at all reasonable times during business hours, access to the said Register of Debentures. To the extent permitted by law, such Register may be held electronically.

The Secured Notes will be issued in fully registered form, without interest coupons, in denominations of any integral multiples of €100, provided that on subscription the Secured Notes will be issued for a minimum of €10,000 per individual Noteholder. An authorised financial intermediary subscribing to the Secured Notes through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €10,000 to each underlying client.

Any person in whose name a Note is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons (including the Issuer) and for all purposes (including the making of any payments), as the absolute owner of such Note. Title to the Secured Notes may be transferred as provided below under the heading "Transferability of the Secured Notes" in Section 8.9 below.

8.3 Ranking of the Secured Notes and the Collateral

Status of the Secured Notes

The Secured Notes, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and shall rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.

Guarantee

The Secured Notes shall be guaranteed in respect of the Redemption Value by the Guarantor on a joint and several basis in terms of the Guarantee. Accordingly, the Security Trustee, for the benefit of itself and the Noteholders, shall be entitled to request the Guarantor to pay the Redemption Value under said Secured Notes if the Issuer fails to meet any amount, when due in terms of the Memorandum. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

The Guarantee shall constitute a direct, and unconditional obligation of the Guarantor, and the Guarantor's obligations under the Guarantee shall rank *pari passu* with all its other unsecured and unsubordinated obligations.

A copy of the Guarantee is included in Annex I to this Memorandum.

Pledge over Pledged Shares

In respect of the Shareholders, save for such exceptions as may be provided by applicable law, the Secured Notes shall rank with priority or preference to all present and future unsecured obligations of the said Shareholders by virtue and to the extent of the first ranking Pledge over the Pledged Shares respectively owned by them which they will constitute in favour of the Security Trustee for the benefit of the Noteholders.

Pursuant to the Trust Deed, the said Shareholders have agreed to constitute in favour of the Security Trustee for the benefit of Noteholders as beneficiaries, a Pledge over the Pledged Shares in the Guarantor respectively owned by them.

The said Pledge, which will be constituted by virtue of the Pledge Agreement, will secure the claim of the Security Trustee, for the benefit and in the interest of Noteholders as beneficiaries, for the payment of the Redemption Value under the Secured Notes by a preferred claim over the Pledged Shares.

Accordingly, following the issue of the Secured Notes and application of the proceeds as set out above, the Security Trustee will have the benefit of a first ranking privilege over the Pledged Shares, through the Pledge, for the full Redemption Value of the Secured Notes issued, for the benefit of Noteholders.

In terms of the Security Trust Deed, the parties thereto have agreed that (a) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, the voting rights and right to participate at general meetings of the Guarantor shall vest in the Shareholders owning the same; (b) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, the Security Trustee may at the cost and request of the Shareholders or any of them and with due regard to the interests of all the Noteholders do or concur with any of the said Shareholders in doing certain transactions in respect of the Pledged Shares or part thereof, including without limitation, the sale, exchange, surrender or dealing with or exercise any other rights in respect of all or any part of the Pledged Shares upon such terms or for such consideration or in any such manner as the Security Trustee may think fit, always having due regard to the interests of the Noteholders; and (c) the Security Trustee retained the discretion and/or right, upon a request of the Issuer or any of Shareholder, to reduce, cancel and create or otherwise redefine the Collateral or to substitute any part of the Collateral with other collateral acceptable to the Security Trustee and which in the latter's reasonable opinion (which could be based on a professional valuation made by an independent valuer to be appointed by the Issuer or by the Guarantor or by any of the Shareholders at the request and/or with the consent of the Security Trustee) the value of the elements of the Collateral as redefined, reconfigured or relocated or the collateral otherwise substituting and/or being added to the Collateral is at least equal to the Redemption Value of the outstanding Secured Notes in issue at the relevant time. Under the Security Trust Deed the Security Trustee also reserves the right to demand further collateral owned by the Group as security should at any given time the value of the Collateral, which shall be determined pursuant to a professional valuer's independent valuation report, by an independent valuer to be appointed by the Issuer or the Group at the request and/or with the consent of the Security Trustee, be lower than the Redemption Value of outstanding Secured Notes in issue at the relevant time.

8.4 Rights attaching to the Secured Notes

This Memorandum contains the Terms and Conditions of issue of the Secured Notes, which constitute the terms and conditions of the contract between the Issuer and a Noteholder. A Noteholder shall have such rights as are, pursuant to this Memorandum, attached to the Secured Notes, including:

- (a) the repayment of capital and payment of Redemption Value;
- (b) the benefit of the Collateral through the Security Trustee;
- (c) the right to attend, participate in and vote at meetings of Noteholders in accordance with the Terms and Conditions of the Note Issue; and
- (d) enjoy all such other rights attached to the Secured Notes emanating from the Memorandum.

8.5 Redemption and purchase

Unless previously purchased and cancelled the Secured Notes will be redeemed at the applicable Redemption Value on the Redemption Date, whether the Full Term Redemption Date or, as the case may be (in case of an Early Redemption), a Designated Early Redemption Date.

The Issuer shall be entitled, at its sole option, to redeem all or part of the Secured Notes and prepay the Redemption Value thereof on any date falling between the First Possible Early Redemption Date, namely 20 December 2024 and 19 March 2026 (a Designated Early Redemption Date), by giving not less than 15 days' notice to the Noteholders (Early Redemption).

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

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

8.6 Payments

Payment of the Redemption Value of Secured Notes will be made in Euro (€) by the Issuer to the person in whose name such Secured Notes are registered, by means of direct credit transfer into such bank account as the Noteholder designates from time to time, provided such bank account is denominated in Euro. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission.

Upon payment of the Redemption Value upon maturity the Secured Notes shall be redeemed and the appropriate entry made in the Register of Debentures.

In the case of Secured Notes held subject to usufruct, payment of the Redemption Value will be made to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or its agents 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 Notes.

All payments with respect to the Secured Notes are subject in all cases to any pledge (duly constituted) of the Secured Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments of Redemption Value by or on behalf of the Issuer in respect of the Secured Notes 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 or of any other applicable jurisdiction having power to tax. The Issuer will not be obliged to make any additional payments in respect of any such withholding or deduction imposed.

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 NOTES, INCLUDING THEIR ACQUISITION, HOLDING AND TRANSFER AND PAYMENTS RECEIVED ON TRANSFER OR REDEMPTION OF SUCH SECURED NOTES. NOTHING CONTAINED HEREIN CONSTITUTES OR SHALL BE DEEMED TO CONSTITUTE TAX ADVICE BY THE ISSUER OR ITS ADVISORS.

8.7 Limits of the validity of claims

In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Noteholders to bring claims for payment of the Redemption Value on the Secured Notes is barred by the lapse of five years.

8.8 Events of Default

Pursuant to the Trust Deed, the Security Trustee may in its absolute discretion, and shall upon the request in writing of not less than 75% in value of the registered Noteholders, by notice in writing to the Issuer, the Guarantor and the Shareholders declare the Secured Notes to have become immediately due and repayable at their applicable Redemption Value, upon the happening of any of the following events ("**Events of Default**"):

- (a) the Issuer fails to pay the Redemption Value of a Note when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- (b) the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Secured Notes and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee;
- (c) there shall have been entered against the Issuer or the Guarantor a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed;
- (d) the Issuer or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent, within the meaning of Article 214(5) of the Act;
- (e) an order is made or an effective resolution passed for the dissolution, termination of existence, liquidation or winding-up of the Issuer or the Guarantor, except for the purpose of a reconstruction, amalgamation or division;
- (f) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or the Guarantor;
- (g) the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof;
- (h) the Issuer, the Guarantor or any Shareholder commits a breach of any covenants contained in the Trust Deed and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee (other than any covenant for the payment of Redemption Value owing in respect of the Secured Notes);
- (i) an event of default under the Pledge Agreement (other than an Event of Default mentioned in the foregoing and subsequent paragraphs of this Section 8.8) occurs and is subsisting;
- (j) it becomes unlawful at any time for the Issuer, the Guarantor or any Shareholder to perform all or any of its obligations hereunder (where applicable) or under the Trust Deed;
- (k) the Collateral or any part thereof becomes unenforceable against the Issuer, the Guarantor or any Shareholder (as applicable);
- (l) the Issuer, the Guarantor or any Shareholder (as applicable) repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Secured Notes and/or the Trust Deed;
- (m) all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government,

provided that in the case of paragraphs (b), (c) and (f) to (m) the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

Upon any such declaration being made as aforesaid the said applicable Redemption Value under the Secured Notes 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, the Guarantor or any Shareholder of any of the covenants, obligations or provisions contained herein or in the Trust Deed (as applicable) due to any fortuitous event of a calamitous nature beyond the control of the Issuer, the Guarantor or such Shareholder (as the case may be), then the Security Trustee may, but shall be under no obligation so to do, give the Issuer, the Guarantor or the relevant Shareholder (as the case may be) such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Noteholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times, to the extent deemed to be in the best interests of Noteholders, act on and in accordance with any directions it may receive in a meeting of Noteholders 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, the Guarantor and the Shareholders are each observing and performing all the obligations, conditions and provisions on their respective parts contained in the Secured Notes and the Trust Deed (as applicable).

8.9 Transferability of the Secured Notes

The Secured Notes are freely transferable to non-U.S. Persons by written instrument acceptable to the Board, signed by or on behalf of the transferor and the transferee and submitted to the Issuer together with the certificate representing the Secured Notes being transferred for registration. The Issuer shall proceed to register such transfer, provided that it shall be entitled to refuse such registration where the transferee is a U.S. Person or where so required by applicable law or by its policies and procedures relating to registration of transfers / transmissions of securities and/or relating to anti-money laundering and financing of terrorism, or where the transferor or the transferee has failed to provide such due diligence and other information and documents requested by or on behalf of the Issuer at the time of transfer or (as applicable, in the case of the transferor) at the time of or at any time after initial subscription of the Secured Notes by the transferor. Secured Notes may only be transferred in multiples of €100.

Any person becoming entitled to a Note in consequence of the death or bankruptcy or winding up of a Noteholder may, upon such evidence being produced as may from time to time properly be required by or on behalf of the Issuer, elect either to be registered himself as holder of the Note 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 Issuer 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 Note, or procuring the transfer of the Note, in favour of that person. The Issuer may refuse to register such transmission or such transfer pursuant to a transmission *cause mortis* in the same circumstances and for the same reasons for which it may refuse to register a transfer of Secured Notes, as set out herein.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Secured Notes 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 will not register the transfer or transmission of Secured Notes for a period of 15 days preceding the due date for redemption.

8.10 Further issues

The Issuer may, from time to time, without the consent of the Noteholders, create and issue further debentures, debenture stock, Secured Notes, 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 Notes) 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 Notes), 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 Notes in respect of the Collateral.

8.11 Resolutions and meetings of Noteholders

The Noteholders' meeting represents the supreme authority of the Noteholders in all matters relating to the Secured Notes and has the power to make all decisions altering the terms and conditions of the Secured Notes.

Where the approval of the Noteholders is required for a particular matter, such resolution shall be passed at a Noteholders' meeting. Resolutions passed at Noteholders' meetings shall be binding upon all Noteholders and prevail for all the Secured Notes.

The Issuer may from time to time call meetings of Noteholders for the purpose of consultation with Noteholders or for the purpose of obtaining the consent of Noteholders on matters which in terms of the Memorandum require the approval of a Noteholders' meeting and to effect any change to the applicable Terms and Conditions of the Secured Notes. The meeting may be called by the Issuer at its own initiative, but shall also be called by the Issuer upon a request made at any time by one or more Noteholders holding at least fifty per cent (50%) of the outstanding value of the Secured Notes.

The Security Trust Deed also provides for the power of the Security Trustee, at the cost of the Issuer and at its own initiative to call meetings of Noteholders prior to exercising any power or discretion under such Deed or to write to all Noteholders requesting their directions. Furthermore, the Security Trust Deed provides for an obligation of the Security Trustee to call a meeting of Noteholders upon a request made at any time by one or more Noteholders holding at least fifty per cent (50%) of the outstanding value of the Secured Notes. The Security Trust Deed provides that the Security Trustee shall not be bound to act on behalf of the Noteholders under such Deed unless it receives duly authorised directions as stipulated in the said Deed, and in such case only to the extent deemed to be in the best interests of Noteholders.

A meeting of Noteholders shall be called by the Directors by giving all Noteholders listed on the Register of Debentures of the Issuer as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. 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 to the Offering Memorandum that is proposed to be voted upon at the meeting and seeking the approval of the Noteholders. Following a meeting of Noteholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Noteholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Noteholders in accordance with the provisions of this Section 8.11 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the provisions of and/or conditions contained in this Memorandum, or in any other part of the Offering Memorandum, may only be made with the approval of Noteholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of Noteholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Noteholders present, in person or by proxy, representing not less than 50% in nominal value of the Secured Notes then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Noteholders present at that meeting. The Issuer shall within two (2) 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 (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Noteholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Noteholders.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions which are required to be taken at the meeting, the Directors or their representative shall present to the Noteholders 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 to Noteholders to present their views to the Issuer and the other Noteholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Noteholders present at the time at which the vote is being taken, and any Noteholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the company secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer.

Unless otherwise expressly stated and required in respect of a specific issue/s herein and/or in the Security Trust Deed, the proposal placed before a meeting of Noteholders shall only be considered approved if at least 60% in nominal value of the Noteholders 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.

The Issuer may provide for virtual or remote meetings of Noteholders, including meetings by telephone or by other audio or audio and visual telecommunication means, provided that any such meetings allow Noteholders to ask questions and to exercise their right to vote at such meetings.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Noteholders.

8.12 Secured Notes held jointly

In respect of a Note held jointly by several persons (including husband and wife), the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The person first named in the Register of Debentures shall for all intents and purposes be deemed to be such nominated person by all the joint holders of the relevant Note/s. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Note/s so held.

8.13 Secured Notes held subject to usufruct

In respect of a Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the Register of Debentures. Without prejudice to what is provided in Section 8.6 regarding payment of the Redemption Value, the usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Note so held and shall have the right to vote at meetings of the Noteholders but shall not, during the continuance of the Note, have the right to dispose of the Note so held without the consent of the bare owner.

8.14 Authorisations and approvals

The Board of Directors of the Issuer authorised the Note Issue pursuant to a Board of Directors' resolution passed on 29 August 2024. The Guarantee being given by the Guarantor in respect of the Secured Notes has been authorised by a resolution of the board of directors of the Guarantor dated 29 August 2024.

8.15 Representations and warranties

The Issuer represents and warrants to the Noteholders and to the Security Trustee for the benefit of the Noteholders, who shall be entitled to rely on such representations and warranties, that:

- (a) it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
- (b) it has the power to execute, deliver and perform its obligations under the Memorandum and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Note Issue.

8.16 Notices

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

8.17 Governing law and jurisdiction

The Secured Notes, all the rights and obligations of the Issuer and the Noteholder, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law.

Any dispute, legal action, suit or proceedings against the Issuer, the Guarantor, any Shareholder arising out of or in connection with the Secured Notes and/or this Memorandum and/or any non-contractual matters arising out of or in connection therewith shall be brought exclusively before the Maltese courts. The Issuer and each Noteholder irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any dispute, action, suit or proceedings as aforesaid.

9. TERMS AND CONDITIONS OF THE NOTE ISSUE

9.1 Expected timetable

1	Application Forms available:	5 September 2024
2	Offer Period (may close earlier as determined by the Issuer):	9 September 2024 to 20 September 2024
3	Determination of basis of acceptance:	20 September 2024
4	Refund of unallocated monies (if any):	20 September 2024
5	Dispatch of registration advices / certificates:	20 September 2024
6	Issue Date	20 September 2024
7	Latest date of constitution of Pledge:	20 September 2024

The Issuer reserves the right to close the Offer Period earlier in the event of full subscription or over-subscription, in which case the events set out in steps 3 onwards and the Issue Date may be brought forward. Furthermore, the date specified in steps 3 onwards is in all cases a latest date for the occurrence of the events mentioned therein, which events may in actual fact take place earlier than such latest date.

9.2 Terms and conditions of Application

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.

- (a) The issue and final allotment of the Secured Notes is conditional upon the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed, within 7 Business Days of the close of the Offer Period. In the event that the aforesaid Condition Precedent is not satisfied, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account.
- (b) Investors who wish to subscribe for Secured Notes may do so through the Agent. Investors may apply for the subscription of Secured Notes by submitting to the Agent a duly completed Application Form, which can be obtained from such Agent, or otherwise through the said Agent in the manner instructed thereby, in each case during the Offer Period which will close at 12:00 hours on 20 September 2024, unless closed earlier by the Issuer as provided above. The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earlier.
- (c) By submitting an Application, the Applicant is thereby confirming to the Issuer and to the Agent through whom the Application is made, 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 and the Agent reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice / certificate or to be registered in the Register of Debentures, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Agent (which acceptance shall be made in the Agent's absolute discretion and may be on the basis that the Applicant indemnifies the Agent 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).
- (d) The contract created by the Issuer's acceptance of an Application filed by a prospective Noteholder shall be subject to all the Terms and Conditions set out in this Memorandum and the Memorandum and Articles of Association of the Issuer. By signing and submitting the Application, the Applicant (and in the case of joint applications, each individual joint Applicant) will be entering into a legally binding contract with the Issuer (which shall become binding on the Issuer if and when such Application is accepted by the Issuer, until which time the Application shall be irrevocable by the Applicant, except where otherwise expressly provided by law):
 - (i) whereby the Applicant acknowledges, declares and agrees (and will automatically be deemed to be acknowledging, declaring and agreeing) that he/she/it has made the Application solely on the basis of, and that he/she/it shall at all times be bound by and comply with, and shall be subscribing, acquiring and/or holding the relevant Secured Notes on the basis of, such Terms and Conditions;
 - (ii) whereby he/she/it makes and gives (and will automatically be deemed to be making and giving) to the Issuer the declarations, confirmations, representations, warranties and undertakings contained in paragraph (s) below in this Section 9.2 and all other applicable declarations, confirmations, representations, warranties and undertakings contained in the Offering Memorandum and/or in the Application;
 - (iii) which contract, and any non-contractual matter arising out of or in connection with it, shall be governed and construed in all respects in accordance with the laws of Malta, and any disputes arising out of or in connection with such contract or any non-contractual matter arising out of or in connection therewith shall be subject to the exclusive jurisdiction of the courts of Malta, as provided in Section 8.17 ("Governing law and jurisdiction") of this Memorandum.
- (e) 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 declarations, confirmations, representations, warranties and undertakings contained in these Terms and Conditions, in the Memorandum and/or in the Application 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 Issuer or the Agent, but it shall not be the duty or responsibility of the Agent or Issuer 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.

- (f) In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several as further detailed in Section 8.12 ("Secured Notes held jointly") of this Memorandum.
- (g) In respect of a Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register as further detailed in Section 8.6 ("Payments") and Section 8.13 ("Secured Notes held subject to usufruct") above. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Note/s so held and shall have the right to vote at meetings of the Noteholders but shall not, during the continuance of the Note/s, have the right to dispose of the Note/s so held without the consent of the bare owner, and shall not be entitled to the payment of the Redemption Value on the Note (which shall be due to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries).
- (h) Applications in the name and for the benefit of minors shall be allowed provided these are made by the parents / legal guardian having legal custody over and authority to transact for the minors according to law. Any Secured Notes allocated pursuant to such an Application shall be registered in the name of the minor as Noteholder, with redemption monies payable to the parents / legal guardian/s until such time as the minor attains legal age, following which all 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 legal age.
- (i) It shall not be incumbent on the Agent or the Issuer to verify the signatory/ies on any Application Form submitted.
- (j) The Secured Notes 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 or to or for the benefit of, directly or indirectly, any U.S. Person. Furthermore, the Issuer will not be registered under the United States Investment Company Act, 1940.
- (k) No person receiving a copy of this Memorandum or an 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 the Memorandum or make an Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or the Memorandum could lawfully be used and the Application could lawfully be made without contravention of any registration or other legal requirements.
- (l) Subscription for Secured Notes 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 advisors (including tax and legal advisors) 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 Notes. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Note 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.
- (m) The Secured Notes will be issued in multiples of €100. The minimum subscription amount of Secured Notes that can be subscribed for by Applicants is €10,000. Submission of Application must be accompanied by the full price of the Secured Notes applied for, in Euro. Payment may be made either by cheque, by bank transfer or any other method of payment as may be accepted by the Agent. In the event that any cheque accompanying an Application is not honoured on its first presentation, the Agent and/or the Issuer reserves the right to invalidate the relative Application.
- (n) Subject to all other terms and conditions set out in this Memorandum, the Issuer and the Agent (also in its capacity as authorised financial intermediary and placement agent) reserve the right to reject, in whole or in part, or to scale down, any Application for any reason (without being obliged to disclose the same), 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 Issuer or the Agent is not accompanied by the required documents. Without prejudice to the generality of the above, the Issuer reserves the right, in its discretion, to reject all Applications and revoke the issue and not to allot any Secured Bonds if the Note Issue is not fully subscribed and taken up during the Offer Period. The Issuer may however, in its discretion, accept Applications made and proceed with the issue and allotment of the Secured Notes in case the Note Issue is subscribed only in part during the Offer Period, whatever the amount so subscribed. Without prejudice to the above, the Issuer reserves the right to revoke the issue

at any time before the closing of the Offer Period. The circumstances in which such revocation might occur are expected to be exceptional.

- (o) In the event that an Applicant has not been allocated any Secured Notes or has been allocated a number of Secured Notes which is less than the number applied for (and the Issuer and the Agent reserve the right to do so in case of oversubscription or otherwise in their absolute discretion), the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Secured Notes applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of determination of the basis of acceptance. The Agent or the Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.
- (p) For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 372 of 2017, as subsequently amended), the Agent (as authorised financial intermediary and placement agent) is under a duty to communicate, upon request, all information about clients as is requested by the Issuer in terms of its anti-money laundering obligations at law or in terms of its policies and procedures relating to anti-money laundering and financing of terrorism. Such information shall be held and controlled by the Issuer in terms of applicable data protection legislation, in particular the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679, as amended from time to time, (as applicable).
- (q) It shall be incumbent on the Agent (as authorised financial intermediary and placement agent) to ascertain that all other applicable regulatory requirements relating to subscription of Secured Notes by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("MiFIR"), as well as applicable MFSA Rules for investment services providers.
- (r) By not later than 20 September 2024, the Issuer shall determine the basis of acceptance of applications and allocation policy to be adopted. It is expected that Secured Notes will be allocated on a first-come-first-served basis.
- (s) By completing, signing and delivering and/or otherwise by making an Application, the Applicant:
 - (i) irrevocably offers to purchase the number of Secured Notes specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Subscription Value subject to the Offering Memorandum, the Terms and Conditions and the Memorandum and Articles of Association;
 - (ii) agrees and acknowledges to have had the opportunity to read the Offering Memorandum and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Secured Notes contained therein;
 - (iii) authorises the Issuer and the Agent, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Note Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679, as may be amended from time to time. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed in relation to the Note Issue, in terms of applicable law. Any such request must be made in writing and sent (as applicable) to the Issuer and the Agent. The request must further be signed by the Applicant to whom the personal data relates;
 - (iv) warrants that the information submitted by the Applicant in or together with the Application is true and correct in all respects;
 - (v) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Secured Notes other than what is contained in the Offering Memorandum and accordingly agree/s that no person responsible solely or jointly for the Offering Memorandum or any part thereof will have any liability for any such other information or representation;
 - (vi) authorises the Issuer to include his/her/its name or in the case of joint Applications, the first named Applicant, in the Register of Debentures in respect of the Secured Notes allocated to the Applicant;
 - (vii) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (a) the Applicant will not be entitled to receive a registration advice / certificate or to be registered in respect

of such Secured Notes, unless and until a payment is made in cleared funds for such Secured Notes and such payment is accepted by the Agent or by the Issuer acting through the Agent (which acceptance shall be made in its absolute discretion and may be on the basis that the Agent and/or the Issuer 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 of such late payment in respect of the Secured Notes); or (b) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Secured Notes as void and may allocate such Secured Notes to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Secured Notes (other than return of such late payment, if any);

- (viii) agrees that the registration advice / certificate and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her 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;
- (ix) agrees to provide the Agent and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- (x) warrants, in connection with the Application, 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 his/her Application in any relevant territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Agent acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Secured Notes or his/her Application;
- (xi) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (xii) represents that the Applicant is not a U.S. Person as well as not to be accepting the invitation set out in the Memorandum from within the United States or on behalf or for the account of anyone within the United States or anyone who is a U.S. Person;
- (xiii) warrants that, where an Applicant makes an 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 accordingly will be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these Terms and Conditions, in the Memorandum and/or in the Application, and undertakes to submit the Applicant's power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Agent;
- (xiv) warrants that where the Application is being lodged in the name and for the benefit of a minor, the Application is made by the parent/s or legal guardian/s of the minor having legal custody over and authority to transact for the minor according to law;
- (xv) agrees that all documents in connection with the issue of the Secured Notes will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application;
- (xvi) agrees that any returned monies will be returned without interest at the Applicant's risk and will be returned by direct credit into the bank account as specified in the Application, and the Agent and the Issuer shall not be responsible for any charges, loss or delay arising in connection therewith;
- (xvii) 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 Notes;
- (xviii) agrees that the advisors to the Note Issue, in their capacity as such, will owe the Applicant no duties or responsibilities concerning the Secured Notes or the suitability of the Applicant;
- (xix) agrees that the Application, the acceptance of the Application and the contract resulting therefrom, all the rights and obligations of the Applicant and the Issuer, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law and, and that he/she/it submits to the jurisdiction of the Maltese Courts which shall have, and the Applicant agrees that such Courts will have, exclusive jurisdiction to hear and determine any dispute, action, suit or proceeding arising out of or in connection with any such

Application, acceptance of Application and contract resulting therefrom, rights and obligations and non-contractual matters as aforesaid;

- (xx) agrees that the terms and conditions of the Trust Deed, which is available for inspection as set out in Section 10 hereof, shall be binding on it once it becomes a registered Noteholder as if it had been a party thereto and as if the Trust Deed contained covenants on its part as a registered Noteholder to observe and be bound by all the provisions thereof applicable thereto, and agrees that the Security Trustee is authorised and required to do the things required of it by the Trust Deed.
- (t) Applications are to be made with or through the Agent (as the authorised financial intermediary and placement agent in respect of the Note Issue). To the extent requested by MIFID II, the Agent shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and, based on the results of such test, shall be satisfied that an investment in the Secured Notes may be considered appropriate for the Applicant. To the extent required by MIFID II, if and to the extent that the Agent is providing advice or portfolio management in respect of a purchase of the Secured Notes by an Applicant, such Agent shall also be required to conduct a Suitability Test in respect of the Applicant and based on the results of such test, be satisfied that an investment in the Secured Notes may be considered suitable for the Applicant.

For the purpose of this Memorandum, the term “**Appropriateness Test**” means the test conducted by any licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Secured Notes, with the aim that such licensed financial intermediary determines (after collecting the necessary information) whether the investment service or the Secured Notes are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the licensed financial intermediary shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee’s knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Secured Notes or investment service offered or demanded, in accordance with the Conduct of Business Rulebook issued by the MFSA (the “**CBR**”). In the event that the licensed financial intermediary considers, on the basis of the test conducted, that the subscription or transfer of Secured Notes is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary shall warn the Applicant or transferee that an investment in the Secured Notes is not appropriate for the Applicant or transferee.

For the purpose of this Memorandum, the term “**Suitability Test**” means the process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Secured Notes obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Secured Notes that are considered suitable for him/her, in accordance with the CBR. The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria: a) it meets the investment objectives of the Applicant or prospective transferee in question; b) it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and c) it is such that the Applicant or prospective transferee has the necessary experience and knowledge in the investment field relevant to the specific type of product or service in order to understand the risks involved in the transaction or in the management of his/her portfolio.

9.3 Plan of distribution and allotment

The Secured Notes will be available for subscription by all categories of investors including the general public and will be distributed by the Agent which is being appointed as authorized financial intermediary and placement agent in respect of the full amount of the Note Issue. The Issuer has entered or shall enter into a conditional placement agreement with the Agent whereby the full amount of €4,900,000 in nominal value of the Secured Notes shall be made subject to placement (on a non-committed basis) by the said Agent and such amount will accordingly be made available for subscription to such Agent, for its own account or on behalf of its clients.

All Applications are subject to a minimum subscription amount of €10,000 in nominal value of Secured Notes and in multiples of €100 thereafter. Where the Agent subscribes to the Secured Notes through nominee accounts for and on behalf of clients it shall apply the minimum subscription amount of €10,000 to each underlying client.

Where the Secured Notes are sold on a non-advisory basis, applications shall not be accepted by the Agent unless, based on the results of the Appropriateness Test (where applicable), the Agent is satisfied that an investment in the Secured Notes may be considered appropriate for the Applicant. To the extent that the Agent is providing advisory or portfolio management services in respect of a purchase of the Secured Notes by an Applicant, such Agent shall conduct a Suitability Test (where applicable) in respect of the Applicant and, based on the results of such test, must be satisfied that an investment in the Secured Notes may be considered suitable for the Applicant.

9.4 Pricing

The Secured Notes are being issued at the Subscription Value of €89.80 per Note with the full amount payable upon subscription.

9.5 Allocation policy

The Issuer shall allocate the entirety of the Secured Notes in accordance with the allocation policy determined by the Issuer. It is expected that Applications for Secured Notes will be accepted and Secured Notes will be allocated on a first-come-first-served basis.

The allocations aforesaid shall at all times be subject to the minimum investment amount for the subscription of Secured Notes, set at €10,000 per Applicant or underlying Applicant (as applicable) and in multiples of €100 thereafter.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents shall be available for inspection at the registered address of the Issuer and on the Issuer's website, on the following hyperlink <https://cf.com.mt>:

- (a) Memorandum and Articles of Association of the Issuer and of the Guarantor;
- (b) The audited financial statements of the Issuer and of the Guarantor for the financial year ended 31 December 2023;
- (c) The unaudited half-yearly financial statements of the Issuer for the six months period ended 30 June 2024;
- (d) The latest Financial Analysis Summary of the Issuer prepared by Calamatta Cuschieri Investment Services Limited dated 17 June 2024;
- (e) The original Guarantee; and
- (f) The Security Trust Deed.

ANNEX I – GUARANTEE

THIS GUARANTEE and INDEMNITY AGREEMENT is dated 5 September 2024 and made between:

- (i) **CF Estates Ltd.**, a company incorporated under the laws of Malta with registration number C 102632 and whose registered office is at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta, (the **“Guarantor”**) represented by _____ as duly authorized;
- (ii) **CSB Trustees and Fiduciaries Limited**, a company incorporated under the laws of Malta with registration number C 40390 and whose registered office is at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR4013, Malta (the **“Security Trustee”**) represented by _____ as duly authorized.

WHEREAS:

- A. CF Estates Finance p.l.c. (the **“Issuer”**) shall issue up to €4,900,000 Zero-Coupon Secured Notes to be redeemed and finally repaid on 20 March 2026 or, at the discretion of the Issuer, earlier, at any time from 20 December 2024 (the **“Secured Notes”**) by virtue of, and subject to the terms and conditions of, an offering memorandum dated 5 September, 2024 issued by the Issuer in connection with the issue of such Secured Notes (such offering memorandum, as the same may be amended, varied or supplemented from time to time, hereinafter referred to as the **“Offering Memorandum”**);
- B. the majority of the Issuer’s shares are owned by the Guarantor;
- C. the Offering Memorandum provides that, and it is a condition precedent for the issuance of the Secured Notes that, inter alia, the Guarantor executes and grants this Guarantee and Indemnity Agreement (hereinafter referred to as **“Guarantee”**) whereby it jointly and severally guarantees the punctual performance of the Issuer’s payment obligations under the Note Issue in favour of the Security Trustee for the benefit of the Noteholders; and
- D. the Guarantor has agreed to the conclusion and execution of this Guarantee in favour of the Security Trustee.

NOW, THEREFORE, IT IS BEING HEREBY AGREED AND COVENANTED AS FOLLOWS:

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

“Indebtedness” means all moneys, obligations and liabilities now or at any time hereafter due, owing or incurred by the Issuer under the Secured Notes to the Noteholders (whether alone and/or with others) in terms of the Offering Memorandum and in any and all cases whether for Redemption Value, charges, disbursements, or otherwise and whether for actual or contingent liability;

“writing” or **“in writing”** shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

Capitalised terms used herein which are defined in the Offering Memorandum shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings herein as in the Offering Memorandum.

The Guarantor hereby acknowledges and declares that it has received a copy of the Offering Memorandum as approved and issued by the Issuer.

2. GUARANTEE

2.1 COVENANT TO PAY

In satisfaction of the conditions precedent for the issuance of the Secured Notes, and in consideration of the Noteholders acquiring the Secured Notes, the Guarantor, as duly authorised, as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of Noteholders the payment of, and undertakes on first demand in writing made by the Security Trustee on the Guarantor, to pay the Indebtedness to the Security Trustee or any balance thereof at any time due or owing under the Secured Notes.

2.2 LIABILITY AMOUNT

This is a continuing Guarantee for the whole amount of Indebtedness due or owing by the Issuer under the Secured Notes but, notwithstanding anything contained in this Agreement, the amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of the Redemption Value of Secured Notes subscribed for and issued pursuant to the Note Issue, apart from costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and/or the Guarantor and/or other provider/s of Collateral which shall be additional to the maximum amount herein referred to.

2.3 INDEMNITY

As a separate and independent stipulation, the Guarantor agrees, as a principal obligation, to indemnify the Security Trustee on demand for all costs, charges and expenses incurred by it relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and/or the Guarantor and/or other provider/s of Collateral as well as 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.

3. CONTINUING AND UNCONDITIONAL LIABILITY

3.1 The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid or until such time as the maximum amounts referred to in clause 2.2 above are paid by the Guarantor hereunder, and will not be prejudiced or affected by, nor shall it in any way be discharged or reduced by reason of:

- (a) the bankruptcy, insolvency or winding up of the Issuer; or
- (b) the incapacity or disability 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 the Guarantor; 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) the release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person liable; or
- (f) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Security Trustee.

3.2 This Guarantee provides the Security Trustee with the right of immediate recourse against the Guarantor, and the Security Trustee shall not be obliged before taking steps to enforce any of its rights and remedies under this Guarantee:

- (a) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Issuer or any other person; or

- (b) to make, demand, enforce or seek to enforce any claim, right or remedy against the Issuer or any other person.

4. WAIVER OF GUARANTOR'S RIGHTS AND GUARANTOR'S WARRANTIES

4.1 Without prejudice to clause 2.2 above, this Guarantee shall be for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor or any other person shall have made any irrevocable payment of the Indebtedness.

4.2 Until the Indebtedness has been paid in full the 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;
- (b) demand or accept repayment, in whole or in part, of any Indebtedness now or hereafter due to the Guarantor from the Issuer or for repayment of same or demand any collateral in respect of same or dispose of same;
- (c) take any step to enforce any right against the Issuer arising pursuant to the Guarantee or any payment made by the Guarantor thereunder;
- (d) claim any set-off or counter-claim against the Issuer nor benefit or share any payment from or in composition with the Issuer.

4.3 Subject to the overriding provisions of the Offering Memorandum until the Indebtedness has been paid in full the Guarantor further agrees that:

- (a) if an Event of Default under the Offering Memorandum occurs, any sums which may thereafter 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;
- (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Security Trustee against the Issuer shall be suspended.

5. 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 Guarantor as a continuing Guarantee until full and final settlement of all the Issuer's Indebtedness. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

6. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT.

6.1 This Guarantee is to be immediately binding upon the Guarantor 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.

6.2 The Guarantor shall not be entitled to assign or transfer (by novation or otherwise) any of its rights or obligations under this Guarantee.

7. REPRESENTATIONS AND WARRANTIES.

7.1 The 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 Guarantor in accordance with its constitutional document and the laws of its incorporation;

- (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 violate any law, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or the Guarantor's constitutional document; 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 it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature;
- (f) that 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;
- (g) 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;
- (h) 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;
- (i) 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.

7.2 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 Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

8. DEMANDS AND PAYMENTS

8.1 Without prejudice to clause 2.2 above, all the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain, liquidated and due on the seventh (7th) day following the Security Trustee's first written demand to the Guarantor to pay. All demands shall be sent to the address or email address as are stated below as the same may be changed by notice in writing by one party to the other.

8.2 All sums payable by the Guarantor under this Guarantee shall be paid in full to the Security Trustee in the currency in which the Indebtedness is payable:

- (a) without any set-off, condition or counterclaim whatsoever; and
- (b) free and clear of any deductions or withholdings whatsoever except as may be required by law or regulation which is binding on the Guarantor.

8.3 If any deduction or withholding is required by any law or regulation to be made by the Guarantor, the amount of the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.

8.4 The Guarantor shall promptly deliver or procure delivery to the Security Trustee of all receipts issued to it evidencing each deduction or withholding which it has made.

9. NOTICES.

Every notice, request, demand, letter or other communication hereunder shall be in writing, in the English language, and shall be delivered by hand or by pre-paid post or email at the address or email address of the addressee set out below or as otherwise notified to the sender. Any such notice sent by prepaid post shall be deemed to have been received five (5) days after dispatch and evidence that the notice was properly addressed stamped and put into the post shall be conclusive evidence of posting. Any such notice sent by email or delivered by hand shall be deemed to have been received on the date on which it is sent or delivered, and failure to receive any confirmation shall not invalidate such notice.

If to the Guarantor:

Address: CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta

E-mail address:

To the attention:

If to the Security Trustee:

Address: Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR4013, Malta

E-mail address:

To the attention:

10. APPLICABLE LAW AND JURISDICTION.

This Guarantee and any non-contractual matters in relation thereto shall be governed by and construed in accordance with the laws of Malta.

The parties agree that the Courts of Malta have exclusive jurisdiction to settle any disputes in connection herewith and in connection with any non-contractual matters in relation hereto, and accordingly submit to the jurisdiction of such Courts.

The parties waive any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agree that a judgement or order of such a Court shall be conclusive and binding on them and may be enforced against them in the Courts of any other jurisdiction.

duly authorised, on behalf of **CF Estates Ltd. (Guarantor)**

duly authorised, on behalf of **CSB Trustees and Fiduciaries Limited (Security Trustee)**