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V.A.T. Registration number 1108-0503

15th July 2025

Valuation of Properties:

1. CF Business Centre, Triq Gort, Paceville, St Julians - **perpetual ground rent of two hundred and twenty-two Euro and eighty-four cents (€222.84)** revisable after 100 years from 5th April 1966 and every subsequent 50 years thereafter on the basis of the pound sterling in those future dates compared to its value in the year 1966.
2. Mistral Hotel, Triq Luigi Apap c/w, Trejjet San Gorg, San Giljan, Malta - **Freehold**
3. Scirocco Hotel, Triq Ross, San Giljan, Malta - **Freehold**
4. Levante Hotel, Triq Sant' Andrija, San Giljan, Malta - **Freehold**

1.0 Introduction

- 1.1 The undersigned, in the capacity of a warranted architect and civil engineer, has been commissioned by CF Estates Finance p.l.c, to carry out a valuation of the properties above mentioned. The detailed valuation report which includes the value of the properties, is submitted herewith. The effective date of the valuation is the 15th July 2025.
- 1.2 The valuation is being made without a formal structural or technical assessment. The valuation covers the building as a whole in its current state. The property is being valued on a Market Value basis, as defined by the Royal Institute of Chartered Surveyors ('RICS') Standards, namely, the price at which land and buildings could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of sale. These four (4) properties are situated in St Julians.

2.0 General Considerations

- 2.1 The purpose of the valuation is for inclusion with the Prospectus, to be published in connection with a proposed Public Bond Issue by CF Estates Finance p.l.c. in accordance with the Capital Market Rules published by the Malta Financial Services Authority.
- 2.2 The valuation has been prepared in accordance with Chapter 7 of the Capital Market Rules, and with the disclosure requirements related to property companies seeking listing on the Malta Stock Exchange.
- 2.3 This valuation has been prepared solely for the abovementioned purpose and is not suitable for any other use. In accordance with standard practice, neither the whole, nor any part of this valuation, nor any reference thereto, may be included in any document published without the prior written approval of the undersigned for the context in which it may appear.
- 2.4 The properties included in this Report are divided into two sections, namely;
 - 2.4.1 Property in the course of development to be held for commercial purposes (hotel operations) and;
 - 2.4.2 Property held for investment purposes (rental)
- 2.5 With reference to my valuation of the properties under the headings 'Property held for Investment' and 'Properties in the course of Development to be held for Operations', I have made the following assumptions in the preparation of my Report:
 - 2.5.1 The buildings are in good state of repair;
 - 2.5.2 All building services installed and associated controls or software are in working order and free from defect;
 - 2.5.3 The property is not contaminated and no contaminative or potentially contaminative uses have ever been carried out on it;
 - 2.5.4 There are no abnormal ground conditions, nor archaeological remains present which might adversely affect the present or future occupation, development or value of the property;
 - 2.5.5 All buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

- 2.5.6 This valuation is based solely on visual observations made during my inspections and does not consider hidden defects in the structure, finishes and equipment and services in the premises;
- 2.5.7 The property complies with all applicable laws and regulations, including those relating to health and safety;
- 2.5.8 Only relatively minor costs will be incurred if any modification or alteration is necessary in order for the property to comply with the provisions of relevant disability and access laws;
- 2.5.9 In so far as the property is rented to third parties, there are no tenants' improvements that will materially affect my opinion of the rent that would be obtained on review or renewal;
- 2.5.10 In so far as the property is rented to third parties, the current trade-related use of the property will continue throughout the period of the lease;
- 2.5.11 The property is, in all respects, insured against all usual risks at normal, commercially acceptable premia;
- 2.5.12 The property constitutes a fully equipped operational entity which has in place, and will continue to have over the period of the lease (if applicable), all the necessary licenses and other enablers required to continue trading.
- 2.5.13 In so far as the properties are operated as hotels, the current trade-related use of the properties will continue for at least fifty (50) years;
- 2.5.14 The properties are, in all respects, insured against all usual risks at normal, commercially acceptable premia;
- 2.5.15 The properties have in place, and will continue to have in place, all the necessary permits, and, upon completion will procure all the necessary licenses and other enablers required to continue trading.
- 2.5.6 The valuation is based on the assumptions that the properties will only be encumbered by privileges and hypothecs necessary for their financing and operation. Any other mortgages, and / or other bank loans and facilities are not considered in this valuation. The details of effective mortgages and privilege are referred to in Annex 1 of this report.
- 2.5.7 The valuation does not reflect any liability to tax, stamp duty and any other transaction costs arising on the disposal or acquisition of the properties.
- 2.5.8 All measurements, areas and ages quoted in my report are approximate.

2.5.9 Scirocco Hotel and Levante Hotel are owned by Ratcon, whilst Mistral Hotel is owned by Mistral. Scirocco Hotel, Levante Hotel and Mistral Hotel are three-star hotels, and will operate 37 rooms, 19 rooms and 51 rooms respectively. All three hotels will be operated directly by Ratcon and Mistral and managed by Meliã.

2.5.10 All the hotels are in walking distance from the Mercury Project and Hotel, and it is the Shareholders' intention that these hotels and the Mercury Hotel will be inter-linked. Consequently, the tourists staying at these hotels will be able to use the Mercury Hotel's facilities, particularly in the shoulder months when the Mercury Hotel's facilities would not be at full capacity. Given that the Mercury Hotel is owned by one of the shareholders of the CF Group, guests attending weddings or MICE events taking place at Mercury Hotel who would like to stay the night will have the choice of either staying at the Mercury Hotel or in one of these three-star hotels.

3.0 Declaration of Independence

3.1 The undersigned confirms his status as an external independent valuer, without any financial interest in CF Estates Finance p.l.c.

4.0 Basis of Valuation

4.1 An opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation assuming:

4.1.1 A willing seller;

4.1.2 That, prior to the date of valuation, there had been a reasonable period, (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and conditions of the sale;

4.1.3 That the state of the market, level of values and other circumstances were, on an earlier assumed date of exchange of contracts, the same as on the date of valuation;

4.1.4 That no account is taken of any additional bid by a purchaser with a special interest;

4.1.5 That both parties to the transaction had acted knowledgeably, prudently and without compulsion.

4.1.6 The Guidance Notes refer to the fact that certain types of property designed or adapted for particular uses, invariably change hands in the open market at prices based directly on trading potential for a strictly limited use.

5.0 Property Description - CF Business Centre

- 5.1 CF Business Centre is located along Triq Sant'Andrija c/w Triq Gort c/w Triq Gdida fi Trejget San Gorg, Paceville, San Giljan Malta. This mainly consists of commercial offices and catering outlets.
- 5.2 This property is subject to the annual and perpetual ground rent of two hundred and twenty-two Euro and eighty-four cents (€222.84) revisable after 100 years accruing from the 5th April 1966 and every subsequent 50 years thereafter on the basis of the pound sterling in those future dates compared to its value in the year 1966. Furthermore, the owners and their successors in title shall pay every year a recognition fee (laudemium) equivalent to a year's ground rent to the Lands Authority. The amount is two thousand eight hundred and one Euros and thirty-four cents (€2801.34). The annual and perpetual ground rent for the territory which incorporates the property amounts to two hundred- and eighty-seven-pound sterling (£287), out of which sum, forty-one-pound sterling (£41) shall accrue from 2nd August 1961 and two hundred forty-six-pound sterling (£246) shall accrue from 5th April 1966.
- 5.3 The business center has an eight-storey reinforced concrete frame structure and boasts high-quality facilities and modern design, including a recreational roof-top area. It has a total of 3,241 sqm of commercial space available for rent. The Business Centre will be fully operational in January 2023.
- 5.4 The rental agreements between Haven Centre Ltd. and the several tenants set out that the tenants may terminate the lease at any moment in time after their respective di fermo lease periods have expired by granting six months advance notice in writing to Haven Centre Ltd. Refer to Annex 4 for basic terms of lease agreement. CF Developers Ltd, a company within the Group has rented out Level 1 and Level 8 of the CF Business Centre for use as its corporate office, at €270 and €340 per square meter per annum respectively. The terms of this lease agreement is for ten years.

6.0 Property Description – Mistral Hotel

- 6.1 This property is currently being developed and is located in Triq Luigi Apap c/w, Trejket San Gorg, San Giljan, Malta.
- 6.2 This property shall consist of a 51-room hotel as per the approved PA permit which shall include 10 floors + 1 receded floor + a basement level.
- 6.3 This property shall be operated by Mistral Ltd under the name Mistral Hotel, affiliated by Melia through the hotel and management services to be provided by Melia Hotels International S.A. and Prodigios Interactivos S.A. pursuant to a hotel management agreement.
- 6.4 As at the date of this Report, this hotel has been constructed, finished and in operation.

7.0 Property Description – Scirocco Hotel

- 7.1 This property is currently being developed and is located Triq Ross, San Giljan, Malta.
- 7.2 This property shall consist of a 37-room hotel as per the approved PA permit which shall include 10 floors + 1 receded floor + a basement level.
- 7.3 This property is operated by Ratcon Ltd under the name Scirocco Hotel, affiliated by Melia through the hotel operation and management services to be provided by Melia Hotels International S.A. and Prodigios Interactivos S.A. pursuant to a hotel management agreement.
- 7.4 As at the date of this Report, this hotel has been constructed, finished and in operation.

8.0 Property Description – Levante Hotel

- 8.1 This property is currently being developed and is located Triq Sant' Andrija, San Giljan, Malta
- 8.2 This property shall consist of a 19-room hotel as per the approved PA permit which shall include 10 floors + 1 receded floor + a basement level.
- 8.3 This property is operated by Ratcon Ltd under the name Scirocco Hotel, affiliated by Melia through the hotel operation and management services to be provided by Melia

Hotels International S.A. and Prodigios Interactivos S.A. pursuant to a hotel management agreement.

- 8.4 As at the date of this Report, this hotel has been constructed, finished and in operation.

9.0 Planning History

- 9.1 **PA/04056/17** - Demolition of existing building and construction of a commercial development including a restaurant and games room (Class 4C and 3C) offices (Class 4A) a store and a gym (Class 3C). This permit has an approved decision publication date of 20/12/2017.
- 9.2 **PA/05335/17** - Proposed total demolition of existing premises and construction of new hotel including a store and restaurant (Class 4D) at lower intermediate level, lobby area at ground floor, hotel accommodation from level 0 to 9 (Class 3B) and pool deck area with restaurant (Class 4D) at roof level. This permit has an approved decision publication date of 24/01/2018.
- 9.3 **PA/03756/18** - Proposed total demolition of existing premises and construction of new hotel including a store, laundry room, changing room, toilet and gym at level -1, lobby area, office, toilet, breakfast room (Class 4D) at ground floor, piano area at first floor, hotel accommodation from level 1 to 10 (Class 3B) and pool deck area with bar (Class 4D) at roof level. This permit has an approved decision publication date of 06/03/2019.
- 9.2 **PA/05714/18** - Proposed total demolition of existing premises and construction of new hotel including kitchen at basement, restaurant (Class 4D) at ground floor, reception at first floor, hotel accommodation from first floor to tenth (Class 3B) and pool deck area at tenth floor. This permit has an approved decision publication date of 03/07/2019.

10.0 Sources of Information

- 10.1 I have relied on the following information provided to us by CF Estates Ltd or their advisors or which was otherwise in the public domain:

- 10.1.1 The deed of purchase with third parties entered into with respect to each of the properties;
- 10.1.2 The existing lease agreements in place, with respect to the business center except for vacant areas;
- 10.1.3 The existing management agreement with the Melia Hotels with respect to the three (3) hotels;
- 10.1.4 Planning Authority permits and permit drawings;
- 10.1.5 A written declaration by CF Estates Ltd that none of the Directors nor promoters have had an interest in the acquisitions of the hotels during the two (2) years preceding this valuation, as described in Article 7.4.8 of the Capital Market Rules;
- 10.1.6 A written declaration by CF Estates Ltd confirming that they have provided me with copies of all relevant agreements for the properties;
- 10.1.7 Other relevant details with respect to the properties.

11.0 Valuation Methodology

- 11.1 The valuation is based on the comparative and income valuation methodology, and in particular based on open market value for existing use. The gross rental income of the different areas with different uses within the properties has been calculated and capitalized.
- 11.2 The risk of the estimated value of the completed development project changing due to changed market conditions over the duration of the project will normally be reflected in the market capitalizations rate used to value the project. This market capitalization rate as adopted for investment property valuations as defined by RICS Valuation – Global Standards as effective from 31 January 2020 will generally be determined by market transactions of similar trade related property investments. Clearly, due to the differing characteristics of trade related property and the wide variety of lease terms, careful analysis of comparable transactions is essential. In our case this market capitalization rate is being calculated at 5.75% on retail and commercial areas, while the capitalization rate of the offices is taken at 5.25%.

12.0 Valuation Conclusions

- 12.1 This document contains certain statements, estimates and projections. The assumptions on which these estimates and projections have been based may or may not prove to be correct. Actual results are likely to be different from the projections since anticipated events frequently do not occur as expected and the variation may be material. No representation is made as to the accuracy of such statements, estimates and projections.
- 12.2 A significant degree of judgement is involved when selecting methods and basis for valuations and a significant number of items which may be subsequently considered when arriving at such valuations, including growth in future earnings and related free cash flows. It follows that valuations are not a prediction of price or a guarantee of value, as whilst the undersigned's valuation is one which is considered to be both reasonable and defensible, others may arrive at a different conclusion. The variation between projected and actual results may be material and such variation may materially affect the value of the Properties. The analysis set out in this document takes into account information known and made available up to the time of its preparation and is therefore current as to the report date.
- 12.3 This report may not be quoted, or referred to, or distributed, in whole or in part, without the prior written consent of the undersigned. Such consent for part of or the whole Report to be copied or disclosed to any third party, or otherwise quoted or referred to in whole or in part, is on the basis that the undersigned does not owe such third parties any duty of care as a result of giving such consent.

After having considered the above factors, I consider the total freehold market values to be as follows:

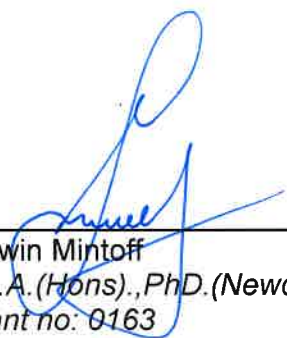
CF Business Centre – current market value of **Euro 18,440,000** (Eighteen million, four hundred and forty thousand Euro).

Mistral Hotel – current market value of **Euro 8,485,000** (Eight million, four hundred and eighty-five thousand Euro).

Scirocco Hotel – current market value of **Euro 6,300,000** (Six million and three hundred thousand Euro).

Levante Hotel – current market value of **Euro 3,640,000** (Three million, six hundred and forty thousand Euro).

Regards,



Dr Edwin Minto
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Warrant no: 0163