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SECURITIES NOTE

CF ESTATES FINANCE P.L.C.

9 NOVEMBER 2026

SECURITIES NOTE

Dated 9 November 2026

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

In respect of an issue of up to
€12,500,000 5.65% Secured Bonds 2031-2036
of a nominal value of €100 per Bond issued at par and redeemable at the Redemption Value
ISIN: MT0002701218
(the "Bonds") 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

**Prospective investors are to refer to the Guarantee contained in Annex II of this Securities Note and section 6.2 of the Registration Document for a description of the Guarantee and the Collateral in general.*

SPONSOR & CO-MANAGER	REGISTRAR & CO-MANAGER	SECURITY TRUSTEE	LEGAL COUNSEL
Calamatta Cuschieri moneybase	BOV Bank of Valletta	CSB trustees& fiduciaries ltd	salibastafrace LEGAL

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

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

APPLICATION HAS BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE SECURITIES TO BE ADMITTED TO THE OFFICIAL LIST.

THESE SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.

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

APPROVED BY THE DIRECTORS

FRANCIS AGIUS
in his capacity as director of the Issuer and for and on behalf of
Clifton Cassar, Stephen Muscat, Peter Portelli and Mario Vella

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY CF ESTATES FINANCE P.L.C. (THE "ISSUER") OF UP TO €12,500,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.65% PER ANNUM, PAYABLE ON 14 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE (THE "BONDS"). THE ISSUER SHALL REDEEM THE BONDS AND PAY THE REDEMPTION VALUE THEREOF ON THE FULL-TERM REDEMPTION DATE OR A DESIGNATED EARLY REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE.

THIS SECURITIES NOTE SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER DATED 9 NOVEMBER 2026.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS, TO PUBLISH OR ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER, THE GUARANTOR AND/OR THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO THEREIN, AND IF PUBLISHED, ISSUED, GIVEN OR MADE, SUCH ADVERTISEMENT, INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

ALL THE ADVISORS TO THE ISSUER NAMED UNDER THE HEADING "ADVISORS" IN SECTION 3.4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

AUTHORISED FINANCIAL INTERMEDIARIES MUST UNDERTAKE AN APPROPRIATENESS TEST WHERE THE BONDS ARE SOLD ON A NON-ADVISORY BASIS AND, WHEN PROVIDING ADVICE IN RESPECT OF A PURCHASE OF THE BONDS OR PURSUANT TO THE PROVISION OF PORTFOLIO MANAGEMENT SERVICES, A SUITABILITY TEST, ON PROSPECTIVE BONDHOLDERS IN ORDER TO BE SATISFIED THAT THE BONDS ARE A SUITABLE INVESTMENT FOR THE RESPECTIVE CLIENT, PRIOR TO EXECUTING A PURCHASE OF THE BONDS. THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN OR PROCESSES ADOPTED BY AUTHORISED FINANCIAL INTERMEDIARIES IN THEIR EFFORT TO SELL OR PLACE BONDS OR TO RE-SELL BONDS SUBSCRIBED BY THEM.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

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

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON, AS DEFINED IN REGULATION "S" OF THE SAID ACT. FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN. A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

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

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

THIS SECURITIES NOTE IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WHICH ARISE OR ARE NOTED FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THE PROSPECTUS. PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THE PROSPECTUS SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES, IF ANY, OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE, AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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1 • DEFINITIONS

Capitalised words and expressions used in this Securities Note and which are defined in the Registration Document forming part of the Prospectus shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words and expressions in the Registration Document. Furthermore, in this Securities Note the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

Applicant/s	A person or persons, in the case of joint applicants, who subscribe(s) for the Bonds;
Application	The application to subscribe for Bonds made by an Applicant/s through any of the Authorised Financial Intermediaries;
Appropriateness Test	Shall have the meaning set out in section 8.2 of this Securities Note;
Authorised Financial Intermediaries	The financial intermediary/ies whose details appear in Annex I to this Securities Note;
Bond Issue Price	The nominal value of each Bond, namely €100 per Bond;
Condition Precedent	The condition set out under paragraph (a) of section 8.2 of this Securities Note, to which the issue and final allotment of the Bonds is subject, namely the Bonds being admitted to the Official List;
CSD or **Central Securities Depositary**	The Central Securities Depository of and operated by the Malta Stock Exchange set up and authorised in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), or any other central securities depository appointed by the Issuer from time to time;
Interest Payment Date	14 December of each year between and including each of the years 2027 and 2036 or, in the event of Early Redemption at the option of the Issuer, 14 December of each year starting from 14 December 2027 and 14 December immediately preceding the relevant Designated Early Redemption Date and the relevant Designated Early Redemption Date itself, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	An offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements as further detailed in section 8.5 of this Securities Note;
Issue Date	Expected on 14 December 2026;
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);
Placement Agreements	The conditional placement agreements which may be entered into between the Issuer and the Authorised Financial Intermediaries, as further described in section 8.4 of this Securities Note;
Security Threshold Amount	the full Redemption Value of all Bonds outstanding at the relevant time plus an equivalent of one year's interest on all such Bonds;
Suitability Test	Shall have the meaning set out in section 8.2 of this Securities Note; and
Terms and Conditions	The terms and conditions of issue of the Bonds, set out in sections 5, 6 and 8 of this Securities Note.

All references in the Prospectus 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, organisations, 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 Securities Note.

2 • RISK FACTORS

THE VALUE OF INVESTMENTS FALL AS WELL AS RISE AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER OR THE BONDS.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

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

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE VALUE, YIELD, REPAYMENT ABILITY OF THE ISSUER AND OTHER CHARACTERISTICS OF THE BONDS. THE RISKS DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL AS AT THE DATE HEREOF, BUT THESE RISKS MAY NOT BE THE ONLY ONES AFFECTING THE BONDS. ADDITIONAL RISKS, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE BONDS AND/OR THE BONDHOLDERS' RIGHTS THEREUNDER.

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

Forward-looking Statements

This Securities Note contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's and, or the Guarantor's strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and, or the Guarantor's actual results of operations, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and performance, and trading results, of the Issuer and, or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled "Risk Factors" in the Registration Document, for a review of the factors that could affect the Issuer's performance and an investment in the Bonds. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

2.1 RISKS RELATING TO THE BONDS

Suitability of the Bonds 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 bonds will take this factor into account. The Bonds may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of this early redemption component, the Bonds are deemed as complex financial instruments for the purposes of MIFID II. Accordingly, the Bonds are only suitable for investors who have the knowledge and experience to understand the risks related to the Bonds. Investors are urged to consult an investment advisor before investing in the Bonds.

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 Bonds, the merits, and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;

b) is able to assess whether the Bonds meet its investment objectives;

c) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;

d) understands thoroughly the terms of the Bonds; and

e) is able to evaluate, either alone or with the help of a financial advisor, possible scenarios for economic, interest rate 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 Bonds, 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 the Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

Early redemption of the Bonds

Any or all of the Bonds may be redeemed by the Issuer on a Designated Early Redemption Date on at least fifteen (15) days' prior written notice to the relevant Bondholders. Once the Bonds are redeemed the relevant Bondholders will no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed prior to the Full Term Redemption Date (14 December 2036) a Bondholder would not receive the same return on investment that it would have expected and received if they were held till full maturity, although if the Bonds are redeemed at any time between, and including, 15 December 2031 and 14 December 2034, a premium is payable on redemption thereof as set out in section 6.7 of this Securities Note. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds.

Trading and liquidity risks

There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell his or her Bonds on the secondary market at or above the Bond Issue Price or at all. A trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors including supply and demand factors in respect of the Bonds at any given time. These factors are in turn dependent upon the individual decisions of investors as well as market conditions over which the Issuer has no control. Many other factors outside

the control of the Issuer may affect the trading market and value of the Bonds, including the time remaining to the maturity of the Bonds and the level, direction and volatility of market interest rates generally. No prediction can be made about the effect which any future public offerings of the Issuer's securities or any takeover or merger activity involving the Issuer or a company within the Group will have on the market price of the Bonds prevailing from time to time.

Furthermore, the outbreak of the COVID-19 pandemic in 2020, has resulted in a highly volatile economy. Other pandemics or infectious diseases which may arise in future may have similar consequences on the market. The exact nature of the risks of such pandemics and infectious diseases for, and their negative impact on, national economies and on individual businesses, including the Group's business, is difficult to forecast and to guard against and plan for, particularly in view of the uncertainty as to their respective duration and reach. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia – Ukraine and the Middle East armed conflicts. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds.

Interest rate risk

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Fixed income debt securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. The price of bonds tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds will tend to rise, save for other factors which may affect price. Moreover, the price changes also depend on the term or residual time to maturity of the Bonds. In general, bonds with shorter terms have less price risks than bonds with longer terms.

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 Bonds (€) and the Bondholder's currency of reference.

Risks relating to inflation

Inflation currently remains to some extent at elevated levels when compared to the past decades. Inflation is the rising level of prices for goods and services. It can have two negative impacts on those who invest in bonds. Inflation typically leads to a rise in short-term interest rates, and intermediate and longer-term rates also tend to go up as a consequence. This rise in interest rates will lead to a fall in the prices of bonds. Furthermore, inflation can wipe away the yields generated by a bond, in view of the loss of purchasing power brought about by inflation.

Continuing compliance obligations

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

Changes in laws and regulations

The Terms and Conditions of the Bond Issue are based on the requirements of the Act and other laws, the Prospectus Regulation and the Capital Markets Rules in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.

Amendments to Terms and Conditions

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

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 Bonds in respect of the Collateral.

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 Bonds.

2.2 RISKS RELATING TO THE GUARANTOR AND THE GROUP AND THE COLLATERAL

Risks relating to the business of the Guarantor and the Group

The risk factors contained in section 2.2 of the Registration Document, entitled "Risks relating to the Guarantor and the Group", apply to the business of the Guarantor and the Group. If any of the risks mentioned in section 2.2 of the Registration Document were to materialise, they may have a material adverse effect on the ability of the Guarantor to satisfy its obligations under the Issuer-Guarantor Loan due to the Issuer and under the Guarantee.

Risks relating to the Guarantee

The Bonds, as and when issued and allotted, shall constitute the general, direct, and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest and the Redemption Value due under the said Bonds by the Guarantor and the Special Hypothec.

The Bonds are being guaranteed by the Guarantor on a joint and several basis, and accordingly the Security Trustee, for the benefit of itself and the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the Redemption Value of the said Bonds if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

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 Bonds, 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, 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 Special Hypothec over the Security Property and the value thereof

The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer but, in respect of CF Hotels Ltd., and save for such exceptions as may be provided by applicable law, they shall rank with priority or preference over all unsecured indebtedness, if any, by virtue and to the extent of the first ranking Special Hypothec which the said CF Hotels Ltd. will constitute over the Security Property owned by it in favour of the Security Trustee for the benefit of the Bondholders.

As noted in section 4.4 of this Securities Note, in its existing state, the Security Property has been valued for a total amount which is less than, and which is not sufficient to cover, the full Redemption Value of the Bonds and at least one year's interest thereon. Accordingly, it is the intention that part of the proceeds of the Bond Issue intended to be used for the completion and finishing and furnishing of the Meltemi Residence comprising the Security Property as referred to in paragraph (ii) of section 4.2 of this Securities Note, although they will constitute a loan by the Issuer to the Guarantor under the Issuer-Guarantor Loan from inception, they will not be transferred to such Guarantor but will be retained in cash by the Security Trustee under trust, who will be irrevocably authorised by the Guarantor (by way of security for the benefit of the Security Trustee and the Bondholders) to retain the same in cash, and to release and pay the same only to the relevant contractors and suppliers against invoices for works and furnishings of the said Meltemi Residence. As noted in the mentioned section 4.4 of this Securities Note, the estimated value of such Meltemi Residence after completion of works will increase, and should be sufficient to cover the payment of the full Redemption Value and one year's interest under the Bonds. There is however no guarantee that factors will not arise which will negatively affect such completion and/or the actual value of the completed works.

Moreover and without prejudice to what is stated in the immediately preceding paragraph, whilst this Special Hypothec in respect of the Bonds grants the Security Trustee a right of preference and priority for repayment of the Bonds over the creditors of the Security Provider in respect of the Security Property owned by it, there can be no guarantee that the value of the said Security Property determined in the independent valuation contained in the Property Valuation Report would actually be recovered and achieved on the market should the Special Hypothec be enforced. This may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Security Property. If such circumstances were to arise or subsist at the time that the Special Hypothec is to be enforced by the Security Trustee, it could have a material adverse effect on the amounts that can actually be recovered therefrom.

Furthermore, there is no guarantee that the value of Security Property determined in the independent valuation is necessary correct. The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including that of the Security Property, as referred to in the Prospectus, reflects actual values that would be achieved on a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made. There can be no assurance that such valuation of property will reflect actual market values at the time of enforcement of the Special Hypothec on the Security Property.

Risks relating to ranking of special hypothecs forming part of the Collateral

The first ranking special hypothecs to be constituted by CF Hotels Ltd. over the Security Property owned by it in favour of the Security Trustee shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim, even if this is so registered after the registration of the Special Hypothec in favour of the Security Trustee. Privileged creditors include, but are not limited to, architects, contractors, masons and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work. The ranking has a bearing on the success of a creditor to get paid should the debtor not have sufficient assets to pay all its creditors. The Security Trustee (on behalf of Bondholders) will be paid out of the Security Property after privileged creditors and those creditors which are given priority over the Security Property by law, thus reducing the amount recoverable by the Security Trustee (if any) in satisfaction of the Issuer's payment obligation sunder the Bonds.

3 • PERSONS RESPONSIBLE AND CONSENT FOR USE

3.1 PERSONS RESPONSIBLE

This document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of providing prospective investors with information with regard to the Bonds. All of the Directors of the Issuer, whose names appear under the heading "Directors of the Issuer and the Guarantor" in section 3.1 of the Registration Document, accept responsibility for the information contained in this Securities Note.

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

3.2 CONSENT FOR USE OF THE PROSPECTUS

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

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

i) in respect of Bonds subscribed for through Authorised Financial Intermediaries during the Offer Period;

ii) to any resale or placement of Bonds subscribed as aforesaid taking place in Malta; and

iii) to any resale or placement of Bonds subscribed as aforesaid taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor and Co-Manager, the Registrar and Co-Manager, or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor any of the advisors of the Issuer has authorised, nor do they authorise or consent to the use of the Prospectus in connection with, the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer and neither the Issuer nor any of the Issuer's advisors has any responsibility or liability for the actions of any person making such offers.

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

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

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

Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor any of its advisors has any responsibility or liability for such information.

Furthermore, in the case of any subscription for Bonds through any of the Authorised Financial Intermediaries and/or any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary, the Authorised Financial Intermediary must comply with any product governance related obligations, and suitability or appropriateness test requirements, as may be applicable under relevant laws to the relevant Authorised Financial Intermediary in relation to the services being provided by it to the relevant investor. Neither the Issuer nor any of its advisors has any responsibility or liability for compliance with any such legal obligations or requirements by Authorised Financial Intermediaries.

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

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

4 • ESSENTIAL INFORMATION

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

Without prejudice to the potential conflicts of interest of Directors disclosed in section 9.5 of the Registration Document, and save for the subscription for Bonds by the Authorised Financial Intermediaries, which include the Sponsor and the Registrar, and any fees payable in connection with the Bond Issue to the Sponsor and the Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

4.2 REASONS FOR THE OFFER AND USE OF PROCEEDS

The proceeds from the Bond 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 Issuer-Guarantor Loan will bear interest at 6.65% *per annum* payable on 14 December of each year, and the outstanding loan amount thereof shall be repayable by not later than 14 December 2036: provided that where the Issuer exercises its discretion to redeem the Bonds earlier than the Full Term Redemption Date, on a Designated Early Redemption Date at any time from and including 15 December 2031 at the Redemption Value, by giving at least fifteen (15) days' notice to the Bondholders as provided in section 6.7 of this Securities Note, then the Issuer-Guarantor Loan shall become repayable in full 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.

In turn, the Issuer-Guarantor Loan will be used by the Guarantor for the following purposes, in the amounts and order of priority set out below:

i. **Re-financing of Meltemi Relevant Bank Loans:** an amount of approximately €4,280,000 will be used to re-finance the outstanding Meltemi Relevant Bank Loans due by CF Hotels Ltd. to FCM Bank Limited, which bank loans were originally utilised to finance part of the development costs, including site acquisition costs, relating to the Meltemi Residence, and which Meltemi Relevant Bank Loans are secured *inter alia* by the Bank Security Interests over the Security Property or parts thereof;

ii. **Development costs of the Meltemi Residence:** an amount of approximately €2,100,000 will be used to finance and/or refinance development (completion and finishing) and furnishing costs of the Meltemi Residence incurred or to be incurred by CF Hotels Ltd.;

iii. **Re-financing of acquisition costs of certain real estate development projects:** an amount of approximately €2,020,000 will be used to refinance acquisition costs incurred by the Group of the sites of certain currently ongoing real estate development projects, namely the sites of the project referred to in paragraph 2 - 'Nova – Fgura', the project referred to in paragraph 9 – 'Arches – Santa Venera' and the project referred to in paragraph 13 – 'Complex – Żejtun', under the sub-heading 'Development and sale of real estate projects' under section 5.2 of the Registration Document;

iv. **General corporate funding:** the amount of approximately €4,100,000 together with any residual amounts not utilised for the purposes identified in paragraphs (i) to (iii) above, shall be utilised for general corporate funding purposes of the Group.

Closing dynamics and drawdown of the Issuer-Guarantor Loan

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

The issue and final allotment of the Bonds is conditional upon the Condition Precedent, namely that the Bonds are admitted to the Official List of the Malta Stock Exchange. If the Condition Precedent is not satisfied or if the subscription for the Bonds is not accepted by the Issuer for any reason whatsoever, no allotment of the Bonds shall be made, all proceeds received from Applicants shall be refunded by the Registrar accordingly, and the Bond Issue shall be cancelled forthwith.

Where the Condition Precedent is satisfied and the subscription of the Bonds is accepted by the Issuer, all net proceeds of the Bond Issue shall be forwarded by the Registrar to, and shall be held by, the Security Trustee. The Security Trustee shall retain all net bond proceeds until the occurrence of the events specified below.

It is expected that within twelve (12) Business Days from listing of the Bonds, the Issuer, the Guarantor, the Security Provider, CF Leisure Ltd., the Security Trustee and FCM Bank Limited shall appear on the Deed of Hypothec whereby:

1) the Relevant Bank Loans due by CF Leisure Ltd. and CF Hotels Ltd. to FCM Bank Limited will be repaid and consequently the Group will obtain the cancellation or postponement of the Bank Security Interests over or affecting the Security Property or parts thereof securing the said Relevant Bank Loans;

2) the Security Provider will create and grant to the Security Trustee the Special Hypothec over the Security Property owned by it; and

3) the Issuer will agree to make the Issuer-Guarantor Loan to the Guarantor, namely to make available a loan facility in the amount equal to the total proceeds from the Bond Issue.

Upon the execution of the Deed of Hypothec as aforesaid and following the release of any pledge of insurance proceeds which may currently exist in favour of FCM Bank Limited as security for the Relevant Bank Loans (upon repayment of the Relevant Bank Loans in terms of the said Deed of Hypothec), the Security Provider shall enter into a Pledge of Insurance Agreement pursuant to which it shall constitute a pledge over the contractors' all risks policy it has in place over the Security Property.

The Issuer-Guarantor Loan shall be drawn down as follows:

a) the amount used to repay the Meltemi Relevant Bank Loans to FCM Bank Limited will be deemed immediately drawn down upon execution of the said Deed of Hypothec creating the Issuer-Guarantor Loan;

b) the amount of € 500,000 out of such portion of the loan facility which is intended to be used to finance the completion and finishing and furnishing of the Meltemi Residence comprising the Security Property as referred to in paragraph (ii) above, will be held by the Security Trustee, and will be drawn down in one or more subsequent drawdowns following a request by the Guarantor, in order to pay invoices for completion and finishing and furnishing works on the said Meltemi Residence owned by CF Hotels Ltd., as such invoices are received from the relevant contractors of such works and/or suppliers of furnishings and against presentation of such invoices, provided that the Guarantor shall have the right to make an initial drawdown request, at any time after the execution of the Deed of Hypothec creating the Issuer-Guarantor Loan, for the full or any part of (i) the amounts for completion and finishing works and furnishings of the Meltemi Residence already invoiced by but not yet paid to the relevant contractors and suppliers at any time up to the execution of the said Deed of Hypothec; and (ii) the amounts for completion and finishing works and furnishings of the Meltemi Residence already invoiced and paid to the relevant contractors and suppliers at any time between the effective date of the valuation of Meltemi Residence in its existing state set out in the Property Valuation Report and the date of execution of the said Deed of Hypothec. The said drawdowns will not be paid by the Security Trustee to the Guarantor, but will be paid by the Security Trustee directly to the respective contractors and suppliers in satisfaction of the relevant invoices. The drawdown requests and payments so made to satisfy invoices for works and furnishings of the Meltemi Residence as aforesaid will for all intents and purposes constitute and be deemed to constitute, as between the Issuer and the Guarantor, loans made by the Issuer to the Guarantor under the Issuer-Guarantor Loan from inception (i.e. from the date of the Deed of Hypothec), and the payment of the relevant invoices to the contractors and suppliers will be considered as payments made by the Guarantor in the name and for the discharge of CF Hotels Ltd. as the owner of the Meltemi Residence which incurred the costs and expenses under the relevant invoice;

c) the balance of the Issuer-Guarantor Loan, less those funds required to fund the expenses of the Bond Issue, will be advanced in one or more subsequent drawdowns following a request by the Guarantor to the Issuer made at any time on or after the execution of the Deed of Hypothec, whereupon the Security Trustee shall be requested and directed to release the respective amount/s to or to the order of the Guarantor; and

d) such part of the loan facility which is required by the Guarantor to fund the expenses of the Bond Issue, which the Guarantor has agreed to bear itself, which are expected to amount to approximately €400,000, shall be forwarded by the Registrar to or to the order of the Issuer upon request made at any time after the execution of the Deed of Hypothec (less any amount thereof already deducted and retained by Authorised Financial Intermediaries in settlement of sales commissions due to them).

4.3 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, manager and registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €400,000. There is no particular order of priority with respect to such expenses.

The expenses pertaining to the Bond 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 Condition Precedent, be released and paid by the Registrar to or to the order of the Issuer upon request.

4.4 SECURITY

The Issuer's obligations under the Bonds will be secured by and Bondholders shall have the benefit of the security provided by the following Collateral:

a) a first ranking Special Hypothec over the Security Property owned by the Security Provider;
b) the Pledge on Insurance to be granted by the Security Provider; and
c) the joint and several Guarantee by the Guarantor in respect of all Bonds and holders thereof.

The security shall be constituted in favour of the Security Trustee for the benefit of the relevant Bondholders, as applicable, from time to time registered by the CSD.

The Guarantee

The Bonds shall be guaranteed in respect of both the interest due and 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 Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the Redemption Value under said Bonds if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

The Special Hypothec over the Security Property

Upon execution of the Deed of Hypothec and the repayment of the Relevant Bank Loans to FCM Bank Limited and the cancellation or postponement of the Bank Security Interests over or affecting the Security Property or parts thereof by virtue of such Deed of Hypothec, the Security Provider, namely CF Hotels Ltd. will constitute and grant a first ranking Special Hypothec over the Security Property as described and currently valued as set out in the following Table:

Security Property	Valuation based on open market value of property in its existing state as at 31 August, 2026, as per the Property Valuation Report* - (€)	Estimated capital value at current prices and on the basis of current market conditions, after development has been completed, where applicable, as per the Architect's Valuation Report* - (€)
The Meltemi Residence, including any further completion and finishing works and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by CF Hotels Ltd.;	€12,730,000	€13,230,000

**These valuations are based on the Property Valuation Report dated 19 October 2026, which shall be available for inspection at the registered address of the Issuer and also on the Issuer's website, on the following hyperlink https://cf.com.mt/investor-relations.*

As shown in the table above, in its existing state, the Security Property has been valued for a total amount which is less than, and which is not sufficient to cover, the full Redemption Value of the Bonds and one year's interest thereon. However, as mentioned under the heading 'Closing dynamics and drawdown of the Issuer-Guarantor Loan' under section 4.2 above, part of the proceeds of the Bond Issue intended to be used for the completion and finishing and furnishing of the Meltemi Residence comprising the Security Property as referred to in paragraph (ii) of section 4.2 above, although they will constitute a loan by the Issuer to the Guarantor under the Issuer-Guarantor Loan from inception, they will not be transferred to such Guarantor but will be retained in cash by the Security Trustee under trust, who will be irrevocably authorised by the Guarantor to retain the same in cash, and to release and pay the same only to the relevant contractors and suppliers against invoices for works on and furnishings of the said Meltemi Residence. As shown in the table above, the estimated value of such Meltemi Residence after completion of works will increase, and should be sufficient to cover the payment of the full Redemption Value and one year's interest under the Bonds (i.e. the Security Threshold Amount).

The Pledge on Insurance

Upon execution of the Deed of Hypothec and the repayment of the Relevant Bank Loans to FCM Bank Limited and following the release of any pledge of insurance proceeds which may currently exist in favour of FCM Bank Limited as security for the Relevant Bank Loans, the Security Provider shall enter into a Pledge of Insurance Agreement pursuant to which it shall constitute a pledge over the contractors' all risks policy it has in place over the Security Property.

Thereafter, the Security Provider shall also, as part of the Collateral:

i. immediately upon the request of the Security Trustee made at any time after taking out any new contractors' all risks policy in respect of the Security Property, in substitution of the contractors' all risks policy currently in force, enter into a Pledge of Insurance Agreement to constitute a Pledge of Insurance in respect of such substitute policy; and

ii. immediately upon the request of the Security Trustee made at any time after taking out any property insurance policy against loss or damage to the Security Property after the completion of the Security Property, enter into a Pledge of Insurance Agreement to constitute a Pledge of Insurance in respect of such policy.

Appointment of Security Trustee pursuant to the Security Trust Deed

The Issuer, the Guarantor and the Security Provider have entered into a Trust Deed with the Security Trustee for the benefit of the Bondholders 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 Bonds on the Redemption Date and interest thereon on the Interest Payment Dates, the hypothecary rights under the Deed of Hypothec, the pledge under the Pledge of Insurance Agreement, 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 Bondholders in proportion to their respective holding of Bonds.

The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Bonds 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 shall be binding on each registered Bondholder as if it had been a party thereto and as if the Trust Deed contained covenants on the part of each registered Bondholder 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 Group to deal with the Security Property and to allow or give effect to a reduction, cancellation and creation or otherwise redefinition of the special hypothec/s burdening any elements of the Security Property or a substitution of any part of the Security Property with another immovable property owned by the Group or other third party or other appropriate security, always with due regard to the interests of all the Bondholders and with due protection to their interests, as further explained in section 6.3 of this Securities Note.

5 • OFFER STATISTICS

Issue:	€12,500,000 5.65% Secured Bonds 2031-2036.
Amount:	€12,500,000.
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.
Denomination (currency):	Euro (€).
ISIN:	MT0002701218.
Bond Issue Price:	At par, namely €100 per Bond.
Minimum amount per subscription:	Minimum of €5,000 and integral multiples of €100 thereafter.

Offer Period:	The period between 08:30 hours on 10 November 2026 and 12:00 hours on 27 November 2026, both days included, during which the Bonds are on offer, which offer period may be anticipated or extended depending on the total level of subscription in the Bond Issue.
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, as further described in section 8.3 of this Securities Note.
Placement Agreements:	The Issuer may enter into conditional placement agreement/s with one or more Authorised Financial Intermediary/ies whereby an agreed portion of the nominal value of the Bonds will be made available for subscription to such Authorised Financial Intermediaries, for their own account or on behalf of their clients, as further described in section 8.4 of this Securities Note.
Intermediaries' Offer:	The Issuer may enter into subscription agreements with Authorised Financial Intermediaries for an aggregate amount equivalent to the remaining amount of the Bond Issue not covered by the Placement Agreements (if any), for subscription of Bonds by such Authorised Financial Intermediaries for their own account or on behalf of their clients, as further described in section 8.5 of this Securities Note.
Redemption Date:	14 December 2036, being 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 Bonds and prepay the Redemption Value thereof on any date falling between 15 December 2031 and 14 December 2036, together with all interests accrued thereon up to such date, by giving not less than 15 days' notice to the Bondholders.
Redemption Value:	If the Redemption Date occurs: i. at any time between, and including, 15 December 2031 and 14 December 2032, the amount of €102.825 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 2.825%; ii. at any time between, and including, 15 December 2032 and 14 December 2033, the amount of €101.4125 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 1.4125%; iii. at any time between, and including, 15 December 2033 and 14 December 2034, the amount of €100.70625 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 0.70625%; and iv. at any time after 14 December 2034, the amount of €100 per Bond, being the nominal value of such Bond.
Status of the Bonds:	The Bonds, 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. The Bonds shall be guaranteed in respect of both the interest and the Redemption Value due under said Bonds by the Guarantor in terms of the Guarantee and secured by the Special Hypothec to be constituted by CF Hotels Ltd. on the Security Property owned by it. In respect of the said CF Hotels Ltd., save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future unsecured obligations of the said CF Hotels Ltd., by virtue and to the extent of the first ranking Special Hypothec over the Security Property which it will constitute in favour of the Security Trustee for the benefit of the Bondholders. Furthermore, CF Hotels Ltd. shall secure *inter alia* the Issuer's, the Guarantor's and its own obligations under the Prospectus, the Deed of Hypothec and the Trust Deed (including, without limitation, the obligation to make good any loss or damage to the Security Property) by granting a pledge over CF Hotels Ltd.'s present and future rights, title and interest in, and claims to all proceeds of, the policy/ies of insurance relating to the Security Property, both during and after its development (the Pledge of Insurance) by means of the Pledge of Insurance Agreement. Such Pledge of Insurance shall constitute a first ranking privilege over the pledged assets and rights, and the Security Trustee's rights thereunder shall accordingly, save for such exceptions as may be provided by applicable law, rank with priority or preference to the rights of other creditors of the said CF Hotels Ltd. in respect of and to the extent of the assets and rights covered by such Pledge of Insurance.

Guarantee:	The joint and several guarantee dated 9 November 2026 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bond 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 *pari passu* with all its other unsecured and unsubordinated obligations.
Listing:	The Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Interest:	5.65% per annum, on the nominal value of each Bond.
Interest Payment Date(s):	Annually on 14 December as from 14 December 2027, being the first Interest Payment Date (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note), with the last Interest Payment Date being effected on the Redemption Date.
Governing Law:	The Bonds 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 Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts.

6 • INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

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

6.1 GENERAL

Each Bond forms part of a duly authorised issue of 5.65% Secured Bonds 2031-2036 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12,500,000, except as otherwise provided under section 6.12 of this Securities Note "Further Issues".

The Issue Date of the Bonds is expected to be 14 December 2026. The Bond Issue is guaranteed by the Guarantor and secured with the Collateral. The Bonds are created under Maltese law.

a) The currency of the Bonds is Euro (€).

b) The Bonds are expected to be listed on the Official List on or before 14 December 2026 and trading can be expected to commence thereafter (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note).

c) Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0002701218.

d) Unless previously purchased and cancelled, the Bonds 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.

e) The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.

f) The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €5,000 and in multiples of €100 thereafter.

g) The Bond Issue is not underwritten.

h) In view of the early redemption component, the Bonds are complex financial instruments for the purposes of MIFID II. Accordingly, the Bonds may only be suitable for investors who have the knowledge and experience to understand the risk related to this type of financial instrument.

i) There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of the Redemption Value and interest and in accordance with the ranking specified in section 6.3 hereunder.

j) All Applications shall be subject to the terms and conditions of the Bond Issue as set out in section 8 hereunder, the terms of which shall form an integral part hereof.

6.2 REGISTRATION, FORM, DENOMINATION AND TITLE

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers in the case of natural persons, registration numbers in the case of companies and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

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

When subscribing for Bonds, Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on https://eportfolio.borzamalta.com.mt/. Further detail on the e-portfolio is found on https://eportfolio.borzamalta.com.mt/Help.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiples of €100, provided that on subscription the Bonds will be issued for a minimum of €5,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

Any person in whose name a Bond is registered may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons, including the Issuer, and for all purposes, including the making of any payments, as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in section 6.11 of this Securities Note.

6.3 RANKING OF THE BONDS AND THE COLLATERAL

Status of the Bonds

The Bonds, 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 Bonds shall be guaranteed in respect of both the interest due and the Redemption Value by the Guarantor on a joint and several basis in terms of the Guarantee. As noted in section 4.4 of this Securities Note, the Guarantee entitles the Security Trustee, for the benefit of itself and the Bondholders, to request the Guarantor to pay both the interest due and the Redemption Value under said Bonds if the Issuer fails to meet any amount, when due in terms of the Prospectus, and also entitles it 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 II to this Securities Note.

First ranking Special Hypothec over Security Property

In respect of CF Hotels Ltd., save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future unsecured obligations of the said CF Hotels Ltd., by virtue and to the extent of the first ranking Special Hypothec over the Security Property owned by it which it has agreed in the Trust Deed to constitute in favour of the Security Trustee for the benefit of the Bondholders.

The Special Hypothec in respect of the Security Property, which will be constituted by virtue of the Deed of Hypothec, will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders as beneficiaries, for the repayment of the Redemption Value and interest under the Bonds by a preferred claim over the said Security Property.

Accordingly, following the issue of the Bonds and application of the proceeds as set out above, the Security Trustee will have the benefit of a Special Hypothec over the Security Property for the full Redemption Value of the Bonds issued, for the benefit of Bondholders.

In the event of the enforcement of the Collateral, Bondholders shall be paid out of the said Security Property in priority to other creditors, except for privileged creditors. The first ranking Special Hypothec to be constituted by CF Hotels Ltd. over the Security

Property owned by it shall rank after the claims of any privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim. Privileged creditors include, but are not limited to, architects, contractors, masons and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work. Any such privileged creditors will rank with preference to the Security Trustee in whose favour the Special Hypothec under the Collateral shall be constituted.

The Pledge on Insurance

CF Hotels Ltd. shall secure *inter alia* the Issuer's, the Guarantor's and its own obligations under the Prospectus, the Deed of Hypothec and the Trust Deed (including, without limitation, the obligation to make good any loss or damage to the Security Property) by granting a pledge over CF Hotels Ltd.'s present and future rights, title and interest in, and claims to all proceeds of, the policy/ies of insurance relating to the Security Property, both during and after its development (namely both on the contractors' all risks policy of insurance in place from time to time during development of the Security Property, and thereafter, after completion of the Security Property, on any property insurance policy in place against loss or damage to the Security Property), by means of the Pledge of Insurance Agreement. Such Pledge of Insurance shall constitute a first ranking privilege over the pledged assets and rights, and the Security Trustee's rights thereunder shall accordingly, save for such exceptions as may be provided by applicable law, rank with priority or preference to the rights of other creditors of the said CF Hotels Ltd. in respect of and to the extent of the assets and rights covered by such Pledge of Insurance.

Dealing with and changes to Collateral

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 Security Trustee may at the cost and request of CF Hotels Ltd. and with due regard to the interests of all the Bondholders do or concur with the said CF Hotels Ltd. in doing certain transactions in respect of the Security Property or part thereof, including without limitation, the sale, letting, exchange, surrender, development, dealing with or exercise any rights in respect of all or any part of the Security Property 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 Bondholders; and (b) the Security Trustee retained the discretion and/or right, upon a request of the Issuer or the Guarantor or CF Hotels Ltd., to reduce, cancel and create or otherwise redefine the special hypothec/s burdening any elements of the Security Property or to substitute any part of the Security Property with another immovable property owned by the Group or some affiliated company or otherwise, subject to a property valuation report by an independent architect to be appointed by the Issuer or by the Guarantor or by the said CF Hotels Ltd. with the consent of the Security Trustee, confirming that the value of the Security Property as redefined, reconfigured or relocated (including through substitution of any part thereof with another immovable property as aforesaid), together with the value of any bond proceeds still held, or other cash or other Collateral not constituting immovable property (which is capable of economic assessment) held as security by the Security Trustee at the relevant time, is at least equal to the Security Threshold Amount at the relevant time.

Under the Security Trust Deed the Security Trustee also reserves the right to demand to the Issuer that additional or alternative immovable property owned by the Group or any other company or legal entity that is owned wholly or partly by any ultimate beneficial owner of the Group at the relevant time or other security whatsoever acceptable to the Security Trustee be made available as security in addition to and/or in place of the Collateral in place at the relevant time, should at any given time the aggregate value of: (i) the Security Property forming part of the then existing Collateral, pursuant to a valuation report prepared by an independent architect engaged by the Issuer or any Group company at the request and/or with the consent of the Security Trustee; and (ii) the value of any bond proceeds still held, or other cash or other Collateral not constituting immovable property (which is capable of economic assessment) held as security by the Security Trustee at the relevant time, be reported to be lower than the Security Threshold Amount applicable at the relevant time (the shortfall). In such case, the Issuer shall identify, at its discretion, which of the property/ies owned by any Group company/ies or any other company or legal entity that is owned wholly or partly by any ultimate beneficial owner of the Group at the relevant time, if any, would replace or be added to the then existing Collateral to cover the shortfall, provided that the value of such property/ies identified by the Issuer is determined by a valuation report prepared by an independent architect engaged as aforesaid, and the value of the resultant Collateral results to be at least equal to the Security Threshold Amount applicable at the relevant time. The Issuer shall thereafter promptly take such steps as may be necessary for such property/ies to replace or be added to the existing Collateral. Alternatively, the Security Trustee may in such cases agree to any alternative security whatsoever proposed by the Issuer to make up the shortfall, having due regard to the interests of the Bondholders, and provided that such alternative security is capable of economic assessment and has been the subject of reliable independent valuation (unless it consists of cash). The Issuer undertakes to use its best efforts to identify and produce any such replacement or additional properties or alternative security as soon as possible following the demand of the Security Trustee for alternative or additional security as aforesaid, and shall inform the public, by means of a company announcement, should it fail to produce such additional or alternative security within sixty (60) days from the said demand made by the Security Trustee. The Issuer shall also inform the public, through a company announcement, should the value of the Security Property or other substitute Collateral at the relevant time fall below the then applicable Security Threshold Amount for a period longer than sixty (60) days.

6.4 RIGHTS ATTACHING TO THE BONDS

This Securities Note in its entirety contains the Terms and Conditions of issue of the Bonds, which constitute the terms and conditions of the contract between the Issuer and a Bondholder. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

a) the repayment of the Redemption Value;

b) the payment of interest;

c) the benefit of the Collateral through the Security Trustee;

d) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and

e) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.5 INTEREST

The Bonds shall bear interest from and including 14 December 2026 (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note) at the rate of 5.65% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date.

The first interest payment will be effected on 14 December 2027, covering the period 14 December 2026 to 13 December 2027, and then annually thereafter on 14 December of each calendar year, with the last interest payment being effected 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, covering the period from the day next succeeding the immediately preceding Interest Payment Date to the applicable Redemption Date.

Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

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

6.6 YIELD

The gross yield is calculated on the basis of the interest on the Bonds, the Bond Issue Price and the Redemption Value of the Bonds. The table below illustrates the gross yield at different Redemption Dates:

Redemption Date	Redemption Price as a percentage of nominal value	Yield
15 December 2031 - 14 December 2032	102.825%	6.15%
15 December 2032 - 14 December 2033	101.4125%	5.85%
15 December 2033 - 14 December 2034	100.70625%	5.73%
15 December 2034 and thereafter	100.00%	5.65%

6.7 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled the Bonds will be redeemed at the applicable Redemption Value together with interest accrued to the respective date fixed for redemption) 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 Bonds and prepay the Redemption Value thereof on any date falling between 15 December 2031 (the First Possible Early Redemption Date) and 14 December 2036, a Designated Early Redemption Date, together with all interests accrued thereon up to such date, by giving not less than 15 days' notice to the Bondholders.

On or at any time after the First Possible Early Redemption Date, the Issuer may redeem all of the Bonds as follows:

a) If the Redemption Date occurs at any time between, and including, 15 December 2031 and 14 December 2032, the amount of €102.825 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 2.825%;

b) If the Redemption Date occurs at any time between, and including, 15 December 2032 and 14 December 2033, the amount of €101.4125 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 1.4125%;

c) If the Redemption Date occurs at any time between, and including, 15 December 2033 and 14 December 2034, the amount of €100.70625 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 0.70625%; and

d) If the Redemption Date occurs at any time after 14 December 2034, the amount of €100 per Bond, being the nominal value of such Bond.

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

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

6.8 PAYMENTS

Payment of the Redemption Value of Bonds will be made in Euro (€) by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder 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 the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment 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 the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any pledge, duly constituted, of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments of Redemption Value and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein or of any other applicable jurisdiction having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

6.9 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 Bondholders to bring claims for payment of interest and repayment of the Redemption Value on the Bonds is barred by the lapse of five years.

6.10 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 Bondholders, by notice in writing to the Issuer, the Guarantor and CF Hotels Ltd. declare the Bonds to have become immediately due and repayable at their applicable Redemption Value together with accrued interest, upon the happening of any of the following events ("**Events of Default**"):

a) the Issuer fails to pay any interest under the Bonds 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 to pay the Redemption Value of a Bond on the relevant Redemption Date and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;

c) 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 Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee;

d) 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;

e) 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;

f) 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;

g) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or the Guarantor;

h) the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof;

i) the Issuer, the Guarantor or CF Hotels Ltd. commits a breach of any covenants or provisions 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 interests or Redemption Value owing in respect of the Bonds;

j) it becomes unlawful at any time for the Issuer, the Guarantor or CF Hotels Ltd. 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 and/or CF Hotels Ltd., as applicable;

l) the Issuer, the Guarantor or CF Hotels Ltd., as applicable, repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Trust Deed; or

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 (c), (d) and (g) to (m) the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

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

Provided that in the event of any breach by the Issuer, the Guarantor or CF Hotels Ltd. 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 CF Hotels Ltd., 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 CF Hotels Ltd., 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 Bondholders. 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 Bondholders, act on and in accordance with any directions it may receive in a meeting of Bondholders satisfying the conditions set out in the Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer, the Guarantor and CF Hotels Ltd. are each observing and performing all the obligations, conditions and provisions on their respective parts contained in the Bonds and the Trust Deed, as applicable.

6.11 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole, namely in multiples of €100, in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €5,000 shall only apply during the Offer Period. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy or winding up of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

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

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail, if any, and except, if the Issuer shall so require, the payment of a sum sufficient 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 Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

6.12 FURTHER ISSUES

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

6.13 RESOLUTIONS AND MEETINGS OF BONDHOLDERS

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

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

The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions of the Bonds. 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 Bondholders holding at least fifty per cent (50%) of the outstanding value of the Bonds.

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 Bondholders prior to exercising any power or discretion under such Deed or to write to all Bondholders requesting their directions. Furthermore, the Security Trust Deed provides for an obligation of the Security Trustee to call a meeting of Bondholders upon a request made at any time by one or more Bondholders holding at least fifty per cent (50%) of the outstanding value of the Bonds. The Security Trust Deed provides that the Security Trustee shall not be bound to act on behalf of the Bondholders 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 Bondholders.

A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders 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 Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders 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 Bondholders 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 Bondholders in accordance with the provisions of this section 6.13 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 Terms and Conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 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 Bondholders 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 Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

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 Bondholders.

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 Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

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 Bondholders shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

The Issuer may provide for virtual or remote meetings of Bondholders, including meetings by telephone or by other audio or audio and visual telecommunication means, provided that any such meetings allow Bondholders 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 Bondholders.

6.14 BONDS HELD JOINTLY

In respect of a Bond 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 first person, as designated in the respective MSE account number quoted by the Applicant, or first named in the register of Bondholders shall for all intents and purposes be deemed to be such nominated person by all the joint holders of the relevant Bond/s. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

6.15 BONDS HELD SUBJECT TO USUFRUCT

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. Without prejudice to what is provided in section 6.8 of this Securities Note 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 Bond so held and shall have the right to receive interest on the Bond and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

6.16 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 2 November 2026. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 2 November 2026.

The Malta Financial Services Authority approved the Bonds as eligible to listing on the Official List of the MSE pursuant to the Capital Markets Rules by virtue of a letter dated 9 November 2026.

6.17 REPRESENTATIONS AND WARRANTIES

The Issuer represents and warrants to the Bondholders and to the Security Trustee for the benefit of the Bondholders, 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 Prospectus 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 Bond Issue.

6.18 NOTICES

Notices will be mailed to Bondholders 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 providing such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

6.19 GOVERNING LAW AND JURISDICTION

The Bonds, all the rights and obligations of the Issuer and the Bondholder, 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 and/or CF Hotels Ltd. arising out of or in connection with the Bonds and/or the Prospectus 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 Bondholder irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any dispute, action, suit or proceedings as aforesaid.

7 • TAXATION

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The tax legislation of the investor's country of nationality, residence or domicile and of the Issuer's country of incorporation (Malta) may have an impact on the income received from the Bonds.

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

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

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

7.1 MALTA TAX ON INTEREST

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

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return, to the extent that the interest is paid net of tax. No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Tax and Customs the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer shall also render an account to the Maltese Commissioner for Tax and Customs of all amounts so deducted, including the identity of the recipient.

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

In terms of article 12(1)(c)(i) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.2 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information, including but not limited to information regarding payments made to certain Bondholders, to the Maltese Commissioner for Tax and Customs. The Commissioner for Tax and Customs will or may, in turn, automatically or on request, forward the information to relevant foreign tax authorities, where required or permitted under applicable laws and international Exchange of Information arrangements.

7.3 MALTESE TAX ON CAPITAL GAINS ON TRANSFER OF THE BONDS

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "shares and stocks and such like instrument that participate in any way in the profits of the company and whose return

is not limited to a fixed rate of return", to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains is chargeable in respect of transfer of the Bonds. The determination as to whether or not the Bonds constitute capital assets for Maltese income tax purposes should be determined on a case-by-case basis by Bondholders.

7.4 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the Laws of Malta), duty is chargeable *inter alia* on the transfer or transmission causa mortis of marketable securities. A marketable security is defined in the said legislation as "a holding of share capital in any company and any document representing the same". Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Cap. 345 of the Laws of Malta) since the Bonds constitute financial instruments of a quoted company, as defined in such Act, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

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

8 • TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 EXPECTED TIMETABLE

1.	**Offer Period:**	10 November 2026 to 27 November 2026, both days included
2.	**Placement Date:**	27 November 2026
3.	**Intermediaries' Offer Date:**	27 November 2026
4.	**Expected announcement of basis of acceptance:**	4 December 2026
5.	**Commencement of interest:**	14 December 2026
6.	**Expected dispatch of allotment letters:**	14 December 2026
7.	**Latest date of admission of Bonds to listing:**	14 December 2026
8.	**Latest date of commencement of trading in the Bonds:**	15 December 2026
9.	**Latest date of constitution of Special Hypothec on Security Property:**	31 December 2026

The Issuer reserves the right to anticipate or extend the Offer Period, in which case some or all of the remaining events set out in (2) to (9) above may be brought forward or moved backwards (as the case may be) accordingly. Furthermore, without prejudice to the immediately preceding sentence, the Issuer reserves the right to anticipate and bring forward some or all of the events set out in (4) to (9) above, whether or not the Offer Period has been anticipated or extended as aforesaid.

8.2 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 Bonds is conditional upon the Bonds being admitted to the Official List. 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) The Bonds may be applied for by all categories of investors. Investors who wish to subscribe for Bonds are to contact any of the Authorised Financial Intermediaries through whom they may participate in the Bond Issue. Investors may apply for the subscription of Bonds by submitting an Application to an Authorised Financial Intermediary, in the manner instructed thereby, during the Offer Period, which will close at 12:00 hours on 27 November 2026. The Issuer reserves the right to anticipate or extend the Offer Period depending on the level of subscription in the Bond Issue.

c) By submitting an Application, the Applicant is thereby confirming to the Issuer, the Registrar, and the Authorised Financial Intermediary 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, the Registrar, and the Authorised Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

d) The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder through an Authorised Financial Intermediary shall be subject to all the Terms and Conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. By 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 Bonds 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 (t) below in this section 8.2 and all other applicable declarations, confirmations, representations, warranties and undertakings contained in the Prospectus and/or in the Application; and

   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 6.19 ("Governing law and jurisdiction") of this Securities Note.

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 Prospectus and/or in the Application on behalf of such other person. 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 and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application. In the case of corporate Applicants or Applicants having separate legal personality, Applications have to include a valid legal entity identifier (LEI) which must be unexpired; and Applications without such information or without a valid LEI will not be accepted. 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 6.14 ("Bonds held jointly") of this Securities Note.

g) In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register as further detailed in section 6.8 ("Payments") and section 6.15 ("Bonds held subject to usufruct") of this Securities Note. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held

and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the payment of the Redemption Value on the Bond, 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 that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s until such time as the minor attains legal age, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained legal age.

i) The Bonds have not been nor will they be registered under the United States Securities Act, 1933 as amended, or under any federal or state securities law and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States of America, its territories or its 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, as defined in Regulation "S" of the said Act. Furthermore, the Issuer will not be registered under the United States Investment Company Act, 1940.

j) No person receiving a copy of the Prospectus 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 Prospectus or make an Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or the Prospectus could lawfully be used and the Application could lawfully be made without contravention of any registration or other legal requirements.

k) Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional 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 Bonds. It is the responsibility of any person, including without limitation nominees, custodians, depositaries and trustees, outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes of any nature whatsoever due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.

l) The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €5,000. Submission of Application must be accompanied by the full price of the Bonds applied for, in Euro. Payments may be made through any method of payment as accepted by the respective Authorised Financial Intermediary.

m) Subject to all other terms and conditions set out in the Prospectus, the Issuer, the Registrar and the relevant Authorised Financial Intermediary reserve the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, the Registrar or Authorised Financial Intermediary is not accompanied by the required documents.

n) Without prejudice to the generality of paragraph (m) above, the Issuer reserves the right, in its discretion, to reject all Applications and revoke the issue and not to allot any Bonds if the Bond 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 Bonds in case the Bond Issue is subscribed only in part during the Offer Period, whatever the amount so subscribed.

o) Without prejudice to paragraphs (m) and (n) 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, for example where a significant change in market conditions occurs.

p) The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earlier. By not later than 4 December 2026 (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note), the Issuer shall, through an announcement to be uploaded on the Issuer's website, namely www.cf.com.mt, announce the result of the Bond Issue and shall determine the basis of acceptance of Applications and allocation policy to be adopted.

q) In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for (and the Issuer and Authorised Financial Intermediaries 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 Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application, at the Applicant's sole risk. The respective Authorised Financial Intermediary or the Issuer shall not be responsible for any charges, loss or delay in transmission.

r) For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 372 of 2017, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all

information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange 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, for the purposes, and within the terms, of the MSE's Data Protection Policy as published from time to time.

s) It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("MiFIR"), as well as applicable MFSA Rules for investment services providers.

t) By completing, signing and delivering and/or otherwise by making an Application, the Applicant:

i. irrevocably offers to purchase the number of Bonds specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus, the Terms and Conditions and the Memorandum and Articles of Association;

ii. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;

iii. authorises the Issuer, the Authorised Financial Intermediary and/or the Registrar and the MSE, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Bond 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 Bond Issue, in terms of applicable law. Any such request must be made in writing and sent, as applicable, to the Issuer and the relevant Authorised Financial Intermediary and to the MSE. 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 and in the case where an MSE account number is indicated in the Application, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details, including the Applicant's name and surname and address, appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;

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 Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

vi. authorises the CSD, the Registrar and the Issuer to include his/her/its name or in the case of joint Applications, the first named Applicant, in the register of Bondholders in respect of the Bonds 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 or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar, which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds; or (b) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds, other than return of such late payment, if any;

viii. agrees that the registration advice 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 Registrar and/or the Issuer and/or the Authorised Financial Intermediary, 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 Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond 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 such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended, as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

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 Prospectus 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 Registrar;

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;

xv. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address, or, in the case of joint 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 relevant Authorised Financial Intermediary 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 Bonds;

xviii. agrees that the advisors to the Bond Issue listed in section 3.4 of the Registration Document, in their capacity as such, will owe the Applicant no duties or responsibilities concerning the Bonds 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; and

xx. agrees that the terms and conditions of the Trust Deed, which is available for inspection as set out in section 17 of the Registration Document, shall be binding on it once it becomes a registered Bondholder as if it had been a party thereto and as if the Trust Deed contained covenants on its part as a registered Bondholder 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.

u) Applications are to be made with or through Authorised Financial Intermediaries. Authorised Financial Intermediaries shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that an Authorised Financial Intermediary is providing advice or portfolio management in respect of a purchase of the Bonds by an Applicant, such Authorised Financial Intermediary 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 Bonds may be considered suitable for the Applicant.

For the purpose of this Securities Note, 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 Bonds, with the aim that such licensed financial intermediary determines, after collecting the necessary information, whether the investment service or the Bonds 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 Bonds 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 Bonds is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary shall warn the Applicant or transferee that an investment in the Bonds is not appropriate for the Applicant or transferee.

For the purpose of this Securities Note, 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 Bonds 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 Bonds 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.

8.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds will be available for subscription by all categories of investors, as follows:

i) The Issuer may enter into a Placement Agreement with any of the Authorised Financial Intermediaries, for the placement of an agreed portion of the nominal value of Bonds (which will be reserved for such Authorised Financial Intermediaries under the Placement Agreements) to be subscribed to by each such Authorised Financial Intermediary either in its own name or in the name of its underlying clients in terms of the respective Placement Agreement, as further detailed in section 8.4 below; and

ii) The remaining balance of Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer, who may subscribe the same in their own name or in the name of their underlying clients in terms of the sales agreements to be entered into with them, as further detailed in section 8.5 below.

All Applications are subject to a minimum subscription amount of €5,000 in nominal value of Bonds and in multiples of €100 thereafter. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

In the event that an Authorised Financial Intermediary considers, on the basis of the results of the Appropriateness Test conducted, that the subscription of Bonds is not appropriate for the Applicant, it shall warn the Applicant that an investment in the Bonds is not appropriate for the Applicant. To the extent that an Authorised Financial Intermediary is providing advice or portfolio management services in respect of a purchase of the Bonds by an Applicant, such Authorised Financial Intermediary 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 Bonds may be considered suitable for the Applicant.

It is expected that Applicants will be notified of the amount of Bonds allocated to them respectively within five (5) Business Days of the announcement of the result of the Bond Issue. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to: (i) notification of the amount allotted being issued to Applicants; and (ii) the Bonds being admitted to the Official List.

8.4 PLACEMENT AGREEMENTS

The Issuer may enter into a Placement Agreement with any one or more of the Authorised Financial Intermediaries, for the placement of an agreed amount in nominal value of Bonds, which will be reserved for such Authorised Financial Intermediaries under the Placement Agreements.

In terms of each Placement Agreement (if any), the Issuer will be conditionally bound to issue, and the relevant Authorised Financial Intermediary will conditionally undertake to subscribe on a best efforts' basis to, the number of Bonds indicated therein, subject to the Bonds being admitted to listing on the Official List of the Malta Stock Exchange, and subject to other terms and conditions as will be set out in the Placement Agreements.

In terms of each of the said Placement Agreements (if any), the relevant Authorised Financial Intermediary will have the right to subscribe for Bonds for its own account (where applicable) or for the account of underlying customers, and shall in addition be entitled to either: (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading, or (ii) complete a data file representing the amount being allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 27 November 2026, being the Placement Date (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note). In any case, each underlying Application is subject to a minimum of €5,000 in Bonds and in multiples of €100 thereafter.

Authorised Financial Intermediaries which enter into Placement Agreements with the Issuer (if any) will be required to effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

8.5 INTERMEDIARIES' OFFER

The remaining balance of Bonds not covered by Placement Agreements, if any, will be reserved by the Issuer for subscription by Authorised Financial Intermediaries pursuant to an Intermediaries' Offer. In this regard, the Issuer may enter into conditional subscription agreements with a number of Authorised Financial Intermediaries whereby it shall bind itself to allocate Bonds to the Authorised Financial Intermediaries in accordance with the terms of such subscription agreements, up to a maximum amount of Bonds remaining after those reserved for Authorised Financial Intermediaries under the Placement Agreements (if any), provided that in the event that the total aggregate number of Bonds subscribed for under the subscription agreements submitted by the various Authorised Financial Intermediaries pursuant to such Intermediaries' Offer exceeds the number of Bonds available for allocation to such Intermediaries' Offer, then the Issuer shall, in its sole discretion, determine the basis of acceptance of these subscriptions and the allocation policy as determined by the Issuer.

The subscription agreements shall be subject to the terms and conditions of the Prospectus and will be conditional on the Bonds being admitted to listing on the Official List of the Malta Stock Exchange, and other conditions set out in the relevant subscription agreement. Moreover, the subscription agreements shall become binding on each of the Issuer and the respective Authorised Financial Intermediary upon signing, provided that the Authorised Financial Intermediary would have paid the Registrar all subscription proceeds in cleared funds by latest 27 November 2026, this being the Intermediaries' Offer Date (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note).

The minimum which each Authorised Financial Intermediary may apply for in terms of the applicable subscription agreement is €5,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant in the case of applications under nominee.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by the Intermediaries' Offer Date. The Issuer acting through the Registrar shall communicate the amount allocated under each subscription agreement by 4 December 2026 (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note). Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Registrar to the Authorised Financial Intermediary to the account specified in the respective subscription agreement.

In terms of the subscription agreements to be entered into, Authorised Financial Intermediaries will have the right to subscribe for the Bonds either for their own account or for the account of underlying customers and shall in addition be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or to complete a data file representing the amount being allocated in terms of the respective subscription agreement as provided by the Registrar by latest 27 November 2026 (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note).

8.6 PRICING

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

8.7 ALLOCATION POLICY

The Issuer shall allocate the Bonds on the basis of the following policy:

i) the aggregate amount covered by Placement Agreements, if any, will be reserved for, and shall be allocated to, the Authorised Financial Intermediaries entering into the relevant Placement Agreements, in accordance with such Placement Agreements, in accordance with the details given in section 8.4 above;

ii) the remaining balance of Bonds which are not subject to Placement Agreements, if any, shall be allocated to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer subject to an allocation policy as determined by the Issuer, as further detailed in section 8.5 above.

The Issuer shall announce the result of the Bond Issue through a company announcement on the Issuer's website by not later than 4 December 2026 (as such date may be anticipated or extended pursuant to section 8.1 of this Securities Note).

8.8 ADMISSION TO TRADING

The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 9 November 2026.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 14 December 2026 and trading is expected to commence on 15 December 2026 (as such dates may be anticipated or extended pursuant to section 8.1 of this Securities Note).

8.9 ADDITIONAL INFORMATION

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

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Calamatta Cuschieri Investment Services Limited does not have any material interest in the Issuer or Guarantor. The Issuer confirms that the financial analysis summary has been accurately reproduced in this Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

No credit ratings have been assigned to the Bonds at the request or cooperation of the Issuer in the rating process.

ANNEX I • LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone number
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011, Malta *(Applications accepted from Wealth Management and Investment Centres)*	22751732
Calamatta Cuschieri Investment Services Limited	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta	25688688
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne Point, Sliema TPO 0001, Malta	25574400

ANNEX II • GUARANTEE

THIS GUARANTEE and INDEMNITY AGREEMENT is dated 9 November 2026 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**");

ii. **CSB Trustees & 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**").

WHEREAS:

A. CF Estates Finance p.l.c. (the "**Issuer**") shall issue up to €12,500,000 Secured Bonds at an annual interest rate of 5.65% to be redeemed and finally repaid on 14 December 2036 or, at the discretion of the Issuer, earlier, at any time after 14 December 2031 (the "**Secured Bonds**") by virtue of, and subject to the terms and conditions of, a prospectus dated 9 November 2026 issued by the Issuer in connection with the issue of such Secured Bonds (such prospectus, as the same may be amended, varied or supplemented from time to time, hereinafter referred to as the "**Prospectus**");

B. the majority of the Issuer's shares are owned by the Guarantor;

C. the Prospectus provides that, and it is a condition precedent for the issuance of the Secured Bonds 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 Bond Issue in favour of the Security Trustee for the benefit of the Bondholders; 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 Bonds to the Bondholders (whether alone and/or with others) in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability;

"**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 Prospectus shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings herein as in the Prospectus.

The Guarantor hereby acknowledges and declares that it has received a copy of the Prospectus 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 Bonds, and in consideration of the Bondholders acquiring the Secured Bonds, 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 Bondholders 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 Bonds.

2.2 LIABILITY AMOUNT

This is a continuing Guarantee for the whole amount of Indebtedness due or owing by the Issuer under the Secured Bonds 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 Bonds subscribed for and issued pursuant to the Bond Issue, apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and/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 shall the Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or benefit or share any payment from or in composition with the Issuer.

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

a) if an Event of Default under the Prospectus 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 facsimile number 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, fax or email at the address, fax number 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 fax, 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: info@cf.com.mt
To the attention: Mr Francis Agius

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 & Fiduciaries Limited (Security Trustee)**

ANNEX III • FINANCIAL ANALYSIS SUMMARY

The Directors
CF Estates Finance p.l.c.
CF Business Centre,
Level 1, Triq Gort, Paceville,
San Giljan STJ 9023,
Malta

9 November 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to CF Estates Finance p.l.c. (the "**Issuer**") and CF Estates Ltd. (the "**Guarantor**"), being the parent company of the group as explained in Part 1 of the Analysis. The data is derived from various sources, including the prospectus dated 9 November 2026 (the "**Prospectus**") in connection with the issue of up to €12,500,000 5.65% Secured Bonds 2031-2036 (the "**Bonds**"), or is based on our own computations as follows:

a) Historical financial data for the years ended 31 December 2023, 2024 and 2025 has been extracted from the audited financial statements of the Issuer and the audited consolidated financial statements of the Guarantor for the three years in question.

b) The forecast data for the financial year ending 31 December 2026 and the projections for the financial year ending 31 December 2027 have been provided by management.

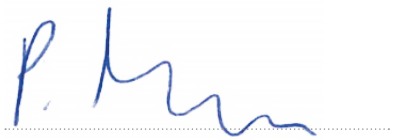
c) Our commentary on the Issuer's results and financial position is based on the explanations provided by management.

d) The ratios quoted have been computed by us applying the definitions set out in Part 4 of the Analysis.

e) Relevant financial data in respect of competitors has been extracted from public sources such as the websites of the companies concerned or financial statements filed with the Registrar of Companies.

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

Yours sincerely,



Patrick Mangion
Head of Capital Markets

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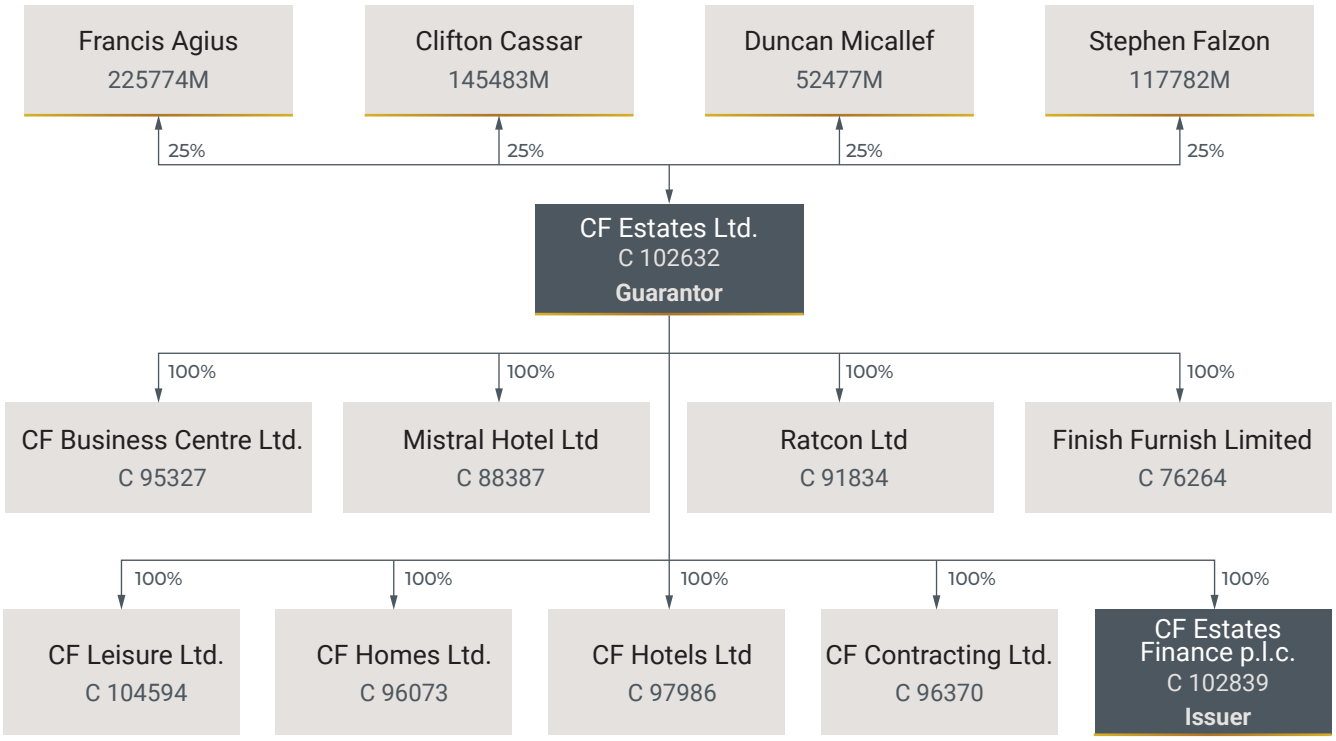
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PART 1 • INFORMATION ABOUT THE GROUP

1.1 ISSUER'S KEY ACTIVITIES AND STRUCTURE

The Group structure is as follows:



CF Estates Finance p.l.c. (the "**Issuer**") was incorporated on 26 July 2022 with company registration number C 102839. As at the date of this Analysis, the Issuer has an authorised share capital of €250,000 divided into 250,000 ordinary shares of €1 each and an issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. The Issuer is, except for one ordinary B share that is held by CF Homes Ltd (previously Mr Joseph Portelli), a fully owned subsidiary company of CF Estates Ltd.

CF Estates Ltd. was incorporated on 30 June 2022 with company registration number C 102632. It was incorporated to act as both the holding and parent company of the CF Group (the "**Group**"). Following the exit of Joseph Portelli ("**JP**") effective 23 April 2026, the Group is now owned directly by Francis Agius, Stephen Falzon, Duncan Micallef and Clifton Cassar (the "**Shareholders**"). The Group operates, through its subsidiaries, a range of businesses including hotels, a business centre, residential developments and other commercial outlets.

Prior to a group restructuring exercise, the Shareholders and JP operated through different companies. Stephen Falzon, Duncan Micallef and Francis Agius developed residential projects through "**SDF Limited**", a company incorporated on 6 February 2013 with company registration number C 59236. Along with JP, they also developed residential projects through "**7 Dwarfs Ltd**", a company incorporated on 19 February 2020 with company registration number C 94667. "**Finish Furnish Limited**", which operates the Casafini showroom in Balzan, was incorporated on 4 July 2016 with company registration number C 76264.

The group decided to close the Casafini showroom as it did not form part of their core business.

JP, Duncan Micallef and Clifton Cassar also developed residential projects through JDC Projects Limited (C 88087) and JDC Contracting Limited (C 92792), which were incorporated on 3 September 2018 and 5 August 2019, respectively. They also acquired and developed three hotels and a business centre (the "**CF Business Centre**"). The aforementioned three hotels are the Mistral Hotel (through "**Mistral Hotel Ltd**"), the Scirocco Hotel and Levante Hotel (through "**Ratcon Ltd**"). The business centre is owned through "**CF Business Centre Ltd**." (Previously Haven Centre Limited).

In 2020, the Shareholders and JP began discussions on merging their aforementioned businesses to create synergies which would facilitate further growth in their future operations. The companies involved in the merger were CF Business Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd and Finish Furnish Limited. The Shareholders and JP agreed that any developments which were still in progress would be completed by the corresponding entities, following which all new developments would be done through "**CF Homes Ltd.**" (Previously CF Developers Ltd.) and "**CF Contracting Ltd.**", both incorporated in 2020. The Shareholders and JP had proposed incorporating a new holding company to be owned 30% by Joseph Portelli and 17.5% each by Francis Agius, Duncan Micallef, Stephen Falzon and Clifton Cassar. This resulted in the incorporation of CF Estates Ltd. in June 2022. JP has since then exited the Group (see section 1.6).

Management explained that, in most cases, the acquisition of the land and construction of the development up to shell form is carried out by CF Homes Ltd. whilst CF Contracting Ltd. is appointed to finish the common areas and apertures. CF Contracting Ltd. may also be appointed to finish and furnish the apartments if requested by the client. Furthermore, "**CF Hotels Ltd**" was incorporated on 26 January 2021 with company registration number C 97986 and is a direct subsidiary of the Guarantor. "**CF Leisure Limited**", started operations in Q1 2024.

1.2 DIRECTORS AND KEY EMPLOYEES

Board of Directors - Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Francis Agius	Chairman of the Board and Executive Director
Mr Clifton Cassar	Executive Director
Mr Stephen Muscat	Independent non-executive Director
Mr Mario Vella	Independent non-executive Director
Mr Peter Portelli	Independent non-executive Director

Mr. Joseph Portelli resigned as executive chairman and director on 23 April 2026. Mr. Clifton Cassar replaced him as executive director whilst Mr. Francis Agius took on the role of executive chairman on the same day. The business address of all of the directors is the registered office of the Issuer. Dr Joseph Saliba is the company secretary of the Issuer.

The board of the Issuer is composed of five directors who are entrusted with its overall direction and management. The executive directors are entrusted with the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all three of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

Board of Directors - Guarantor

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

Name	Office Designation
Mr Clifton Cassar	Executive Director
Mr Duncan Micallef	Executive Director
Mr Francis Agius	Executive Director
Mr Stephen Falzon	Executive Director

The business address of all of the directors is the registered office of the Issuer. Dr Nicole Ann Demicoli is the company secretary of the Guarantor. The board of the Guarantor is composed of four directors who are entrusted with its overall direction and day-to-day management.

1.3 MAJOR ASSETS OWNED BY THE GROUP

1.3.1 Hotels

The hotels owned by the Group are the Mistral Hotel, the Scirocco Hotel, and the Levante Hotel, all of which are three-star hotels in St. Julian's, Malta (collectively, the "**Hotels**"). As at end of FY2025, all three hotels were operational. Mistral Hotel completed its first year of operations in 2024 whilst Scirocco Hotel commenced operations in March 2024 and Levante Hotel opened its doors on July 2024. Since the hotels are operated by the Group and managed by Meliá, they are classified as property, plant and equipment. As per Property Revaluation Report dated 15 July 2025, the total asset value of the hotels was €18.4m. This value was taken following the opening of the three hotels.

In July 2023, CF Hotels Ltd acquired a site measuring approximately 365.5m² in Triq Luigi Apap, Paceville, St. Julian's, for €3.2m, for the development of the Meltemi Residence (previously referred to as the District Apart-Hotel). The project comprises 25

residential units, including four maisonettes, 20 apartments and one penthouse, together with two offices, stores and garage spaces at basement levels. The Group intends to retain the Meltemi Residence as a rental investment property. The property has been completed in shell form and is currently being finished, with the total cost of completion estimated at approximately €3.8m, of which €2.1m is to be financed through the proceeds of the Bonds. Operations are anticipated to commence in Q2 2027. The Meltemi Residence will constitute the security property for the Bonds and is estimated to have a value of €13.2m upon completion (refer to section 1.8).

1.3.2 CF Business Centre

The CF Business Centre has been the head office of the Group since the first half of 2022. This property is a luxurious and spacious work environment that includes a restaurant, offices, a store and other commercial outlets. As at the date of this Analysis, the first floor of the CF Business Centre serves as the Group's head office, whilst the remainder of the building is rented to third parties.

The CF Business Centre is classified partly as property, plant and equipment ("PPE") and partly as investment property. The owner-occupied portion (Level 1), which serves as the Group's head office, is classified as PPE, while the remaining space is classified as investment property. The property was valued at €18.4m as at 31 December 2025; however, this was adjusted to €21.1m in the audited financial statements to reflect improvements and movable fixtures, given that these assets are capable of being separately sold or relocated.

1.3.3 Residential Units

The inventory of the Group as at year-end also consists of work-in-progress in relation to the development of residential units, undertaken by CF Homes Ltd. As at 31 December 2025, inventory relating to property development totalled €27.8m and included *inter alia* the cost of land, permits, professional fees and construction costs in relation to ongoing projects.

1.4 OPERATIONAL DEVELOPMENTS

1.4.1 Residential Units

As at the date of this Analysis, CF Homes Ltd has permits to develop 25 projects. **As at FY2025, all the projects funded from the bond proceeds have been completed with the sales proceeds utilised in new development projects.** A description of the more material projects follows:

1.4.1.1 Mayfair

On 17 May 2022, CF Developers Ltd. (now CF Homes Ltd.) acquired the land known as "Ta Dardu" in Triq Lorenzo Manche, Attard, for a consideration of €5.3m. On 16 November 2021, a full development permit was approved (PA/3873/21) to excavate 44 basement garages and construct 43 residential units from the ground floor upwards including penthouses. Works for this property were completed by FY2024 for a total cost (including cost of land) *circa* €10.1m. As at the date of this Analysis just two units remain unsold both of which are currently under a promise of sale.

1.4.1.2 Dolphin (previously "Park Lane")

On 3 August 2020, CF Developers Ltd. (now CF Homes Ltd.) entered into a promise of sale agreement to acquire "Dolphin Centre" in Triq il-Wied, Hal Balzan corner with Triq il-Kbira with an approximate floor area of 3,997m^2. The property was acquired for a consideration of €9.5m, of which €2.1m would be delivered through a barter of units from this project in shell form. The development was originally planned to include 8 1-bed apartments, 24 2-bed apartments and 56 3-bed apartments, whilst also allowing for offices, a bank and a restaurant. Works, which were placed on hold, pending a project redesign and the issuance of the required development permits. Subsequently, the redesigned project was submitted for permitting, which was approved and currently under appeal. The new appealed permit (PA/6573/25) relates to a project consisting of 104 residential units, 19 commercial outlets and 168 parking facilities.

1.4.1.3 Macael

CF Developers Ltd. (now CF Homes Ltd.) entered into a promise of sale agreement with various vendors to acquire 5 houses in Paola for a consideration of €1.5m plus a barter for 6 units and 5 garages from the said development. On 15 December 2021, the planning authority granted CF Developers Ltd. a permit (PA/1895/21) to demolish the existing property and construct 18 garages and 45 apartments, including penthouses with a Jacuzzi or pool. The development is over a site of approximately 1,155m2 and will include 2 1-bed apartments, 17 2-bed apartments and 26 3-bed apartments. The development was completed in Q2 2024. As at the date of this Analysis just one garage remains unsold which is currently under a promise of sale.

1.4.1.4 Meadow

CF Homes Ltd acquired a Burmarrad property on 3 February 2023 for €2m. Development approval was obtained through Planning Authority permit PA/3317/21. The scheme includes 19 residential units and 12 garages, occupying a 657m² site. Construction started in FY2024 and was completed in FY2025. As at the date of this Analysis just two units remain unsold both of which are currently under a promise of sale.

1.4.1.5 Dovecote

A property in Mosta was acquired by CF Homes Ltd on 26 June 2023 for €5m. Planning permits PA/06265/22 and PA/1762/24 were obtained for the development of 47 residential units and 47 garages/garage spaces/shops. Situated on approximately 1,328m² of land, the construction began in FY2024 and has now been completed. 2 garages and 1 apartment remain available for sale.

1.4.1.6 Field view

On 1 May 2024, CF Homes Ltd purchased a site in Mqabba for €2.7m. Planning permission for the project was granted under application PA/04317/23. The scheme comprises 43 residential units and 41 garages, covering an area of about 1,584m². Construction began in FY2024 and has now been completed. As at the date of this Analysis, this project has been fully sold with just 1 apartment and 1 garage available which are both on promise of sale.

1.4.1.7 Sienja

On 29 April 2024, CF Homes Ltd finalised the purchase of a Mellieha property for €3.3m. Planning Authority permit PA/04255/23 was granted for the construction of 5 luxury villas on a site spanning roughly 7,338m². Building activity commenced in FY2024 and progressed through FY2025, with the project expected to conclude in FY2026. The total investment, including land acquisition, is estimated at around €8.9m. As at the date of this Analysis, 1 of the villas has been sold, 3 are on promise of sale and 1 remains unsold.

1.4.1.8 Corner Residences

CF Homes Ltd acquired a property in Fgura on 25 June 2024 for a consideration of €2.8m. The development, approved under permit PA/7378/23, entails excavation works and the construction of 28 residential units and 27 garages/outlets across a site measuring about 1,011m². All units have been sold apart from 1 apartment and 1 outlet, both of which are on promise of sale.

1.4.1.9 Marigold

On 5 August 2024, CF Homes Ltd entered into an agreement for several properties in Fgura, with a consideration of €0.6m plus a barter. The site is covered by Planning Authority permit PA/08739/21, which authorises excavation works. The project comprises 27 residential units and 12 garages, occupying a footprint of approximately 1,470m². All units have been sold.

1.4.1.10 Regent

The Regent development is situated in Balzan and was approved under planning permit PA/08992/21. The project consists of 11 residential units and 21 garages/garage spaces/shops. The development has been completed, with all residential units and most garages/garage spaces/shops sold, whilst the remaining garages/garage spaces/shops are awaiting a promise of sale agreement.

1.4.1.11 Artemis

The Artemis development is situated in Qrendi and was approved under planning permits PA/08753/21 and PA/08754/21. The project consists of 67 residential units and 60 garages/garage spaces/shops. The development has been completed, with most units and garages/garage spaces/shops already sold, whilst the remaining units are subject to promise of sale agreements awaiting the final deed of sale.

1.4.1.12 Sunset Breeze

CF Homes Ltd acquired a site in Qawra on 23 December 2024 for €7m. Planning Authority application PA/03209/23 allows for the construction of 65 residential units (Class 1) and 54 garages/garage spaces, as well as some commercial units (including five retail outlets at ground floor level (Class 4B), language school (Class 2C), student residence of 50 rooms (Class 3A) and ancillary commercial space (Class 4D), on a 1,550m² plot. Works commenced in FY2025 and will continue into FY2026, by which time the project is expected to be completed. The comprehensive development cost is estimated at around €16m. As at the date of this Analysis, 90% of the available property are currently under a promise of sale.

1.4.1.13 The Arches

On 8 May 2025, CF Homes Ltd secured a property in Santa Venera for €2.5m. Approved via application PA/05366/23, the project will feature 33 residential units and 40 garages spread over approximately 939m². Construction began in FY2025 and has since been completed. All units have been sold on promise of sale agreements, with final contracts expected to be concluded by the end of FY2026.

1.4.1.14 Zabbar House

On 15 January 2026, CF Homes Ltd acquired a property in Żabbar for €160,000. The development, approved under application PA/04158/25, comprises a single house, which has already been sold on a promise of sale agreement. The project is expected to be completed during FY2026.

1.4.1.15 Nova

On 8 January 2026, CF Homes Ltd acquired a property in Fgura for €2.7m. The development, approved under application PA/00632/25, comprises 14 garages and 26 residential units. Construction commenced in FY2026, and the project is expected to be completed during FY2027. As the date of this Analysis, 8 garages have been sold with 14 apartments on promise of sale.

1.4.1.16 Zejtun Complex

On 5 June 2026, CF Homes Ltd entered into an agreement to acquire a site in Żejtun comprising 27 garages, 1 maisonette and 11 terraced houses. The development will be carried out under PA application number PA/06601/25, with construction expected to commence during FY2026 and be completed by the end of FY2027. Although excavation works have just commenced, 3 garages and 3 terraced houses have already been sold on promise of sale.

1.4.2 CF Leisure Ltd

During the year under review (FY2025), CF Leisure Ltd continued to operate the entertainment arena within the Mercury Tower Project in terms of the rental agreement with Mercury Commercial Mall Ltd. The 2025 financial year represented the final year of operations of the entertainment arena by CF Leisure Ltd, as it forms part of the settlement agreement in relation to Joseph Portelli's exit and as such operations have now ceased as from 1st January 2026.

1.5 CHANGE IN SECURITY

As per company announcement dated 3 September 2025, the Issuer underwent a restructuring of the security backing the €30,000,000 5% Secured Bonds 2033 following a 2025 revaluation of the group's property portfolio. This revaluation, conducted by Architect Edwin Mintoff, reflected a significant increase in the value of the original collateral due to the successful completion of development and finishing works since the 2022 issuance. Consequently, by virtue of a New Deed dated 2 September 2025, the Levante Hotel was formally released from the security pool through a waiver and reduction of the existing hypothecary rights. The revised security structure now provides holders of the €30,000,000 5% Secured Bonds 2028-2033 with a first-ranking special hypothec over the Scirocco Hotel, the Mistral Hotel, and the CF Business Centre, including their respective airspaces valued at €33.2m as per Property Revaluation Report dated 15 July 2025. This strategic adjustment was deemed appropriate as the appreciated value of the remaining three assets continues to provide full and adequate coverage for the Company's repayment obligations.

1.6 EVENTS AFTER THE REPORTING PERIOD

1.6.1 Redemption of €4,900,000 Zero-coupon Secured Notes

On 20 September 2024, CF Estates Finance p.l.c. issued € 4,900,000 Zero-Coupon Secured Notes by way of private placement, at a nominal value of €100. The notes were redeemed in full at their nominal value on 20 March 2026 using funds generated from the Group's operations.

1.6.2 Exit of a Shareholder and capitalisation

Reference is made to the announcement issued by the Company on 28 April 2026 by virtue of which the Directors informed the public that Mr. Joseph Portelli's exit from the Guarantor became effective as of 23rd April 2026. As a result thereof, the Guarantor's share capital was reduced from €6,308,200 to €4,415,740 and the shares previously held by Mr. Portelli were duly cancelled with effect from 23rd April 2026. The Directors have been informed that the shareholders of the Guarantor have resolved to reinstate the equity value of the Group prior to JP's exit. As a first step the Guarantor's issued share capital has been reinstated to the original value as it was before Mr. Portelli's departure. New issues of shares resulted from the capitalisation of amounts from the Guarantor's retained earnings.

Hence, the amount of €1,892,460 was capitalised out of the Guarantor's accumulated retained earnings by the issue and allotment of 1,892,460 Ordinary 'A' Shares in the Guarantor to the shareholders and split in equal proportions between them representing their 25% ownership interest in the Company. In this regard 473,115 Ordinary 'A' Shares were issued and allotted to each one of the shareholders, i.e. Mr. Francis Agius; Mr. Clifton Cassar; Mr. Duncan Micallef; and Mr. Stephen Falzon, all being ordinary shares of a nominal value of one Euro (€1.00) each in the Company.

1.6.3 Subscription of Unlisted Secured Notes

As per company announcement on 4 June 2026, the Issuer successfully closed its public offering of unlisted Secured Notes, which was fully subscribed to its maximum aggregate nominal value of €3.2m. Issued at €100 per note, these securities carry a coupon rate of 7.5% per annum and are set to mature on 16 June 2029, though the issuer retains the right to execute an early redemption. Following the close of the offer period, the total proceeds were immediately deployed into the Group's operations through an Issuer-Guarantor Loan agreement executed with the parent company, CF Estates Ltd., who acts as the guarantor for the transaction.

The Notes are also secured through a first ranking pledge constituted by the shareholders of the Guarantor over the totality of their issued shares in the Guarantor. This share pledge, alongside the underlying intercompany loan covenants, fully constitutes the core collateral framework backing this €3.2 million financing round.

1.7 EXISTING DEBT SECURITIES OF THE ISSUER

As at the date of this Analysis, the Issuer has two debt securities in issue with a combined nominal value of €33.2 million: the 5% Secured Bonds 2028–2033, listed on the Official List of the Malta Stock Exchange, and the 7.5% Secured Notes 2029, issued in June 2026 through a private placement and not listed. The €4.4 million Zero-coupon Secured Notes issued in 2024 were redeemed in cash in March 2026 and are therefore excluded.

Debt Security	Status (Listed/Unlisted)	ISIN	Amount (€ million)
€30,000,000 5% Secured Bonds 2028–2033	Listed	MT0002701200	30.0
€3,200,000 7.5% Secured Notes 2029	Unlisted	N/A	3.2
Total			33.2

1.8 THE BOND ISSUE AND USE OF PROCEEDS

The Issuer is proposing to issue up to €12,500,000 5.65% Secured Bonds 2031-2036 having a nominal value of €100 per Bond, issued at par and redeemable at the Redemption Value on 14 December 2036, subject to the Issuer's option to redeem all or any of the Bonds on any Designated Early Redemption Date falling between 15 December 2031 and 14 December 2036 (the "Bond Issue"). The Bonds will be guaranteed by CF Estates Ltd. on a joint and several basis and secured by a first-ranking special hypothec over the Meltemi Residence, to be granted by CF Hotels Ltd. in favour of the Security Trustee for the benefit of Bondholders. Following the Bond Issue, the Issuer's outstanding debt securities will amount to €45.7m, comprising the €30.0m 5% Secured Bonds 2028-2033, the €3.2m 7.5% Secured Notes 2029 and the Bonds.

The proceeds from the Bond Issue will be advanced by the Issuer to the Guarantor by way of a loan (the "Issuer-Guarantor Loan"), which will in turn be used by the Guarantor for the following purposes, in the amounts and order of priority set out below:

i. Re-financing of Meltemi Relevant Bank Loans: an amount of approximately €4,280,000 will be used to re-finance the outstanding Meltemi Relevant Bank Loans due by CF Hotels Ltd. to FCM Bank Limited, which bank loans were originally utilised to finance part of the development costs, including site acquisition costs, relating to the Meltemi Residence, and which Meltemi Relevant Bank Loans are secured *inter alia* by the Bank Security Interests over the Security Property or parts thereof;

ii. Development costs of the Meltemi Residence: an amount of approximately €2,100,000 will be used to finance and/or refinance development (completion and finishing) and furnishing costs of the Meltemi Residence incurred or to be incurred by CF Hotels Ltd.;

iii. Re-financing of acquisition costs of certain real estate development projects: an amount of approximately €2,020,000 will be used to refinance acquisition costs incurred by the Group of the sites of certain currently ongoing real estate development projects, namely the sites of the project referred to in paragraph 2 - 'Nova – Fgura', the project referred to in paragraph 9 – 'Arches – Santa Venera' and the project referred to in paragraph 13 – 'Complex – Zejtun', under the sub-heading 'Development and sale of real estate projects' under section 5.2 of the Registration Document;

iv. General corporate funding: the amount of approximately €4,100,000 together with any residual amounts not utilised for the purposes identified in paragraphs (i) and (ii) above, shall be utilised for general corporate funding purposes of the Group.

PART 2 • HISTORICAL PERFORMANCE AND FORECASTS

The financial information below is extracted from the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2023, 2024 and 2025. The projected financial information for the years ending 31 December 2026 and 31 December 2027 has been provided by Group management and is consistent with the projections reviewed in the financial due diligence report prepared in connection with the Bond Issue.

This financial information relates to events in the future and are based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 GROUP'S STATEMENT OF COMPREHENSIVE INCOME

Group Statement of Comprehensive Income for the period ended 31 December	2023A	2024A	2025A	2026F	2027P
	€000	*€000*	*€000*	*€000*	*€000*
Revenue	23,058	41,104	40,352	55,739	31,196
Cost of sales	(15,928)	(29,288)	(27,259)	(37,495)	(18,763)
Gross profit	**7,130**	**11,816**	**13,092**	**18,244**	**12,432**
Administrative expenditure	(4,011)	(6,017)	(4,220)	(3,133)	(3,196)
Loss on disposal of PPE	-	-	-	(2,724)	-
Other expense	(38)	-	-	-	-
Other income	75	51	344	-	-
EBITDA	**3,156**	**5,851**	**9,216**	**12,387**	**9,237**
Depreciation and amortisation	(555)	(927)	(744)	(578)	(765)
Fair value gains	-	-	5,029	-	-
EBIT	**2,602**	**4,923**	**13,501**	**11,809**	**8,471**
Finance income	174	-	-	-	-
Finance costs	(1,990)	(1,733)	(2,166)	(2,443)	(2,603)
Profit before tax	**785**	**3,190**	**11,335**	**9,366**	**5,868**
Taxation	(1,186)	(2,436)	(1,857)	(4,213)	(2,582)
Profit/(loss) for the period	**(401)**	**754**	**9,479**	**5,153**	**3,286**
Other comprehensive income					
Revaluation increase on PPE	-	-	2,097	3,545	1,304
Deferred tax charge relating to components of other comprehensive income	-	-	(734)	-	-
Total comprehensive income / (loss)	**(401)**	**754**	**10,842**	**8,698**	**4,590**

Ratio Analysis	2023A	2024A	2025A	2026F	2027P
Profitability					
Growth in Revenue (YoY Revenue Growth)	N/A	78.3%	-1.8%	38.1%	-44.0%
Gross Profit Margin (Gross Profit / Revenue)	30.9%	28.7%	32.4%	32.7%	39.9%
EBITDA Margin (EBITDA / Revenue)	13.7%	14.2%	22.8%	22.2%	29.6%
Operating (EBIT) Margin (EBIT / Revenue)	11.3%	12.0%	33.5%	21.2%	27.2%
Net Margin (Profit for the year / Revenue)	-1.7%	1.8%	23.5%	9.2%	10.5%
Return on Common Equity (Net Income / Average Equity)	-5.2%	9.6%	69.2%	25.8%	15.2%
Return on Assets (Net Income / Average Assets)	-0.6%	0.9%	10.1%	5.2%	3.1%
Return on capital employed (EBITDA / Total Assets - Current Liabilities)	5.2%	8.2%	12.8%	15.4%	12.3%
EBITDA Growth	N/A	85.4%	57.5%	34.5%	-25.4%

Revenue Generation and Operational Overview

The Group derives its revenue from a diversified portfolio of operations, including property sales, office space leasing, hotel operations, turnkey finishing and construction services and the operation of an entertainment arena forming part of the Mercury Project. Total revenue for FY24 amounted to €41.1m, primarily driven by a substantial increase in property sales which accounted for approximately 80.4% of the overall revenue. In FY25, revenue experienced a slight decline to €40.4m, representing a 1.8% decrease compared to the prior year. This decrease was expected and can be attributed to a one-off high-value sale by CF Homes Limited in FY24 (which accounted for 18.6% of total revenue from sale of properties), the cessation of activities by Finish Furnish and minimal revenue recognised from Sanity ware sales. For FY26, revenue is projected to be €55.7m, representing a growth of 38.1% compared to FY25. Property development (including contracting revenue of €5.8m) is projected to generate €51.8m, driven mainly by the delivery of units in Sunset Breeze (€12.4m), Sienja (€7.2m), The Arches (€6.8m) and Dovecote (€6.5m). In FY27, revenue is projected to decrease to €31.2m, reflecting the timing of project completions, before the larger developments in the pipeline, including Dolphin Court, are delivered from FY28 onwards. Revenue from hotels and rental residences is projected to increase from €3.0m in FY26 to €4.0m in FY27, following the commencement of operations of the Meltemi Residence in Q2 2027. As mentioned in section 1.4, the FY26 and FY27 revenue forecasts do not include any revenue from the Entertainment segment which CF no longer owns or operates since the arena has been passed on to Joseph Portelli as part of the settlement agreement in relation to his exit.

Revenue Type	2023A	2024A	2025A	2026F	2027P
Sale of properties	17,299	33,066	33,367	46,006	23,338
Leasing of office spaces	829	928	908	935	963
Hotel operations	707	2,379	2,686	3,007	3,956
Finishings and construction	670	1,546	1,976	5,791	2,938
Sale of sanitaryware	3,553	1,842	27	-	-
Entertainment	-	1,343	1,380	-	-
Other	-	-	8	-	-
Total	**23,058**	**41,104**	**40,352**	**55,739**	**31,196**

Revenue Type	2023A	2024A	2025A	2026F	2027P
Sale of Properties	75.0%	80.4%	82.7%	82.5%	74.8%
Leasing of Office Spaces	3.6%	2.3%	2.3%	1.7%	3.1%
Hotel Operations	3.1%	5.8%	6.7%	5.4%	12.7%
Finishings and Construction	2.9%	3.8%	4.9%	10.4%	9.4%
Sale of Sanitaryware	15.4%	4.5%	0.1%	-	-
Entertainment	0.0%	3.3%	3.4%	-	-
Other	-	-	0%	-	-
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Cost of Sales and Gross Profit

Cost of sales comprises expenses directly related to the Group's property development activities and operating expenses for the Group's three hotels. In FY25, gross profit reached €13.1m, resulting in an improved gross profit margin of 32.4% compared to 28.7% in FY24. This reflects the Group's continued strategic focus on core property development operations and better cost management. For FY26, the Group is forecasting a gross profit of €18.2m, which would result in a gross profit margin of 32.7%. In FY27, gross profit is projected at €12.4m, with the gross profit margin increasing to 39.9%, reflecting a more favourable project mix, including the Għaxaq St. Maria project (projected margin of 48%), and a higher contribution from the hotels and rental residences segment.

Administrative Expenses and Strategic Exits

Administrative expenses (not including depreciation) decreased significantly in FY25 to €4.2m, compared to €6.0m in FY24. The higher costs in the previous year were primarily attributable to a provision related to inventory held by Sanitaryware following the Group's strategic decision to exit that underperforming segment. Depreciation and amortisation for FY25 stood at €0.7m, slightly lower than FY24. For FY26, administrative expenses are forecast at €3.1m, increasing marginally to €3.2m in FY27, whilst depreciation and amortisation is forecast at €578k and €765k respectively, the latter reflecting the commencement of operations of the Meltemi Residence. In FY26 the Group is also forecasting a €2.7m loss on disposal of PPE, arising on the transfer of the Entertainment Arena as part of the non-cash consideration in connection with Joseph Portelli's exit.

Finance Costs and Profitability

Finance costs reached €2.2m in FY25, comprising mainly of interest expense on bonds (€1.9m). Profit before tax in FY25 was €11.3m, a substantial increase from the €3.2m reported in FY24, aided by a fair value gain of €5.0m recorded during the year. After accounting for a tax charge of €1.9m, the Group reported a net profit of €9.5m for FY25. This resulted in a net margin of 23.5% and a return on equity of 69.2%. In FY25 the Group recorded €2.1m in upward revaluations with associated tax of €734k which resulted in total comprehensive income of €10.8m.

For FY26, the Group is forecasting finance costs of €2.4m and a profit before tax of €9.4m. Following a projected tax charge of €4.2m, profit for the year is forecast at €5.2m, resulting in a net margin of 9.2%. The Group is also expecting an upward revaluation of €3.5m on the Meltemi Residence following its completion in shell form, leading to a total comprehensive income for the year of €8.7m. No deferred tax charge has been provided on this uplift as management has attributed it to land. In FY27, finance costs are projected to increase to €2.6m, reflecting a full year of interest on the Bonds and the 2026 Secured Notes, while profit for the year is projected at €3.3m (net margin of 10.5%). A further revaluation uplift of €1.3m is expected in FY27 upon completion of the Meltemi Residence, resulting in total comprehensive income of €4.6m.

2.2 GROUP'S STATEMENT OF FINANCIAL POSITION

Group Statement of Financial Position as at 31 December	2023A	2024A	2025A	2026F	2027P
	€000	*€000*	*€000*	*€000*	*€000*
Assets					
Non-current assets					
Investment property	13,689	13,689	19,019	19,019	19,019
Intangible assets	5	34	28	-	-
Property, plant and equipment	24,770	26,321	25,954	31,444	33,122
Right-of-use asset	782	131	57	29	10
Trade and other receivables	-	-	1,100	-	-
Deferred tax assets	1,022	1,090	2,265	2,357	2,352
Total non-current assets	**40,268**	**41,265**	**48,423**	**52,849**	**54,503**
Current assets					
Assets held for sale	-	-	2,607	-	-
Inventory	30,026	35,763	27,745	30,126	31,443
Trade and other receivables	8,470	9,356	12,418	8,262	4,464
Cash and cash equivalents	2,330	5,865	3,660	10,694	18,846
Total current assets	**40,825**	**50,983**	**46,429**	**49,082**	**54,753**
Total assets	**81,094**	**92,249**	**94,851**	**101,931**	**109,256**
Equity					
Equity					
Share capital	6,308	6,308	6,308	6,308	6,308
Revaluation reserve	1,540	1,540	2,903	6,448	7,752
Retained earnings	(331)	423	9,901	8,054	8,340
Total equity	**7,517**	**8,271**	**19,112**	**20,810**	**22,400**
Liabilities					
Non-current liabilities					
Lease liabilities	602	55	15	-	-
Borrowings	48,808	56,916	45,694	54,364	47,518
Long-term deposits	208	221	255	-	-
Deferred tax liability	3,313	3,496	5,007	5,007	5,007
Trade and other payables	-	2,400	2,100	-	-
Total non-current liabilities	**52,932**	**63,088**	**53,071**	**59,370**	**52,525**
Current liabilities					
Lease liabilities	214	91	16	15	-
Borrowings	4,313	2,535	4,595	4,684	15,084
Trade and other payables	16,119	18,264	18,057	17,051	19,248
Total current liabilities	**20,646**	**20,890**	**22,669**	**21,750**	**34,331**
Total liabilities	**73,577**	**83,978**	**75,739**	**81,120**	**86,856**
Total equity and liabilities	**81,094**	**92,249**	**94,851**	**101,931**	**109,256**

Ratio Analysis	2023A	2024A	2025A	2026F	2027P
Financial Strength					
Gearing 1 (Net Debt / Net Debt and Total Equity)	87.3%	86.7%	70.9%	69.9%	66.1%
Gearing 2 (Total Liabilities / Total Assets)	90.7%	91.0%	79.9%	79.6%	79.5%
Gearing 3 (Net Debt / Total Equity)	686.6%	649.6%	244.1%	232.4%	195.3%
Net Debt / EBITDA	16.4x	9.2x	5.1x	3.9x	4.7x
Current Ratio (Current Assets / Current Liabilities)	2.0x	2.4x	2.0x	2.3x	1.6x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.5x	0.7x	0.8x	0.9x	0.7x
Interest Coverage 1 (EBITDA / Cash interest paid)	67.1x	25.0x	62.3x	3.7x	2.8x
Interest Coverage 2 (EBITDA / Finance Costs)	1.6x	3.4x	4.3x	5.1x	3.5x

Asset Composition and Balance Sheet Dynamics

As at FY25, the Group's total assets reached €94.9m, comprising 51.05% non-current assets and 48.95% current assets. Non-current assets increased to €48.4m, predominantly composed of property, plant and equipment (PPE) at €26.0m and investment property, which rose to €19.0m following a fair value gain. Current assets decreased to €46.4m in FY25, primarily because inventories fell by €8.0m to €27.7m as property sales were concluded. A new category of assets held for sale amounting to €2.6m was also recognized in relation to the settlement agreement in relation to Joseph Portelli's exit. Trade and other receivables increased to €12.4m, while cash levels moderated to €3.7m. For FY26, total assets are projected to be €101.9m, with inventories expected to reach €30.1m, cash and cash equivalents to increase to €10.7m and PPE to reach €31.4m, the latter reflecting capital expenditure on, and the revaluation of, the Meltemi Residence. Assets held for sale are derecognised in FY26 following the transfer of the Entertainment Arena. Trade and other receivables are projected to decrease to €8.3m in FY26 and €4.5m in FY27, as balances due from shareholders are assumed to be settled within three years. By FY27, total assets are expected to increase to €109.3m, driven primarily by a higher cash balance of €18.8m and PPE of €33.1m following the completion of the Meltemi Residence.

Liabilities, Equity and Capital Structure

Non-current liabilities decreased to €53.1m in FY25, down from €63.1m in FY24, primarily due to the reduction in non-current borrowings to €45.7m. This reflects the Group's strategy to deleverage using proceeds from completed developments. Current borrowings increased to €4.6m in FY25, reflecting €207k in bank loans and a €4.4m bank overdraft. Trade and other payables remained stable at €18.1m and comprised mainly of deposits received on promise of sales for property. The Group's equity position strengthened significantly to €19.1m in FY25, up from €8.3m, driven by a surge in retained earnings to €9.9m and an increase in the revaluation reserve to €2.9m. The revaluation reserve moves in line with revaluations in PPE which by pass the income statement and go straight to equity through other comprehensive income. For FY26, total liabilities are forecasted to be €81.1m, while total equity is expected to reach €20.8m. Total borrowings are projected at €59.0m, reflecting the issue of the €12.5m Bonds and the €3.2m Secured Notes, partly offset by the redemption of the €4.9m Zero-coupon Secured Notes and the refinancing of the Relevant Bank Loans out of the proceeds of the Bonds. The increase in equity reflects the profit for the year and the €3.5m revaluation uplift on the Meltemi Residence, net of dividends of €5.1m and the €1.9m reduction in share capital connected with Joseph Portelli's exit. The share capital reduction is expected to be reinstated through the capitalisation of retained earnings, with no impact on financing cash flows. In FY27, total liabilities are projected to increase to €86.9m, mainly due to higher current bank borrowings of €15.1m linked to property development facilities which are repayable from sales proceeds, while total equity is projected to reach €22.4m.

Working Capital and Gearing Ratios

The Group's financial strength indicators showed marked improvement in FY25 as deferred profits from project completions were recognized. The current ratio stood at 2.0x, while the quick ratio remained stable at 0.8x. Gearing levels improved significantly, with the net debt to total equity ratio falling from 649.6% in FY24 to 244.1% in FY25. Similarly, the Net debt-to-EBITDA ratio improved to 5.1x, reflecting a return to more normalized levels of operation and much higher profitability. Interest coverage also strengthened to 4.3x in FY25. For FY26, the current ratio is projected to improve to 2.3x, while net debt to EBITDA is expected to decrease to 3.9x, as EBITDA is impacted by the €2.7m loss on disposal and net debt rises to €48.4m. Gearing (net debt to net debt and total equity) is projected at 69.9% in FY26, improving to 66.1% in FY27. In FY27, the current ratio is projected to decline to 1.6x, mainly due to the increase in current borrowings, while net debt to EBITDA is projected at 4.7x reflecting the lower level of property sales in that year. Interest cover (EBITDA / finance costs) is projected at 5.1x in FY26 and 3.5x in FY27.

2.3 GROUP'S STATEMENT OF CASH FLOWS

Group Statement of Cash Flows for the period ended 31 December	2023A	2024A	2025A	2026F	2027P
	€000	*€000*	*€000*	*€000*	*€000*
Cash flows from operating activities					
Profit before tax	785	3,190	11,335	9,366	5,868
Adjustments for:					
Depreciation and amortisation	555	927	744	578	765
Interest expense on bank borrowings	-	195	137	574	31
Interest expense on lease arrangements	27	22	2	-	-
Interest expense on bank overdrafts	20	17	9	-	-
Interest expense on bonds	1,545	1,653	1,940	1,869	2,572
Increase/decrease in fair value of investment property	-	-	(5,029)	-	-
Disposal of property, plant and equipment	-	-	-	2,724	-
Consolidation adjustments	-	1,760	(58)	(16)	(15)
Changes in working capital:					
Change in inventories	(5,936)	(6,670)	8,028	(1,534)	(582)
Change in trade and other receivables	(2,343)	(1,367)	(4,114)	6,053	3,000
Change in trade and other payables	(2,122)	2,893	(2,057)	(3,470)	2,197
Taxes paid	(1,246)	(2,322)	(2,653)	(4,305)	(2,578)
Net cash flows used in operating activities	**(8,715)**	**299**	**8,285**	**11,839**	**11,258**
Cash flows from investing activities					
Payments to acquire property, plant and equipment	(9,713)	(2,690)	(1,100)	(2,308)	(976)
Payments to acquire investment property	-	(32)	-	-	-
Proceeds from disposal of property, plant and equipment	-	45	-	-	-
Net cash flows used in investing activities	**(9,713)**	**(2,677)**	**(1,100)**	**(2,308)**	**(976)**
Cash flows from financing activities					
Net proceeds from issue of secured notes	-	4,400	-	(1,200)	-
Net proceeds from bank borrowings	20,423	1,929	(9,161)	(3,037)	4,208
Net proceeds from other financing / issue of bonds	-	-	-	12,100	-
Interest paid on bank borrowings	(20)	(212)	(146)	(1,491)	(765)
Interest paid on bond	-	-	-	(1,869)	(2,572)
Interest paid on finance lease	(27)	(22)	(2)	-	-
Repayments of finance lease	-	-	(114)	-	-
Movement in lease liabilities	(230)	(196)	-	-	-
Dividend paid	-	-	-	(5,108)	(3,000)
Movement in equity	-	-	-	(1,892)	-
Long-term deposits received from customers	92	13	33	-	-
Net cash flows generated from financing activities	**20,238**	**5,912**	**(9,391)**	**(2,497)**	**(2,130)**
Movement in cash and cash equivalents	**1,810**	**3,535**	**(2,205)**	**7,034**	**8,153**
Cash and cash equivalents at start of year	520	2,330	5,865	3,660	10,694
Cash and cash equivalents at end of year	**2,330**	**5,865**	**3,660**	**10,694**	**18,846**

Ratio Analysis	2023A	2024A	2025A	2026F	2027P
Cash Flow					
Free Cash Flow (Net cash from operations + Interest - Capex)	(18,428)	(2,377)	7,186	9,531	10,283

Cash Flows from Operating Activities

Following adjustments to profit before tax for non-cash items and changes in working capital, the Group generated €299k in net cash flows from operating activities during FY24. In FY25, net cash generated from operating activities increased significantly to €8.3m. This improvement was primarily driven by the substantial profit before tax of €11.3m and a favourable €8.0m reduction in inventory levels as property developments were sold. These inflows were partially offset by a €5.0m non-cash fair value gain and a €4.1m increase in trade and other receivables. For FY26, net cash from operating activities is projected to be €11.8m, supported by profit before tax of €9.4m, the add-back of the €2.7m non-cash loss on disposal and a €6.1m inflow from trade and other receivables, partly offset by a €3.5m decrease in trade and other payables and tax payments of €4.3m. In FY27, net cash from operating activities is projected at €11.3m, as lower profit before tax is compensated by favourable working capital movements.

Cash Flows from Investing Activities

In terms of investing activities, the Group utilised €2.7m during FY24, largely attributable to the acquisition of property, plant and equipment. During FY25, cash outflows for investing activities moderated to €1.1m, used entirely for the acquisition of property, plant and equipment. No material cash outflows for the acquisition of investment property or intangible assets were recorded during the year. For FY26 and FY27, the Group anticipates investing cash outflows of €2.3m and €1.0m respectively, mainly relating to the completion, finishing and furnishing of the Meltemi Residence, as well as ongoing refurbishment and maintenance of the hotels and the CF Business Centre.

Cash Flows from Financing Activities

Financing activities for FY25 resulted in a net cash outflow of €9.4m, a significant shift from the €5.9m inflow in FY24. This outflow was primarily driven by €9.2m in net repayments of bank borrowings, as the Group utilized project proceeds to settle some of its outstanding debt facilities. Additional outflows included €146k in interest on borrowings and €115k for the repayment of finance leases. This planned deleveraging initiative is central to the Group's strategy to optimise its capital structure and enhance overall gearing ratios. For FY26, net cash flows from financing activities are forecasted to be an outflow of €2.5m. This reflects net proceeds of €12.1m from the Bond Issue and a net outflow of €1.2m on secured notes (being the issue of the €3.2m Secured Notes less the redemption of the Zero-coupon Secured Notes), offset by net bank loan repayments of €3.0m (including the refinancing of the Relevant Bank Loans), interest payments of €3.4m, the €1.9m reduction in share capital and dividends of €5.1m, comprising the €2.1m second instalment of the exit consideration payable to Joseph Portelli and €3.0m payable to the Shareholders. In FY27, financing activities are projected to result in a net outflow of €2.1m, as net bank drawdowns of €4.2m are offset by interest payments of €3.3m and a further dividend of €3.0m.

Liquidity and Cash Position

Although there was a net movement in cash and cash equivalents of negative €2.2m during the year, the Group maintained a healthy closing cash balance of €3.7m. Free cash flow also turned positive for the Group coming in at €7.2m following a number of years of negative free cash flow in line with the Groups investment cycle. For FY26, the Group expects to end the period with a cash and cash equivalents balance of €10.7m, increasing to €18.8m by the end of FY27. Free cash flow is projected at €9.5m in FY26 and €10.3m in FY27.

PART 3 • KEY MARKET AND COMPETITOR DATA

3.1 GENERAL MARKET CONDITIONS

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial years 2026 and 2027. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 ECONOMIC UPDATE[1]

According to the Central Bank of Malta's Economic Update 9/2026, the Maltese economy continued to demonstrate resilience during the summer months of 2026. The Bank's Business Conditions Index (BCI) remained slightly below its long-term average in August and was marginally lower than the level recorded in the previous month, mainly reflecting a decline in economic sentiment.

Consumer confidence declined slightly in August relative to July but remained well above its historical average, indicating continued household optimism. Economic activity remained generally positive, with services production and retail trade continuing to expand, while tourism activity remained particularly strong. Total tourist expenditure increased by 19.1% in July on an annual basis. Industrial production rose by 2.2% year-on-year in July, following a contraction of 2.3% in the previous month, highlighting ongoing sectoral volatility.

Property market conditions remained relatively robust in August. Final deeds and promise-of-sale agreements increased both on an annual basis and compared with the previous month. However, approved permits for residential and commercial developments declined from the levels recorded in the preceding month.

The labour market remained tight notwithstanding signs of moderation. The seasonally adjusted unemployment rate stood at 3.5% in July 2026, unchanged from the previous month but above the level recorded a year earlier.

Inflation remained contained and below euro area levels. Annual HICP inflation eased to 2.0% in August from 2.1% in July, while core inflation stood at 2.2%. Government measures to maintain stable energy prices continued to limit domestic inflationary pressures.

Public finances weakened in July with the Consolidated Fund registering a deficit of €88.6 million, compared with €60.5 million in the corresponding period of 2025. Meanwhile, credit and deposit growth remained strong, with resident deposits increasing by 8.3% and credit to residents rising by 7.7% year-on-year in July.

3.3 ECONOMIC OUTLOOK[2]

The Central Bank of Malta's latest projections indicate that the Maltese economy is expected to remain resilient despite ongoing geopolitical uncertainty. Real GDP growth is forecast at 3.8% in 2026, 3.6% in 2027 and 3.8% in 2028, supported primarily by domestic demand and particularly by continued growth in private consumption.

Employment growth is expected to moderate gradually over the forecast horizon, while the unemployment rate is projected to remain broadly stable at around 3.4%.

Inflation is forecast to remain moderate, with HICP inflation projected at 2.2% in 2026, rising slightly to 2.4% in 2027 before easing to 2.2% in 2028. Stable domestic energy prices are expected to continue mitigating the impact of external energy shocks.

Public finances are projected to strengthen further, with the general government deficit declining from 2.2% of GDP in 2025 to 1.9% in 2026 and 1.6% by 2028. The debt-to-GDP ratio is also forecast to decrease gradually over the projection period.

Risks to the outlook remain linked primarily to geopolitical developments and potential disruptions to global supply chains and commodity markets. Nevertheless, the Central Bank assesses risks to economic growth as broadly balanced, while risks to inflation remain tilted to the upside.

[1] *Central Bank of Malta – Economic update – 9/2026*
[2] *Central Bank of Malta – Economic projections 2026-2028:3*

3.4 RESIDENTIAL PROPERTY DEVELOPMENT[3]

Residential Property Transactions – September 2026

In September 2026, residential property market activity remained resilient despite a modest decline in transaction volumes. A total of 974 final deeds of sale were registered, representing an 11.5% decrease compared to September 2025. The total value of final deeds amounted to €306.6 million, reflecting a 10.8% decline on the corresponding month of the previous year.

Households remained the primary driver of market activity, with 881 final deeds (90.5%) involving individual buyers. These transactions accounted for €259.8 million, equivalent to 84.7% of the total value of final deeds registered during the month.

In terms of geographic distribution, the highest number of final deeds of sale was recorded in San Pawl il-Baħar (85), followed by Birkirkara (63) and Ħaż-Żabbar (39).

A total of 1,095 properties were transacted through final deeds of sale during the month. Apartments (37%) and garages (23.7%) continued to account for the largest shares of properties sold.

Promise of Sale Agreements

The number of promise of sale agreements registered in September 2026 amounted to 959, representing a 9.6% decline compared to the corresponding month in 2025. Despite the lower volume of agreements, their aggregate value increased by 5.5% to €395.8 million, suggesting continued strength in property values and demand for higher-value residential assets.

Individual prospective buyers accounted for 823 agreements (85.8%), while the remaining agreements primarily involved companies.

At the locality level, the highest numbers of promise of sale agreements were recorded in San Pawl il-Baħar (81), Birkirkara (44) and Żabbar (42).

Overall, while both final deeds of sale and promise of sale agreements registered lower volumes when compared to September 2025, the increase in their aggregate values indicates that property prices and transaction values remain on an upward trajectory, supporting the continued resilience of the residential property market.

3.5 TOURISM[4]

In August 2026, Malta welcomed an estimated 539,655 inbound tourists, representing a 14.7% increase compared to August 2025. The vast majority of visitors travelled for holiday purposes (515,676 tourists), while 10,484 visited for business purposes. The tourist demographic was primarily driven by individuals aged 25 to 44 (36.6%), followed by those aged 0 to 24 (34.7%), with residents from the United Kingdom, Italy and Poland collectively accounting for 46.5% of total inbound tourists. Total nights spent increased by 9.9% to 3.8 million nights, with 86.7% of guest nights spent in rented accommodation establishments. The average length of stay stood at 7.0 nights. This influx generated €629.3 million in total tourist expenditure, representing a 14.9% increase over August 2025, with average expenditure per night estimated at €165.5. Furthermore, 356,101 tourists visited Gozo and Comino, including both same-day and overnight visitors, representing 66.0% of total inbound tourists.

This positive trend is also reflected in the cumulative data for the first eight months of 2026. Total inbound tourists amounted to 3,160,974, representing a 17.9% increase over the corresponding period in 2025. During this period, total nights spent by inbound tourists increased by 10.9% to 18.7 million nights, while total tourist expenditure rose by 15.6% to €2.96 billion. Despite the increase in overall expenditure, average expenditure per capita declined slightly to €937, compared to €956 during the same period in 2025. Gozo and Comino continued to attract a significant proportion of visitors, with 1,794,381 tourists visiting the islands during the period, representing 56.8% of total inbound tourists.

[3] *NSO Malta | Residential Property Transactions: September 2026 (release October 2026)*
[4] *NSO Malta | Inbound Tourism: August 2026 - NSO Malta*

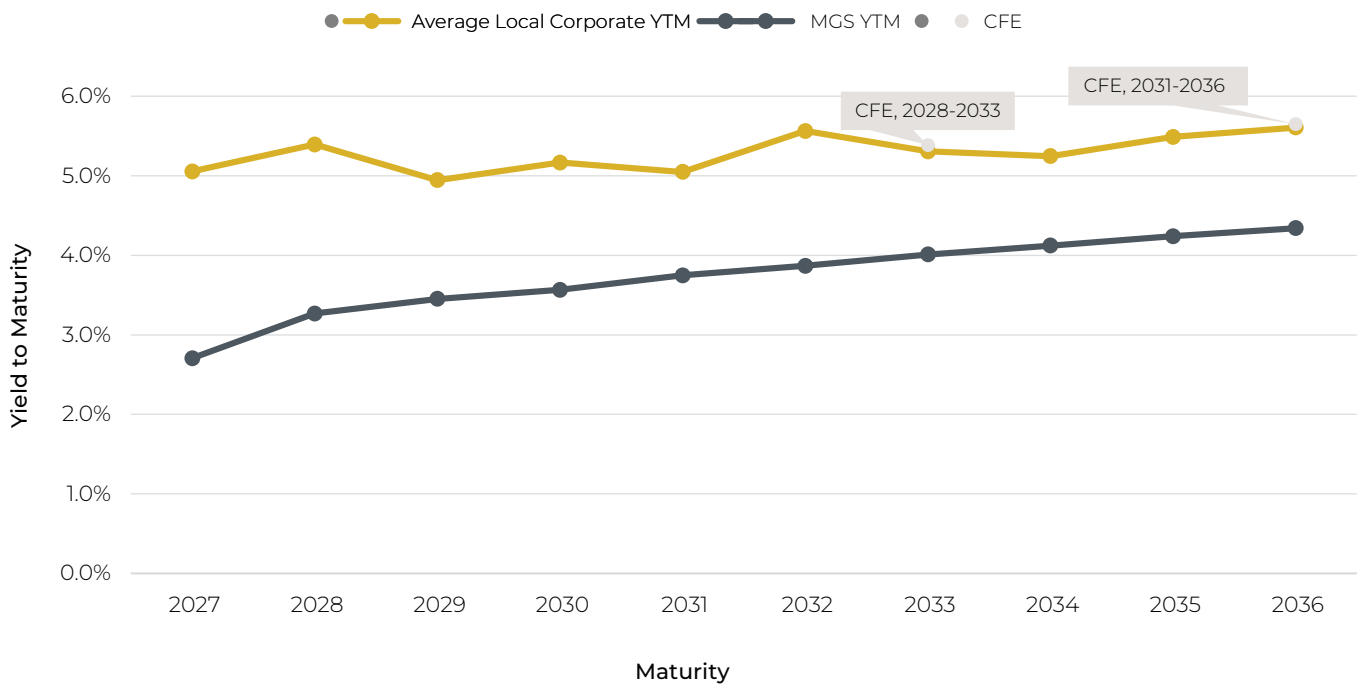
The purpose of the table below is to compare the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with similar maturities.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	*(%)*	*(times)*	*(€'millions)*	*(€'millions)*	*(%)*	*(%)*	*(times)*	*(times)*	*(%)*	*(%)*	*(%)*
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.38%	6.6x	94.9	19.1	79.9%	70.9%	3.3x	2.0x	49.6%	23.5%	-1.8%
6% Pharmacare Finance plc Unsecured € 2033	17,000	5.80%	0.9x	46.6	14.2	69.5%	61.2%	17.9x	1.5x	-14.0%	-17.1%	-1.4%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	5.24%	2.3x	41.8	18.2	56.4%	43.1%	9.5x	0.3x	1.4%	15.5%	17.4%
6.25% AST Group plc Secured 2033	8,500	5.78%	3.1x	15.9	1.1	92.9%	86.2%	4.1x	1.2x	10.8%	1.0%	-16.0%
6% JD Capital plc Secured 2033 S2 T1	11,000	5.81%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5.85% AX Group plc Unsecured € 2033	40,000	5.32%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
6% International Hotel Investments plc 2033	60,000	5.56%	1.8x	1,972.2	919.0	53.4%	42.2%	8.4x	0.9x	1.2%	3.3%	9.3%
5.75% Phoenicia Finance Company plc Unsec 2028-2033	50,000	5.24%	2.5x	169.9	86.0	49.4%	42.7%	7.0x	1.2x	3.8%	12.4%	10.7%
5.30% International Hotel Investments € Unsec 2035	35,000	5.22%	1.8x	1,972.2	919.0	53.4%	42.2%	8.4x	0.9x	1.2%	3.3%	9.3%
5.6% JD Capital plc Secured € 2035 (xd)	40,000	5.55%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5.65% CF Estates Finance plc Secured € 2031-2036	12,500	5.65%	4.3x	94.9	19.1	79.9%	70.9%	5.1x	2.0x	69.2%	23.5%	-1.8%
	Average*	**5.49%**										

Source: Latest available audited financial statements

Last price as at 27/10/2026

**Average figures do not capture the financial analysis of the Issuer*



Source: MSE and Central Bank of Malta.

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield on the Issuer's proposed bonds.

As at 27 October 2026, the average spread over the Malta Government Stocks ("MGS") for comparable issuers with a maturity of approximately seven years was 130 basis points. The 5% CF Estates Finance p.l.c. Secured Bonds 2028-2033 are currently trading at a yield to maturity ("YTM") of 5.38%, implying a spread of 137 basis points over the equivalent MGS. Accordingly, the bond is trading at a premium of 8 basis points when compared to the average spread of comparable issuers in the market.

As at 27 October 2026, the average spread over the MGS for comparable issuers with a maturity of approximately ten years was 127 basis points. The proposed 5.65% CF Estates Finance p.l.c. Secured Bonds 2031-2036, assuming issue at par, imply a YTM of 5.65%, corresponding to a spread of 131 basis points over the equivalent MGS. This represents a premium of 4 basis points relative to the average spread of comparable issuers with a similar maturity profile.

PART 4 • GLOSSARY AND DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.

Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by Finance costs of the same period.
Gearing Ratio	EBIT is an abbreviation for earnings before interest and tax.
	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

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