

# Summary

Dated 9 November 2022

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and of the Prospectus Regulation.

In respect of an issue of €13,000,000 5% Secured Bonds 2029 of a nominal value of €100 per Bond issued at par by



MedservRegis p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 28847

ISIN: MT0000311259

Sponsor

Registrar & Manager

Legal Counsel

Security Trustee



**THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.**

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

Approved by the Directors

**Mr Anthony S. Diacono**

in his capacity as Director, and on behalf of David O'Connor, Olivier Bernard, Carmelo sive Karl Bartolo, Laragh Cassar, Keith Grunow, Monica Vilabril and Jean Pierre Lhote.

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

## 1.0 Introduction and Warnings

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

Issuer	MedservRegis p.l.c.
Address	Port of Marsaxlokk, Birzebbugia, BBG3011, Malta
Telephone Number	(00356) 2220 2000
Website	<a href="http://www.medservregis.com">www.medservregis.com</a>
Legal Entity Identifier	2138003WBERIMWQVKZ64
Nature of the Securities	Secured Bonds up to a maximum amount of €13,000,000, bearing an interest rate of 5% per annum, payable annually in arrears on the 20 December of each year between and including 2023 and 2029
ISIN of the Bonds	MT0000311259
Competent authority approving the Prospectus	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap 330 of the laws of Malta).  The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer.
Address, telephone number & official website of the competent authority approving the Prospectus	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is +356 2144 1155. The official website of the competent authority is <a href="https://www.mfsa.mt/">https://www.mfsa.mt/</a> .
Prospectus approval date	9 November 2022.

Prospective investors are hereby warned that:

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

## 2.0 Key Information on the Issuer

### 2.1 Who is the Issuer of the Bonds?

#### 2.1.1 Domicile and legal form, LEI and country of incorporation of the Issuer

The Issuer is MedservRegis p.l.c., a public limited liability company registered in terms of the Companies Act (Cap 386 of the laws of Malta), with company registration number C 28847 and its registered office is at Port of Marsaxlokk, Birzebbugia, BBG3011, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 2138003WBERIMWQVKZ64.

## 2.1.2 Principle Activities of the Issuer

The Issuer is the parent company of the Group. The Group's core business is the provision of integrated logistics services to the energy industry. The Group presently has facilities in Malta, Cyprus, Egypt, UAE, Iraq, Oman, Mozambique and Uganda. The Group has developed five principal product service lines in order to better meet client requirements, comprising Integrated Offshore Logistics, OCTG Pipe Services, Engineering Support Services, Mixing and Storage of Drilling Fluids and Environmental Services including power generation from solar energy.

## 2.1.3 Major Shareholders

To the knowledge of the Issuer, control of the Issuer is not vested in any one single entity. The shareholders of the Issuer holding more than 10% of the Issuer are Mr Anthony S. Diacono (holding 13.23%), Mr Anthony J. Duncan (holding 16.7%) and DOCOB Limited (beneficially owned by Mr David O'Connor (CEO) and Mr Olivier Bernard (Deputy CEO)) holding 49.9% of the issued share capital of the Issuer.

## 2.1.4 Directors of the Issuer

The directors of the Issuer are Anthony S. Diacono, David O'Connor, Olivier Bernard, Carmelo sive Karl Bartolo, Laragh Cassar, Keith Grunow, Monica Vilabril and Jean Pierre Lhote.

## 2.1.5 Statutory Auditors

The auditors of the Issuer are PricewaterhouseCoopers, Malta (accountancy board registration number AB/26/84/38) of 78, Mill Street, Qormi QRM 3101, Malta. The financial statements of the Issuer for the financial years ended 31 December 2021 have been audited by KPMG (accountancy board registration number AB/26/84/12) of 92, Marina Street, Pieta, Malta. PricewaterhouseCoopers were appointed as auditor of the Issuer on 28 July 2022 pursuant to a tender process carried out by the Issuer. KPMG, Malta and PricewaterhouseCoopers are firms registered as partnerships of certified public accountants holding practicing certificates to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap 281 of the laws of Malta).

## 2.2 What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer is set out below:

	<b>FY2021*</b>	<b>FY2020</b>	<b>FY2019</b>	<b>HY2022**</b>	<b>Comparative HY2021</b>
	<b>Audited EUR</b>	<b>Audited EUR</b>	<b>Audited EUR</b>	<b>Unaudited EUR</b>	<b>Unaudited EUR</b>
<b>Income Statement</b>					
Total Turnover	29,924,554	32,411,788	68,729,751	26,075,032	6,026,946
Results from operating activities	(7,426,064)	(5,550,968)	3,088,044	308,663	(381,203)
(Loss) / Profit for the year from continuing operations	(7,303,136)	(8,795,415)	(3,360,983)	(664,827)	849,907
<b>Balance Sheet</b>					
Total assets	150,786,139	121,768,671	150,446,675	152,918,297	150,786,139
Total equity	62,818,484	4,291,781	14,088,217	63,273,135	62,818,484
Current ratio (Current Assets / Current Liabilities)***	2.36x	1.73x	1.45x	2.76x	2.36x

Net debt (Total debt less cash and cash equivalents)***	60,275,134	70,837,189	84,857,822	58,029,461	60,275,134
(Net Debt inc. leases/ EBITDA)***	11.36x	12.73x	6.67x	N/A	N/A
<b>Cash Flow Statement</b>					
Cash and cash equivalents	9,107,124	4,651,336	625,002	10,828,111	9,107,124
Net cash generated from operating activities	6,579,652	10,123,586	8,675,135	2,380,305	2,130,559
Net cash (used in) / generated from investing activities	(1,893,008)	(1,679,616)	(1,171,344)	748,772	1,045,584
Net cash used in financing activities	(5,290,404)	(3,976,490)	(9,035,718)	(2,623,414)	(4,515,626)

\* As a result of the reverse acquisition: a) the Consolidated Statement of Financial Position as at 31 December 2021 represents the consolidated financial position of the combined Medserv and Regis group of companies; whereas b) the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021 includes the financial results of the continued operations of Regis group of companies for the entire year and financial results of the formerly Medserv group of companies from 1 July 2021 until year-ended 31 December 2021.

\*\* As a result of the reverse acquisition, the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six-month period ended 30 June 2022 includes the combined financial results of the continued operations of both the Regis group of companies and the formerly Medserv group of companies for the entire period, whereas the comparative figures for the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six-month period ended 30 June 2021 only comprise the financial results of the formerly Medserv group of companies.

\*\*\* This financial information has not been extracted from the financial statements of the Issuer for the period in question.

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

The most material risk factors specific to the Issuer which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise are set out below:

- 2.3.1** The Group is exposed to the risks associated with the trends and future outlook of the oil and gas industry, including the demand and/or supply for oil and gas in the future.
- 2.3.2** The price of oil and gas is, to a large extent, affected by geopolitical tensions (eg the Ukraine conflict). The volatility of these markets can affect the appetite of International Energy Companies to undertake new projects to explore and develop new reservoirs, which could have a negative indirect impact on the Group, and on its business pipeline and related revenues.
- 2.3.3** The concerns derived from the climate change are causing a global push to shift from fossil energies to alternative sources such as wind and solar, which in the long run could lead to a decrease of the consumption of oil and gas. This could be further accelerated by the conflict in Ukraine.
- 2.3.4** Following the pressure of regulatory bodies and of the public in general, some financing institutions are less inclined to fund projects linked with non-renewable sources of energy.
- 2.3.5** The Group's operations are dependent on emerging markets, which present economic and political challenges. Therefore, the Group's business may be negatively impacted by political and economic instability, exchange controls, risk of nationalisation and changes in Government policies.
- 2.3.6** The oil and gas industry, particularly in the Mediterranean region, is dominated by a very limited number of International Energy Companies (IECs). The Group's performance depends on it being able to maintain and increase its relationship with these IECs.

## 3.0 Key Information on the Bonds

### 3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 5% secured bonds 2029 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €13,000,000. The Issue Date of the Bonds is expected to be on or around the 20 December 2022. The Bonds are redeemable on 20 December 2029. The Bonds shall bear interest from and including 20 December 2022 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 20 December 2023 (covering the period 20 December 2022 up to and including 19 December 2023).

The currency of the Bonds is Euro (€). Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000311259. The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, save for such exceptions as may be provided by applicable law. However, in view of the Security being provided by MedOps, if the Issuer had to default on its obligations and an Event of Default occurs, Bondholders may use MedOps' assets and its rights on the Medserv Site to settle the amounts due under the Bonds.

The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000, and in multiples of €100 thereafter. Once the Bonds are admitted to listing on the Official List of the MSE, there is no minimum holding requirement. The Bonds are freely transferable and, once admitted to the Official List, shall be transferable in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, enforcing the Security (through the Security Trustee) if the Issuer does not pay any sum due to Bondholders, and subject to the prior ranking of Secured Creditors.

The Issuer's payment obligation in respect of principal and interest under the Bonds shall be secured by a general hypothec and a special hypothec granted by MedOps over the Medserv Site in favour of the Security Trustee, on trust for the benefit of the Bondholders. On the basis of searches carried out, there are prior ranking privileges and hypothecs over the Medserv Site, which will rank before the Security on the Bond. These are 1) a privilege granted to the Malta Freeport securing the payment of the ground rent over the Medserv Site, 2) general and special hypothecs over the Medserv Site in favour of HSBC for overdraft facilities in the amount of €7,500,000, 3) a general hypothec in favour of Bank of Valletta plc securing a loan in the amount of €5,000,000 and 4) a general and special hypothec over the Medserv Site in favour of HSBC Bank Malta p.l.c. as security trustee of the Callable Bonds in the amount of €20,000,000. The Callable Bond Security will be cancelled within 14 Business Days from the issuance of the Bonds. MedOps shall not create other prior ranking security (unless arising by law) but shall be free to grant security which rank after the Bonds.

### 3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 20 December 2022 and trading is expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

### 3.3 What are the key risks associated with the Bonds?

The most material risk factors specific to the Bonds are set out below:

- 3.3.1** There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue.
- 3.3.2** By acquiring the Bonds, the Bondholder is considered to be bound by the terms of the Security Trust Deed as if he had been a party to it.
- 3.3.3** The Issuer and MedOps may incur further borrowings or indebtedness and may create or permit to subsist

other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital) provided that MedOps shall be prohibited from, throughout the term of any Bond, creating or permitting to subsist any prior ranking charges over its assets other than those arising by operation of law or those existing as at the date hereof.

- 3.3.4** The Bonds, when issued and allotted, shall constitute the general, direct, unconditional obligations of the Issuer. The payment of interest and principal shall be secured by the Security over the Medserv Site given by MedOps in favour of the Security Trustee, as trustee of the Bondholders. The Bonds are secured by a general hypothec and a special hypothec over the Medserv Site, both granted by MedOps. The Issuer's obligations under the Bonds are unsecured obligations ranking equally with its other present and future unsecured obligations. However, in view of the Security being provided by MedOps, if the Issuer had to default on its obligations and an Event of Default occurs, Bondholders may use MedOps' assets and its rights on the Medserv Site to settle the amounts due under the Bonds.
- 3.3.5** The Security will at all times rank junior to the special privilege granted to the Freeport Authority, to the security granted to Secured Creditors and also to any prior ranking security interest arising by law. Prior ranking security means that in the event of insolvency of MedOps, its assets will be used to settle the prior ranking debts before settling the amounts due under the Bonds.
- 3.3.6** The Issuer undertakes to procure the cancellation of the Callable Bond Security in favour of the Security Trustee within 14 Business Days after the Issue Date of the Bonds. If the Issuer does not fulfil this obligation, each Bondholder may declare his Bonds due and demand immediate redemption thereof at the Redemption Value, with accrued interest, if any, to the date of repayment.
- 3.3.7** Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should, theoretically, move adversely to changes in interest rates.

## 4.0 Key Information on the Offer of the Bonds and Admission to Trading

### 4.1 Under which conditions and timetable can I invest in these Bonds?

Applications for subscription to the Bonds may be made through any of the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager). The Bonds are open for subscription by:

- (i) Callable Bondholders up to the amount of Callable Bonds held as at the Cut-off Date and subject to any Cash Top-Up, as and if applicable;
- (ii) Callable Bondholders in respect of any number of additional Bonds applied for other than by Callable Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date (including Cash Top-Up, as and if applicable); and
- (iii) Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Callable Bondholders as aforesaid.

The allocation policy to be adopted by the Issuer will be in terms of (i) to (iii) above, in that order of priority.

As regards preferred allocations, Callable Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Callable Bonds at par value, subject to a minimum Application of €2,000 in Bonds. Any Callable Bondholders whose holding in Callable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form ("**Cash Top-Up**"). Callable Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Callable Bonds held by them as at the Cut-off Date (including any Cash Top-Up necessary as stated above) ("**Callable Bond Transfer**") shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable).

Bonds applied for by Callable Bondholders by way of Callable Bond Transfer shall be allocated prior to any other allocation of Bonds. A Callable Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by him/her/it as at the Cut-off Date (including Cash Top-Up, if any) may subscribe for such additional Bonds.

## 4.2 Expected timetable of principal events

Application Forms mailed to Callable Bondholders	14 November 2022
Closing date for Applications to be received from Callable Bondholders	2 December 2022
Intermediaries' Offer (if Applications from Callable Bondholders Applications do not reach €13,000,000)	7 December 2022
Announcement of basis of acceptance through a company announcement	12 December 2022
Refund of Unallocated Funds, if any	20 December 2022
Dispatch of Allotment Letters	20 December 2022
Expected date of Admission of the Bonds to the Official List of the MSE	20 December 2022
Commencement of interest on the Bonds (also for Callable Bondholders pursuant to the Callable Bond Transfer, the relinquishment of the interest on the Callable Bonds)	20 December 2022
Expected commencement date of trading in the Bonds	21 December 2022
Cancellation of Callable Bond Security and Creation of Security.	Latest 11 January 2023

## 4.3 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the information contained in 4.1 above.

## 4.4 Why is this Prospectus being Issued

This Prospectus is being issued in connection with the Bond Issue. The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12.5 million will be used by the Issuer for the redemption of the outstanding amount of the Callable Bonds. As at the date of the Prospectus, the aggregate value of Callable Bonds in issue stands at €13,000,600. The issuance of the Bonds is conditional upon a minimum of €10,000,000 being raised. If the said minimum is not raised, the Issuer shall refund the proceeds received to the respective Applicants. If the minimum amount of €10,000,000 is raised however the proceeds received from Applications does not reach €13,000,000, the Issuer shall use its own funds to settle the balance due on the redemption of the Callable Bonds. Once the Bond Issue has raised the minimum of €10,000,000, the Issuer shall issue the notice of early redemption of the Callable Bonds, thus enabling the applications or proceeds from this Bond Issue to be utilised to redeem the Callable Bonds.

## 4.5 Underwriting

The Bonds shall not be underwritten.

## 4.6 Conflicts of Interest

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) and any fees payable to the Sponsor and to the Registrar & Manager for their roles as such, so far as the Issuer is aware, no person involved in the Issue has an interest material to the Bond Issue.

# Registration Document

Dated 9 November 2022

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



MedservRegis p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 28847

Sponsor



Registrar & Manager



Legal Counsel



Security Trustee



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THE MFSA 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 ISSUED BY THE COMPANY.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN 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 INDEPENDENT FINANCIAL ADVISER.

Approved by the Directors

A handwritten signature in black ink, appearing to be 'Anthony S. Diacono'.

**Mr Anthony S. Diacono**

in his capacity as Director, and on behalf of David O'Connor, Olivier Bernard, Carmelo sive Karl Bartolo, Laragh Cassar, Keith Grunow, Monica Vilabril and Jean Pierre Lhote.



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## 1.0 Important Information

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MEDSERVREGIS P.L.C., AS ISSUER, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MFSA, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: 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.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. 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 INDEPENDENT PROFESSIONAL ADVISERS.

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

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO 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 COMPANIES ACT.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MFSA. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

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

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 6.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

## 2.0 Definitions

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>Authorised Intermediaries</b>	the licensed financial intermediaries whose details are listed in Annex 3 of the Securities Note;
<b>Board or Board of Directors or Directors</b>	the directors of the Issuer, whose names are set out in section 6.1 of this Registration Document;
<b>Bonds</b>	the 5% 2029 secured bonds being issued by the Issuer pursuant to the Prospectus;
<b>Bond Issue or Issue</b>	the issue of the Bonds by the Issuer in accordance with the terms of the Prospectus;
<b>Bondholder</b>	the holder of Bonds;
<b>Companies Act</b>	the Companies Act, Cap 386 of the laws of Malta;
<b>Callable Bonds</b>	the €13,000,600 6% secured bonds issued pursuant to the base prospectus dated 12 August 2013 to be redeemed early pursuant to an early redemption option to be announced by the Issuer between the date of issuance of this Prospectus and the issuance of the Bonds;
<b>Capital Markets Rules</b>	the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
<b>Code</b>	the recommended Code of Good Corporate Governance, as set out in the Capital Market Rules;
<b>DOCOB Limited</b>	a limited liability company registered under the laws of Mauritius with registration number 178883 and having its registered address at c/o Oak Management (Mauritius) Limited, 1 <sup>st</sup> Floor, Block B, Ruisseau Creole Complex La Mivioe, Black River, 90625, Mauritius;
<b>Emphyteutical Deeds</b>	collectively: <ul style="list-style-type: none"> <li>(a) the deed of temporary emphyteusis in the records of Notary Tonio Spiteri dated 29 May 1997;</li> <li>(b) the deed of temporary emphyteusis in the records of Notary Tonio Spiteri dated 23 December 1999;</li> <li>(c) the deed of temporary emphyteusis in the records of Notary Tonio Spiteri dated 17 February 2002; and</li> <li>(d) the deed of title of use and termination of part of a temporary emphyteusis in the records of Notary Pierre Attard of 22 June 2004;</li> <li>(e) a description of which can be found in section 15 of this Registration Document, <i>'Material Contracts'</i>;</li> </ul>
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Financial Analysis Summary</b>	the financial analysis summary dated 9 November 2022 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex 2 of the Securities Note;

<b>Freeport Act</b>	Malta Freeports Act, Cap 334 of the laws of Malta;
<b>Freeport Authority</b>	the Freeport Authority originally constituted as the Malta Freeport Corporation Limited (a limited liability company with company registration number C 9353) under the then Commercial Partnerships Ordinance) subsequently deemed to have been constituted under the Freeport Act;
<b>Group</b>	the group of companies, of which the Issuer is the parent company;
<b>Issuer or Company</b>	MedservRegis p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 28847 and with registered office at Port of Marsaxlokk, Birzebbugia, BBG 3011, Malta;
<b>MedOps</b>	Medserv Operations Limited, a private limited liability company registered under the laws of Malta with company registration number C 2971;
<b>Medserv Site</b>	the immovable property situated at Kalafrana, limits of Birzebbugia, Malta and within the confines of the Malta Freeport area, a description of which is contained in the Emphyteutical Deeds;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Company in force as at the date hereof. The term “ <b>Memorandum of Association</b> ” shall be construed accordingly;
<b>METS</b>	<p>the following subsidiary companies of the Issuer:</p> <ul style="list-style-type: none"> <li>(i) Middle East Tubular Services Holdings Limited (BVI; 1900628) (<b>METS Holding</b>)</li> <li>(ii) Middle East Tubular Services Limited (BVI; 6801153) (<b>METS UAE</b>),</li> <li>(iii) Middle East Tubular Services LLC (FZC) (Oman; 1133558) (<b>METS Oman</b>);</li> <li>(iv) Middle East Comprehensive Tubular Services (Duqm) L.L.C. (Oman; 1297421) (<b>METS Duqm</b>)</li> <li>(v) Middle East Tubular Services (Iraq) Limited (BVI; 1607940) (<b>METS Iraq</b>),</li> <li>(vi) Middle East Tubular Services (Gulf) Limited (BVI; 1924998) (<b>METS Gulf</b>); and</li> <li>(vii) Middle East Tubular Services Uganda SMC Limited (Uganda; 80020002749664) (<b>METS Uganda</b>);</li> </ul>
<b>MFSA or Malta Financial Services Authority</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act (Cap 345 of the laws of Malta) authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
<b>MSE or Malta Stock Exchange</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;

<b>MSE Bye-Laws</b>	the MSE bye-laws issued by the authority of the board of directors of the Malta Stock Exchange, as may be amended from time to time;
<b>Official List</b>	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
<b>Prospectus</b>	collectively, the Summary, this Registration Document and the Securities Note published by the Issuer all dated 9 November 2022 as such documents may be amended, updated, replaced and/or supplemented from time to time;
<b>Prospectus Regulation</b>	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004;
<b>Regis Holdings Limited</b>	a limited liability company registered under the laws of Mauritius with company registration number 120300 and having its registered address at c/o Oak Management (Mauritius) Limited, 1 <sup>st</sup> Floor, Block B, Ruisseau Creole Complex La Mivioe, Black River, 90625, Mauritius;
<b>Regis Group</b>	the following subsidiary companies of the Issuer: <ul style="list-style-type: none"> <li>(a) Regis Holdings Limited (Mauritius; 120300);</li> <li>(b) Regis Export Trading International Pty Ltd (South Africa; 2011/126614/07);</li> <li>(c) Thomson &amp; Van Eck Limited (Mauritius; 116172 C1/GBL);</li> <li>(d) Thomson &amp; Van Eck Pty Ltd (South Africa; 1971/002967/07);</li> <li>(e) Regis Management Services Ltd (Mauritius; 074530 C1/GBL);</li> <li>(f) Regis Shipping Ltd (Seychelles; 203096);</li> <li>(g) Regis Mozambique Lda (Mozambique; 100316730);</li> <li>(h) Regis Uganda Ltd (Uganda; 80020000384734);</li> <li>(i) Avhold Ltd (Mauritius; 172291);</li> <li>(j) Specialist Mechanic Services Ltd (Mauritius; 124049 C1/GBL); and</li> <li>(k) Enermech Mauritius Ltd (Mauritius; 124050 C1/GBL);</li> </ul>
<b>Registrar &amp; Manager</b>	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 2833 and having its registered address at 58, Zachary Street, Valletta VLT 1130, Malta. Bank of Valletta p.l.c. is regulated by the MFSA and is licensed to carry out the business of banking and investment services in terms of the Banking Act (Cap 371 of the laws of Malta) and the Investment Services Act (Cap 370 of the laws of Malta), respectively;
<b>Registration Document</b>	this document in its entirety;
<b>Securities Note</b>	the securities note issued by the Issuer on the 9 November 2022 in connection with the issuance of the Bonds;
<b>Sponsor</b>	Rizzo, Farrugia & Co (Stockbrokers) Ltd, a private limited liability company registered under the laws of Malta with company registration number C 13102 and having its registered address at Airways House, Fourth Floor High Street, Sliema Malta SLM 1551, Malta, and which is licensed by the MFSA to carry out investment services in terms of the Investment Services Act (Cap 370 of the laws of Malta);

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<b>Summary</b>	the summary note issued by the Issuer on the 9 November 2022; and
<b>Valuation Report</b>	the valuation report dated 12 September 2022 prepared by TBA periti on the Medserv Site, in terms of Chapter 7 of the Capital Markets Rules.

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## 2.1 Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice-versa*;
- (b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
- (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- (e) any reference to a person includes that person’s legal personal representatives, successors and assigns;
- (f) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- (g) any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.

### 3.0 Risk Factors

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS 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.

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.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER'S, AND THE GROUP'S BUSINESS, TRADING PROSPECTS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION, AND, CONSEQUENTLY, ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER MAY FACE.

ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

- (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; NOR
- (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

### 3.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "should", "expect", "intend", "plan", "estimate", "anticipate", "believe", "forecast", "project" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control. Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified hereunder as "*Risk Factors*" and elsewhere in the Prospectus.

The Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.



Prospective investors are advised to read the Prospectus in its entirety and, in particular, all the risk factors set out in the Prospectus for a further discussion of the factors that could affect the Issuer's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

## **3.2 Risks relating to the Group and its business**

### **Risks Relating to the Industry**

#### **3.2.1 Dependence on Oil and Gas Industry**

The Group is exposed to the risks associated with the trends and future outlook of the oil and gas industry as a whole, including the demand and/or supply for oil and gas in the future. The demand for the Group's services is dependent on the level of exploration to identify new reservoirs, as well to the level of activity to develop new discoveries once these have been determined commercially viable, and indirectly on the demand for oil and gas and their price. In a market downturn, the Group may suffer pressure on its pricing and profit margins and may suffer reduced revenues.

#### **3.2.2 The geopolitical instability of the energy market**

the price of oil and gas is, to a large extent, affected by geopolitical tensions, such as the conflict between Russia and Ukraine. The volatility of these markets can affect the appetite of International Energy Companies (IECs) to undertake new project to explore and develop new reservoirs. This in turn will have a negative indirect impact on the current and new markets of the Group, and thus on its business pipeline and related revenues.

#### **3.2.3 The global trend towards a decarbonization of the energy supply**

the concerns derived from the climate change are causing a global push to shift from fossil energies to alternative sources such as wind and solar. In the long run this could lead to a decrease of the consumption of oil and gas and reduce the need for the services offered by the Group to this industry. There is a possibility that the tension on supply caused by the conflict in Ukraine may accelerate this trend, particularly in Western Europe. The Group could be negatively impacted should it not manage to otherwise adjust its strategy to cater for this shift in the energy industry.

#### **3.2.4 The shortage of financing for the fossil energy industry**

following the pressure of regulatory bodies and of the public in general, some financing institutions are less inclined to fund projects linked with non-renewable sources of energy. This could affect the Group's capacity to fund new projects.

#### **3.2.5 Dependence on Group entities**

Being the parent company of the Group, the Issuer is dependent on the business prospects of its subsidiary companies, ranging from the entities in the Middle East, the Mediterranean basin and Sub-Saharan Africa. The Issuer's financial performance will be impacted should the financial performance of the Medserv Group decline.

#### **3.2.6 Risks Relating to Emerging Markets**

The Group's operations are dependent on emerging markets. These markets present economic and political conditions which may result in less social, political and economic stability. Therefore, the Group's business may be negatively impacted by political and economic instability, exchange controls, risk of nationalisation and changes in Government policies.

#### **3.2.7 Limited IECs in Industry**

The oil and gas industry, particularly in the Mediterranean region, is dominated by a very limited number of International Energy Companies (IECs). The group's performance depends on it being able to maintain and increase its relationship with these IECs.

### **3.2.8 Dependence on Key Personnel**

The growth of the Group has been, in part, attributed to the capabilities of the members of the executive management team. Their continued contribution to the Group is essential to the continued growth of the Group. Finding replacement staff with the experience in the industry can be a challenge and in the event that adequate replacements are not sourced, the Group's performance may be adversely impacted should this effect its ability to continue managing the business without interruption.

### **3.2.9 Regulatory and environmental risk**

The Group operates in highly regulated jurisdictions, and all have their own unique compliance frameworks. Environmental risks arise from exposures to activities that may cause or be affected by environmental degradation, such as pollution. An infringement in any of these laws and regulations may have significant liabilities and tarnish the Group's brands, being Medserv, Regis and METS.

### **3.2.10 Dependence on Premises**

the Group operates out of its premises, situated both in Malta and overseas, which are generally subject to lease agreements or, in the case of the Medserv Site, subject to an emphyteutical deed. The Group is dependent on its facilities to perform its services in most countries where it is operating and could be negatively impacted should any of its lease agreements / emphyteutical deeds be terminated prior to its expected date of termination.

## **4.0 Persons Responsible**

This Registration Document includes information prepared in compliance with the Capital Markets Rules for the purpose of providing Bondholders with information with regard to the Issuer and contains information in compliance with the Prospectus Regulation. The Directors of the Issuer whose names appear in sub-section of this Registration Document accept responsibility for all the information contained in the Prospectus.

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

## **5.0 Authorisation Statement & Statements of Experts**

### **5.1 Authorisation Statement**

This Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. It has been approved by the MFSA, as the competent authority under the Prospectus Regulation.

The MFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

### **5.2 Statement of Experts**

Save for the Financial Analysis Summary set out in Annex 2 of the Securities Note and the Valuation Report set out in Annex 1 of this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Valuation Report dated 12 September 2022 has been included in the form and context in which they appear with the authorisation of TBA periti of No. 43, Main Street, Balzan BZN 1259, which have given and have not withdrawn their consent to the inclusion of such report herein. TBA periti does not have any material interest in the Company. The

Company confirms that the valuation report has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

## 6.0 Identity of Directors, Senior Management, Advisers & Auditors

### 6.1 Directors

As at the date of this Registration Document, the Board of Directors is constituted by the following eight persons:

**Anthony S. Diacono**

Chairman & Executive Director

**David O'Connor**

Executive Director

**Olivier Bernard**

Executive Director

**Carmelo sive Karl Bartolo**

Executive Director

**Laragh Cassar**

Non-Executive Director & Company Secretary

**Keith Grunow**

Non-Executive Independent Director

**Monica Vilabril**

Non-Executive Independent Director

**Jean Pierre Lhote**

Non-Executive Independent Director

The business address of each of the above referred directors is Port of Marsaxlokk, Birzebbugia, BBG 3011, Malta.

The following are the respective *curriculum vitae* of the Directors:

#### Mr Anthony S. Diacono

Mr Anthony S. Diacono has been a director of MedservRegis p.l.c. since inception in 2001 and of Medserv Operations Ltd. since 1997. He has held several posts as Chairman, CEO or director in both the public and private sector. He brings to the Group his experience obtained in Malta and overseas in both the manufacturing and service sectors. Mr Diacono is also active with the Constituted Business Organisation in Malta and was President of the Malta Federation of Industry between 1992 and 1993.

In April 2010 Mr Diacono joined the board of directors of CommBank Europe Limited and was appointed as Chairman as from 1 July 2012. He ended his tenure with CommBank Europe in December 2021 and was appointed Chairman of Tauss Holdings Ltd as of 14 April February 2022. As Chairman of the executive board, Mr Diacono provides overall strategic direction and insights to the executive board, and together with the board, draws up the organisation's long-term strategy, goals and objectives.

#### Mr David O'Connor

Mr David O'Connor is the founder of Regis Holdings Limited and the Chief Executive Officer of the MedservRegis Group. Mr O'Connor gained experience in the civil engineering trade, specialising in explosives and air compressors. Later he moved to the steel trade and became involved with export sales to all southern African countries. He capitalised on that experience to launch Regis Trading International in 1992. From this trading platform, supplying the Non-Governmental Organisations and the oil industry, he went on to create Regis Holdings Limited.

A professional leader with an acute eye for business opportunities. As CEO, Mr O'Connor has overall responsibility for leading the development and execution of the group's long-term strategy, as well as providing direction and leadership towards the achievement of the company's mission, strategy and its annual goals and objectives.

#### Mr Olivier Bernard

Mr Olivier Bernard studied Business and Finance in Neoma (previously known as Reims Management School) in France, and a few years later studied Management at INSEAD. He gained experience with blue chip companies in the oilfield service industry in various countries in Europe and Africa.

From 2000 until 2016, Mr Bernard was a key member of the team developing the biggest onshore support base in sub-Saharan Africa, based in Luanda (Angola), with a total investment of USD 1 billion. During this time, he assumed various positions, negotiating financing with international banks, implementing SAP (a German-based multinational software corporation that makes enterprise software to manage business operations and customer relations), and ultimately in the general management of the company. He then moved to Regis where he was COO up to June 2021.

As deputy CEO of the Issuer, Mr Bernard is the person heading the areas of Finance, HR, IT and Administration of the Group.

#### Mr Carmelo sive Karl Bartolo

Mr Bartolo is a Certified Public Accountant and Auditor by profession. He graduated from the University of Malta in 2001 with a Bachelor of Accountancy (Hons.) and commenced his career with KPMG as an audit assistant. In 2003 he was promoted to audit senior and in 2005, he was offered the position of financial controller with Mellieha Bay Hotel & Comino Hotels and Bungalows.

In 2008, Mr Bartolo joined the Medserv Group as Group Financial Controller. He also serves as a director on the board of several Medserv Group companies. Mr Bartolo presently holds the position of Deputy CEO of the Group having an overall responsibility for business and company operations.

#### Dr Laragh Cassar

Dr Laragh Cassar holds a degree in Law from the University of Malta (Doctor of Laws, 2002) and a postgraduate Master degree in Banking and Finance from the University of London (2003). She started her career with Camilleri Preziosi in 2003 and was admitted to partnership in 2010 and was responsible for the investment services department. Over the years, Dr Cassar has been actively involved in a large number of note and equity listings on the regulated market of the Malta Stock Exchange as well as assisting with the ongoing obligations of listed companies. In June 2015, Dr Cassar set up the civil and commercial law firm 'Camilleri Cassar Advocates'. She is responsible for the capital markets and investment services areas of practice of the firm.

#### Mr Keith Grunow

Mr Keith Grunow is a Chartered Accountant having a B.Comm degree, Honours in Accounting Science as well as a Master's degree in Business Leadership. He is a former Managing Director of Super Group Ltd, African Ops, after serving as Financial Director and previous to this was Finance Director/Joint Managing Director of Kelly Personnel Group. Mr Grunow has also invested in companies engaged in property development and leisure activities and serves as a director on a number of private equity companies and property development companies. He has been involved in the placement of bonds as well as in several M&As across Sub-Saharan Africa.

#### Ms Monica Vilabril

An experienced Business Operations Optimisation Specialist with a demonstrated history of working in the Financial Services industry, Monica Vilabril started her career in financial services in South Africa and worked her way from project management to Chief Operating Officer in a matter of years. After over 10 years with Fairheads Benefit Services, Ms Vilabril took on a consultancy role, currently with an international assurance company where her remit is to develop and facilitate the implementation of business and operational strategies in order to improve and grow the business capabilities of the organisation. Ms Vilabril also previously sat on the board of Regis Holdings Limited as a non-executive director between 2020 and 2021.

### Mr Jean Pierre Lhote

Mr Jean Pierre Lhote is the AFKAR Ventures Sales Director with a focus on the Middle East and North Africa (MENA) regions. With a track record of delivering business growth, he brings twenty-four years of oil and gas experience on four continents with expertise in Operations, Business strategy, Profit & Loss, Sales & Marketing, Digital Transformation, and Asset Evaluation.

Prior to AFKAR Ventures, Mr Lhote worked for four years at SEPCO Industries (Waste Management, Logistics, Chemicals) and twenty years at Schlumberger.

As SEPCO's Business Advisor, Mr Lhote was responsible for recommending strategies, assessing partnership, developing new business, designing and implementing business process improvement. At Schlumberger he held different positions: Marketing & Sales and Line management in Europe, Africa, Asia and Latin America where his last position was Vice President Operations - Mexico and Central America Area and BDM Schlumberger Production Management.

## 6.2 Senior Management

The following persons comprise the senior management of the Issuer:

### David O'Connor

Chief Executive Officer

### Olivier Bernard

Deputy CEO (Finance, Administration, Investment & Trade)

### Carmelo sive Karl Bartolo

Deputy CEO (Business and Operations)

### Alessandro Roca

Group Finance Director

### Silvio Camilleri

Chief Financial Officer

### Edward Farrugia

Chief Information Officer

### Linda De Beer

Chief Human Resources Officer

### George Douglas

Chief Health, Safety, Security, Environmental and Quality Corporate Office

The *curriculum vitae* of Mr David O'Connor, Mr Olivier Bernard and Mr Carmelo sive Karl Bartolo are set under section above. Below is a *curriculum vitae* of the remaining members of senior management:

### Mr Alessandro Roca, Group Finance Director

Mr Roca graduated in 1995 from the University of Salerno with a Bachelor's degree in Accountancy and Management (Hons.) and holds an ASFOR accredited (Associazione Italiana per la Formazione Manageriale) full time MBA. Alessandro brings almost thirty years of financial experience, over four continents, largely in position of CFO/Group Finance Director. Mr Roca worked primarily in the energy sector (with a London FTSE listed company, having a focus on oil and gas), automotive, food industry, automotive and high precision machinery.

### Mr Silvio Camilleri, Chief Financial Officer

Mr Camilleri is a Public Accountant by profession and graduated from the University of Malta in 2012 with a Bachelor of Accountancy and Management (Hons.). He started his financial career as an auditor at KPMG in Malta. Mr Camilleri joined the Group in 2017. Proven areas of expertise include financial operations and control, budget preparation and budgetary control, monthly forecasting, performance assessment, treasury management & debt servicing, internal control assessment and process reviews. In the past Mr Camilleri held the position of auditor at KPMG (Malta).

### Mr Edward Farrugia, Chief Information Officer

Mr Farrugia leads the Group's IT department structure, positions and process system in compliance to its strategic mandate. Mr Farrugia also formulates IT Plans, Policies & Procedures. Mr Farrugia holds extensive experience in Project Management, full cycle IT implementation, Business and IT Systems Analysis and Database design and programming.

#### Ms Linda De Beer

Ms de Beer has over 20 years' experience in Human Resources (HR), previously in legal and software development companies, and has been with the Group for 5 years. Her experience includes Payroll, Tax and HR matters in various African countries, HR and administration policies, local legislation and compliance matters, implementation of system software, training, and recruitment. Her responsibility includes all people-based activity within MedservRegis from both an operational and strategic perspective, developing and implementing HR strategy and HR plans to support the needs of the business.

#### Mr George Douglas

Mr Douglas is a Health, Safety, Security, Environmental and Quality Corporate Officer (HSSEQ) Professional with 20 plus years' experience managing the Health, Safety, Security, Environmental and Quality functions within various European, Caspian and Middle East companies which includes ISO 9001 QMS, 14001 EMS and 45001 H&SMS, ISPS, IMDG, Fpal & OPITO accreditation requirements. He is responsible for overseeing the Group's HSSEQ standards both internally and with its clients.

### 6.3 Advisers

#### Legal Counsel

Camilleri Cassar Advocates  
206, Wisely House, Old Bakery Street,  
Valletta VLT 1451, Malta

#### Sponsor

Rizzo, Farrugia & Co (Stockbrokers) Ltd  
Airways House, Fourth Floor, High Street,  
Sliema Malta SLM 1551, Malta

#### Registrar & Manager

Bank of Valletta p.l.c.  
58, Zachary Street,  
Valletta VLT 1130, Malta

As at the date of the Prospectus none of the advisers named above have any material beneficial interest in the share capital of the Issuer. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus and save for the deeds and ancillary documentation entered into between the Issuer and the Registrar & Manager in connection with the bank borrowings referred to in sub-section 9.6 of the Securities Note, no material transactions have been entered into by the Issuer with any of the advisers referred to above. Dr Laragh Cassar (director and company secretary of the Issuer) is a partner of Camilleri Cassar Advocates and regularly provides legal advice and support to the Issuer and the Group.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

### 6.4 Auditors

On the 28 July 2022, the shareholders of the Issuer appointed PricewaterhouseCoopers, Malta of 78, Mill Street, Qormi QRM 3101, Malta as the auditors of the Issuer. The financial statements of the Issuer for the financial years ended 31 December 2021 have been audited by KPMG of 92, Marina Street, Pieta, Malta. PricewaterhouseCoopers were appointed as auditor of the Issuer on 28 July 2022 pursuant to a tender process carried out by the Issuer.

KPMG, Malta (accountancy board registration number AB/26/84/12) and PricewaterhouseCoopers (accountancy board registration number AB/26/84/38) are both firms registered as partnerships of certified public accountants holding practicing certificates to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap 281 of the laws of Malta).

## 7.0 Information about the Issuer

### 7.1 Introduction

<b>Full Legal and Commercial Name</b>	MedservRegis p.l.c.
<b>Registered Address</b>	Port of Marsaxlokk, Birzebbugia, BBG3011, Malta
<b>Place of Registration and Domicile</b>	Malta
<b>Registration Number</b>	C 28847
<b>Date of Registration</b>	26 October 2001
<b>Legal Form</b>	Public Limited Liability Company
<b>Legal Entity Identifier</b>	2138003WBERIMWQVKZ64
<b>Telephone Number</b>	(00356) 2220 2000
<b>Email Address</b>	investors@medservregis.com
<b>Website*</b>	<a href="https://www.medservregis.com">https://www.medservregis.com</a>

\*The information on the Issuer's website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.

## 7.2 History and Development of the Group

- 1974**
  - Medserv Limited (later renamed Medserv Operations Limited) was established as a joint venture between the Government of Malta and the Albert Abela Group.
- 1997**
  - Albert Abela Group took full ownership of Medserv Limited through the purchase of the Government of Malta's 65% shareholding; Medserv Operations Limited entered into an emphyteutical grant for the period between 27 May 1997 to 27 May 2045 with the Freeport Authority for its own base and facilities within the confines of the Malta Freeport
- 2001**
  - AD Holdings Limited (later renamed Medserv p.l.c.) was incorporated as a limited liability company in Malta.
  - Albert Abela Group granted an option to AD Holdings Limited to purchase their entire shareholding in Medserv Limited.
  - AD Holdings Limited acquired first tranche of shares in Medserv Limited, comprising 49% of its issued share capital.
- 2003**
  - Conclusion of reorganization of the management structure of Medserv Limited and transfer of activities from Manoel Island to the Malta Freeport.
  - AD Holdings Limited acquired second tranche of shares in Medserv Limited, comprising 51% of its issued share capital.
- 2006**
  - AD Holdings Limited changed name to Medserv p.l.c. and was converted to a public limited company.
  - Successful IPO by the shareholders of Medserv p.l.c.
- 2007**
  - Medserv Misurata F.Z.C., the first registered Free Zone Company in Misurata, Libya, set up as a joint stock company by Medserv p.l.c. (60%) and Misurata Free Zone Authority (40%).
- 2008**
  - Medserv International p.l.c., incorporated in Malta to acquire Medserv p.l.c.'s shareholding in Medserv Misurata FZC.
- 2012**
  - Medserv (Cyprus) Limited was awarded a licence to operate an oil and gas logistics base in Limassol.
  - Medserv Operations Limited signed a lease deed by virtue of which it was granted a lease for an additional 15 years up to 2060 subject to certain terms and conditions.
- 2013**
  - Medserv (Cyprus) Limited was awarded a licence to operate an oil and gas logistics base in Larnaca, Cyprus.
  - The Issuer issued and listed €13.0 million (Tranche 1) Secured Bonds
- 2014**
  - Medserv Operations Limited was awarded two competitive contracts to provide fully integrated logistical support services to two separate international oil companies operating offshore North Africa from its base in Malta.
  - Launch of largest solar farm in Malta constructed over Medserv Malta shore base.
  - The Issuer issued and listed €7million (Tranche 2) Secured Bonds.
  - Increase of the open area at the Malta base to 93,600sqm.
- 2015**
  - Establishment of port facility at Astakos, Greece.
- 2016**
  - Acquisition of METS Holding, METS Oman, METS UAE and METS Iraq
  - The Issuer launched a dual issue comprising:
    - A 2 for 9 Rights Issue of 10 million New Ordinary Shares at €1.50 per New Ordinary Share
    - €30.0m Unsecured Bonds redeemable in 2026 in a combination of 5.75% USD Unsecured Bonds 4.5% Euro Unsecured Bonds



## 2016

- Award of contract for provision of logistic services in support of exploration drilling offshore Portugal.
- MedOps renewed of one of its major contracts with an international oil company operating offshore North Africa for a further two years. The project relates to the continuation of the Bahr Essalm offshore has field development.
- MedOps was re-awarded a contract by Eni North Africa activities taking place offshore and onshore Libya. The contract duration was for a period of one year, extended for a further 2 years in 2019

## 2017

- METS (Oman) was awarded a five-year multimillion-dollar contract by Sumitomo Corporation Tubular Supply in Oman, for supply chain management of Oil Country Tubular Goods (OCTG). This contract was further extended by five years in 2022.

## 2018

- Secured business in Egypt, a market considered by the industry to be the big new energy source on Europe's doorstep.
- Awarded a fully integrated shore base contract in Suriname having a contract value of \$30.6 million.

## 2019

- Medserv (Cyprus) Limited secured a logistics contract by TotalEnergies E&P Cyprus BV a joint venture with Eni, whereby the contract is expected to run until 18 June 2023.

## 2020

- MedOps signed an agreement with Air Liquide Oil & Gas Services Ltd (ALOS), to install and operate a compressed gases filling plant to provide diving and welding gases to the offshore industry in the Mediterranean region.
- MedOps awarded a three-year contract by EniNA to provide logistics marine base and associated services in Malta for its oil and gas activities taking place offshore Libya.
- METS UAE was awarded a key, three-year contract by Tenaris Global Services S.A., for the supply of OCTG in Abu Dhabi.
- OMV (headquartered in Vienna) awarded the MedOps a contract to provide international freight forwarding services.

## 2021

- Share for Share Exchange with Regis Group and Medserv p.l.c. renamed to MedservRegis p.l.c.
- The Issuer's subsidiary in Egypt awarded a contract by BP for the provision of materials and warehouse management services for BP's drilling and gas production projects in Egypt.
- MedOps awarded a new contract with one of its existing major clients (an international energy company operating offshore North Africa) for a period of one year (extendable for a further 3) years.
- The Issuer's subsidiary in Egypt awarded another 3 year contract by BP for the Integrated Facility Management of the West Nile Delta Site in Idku, Egypt.

## 2022

- Marubeni awarded a three-year tubing supply contract with Oman Oil, which is a key client of METS UAE.
- Uganda: acquired a site, measuring 24,000 sqm, to set up a new base for the upcoming projects.
- Contract extension with ENI, Exxon and TotalEnergies (Cyprus local operations).

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

## 7.3 Other Public Issues

### 7.3.1 Callable Bonds

Pursuant to a base prospectus dated 12 August 2013, the Issuer issued €20,000,000 worth of Bonds carrying an annual interest rate of 6% and a maturity date of 30 September 2023, with an early redemption date of any business day between the 30 September 2020 and 30 August 2023. On 30 September 2022, the Issuer redeemed €6,999,400 worth of bonds. It is the Issuer's intention to repay the outstanding principal amount of €13,000,600 (which is subject to Callable Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of their Callable Bonds held by them as at the Cut-off Date as further specified in the Securities Note) from the proceeds raised from the Bond Issue as set out in the Securities Note and accordingly, conditional upon a minimum subscription of €10,000,000 of the Bonds being issued pursuant to this Prospectus, the Issuer shall redeem the outstanding Callable Bonds remaining in issue, promptly after the issuance of the Bonds.

### 7.3.2 Bonds Maturing 2026

Pursuant to a prospectus dated 21 December 2015, the Issuer issued €21,982,400 worth of bonds carrying an interest rate of 4.5% and \$9,148,100 worth of bonds carrying an interest rate of 5.75%, each maturing on the 5 February 2026.

## 7.4 Overview of the Group's Business

The Group's core business is the provision of integrated logistics services to the Energy industry. The Group presently has facilities in Malta, Cyprus, Egypt, UAE, Iraq, Oman, Mozambique and Uganda.

The Group operates to internationally recognised and certified standards and management practices for ethical compliance, quality, health, safety and environment. These standards are applied to all its operating locations which ensure the consistent delivery of excellence in operations. The Issuer is ISO9001:2008 registered. The Group's HSSE Management System has been developed to both OSHAS18001 and ISO14001 standards. Its port operations are International Ship and Port Facility Security Code (ISPS) compliant and in line with ISO28000 Supply Chain Security Management. The Issuer is a member of the International Association of Drilling Contractors.

The oil and gas industry is divided into three major sectors: upstream, midstream and downstream. The upstream sector is also commonly known as the exploration and production (E&P) sector, which is the area in which the Group is involved. The upstream sector includes the searching for potential underground or underwater fossil fuel, drilling of exploratory wells, and subsequently drilling and operating the wells that recover and bring the crude oil and/or raw natural gas to the surface.

The Group has developed five principal product service lines in order to better meet client requirements, comprising:

- (i) Integrated Offshore Logistics;
- (ii) OCTG Pipe Services
- (iii) Engineering Support Services;
- (iv) Mixing and Storage of Drilling Fluids; and
- (v) Environmental Services including power generation from solar energy.

## 8.0 Incorporation by Reference

The following documents shall be deemed to be incorporated in, and to form part of, this Registration Document:

- (a) the 2021 Annual Audited Consolidated Financial Statements the Issuer and its subsidiary companies for the year ended 31 December 2021 (the **"2021 Annual Report"**);
- (b) the 2020 Annual Audited Consolidated Financial Statements the Issuer and its subsidiary companies for the year ended 31 December 2020 (the **"2020 Annual Report"**);
- (c) the 2022 Interim Unaudited Consolidation Financial statements of the Issuer and its subsidiary companies for the six-month period ended 30 June 2022 (the **"2022 Half Yearly Report"**); and
- (d) the 2021 Interim Unaudited Consolidation Financial statements of the Issuer and its subsidiary companies for the six-month period ended 30 June 2021 (the **"2021 Half Yearly Report"**).

The documents above are available for inspection in terms of section 17 of this Registration Document, and are available for viewing at <https://www.medservregis.com>.

### Cross Reference Table

The following Table of Cross References sets out the principal disclosure requirements which are satisfied by the information. Each page reference refers to the corresponding page in the report.

	2021 Annual Report *	2020 Annual Report	2022 Half Yearly Report **	2021 Half Yearly Report **
Income Statement	3	3	8	8
Statement of Financial Position	1 - 2	1 - 2	6 - 7	6 - 7
Statement of Cash Flows	7 - 8	8 - 9	11 - 12	11 - 12
Notes to the Financial Statements	9 - 133	10 - 103	13 - 25	13 - 25
Independent Auditor's Report ***	n/a	n/a	Not audited	Not audited

\* Page numbers as per ESEF financial statements found in the [2021 Annual Report](#).

\*\* Page numbers as per PDF, including comparatives for the six-month period ended 30 June 2021, found at:  
<https://cdn.borzamalta.com.mt/download/announcements/MDS270.pdf>

\*\*\* The independent auditor's reports for the years ended 31 December 2020 and 2021 are found on the unnumbered pages following the last page of the notes to the financial statements.

## 9.0 Organisational Structure

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its subsidiary companies. A list of all subsidiary companies of the Issuer is contained in Note 24.3 of the Annual Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2021. Since the publication of the said financial statements, one of the subsidiary companies, namely, Regis Shipping Limited (incorporated in the Seychelles), has been dissolved.

## 10.0 Trend Information

As the world emerged from the COVID-19 pandemic in 2022, most experts were planning on a gradual decrease of the demand for fossil energies, but the start of the conflict between Russia and Ukraine on 24 February 2022 created a new disruption and paved the way for prolonged tension in the international oil and gas market. The embargos decided by some countries will have long term repercussions on the energy markets.

In particular, the Issuer believes that the demand for gas in Western Europe will make the finding of alternate sources of gas a national priority in many jurisdictions.

As far as the supply side of the oil market is concerned, there are significant problems to meet with the growing demand. At present, only minimal unutilised capacity is accessible from a global perspective. For instance, many

OPEC countries are unable to meet their existing drilling quotas and oil reserves are low (above ground) because the sector has become underinvested over the recent years. The Issuer believes that the supply side requires new drilling capacity to meet increased demand. Low crude oil prices between 2015 and 2021 have sunk investment in developing countries to very low levels resulting in a low level of supply to the industry.

These geopolitical tensions are expected to favour an increased level of exploration and development of new fields in the markets where the Group is currently implanted, in particular the Mediterranean and the Middle East region.

Information relative to the profit forecasts or estimates of the Issuer is set out in the Financial Analysis Summary.

## 11.0 Key Financial Review

The historical financial information about the Issuer is included in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2021, 2020 and 2019 and in the unaudited consolidated half yearly report published on 26 August 2022 covering the six months up to 30 June 2022 (and its comparative financial information for the six month period up to 30 June 2021). There were no significant changes to the financial or trading position of the Issuer since 31 December 2021.

The said financial statements are available on the Issuer's website ([www.medservregis.com](http://www.medservregis.com)) and are also available for inspection at the Issuer's registered office as set out under the heading "*Documents Available for Inspection*" in section 17 of this Registration Document.

## 12.0 Management & Administration

### 12.1 The Board of Directors

In terms of its Memorandum and Articles of Association, the Issuer is managed by a Board of eight Directors entrusted with the overall direction and management thereof. The Board is composed of a mix of executive directors (four) and non-executive directors (four, of which three are independent within the meaning of the Code). The presence of the executive Directors on the Board is designed to ensure that the Board has direct access to the individuals having the prime responsibility for the executive management of the Group and the implementation of approved policies.

The principal purpose of the Issuer's Board is to provide the required leadership, to set the present and future strategy and to ensure proper oversight and accountability.

All of the Directors were elected by the shareholders at the annual general meeting. Unless they resign or are removed, the Directors hold office up until the end of the next annual general meeting following their appointment.

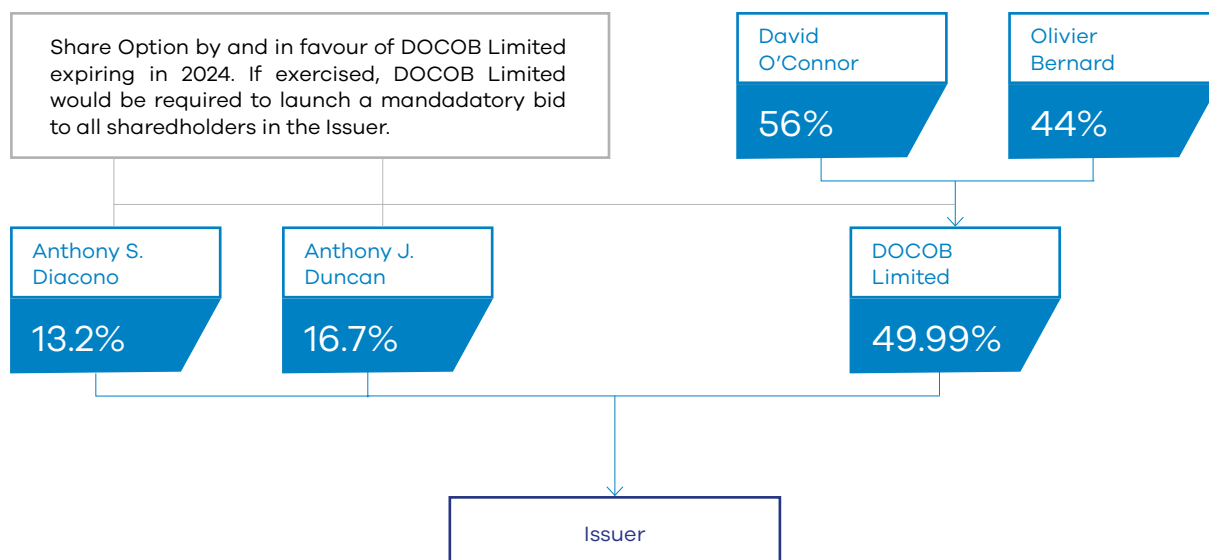
None of the Directors or members of management referred to in this Registration Document have, in the last five years:

- (i) been the subject of any convictions in relation to fraudulent offences or fraudulent conduct;
- (ii) been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

### 12.2 Major Shareholders

To the knowledge of the Issuer, control of the Issuer is not vested in any one single entity. The shareholders of the Issuer holding more than 10% of the Issuer are Mr Anthony S. Diacono (holding 13.2%), Mr Anthony J. Duncan (holding 16.7%) and DOCOB Limited (beneficially owned by Mr David O'Connor (CEO) and Mr Olivier Bernard (Deputy CEO)) holding

49.9% of the issued share capital of the Issuer. The following structure chart sets out the major shareholders of the Issuer:



Additionally, Mr Anthony S. Diacono, Mr Anthony J. Duncan and DOCOB Limited (beneficially owned by Mr David O'Connor and Mr Olivier Bernard), in their capacity as shareholders have informed the Issuer that they have entered into a call option agreement pursuant to which DOCOB Limited has been given the right (expiring on the 25 June 2024) to acquire additional shares in the Company at a discounted price. In the event of an exercise of the call option, DOCOB Limited will become bound to launch a mandatory bid to all shareholders in the Company in line with the provisions of Chapter 11 of the Capital Market Rules on Takeover Bids.

### 12.3 Conflicts of Interest

Save as disclosed, and to the Issuer's knowledge, there are no potential conflicts of interest between any duties to the Group, of directors or members of the executive management team and their private interests and other duties. The Audit Committee has the task to, *inter alia*, ensure that any potential conflicts of interests are resolved in the best interests of the Group.

The number of shares in the Issuer held directly in the name of the current Directors as at the date of this Registration Document is as follows:

<b>Mr Anthony S. Diacono</b>	13,443,654 Shares
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<b>Mr David O'Connor</b> indirectly through DOCOB Limited	28,455,738 Shares
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<b>Mr Olivier Bernard</b> indirectly through DOCOB Limited	22,358,079 Shares
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<b>Mr Carmelo sive Karl Bartolo</b>	10,000 Shares
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In view of the above roles and positions, the above-mentioned Directors may be subject to conflicts of potentially diverging interests of the shareholders they are associated with and their position as Directors of the Issuer. No shareholder is entitled to any automatic right to nominate or appoint a director on the Board – the right to nominate a director is dependent upon the shareholder holding 0.5% of the issued share capital of the Company and the appointment of directors takes place by way of ordinary resolution at general meeting.

## 12.4 Historical Financial Information

Historical financial information for the financial year 31 December 2021 is set out in the consolidated financial statements of the Issuer as audited by KPMG, and the six month period ended 30 June 2022 is set out in the unaudited consolidated half yearly report of the Issuer, and are both available on the website of the Issuer ([www.medservregis.com](http://www.medservregis.com)) or in printed form, free of charge, from the registered office of the Issuer.

The latest audited consolidated financial information available in respect of the Issuer relates to the financial year ended on 31 December 2021.

## 12.5 Legal & Arbitration Proceedings

There have been no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

## 12.6 Significant Change

There has been no significant change in the financial position of the Group which has occurred since the end of the last financial period (that is, 31 December 2021) for which either audited financial information or interim financial information have been published.

## 13.0 Share Capital

The Company's authorised share capital is €12,000,000 divided into 120,000,000 ordinary shares of €0.10 per share. The Company's issued share capital is €10,163,763.40 divided into 101,637,634 ordinary shares of €0.10 per share. All of the issued shares of the Company form part of one class of ordinary shares in the Company, which shares are listed on the Official List of the Malta Stock Exchange. All shares in the Company have the same rights and entitlements and rank *pari passu* between themselves.

## 14.0 Memorandum and Articles of Association & Objects of the Company

The Memorandum and Articles of Association of the Issuer is registered with the Registrar of Companies in Malta.

The main object of the Company is to carry on the business of a holding company whether of movable or immovable assets and other related activities including any business activities of its Subsidiaries and such other activities as may from time to time be ancillary or complimentary to the foregoing whether in Malta or overseas. Clause 3 of the Memorandum of Association contains the full list of objects of the Company.

## 15.0 Material Contracts

### 15.1 Emphyteutical Concession

Through a series of emphyteutical deeds, Medserv Operations Limited (MedOps) (a fully owned subsidiary of the Issuer) acquired, under title of temporary emphyteusis, the Medserv Site from the Freeport Authority for a period up to 29 May 2045. MedOps is prohibited from letting, granting on sub-emphyteusis, transferring, assigning the temporary *utile dominium* to third parties or otherwise transferring the Medserv Site without the prior consent, by resolution of the House of Representatives in Malta. This, however, does not prohibit it from allowing its clients the use, against payment, of any part of the Medserv Site or the buildings thereon in the normal course of its business. In the event that the House of Representatives does not provide their consent to the transfer of the Medserv Site, the Freeport Authority is obliged to acquire the Medserv Site, constructions and facilities thereon within three months from the said refusal at a pre-determined consideration.

MedOps was initially granted the exclusive use of a quay (measuring approximately 200m long and 5,000sqm in area) and wharf space (measuring 37,929sqm area) in the Malta Freeport Site, together with free access of persons, goods, vehicles and equipment. The Freeport Authority thereafter also granted it the exclusive right of use of a further quay (measuring approximately 39m long and 785sqm area) and wharf space (measuring 10,000sqm area), together with free access of persons, goods, vehicles and equipment. The exclusive use of the quays is granted for a period up to 29 May 2045 and is restricted solely for the use of MedOps' main business. The maintenance and ordinary repairs of the quays are at the charge of MedOps, whilst extraordinary repairs are at the charge of the Freeport Authority.

In consideration of the right of use granted over the quays, MedOps is obliged to pay the Freeport Authority, berthing fees. In the event that the emphyteutical grant described above terminates for any reason whatsoever, the right of use of the quays automatically terminates.

### 15.2 Lease Deed

On 5 December 2012, MedOps and the Freeport Authority entered into a public deed pursuant to which the Freeport Authority granted to MedOps a lease over the Medserv Site for an additional period of 15 years from the date of expiry of the emphyteutical grants above described (that is, 29 May 2045) and a right of use of the quays for such additional period. The rent payable in terms of the lease deed is set at €430,000 per annum (revisable every 5 years by 10%). This extension of MedOps' title of lease to the year 2060 was conditional upon it making additional investments totalling €9,000,000 by 2021 and meeting certain employment obligations. By letter dated 20 December 2021, the Malta Freeport Corporation confirmed that the said €9,000,000 investment condition had been met.

During the period of the lease, MedOps is permitted to use the Medserv Site for the purpose of carrying out the activities, functions, purposes and duties or any of them set out in, or otherwise contemplated by, the Freeport Licence (described hereunder), as the same may be amended from time to time. Any improvements made on the Medserv Site generally accede to the property without the right of compensation. MedOps may sub-let, grant under a management or operation agreement or by way of concession, the Medserv Site during the period of the lease to any third party licensed under the Freeport Act provided that the sub-lease, management or operation agreement provides that it will terminate when the third party's licence under the Freeport Act expires or terminates. MedOps is prohibited from transferring or assigning the lease without the prior consent of the Freeport Authority. This however does not prohibit it from allowing its clients the use for payment of any part of the Medserv Site or buildings thereon in the normal course of the permitted use. In the event that the consent is not granted, the Freeport Authority is obliged to pay MedOps compensation based on the value of the improvements carried out on the Medserv Site.

Additionally, the lease deed includes an obligation on the part of MedOps to employ at least ninety (90) full time equivalent persons for the purposes of MedOps' business. If there is a shortfall in the said number of persons employed during a given year which is not otherwise rectified by an excess of full time equivalent employees above ninety (90) persons for the year immediately preceding and the year immediately following the year when the shortfall exists, then MedOps shall be required, for every year in which such shortfall exists, to pay a penalty of €25,000 for each full time employee below ninety (90). Payment shall be due within three months after the end of the year immediately following the year in which there was a shortfall.

The lease deed also provides certain events of default, the occurrence of which would entitle the Freeport Authority to dissolve the lease. The termination of the lease automatically dissolves the right of use over the quays. In consideration of the right of use granted over the quays, MedOps is obliged to pay the Freeport Authority, berthing fees.

### 15.3 Freeport Licence

MedOps is in possession of a licence granted in terms of article 11 of the Freeport Act. The possession of this licence authorises MedOps to carry out in the Freeport, (constituted under section 3(1) of the Freeport Act), a trade or business consisting in the licensed activities as authorised by the Freeport Authority. The licensed activities consist of the following:

- (a) the general trade, operation, management and marketing of a storage, service and spare parts centre for the oil industry at the Freeport in Kalafrana, Port of Marsaxlokk, Malta and the establishment, supply maintenance and operation of all services related or ancillary thereto;
- (b) the carrying on of all or any of the trades or businesses of carriers and handlers by land, water and air of products;
- (c) acting as advisers, consultants, brokers and agents;
- (d) acting as marine engineers, storage contractors, wharfingers and warehousemen;
- (e) the production, manufacture, processing, importing, exporting, storing and dealing of all kinds of machines, articles, products, apparatus and things necessary or useful for the above activities; and
- (f) the rendering of services that are analogous or complementary to the foregoing, including initiatives that may benefit the environment.

The licensed activities are subject to certain conditions, *inter alia*, the payment of all licensing fees and notification to the Freeport Authority in the event of a change in control of MedOps. The said licence is valid for a period up to 29 May 2045 and is automatically extended up to 28 May 2060 if and when the Lease Deed (as described in section 15.2 above) becomes effective, subject in all cases to the right of revocation in accordance with the Freeport Act.

### 15.4 Security Trust Deed

On 9 November 2022, the Issuer, MedOps and the Security Trustee entered into a security trust deed pursuant to which it was agreed that the Security Trustee shall hold the Security on trust for the benefit of the Bondholders. Upon the occurrence of an Event of Default (as defined in the Securities Note) the Security Trustee shall be entitled to enforce the Security in terms of Maltese law. The Security Trustee is not bound to take any such steps or proceedings to enforce the Security unless requested to do so in writing by not less than 75% in value of the Bondholders.

By acquiring the Bonds, the Bondholders *inter alia* agree:

- (i) to hold the Security Trustee harmless and fully indemnified for and against any loss, damage, cost or other liability it may incur by virtue of its failure to enforce or take any steps or proceedings to enforce the covenants and provisions of the Security Trust Deed in the event that it would have not received proper instructions in writing from at least 75% in value of the Bondholders; and
- (ii) not to exercise any right of set-off in respect of any amount payable by the Bondholders to the Issuer or MedOps against any amount payable by the Issuer or MedOps to the Bondholders.

All monies held by the Security Trustee shall (subject to any prior ranking claims thereon) be held on trust and shall be applied for the following purposes and in the following order of priority in payment of:

- (i) all costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust by the Security Trustee including all remuneration payable to the Security Trustee with interest thereon;
- (ii) the interest owing upon the Bondholders *pari passu* and without any preference or priority; and
- (iii) the principal monies owing upon the Bonds *pari passu* and without any preference or priority.

The Security Trustee is bound to give to the Bondholders at least ten days' notice of every distribution made to them and is entitled to withhold payment of any monies due to be distributed to the Bondholders. Should the Security Trustee decide to withhold payment it shall place the same in a savings account with a bank. The amount which equals the amount of the principal monies withheld shall not carry interest while such monies are withheld (save for any interest allowed on the savings account in which the monies withheld are placed).

In terms of the Security Trust Deed, the Security Trustee may at any time prior to exercising any power of discretion:



- (i) call a meeting of the Bondholders in compliance with rules governing Bondholder meetings (as set out in the Securities Note); or
- (ii) write to the Bondholders requesting their instructions or directions.

The Bondholders are in terms of the Security Trust Deed entitled to require the Security Trustee to convene a meeting of the Bondholders provided that such request is made by at least 10% in value of the Bondholders at that time.

The Security Trustee may, in its absolute and uncontrolled discretion and shall, upon the request in writing of not less than 75% in value of the Bondholders, by notice in writing to the Issuer, declare that, in terms of the Prospectus the Bonds to have become immediately payable.

The Security Trustee will not be liable for any default or breach of duty or trust committed by it or for any loss of profits unless such default or breach is caused by the fraud, wilful misconduct or gross negligence on the part of the Security Trustee or by some act or omission in respect of which the Security Trustee cannot be indemnified under proper law.

The Security Trustee also has the power (without the prior written consent of the Bondholders) to vary, amend, add to or delete any or all provisions of the Security Trust Deed (whether of a beneficial or administrative nature), provided that such power shall not be exercised if, *inter alia*, it infringes the proper law of the Security Trust Deed. Moreover, the Security Trustee is entitled to receive from the Issuer remuneration for acting as Security Trustee.

Furthermore, the Security Trustee may resign by giving not less than 3 months' notice in writing to the Issuer, MedOps and the Bondholders without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement. The Bondholders also have the power exercisable by a resolution passed at a meeting of Bondholders passed by 75% in value of the Bondholders to remove the Security Trustee. The Issuer has undertaken to use all reasonable endeavours to procure a new trustee to be appointed. If a successor trustee is not appointed within 30 days from the delivery of the notice of resignation or the date of removal, the Security Trustee may itself appoint a successor trustee. The retirement or removal shall not become effective until such time as a successor trustee is appointed and the trust property is transferred to the successor trustee.

## 16.0 Regulatory Disclosures

Over the last twelve months, the following disclosures have been made by the Issuer in terms of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation):

### 16.1 Share for Share Exchange

On 12 April 2021, the Issuer announced that it had concluded a share for share exchange conditional agreement with the shareholders of Regis Holdings Limited pursuant to which the Issuer agreed to purchase the shares in Regis Holdings Limited in consideration of which it would issue 47,893,229 ordinary shares of a nominal value of €0.10 per share and a share premium of €0.58 in favour of the shareholders of DOCOB Limited (being then the shareholder of Regis Holdings Limited). This transaction was successfully completed on the 25 June 2021 and an announcement to this effect was issued on the same day.

The 47,893,229 ordinary shares of a nominal value of €0.10 per share and a share premium of €0.58 in favour of the shareholders of DOCOB Limited (beneficially owned by Mr David O'Connor (CEO) and Mr Olivier Bernard (Deputy CEO)) were subsequently admitted to the Official List of the Malta Stock Exchange, following approval by the Malta Financial Services Authority of their admissibility to listing.

## 16.2 PDMR Disclosures

The transfers undertaken by Mr Anthony S. Diacono (Executive Chairman), Mr Anthony J. Duncan (then the Finance Director), Mr David O'Connor (CEO) and Mr Olivier Bernard (Deputy CEO) were also announced to the market:

Date	Transferor	Shares	Price	Transferee
24 June 2021	Malampaya Investments Limited*	18,450,000	€0.01 per share	Mr Anthony J. Duncan
2 July 2021	Mr Anthony S. Diacono	1,470,588	€0.68 per share	DOCOB Limited**
2 July 2021	Mr Anthony J. Duncan	1,450,000	€0.68 per share	DOCOB Limited**
19 October 2022	Mr Anthony S. Diacono	1,000,000	€0.70 per share	n/a

\* beneficially owned by Mr Anthony J. Duncan

\*\* beneficially owned by Mr David O'Connor and Mr Olivier Bernard

## 17.0 Documents Available for Inspection

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at Port of Marsaxlokk, Birzebugia, BBG 3011, Malta during the term of the Bond Issue during office hours:

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the audited consolidated financial statements of the Issuer for the years ended 31 December 2019, 2020 and 2021;
- (iii) the condensed consolidated interim financial statements of the Issuer for the six months ended 30 June 2022, including the comparative period ending 30 June 2021;
- (iv) the Financial Analysis Summary annexed to the Securities Note;
- (v) the contracts described under the section '*Material Contracts*';
- (vi) the Valuation dated 12 September 2022 and issued by TBA Periti and site plans referred to therein and consent by TBA Periti for reference to such valuation;
- (vii) the public deeds creating the Security in favour of the Security Trustee; and
- (viii) the Land Registry searches dated 24 October 2022 and Official Public Registry Searches on privileges and hypothecs carried out for the period between 28 September 2006 and 20 October 2022, in respect of MedOps.

The documents listed in (i) to (iv) and (vi) above, both included, are also available for inspection in electronic form on the Issuer's website – <https://www.medservregis.com>

# Annex 1 - Valuation Report



**Architects, Civil and Structural Engineering Consultants**  
No. 43 Main Street, Balzan BZN 1259, MALTA.  
Tel: (+356) 21498532 Fax: (+356) 21498534 E-mail: [tbaperiti@tbaperiti.com](mailto:tbaperiti@tbaperiti.com)  
URL: [www.tbaperiti.com](http://www.tbaperiti.com)

The Board of Directors  
MedservRegis Plc  
Malta Freeport Terminals  
Port of Marsaxlokk  
Birżebbuġa BBG 3011  
MALTA

12<sup>th</sup> September 2022

Dear Sirs,

## ***PROFESSIONAL VALUATION REPORT***

### ***I. Preparation of an Independent Valuation Report***

#### **1. Parties Requesting Valuation**

This property valuation report has been prepared for MedservRegis Plc (hereinafter referred to as 'MEDSERVREGIS'), a public company incorporated in Malta and listed on the Malta Stock Exchange which fully-owns its subsidiary, Medserv Operations Limited, a limited liability company (Company Registration No.: C2971). Our professional work has been carried out in accordance with our terms of engagement dated 31<sup>st</sup> July 2022.

#### **2. Purpose of Valuation**

The principal activity of Medserv Operations Limited is concerned with the provision of industrial services for the offshore oil and gas industry from its base within the industrial property forming part of the Malta Freeport Terminals at the Port of Marsaxlokk in Malta (hereinafter referred to as 'the Property'), which it holds under a title of temporary emphyteusis up to 2045, and subsequently on lease up to 2060.

MEDSERVREGIS intends to make an offer of debt securities to the public and to list them on the Official List of the Malta Stock Exchange. Medserv Operations Limited

has a property interest and reference to such property is to be made in the prospectus covering the issue of such debt securities. In view of this fact, MEDSERVREGIS has requested a valuation of such property, in accordance with Chapter 7 of the Capital Market Rules (CMR) issued by the Malta Financial Services Authority (hereinafter referred to as ‘the Capital Market Rules’). This property valuation report is required to be prepared by an independent expert and it is to be included in the said prospectus. This property valuation report has been prepared solely for the above-mentioned purpose and is not suitable for other uses or purposes.

### **3. Date of Valuation**

The valuation of the Property is effective as of the 12<sup>th</sup> September 2022.

### **4. Subject of Valuation**

Medserv Operations Limited currently operates from premises located at the **Malta Freeport Terminals, Port of Marsaxlokk, Birżebbuġa BBG 3011, Malta**. The company is presently involved in supply maintenance, storage contracting, warehousing and servicing for the offshore oil and gas industry. By virtue of an operational licence issued by the Malta Freeport Corporation Limited on the 5<sup>th</sup> December 2012, the company is also permitted to carry out initiatives, which are of an environmental nature.

The valuation of the Property, comprising the industrial land, the overlying buildings and structures, and the ancillary quayside facilities currently occupied by Medserv Operations Limited at the Malta Freeport Terminals was carried out with due regard to the emphyteutical notarial deeds dated 29<sup>th</sup> May 1997, 23<sup>rd</sup> December 1999 and 22<sup>nd</sup> June 2004, the Parliamentary Resolution dated 27<sup>th</sup> October 2003, the recent lease agreement dated 5<sup>th</sup> December 2012, and the operating licence issued by the Malta Freeport Corporation Limited to Medserv Operations Limited on the 5<sup>th</sup> December 2012. These documents are discussed in further detail in Appendix A of this property valuation report. Medserv Operations Limited also holds a title of lease on two plots of land and a title of encroachment on a third plot of land at Hal Far Industrial Estate at Hal Far, whose value has, however, been excluded from this property valuation report.

## **5. Site Location, Building Description and Use**

Medserv Operations Limited used to operate from premises located at Manoel Island in Gżira in Malta but, by virtue of several notarial deeds, a Parliamentary Resolution, and a lease agreement, the company acquired a tract of industrial land together with ancillary quayside facilities at the Malta Freeport Terminals, from where it was able to expand its services within the offshore oil and gas industry.

A schematic layout of the property currently occupied by Medserv Operations Limited is presented in Appendix B of this property valuation report. The Property consists of land measuring approximately 50,000 sq.m., together with the overlying buildings and structures, and ancillary quayside facilities. The quayside facilities comprise circa 239m of quays and circa 5,785 sq.m. of wharf space together with overlying quayside offices, stores and silos, and a right of passage over a further 1,600 sq.m. of wharf space at the Malta Freeport Terminals.

These new premises at the Malta Freeport Terminals were occupied in April 2002 when construction works on the Ground Floor of the two-storey office block and the main warehouse were commenced. The initial construction works were completed by the following year, when the company commenced operations from the Malta Freeport Terminals. Several others buildings and structures were constructed over the years as the company extended its operations further. A description of the Property at the Malta Freeport Terminals is provided in the table below:

<b><i>Description of Fixed Assets</i></b>	<b><i>Year of Construction or Year of Use</i></b>	<b><i>Area or Length (sq.m or m)</i></b>	<b><i>Total Area or Total Length (sq.m or m)</i></b>
<b>Industrial Land at Malta Freeport Terminals</b>	Used since 2002	50,325	<b>50,325</b>
<b>Security Gate House</b>	Constructed in 2003	16	<b>16</b>

<b>Electrical Sub-Station &amp; Switch Room</b>	Constructed in 2003	60	<b>60</b>
<i>Main Office - Ground Floor</i>	Constructed in 2003	480	
<i>Main Office - First Floor</i>	Constructed in 2003	480	
<i>Adjacent Office – Ground Floor</i>	Constructed in 2005	133	
<i>Adjacent Office – First Floor</i>	Constructed in 2005	133	
<b>Sub-Total Office Floor Area</b>			<b>1,226</b>
<b>Yard Staff Amenities</b>	Constructed in 2005	147	<b>147</b>
<b>Maintenance Workshops</b>	Constructed in 2004	420	<b>420</b>
<i>Main Warehouse</i>	Constructed in 2003	2,672	
<i>FMC Warehouse &amp; Cameron Warehouse</i>	Constructed in 2005	1,760	
<b>Sub-Total Warehouse Area</b>			<b>4,432</b>
<b>Training Classrooms &amp; Overlying Offices</b>	Constructed in 2006	314	<b>314</b>
<b>Small Covered Storage Shed</b>	Constructed in 2009	586	<b>586</b>
<b>Large Covered Storage Shed</b>	Constructed in 2009	3,055	<b>3,055</b>
<b>Stores and Archives</b>	Constructed in 2010	158	<b>158</b>
<b>Covered Warehouse</b>	Constructed in 2013	219	<b>219</b>
<b>Covered Warehouse</b>	Constructed in 2013	294	<b>294</b>
<b>Additional Warehouses</b>	Constructed in 2016	6,800	<b>6,800</b>
<b>Transformer Room</b>	Constructed in 2014	39	<b>39</b>
<b>Inverter Room</b>	Constructed in 2014	87	<b>87</b>

<b>Additional Office Floor Area (Main Office – Second Floor)</b>	Constructed in 2015	480	<b>480</b>
<b>External Concrete Paving</b>	Constructed in 2015	4,113	<b>4,113</b>
<b>Photo Voltaic (PV) Solar Farm</b>	Constructed in 2014	23,438	<b>23,438</b>
<b>Quayside Berthing Facilities with 10m Draught (Including Right of Passage)</b>	†200m used since 2002 and a further 39m used since 2004	239	<b>239</b>
<b>Wharf Space along Quays with Office &amp; Store and Silos (Including Right of Passage)</b>	†5,000sq.m used since 2002 and a further 785sq.m used since 2004 (office & store constructed in 2002)	5,785	<b>5,785</b>
<b>Paved Area for Use by Air Liquide Oil &amp; Gas Services Limited</b>	Constructed in 2020	1,500	<b>1,500</b>

† The Quays and wharves currently used by Medserv Operations Limited were originally constructed by the Government of Malta in circa 1985.

**Table 1: Description of the Fixed Assets of the Property**

With reference to the superficial area of the tract of land forming the emphyteutical property of Medserv Operations Limited, it should be pointed out that, during the vetting of the documents submitted by the management of Medserv Operations limited, it was observed that there presently exists a conflict between the property area indicated within the text in the lease agreement of the 5<sup>th</sup> December 2012 (47,929 sq.m.) and the property area shown in the drawing attached to the notarial deed of the 22<sup>nd</sup> June 2004 (50,850 sq.m.). Subsequent investigations confirmed that the latter area corresponds to a topographical survey of the actual emphyteutical site that was carried out by an accredited land surveyor commissioned by Medserv Operations Limited. Consequently, it is evident that the area indicated within the text of the lease

agreement of the 5<sup>th</sup> December 2012 was notional and, therefore, was not based upon an accurate land survey.

In such cases, relevant jurisprudence within the Maltese Courts has adopted a margin of error of +/- 5% upon the superficial area indicated within the text of a notarial deed provided that the word 'circa' or 'approximately' precedes the measurement value of the area. In fact, the text within the lease agreement of the 5<sup>th</sup> December 2012 states that the area of the property is 'approximately' 47,929 sq.m. and, consequently, the +/- 5% leeway is also applicable in this particular case.

In this respect, for the purposes of the valuation of the Property, the area of 47,929 sq.m. that was mentioned within the text of the notarial deed of the 22<sup>nd</sup> June 2004 was increased by 5% to give 50,325 sq.m.. It is worth noting that this area is just 525 sq.m. below the superficial area of 50,850 sq.m. that is shown within the drawing annexed to the notarial deed of the 22<sup>nd</sup> June 2004.

## **6. Permitted Development and Uses**

The development and uses permitted by the operating licence issued by the Malta Freeport Corporation Limited and the Planning Authority Marsaxlokk Bay Local Plan (1995) are briefly discussed below.

### **6.1 Existing Valid Development Permits**

The existing valid Development Permits issued by the Planning Authority (PA) for the construction works carried out within the Property are listed in chronological order below:

- (i) *PA/06779/97 dated 10<sup>th</sup> August 1998:* Full Development Permit for the construction of offices, warehouses and workshop.
- (ii) *PA05728/98 dated 9<sup>th</sup> February 1999:* Amended Full Development Permit for the construction of offices, warehouses and workshop.
- (iii) *PA/05139/99 dated 15<sup>th</sup> December 1999:* Full Development Permit for the construction of temporary offices for Medserv.



- (iv) *PA02426/03 dated 16<sup>th</sup> March 2004*: Full Development Permit for the office building construction of 1<sup>st</sup> floor and ground floor sanctioning as built.
- (v) *DN00628/13 dated 15<sup>th</sup> May 2013*: Development Notification Permit for the construction of a solar farm.
- (vi) *DN/00915/14 dated 2<sup>nd</sup> July 2014*: Development Notification Permit for the proposed construction of transformer and inverter room.
- (vii) *PA/02125/14 dated 22<sup>nd</sup> April 2016*: Full Development Permit for proposed additional office floor area and additional warehouses.
- (viii) *PA/02307/14 dated 24<sup>th</sup> June 2016*: Full Development Permit for sanctioning of Medserv warehouses, training area and quay rooms.
- (ix) *PA/04164/17 dated 9<sup>th</sup> June 2017*: Maintenance dredging at North Quays of Terminals 1-2 to sustain the operability of the Facility.
- (x) *PA/09805/19 dated 6<sup>th</sup> July 2020*: Full Development Permit for compressed gases filling plant for naturally occurring gases including oxygen, nitrogen, carbon dioxide and helium. Development includes the construction of a compressor and filling room, a laboratory and a small office together with erection of storage tanks, a sub-station and a switch-room (Class 5B).

## 6.2 Development and Uses Permitted by the Notarial Deeds, the Lease Agreement and the Operating Licence

The primary development and activities permitted by the notarial deeds, the lease agreement and the operating licence issued by the Malta Freeport Corporation Limited are briefly summarised below:

- (i) Within the period 29<sup>th</sup> May 1997 to 28<sup>th</sup> May 2045, Clause 11(i) of the notarial deed dated 29<sup>th</sup> May 1997 prohibits leasing or granting the site on sub-emphyteusis to third parties without the consent of the House of Representatives.
- (ii) Within the period 29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060, Clause 21.2 of the lease agreement dated 5<sup>th</sup> December 2012 prohibits leasing or granting the site on sub-emphyteusis to third parties without the consent of the Malta Freeport Corporation Limited.

- (iii) However, by virtue of Clause 21.1 of the lease agreement dated 5<sup>th</sup> December 2012, within the period 29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060, Medserv Operations Limited may sublet and/or assign to third parties, licensed by the Malta Freeport Corporation Limited, part or all of the property under a management or operating agreement or by way of concession.
- (iv) Clause 11(iv) of the notarial deed of the 29<sup>th</sup> May 1997 prohibits share transfer in Medserv Operations Limited, formerly Medserv Limited, which would result in Albert Abela Group of Companies having less than 51% shareholding and/or losing effective control of Medserv Operations Limited.
- (v) However, the Parliamentary Resolution of the 27<sup>th</sup> October 2003 allowed the transfer of shares in Medserv Operations Limited such that Albert Abela Group of Companies was permitted to own less than 51% shareholding and/or lose effective control of Medserv Operations Limited. Consequently, Clause 11(iv) of the notarial deed dated 29<sup>th</sup> May 1997 is no longer effective.
- (vi) Within the period 29<sup>th</sup> May 1997 to 28<sup>th</sup> May 2045, Clause 11(i) of the notarial deed dated 29<sup>th</sup> May 1997 permits clients of Medserv Operations Limited to use for payment any part of the site and overlying buildings in the normal course of its business without, however, transferring any title.
- (vii) The operating licence issued by the Malta Freeport Corporation Limited on the 5<sup>th</sup> December 2012 allows a wide range of industrial activities, which are, however, ancillary to the existing operations of Medserv Operations Limited at the Malta Freeport and also include initiatives involving environmental projects.

### 6.3 Development and Uses Permitted by the Planning Authority Marsaxlokk Bay Local Plan (1995)

From a development planning point of view, the permitted development within the Malta Freeport is regulated by the Planning Authority Structure Plan (1992) and, in particular, by the Planning Authority Marsaxlokk Bay Local Plan (1995).

The governing policies, which are pertinent to note with respect to the Property occupied by Medserv Operations Limited, are the following:

- (i) MT 06: New Arterial Road to Birżebbuġa and the Malta Freeport.
- (ii) MP 01: Industrial Expansion at the Malta Freeport Area.
- (iii) MP 03: Oil and Gas Discharge at the Malta Freeport.
- (iv) MP 04: Overall Use Guidelines for Industrial Activity.
- (v) MB 12: Further Development at the Malta Freeport.

The Planning Authority Marsaxlokk Bay Local Plan (1995) considers Hal Far Industrial Estate as a satellite industrial zone to the Malta Freeport. It actively promotes the use of the Malta Freeport areas for:

- (a) The handling of cargo and, in particular, transshipment.
- (b) The storage and supply of oil and gas products for industry.
- (c) The relocation of the existing Enemalta Corporation facilities from residential areas (e.g. 31<sup>st</sup> March 1979 facility in Birżebbuġa).
- (d) Industrial activities, particularly of a maritime nature.

In the light of the above, possible permitted uses on the premises at Malta Freeport currently occupied by Medserv Operations Limited could include:

- (1) Activities similar to those already being carried out by Medserv Operations Limited, such as, supply maintenance, storage contracting, warehousing and servicing for the offshore oil and gas industry.
- (2) Industrial units for both maritime and non-maritime activities.
- (3) Research and training centre for the oil industry in the Central Mediterranean Region.
- (4) Bunkering of oil, gas & ancillary products.
- (5) Handling of unitised cargo activity (Ro-Ro & Lo-Lo cargo handling) from the quay with transshipment storage on site (such as car transshipment).
- (6) Warehousing for the local industry.

## **7. Declaration of Independence**

TBA Periti hereby declares that it has no undisclosed interest in the Property and that its employment and compensation is not contingent upon its findings and valuation. In addition, earlier this year, TBA Periti had been commissioned by Medserv Operations Limited to undertake an independent valuation of the Property and had reported on its value as at 31<sup>st</sup> December 2021, which valuation was referred to in the published annual financial statements of the company for the financial year ending on the 31<sup>st</sup> December 2021. Furthermore, the proportion of the total fees, including fees for this engagement, from MEDSERVREGIS to the total fees earned by TBA Periti in the preceding twelve months is minimal.

## **8. Statement of Compliance**

TBA Periti confirms that the valuation of the Property has been prepared as an external valuer in terms of and with due regard given to the appropriate sections of the Valuation Standards contained in the The Royal Institution of Chartered Surveyors ‘RICS Valuation – Professional Standards’ dated November 2021. There has been no departure from the above-mentioned standards. The Property has been valued by valuers, for and on behalf, of TBA Periti, who are qualified for the purpose of the valuation in accordance with the RICS valuation standards.

## **9. Basis of Value and Valuation Approach**

TBA Periti has been engaged to provide the valuation of the Property based on Market Value. In relation to the Market Value, RICS Valuation – Professional Standards (November 2021) defines Market Value as:

‘The estimated amount for which an asset or liability should exchange on the *valuation date* between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

*Market value* is a *basis of value* that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale,

or equivalent legal document, at the *valuation date*, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible.

It ignores any price distortions caused by *special value* (an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*) or *marriage value*. It represents the price that would most likely be achievable for an asset across a wide range of circumstances. *Market Rent* applies similar criteria for estimating a recurring payment rather than a capital sum.'

Furthermore, the International Valuation Standards dated January 2022 defines Market Value in IVS 104 Paragraph 30.1 as:

‘...the estimated amount for which an asset or liability should exchange on the *valuation date* between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

The open market value for the Property is necessarily related to the corresponding permitted developments and uses as discussed earlier within Section 6. Consequently, the Market Value of the Property as set out in this property valuation report is equivalent to the open market value for existing use. In addition, the present capital value of the Property in its existing state is reflected in the Market Value of the Property, estimated as described herein. It should also be noted that valuation of the Property excludes the following:

- (a) Movable assets such as computers and telecommunications equipment, office furniture and equipment, furnishings, etc.
- (b) Specialist tools.
- (c) Motor vehicles.
- (d) Plant and mechanical equipment.
- (e) Stock material.

As described earlier in Section 4 and in Appendix A, the title of Medserv Operations Limited over the Property emanates from the emphyteutical grant and the subsequent lease, which together form a continuing right over the same property. The latter title of lease is subject to satisfaction of certain contractual conditions on investment and labour provision by Medserv Operations Limited.

It is worth noting that, in addition to the five permitted uses in the previous operating licence dated 1<sup>st</sup> April 2002, the Malta Freeport Corporation Limited introduced a sixth permitted use within the operating licence issued to Medserv Operations Limited on the 5<sup>th</sup> December 2012, namely:

*“6. The rendering of services that are analogous or complimentary to the foregoing, including initiatives that may benefit the environment.”*

This sixth permitted use in the operational licence is a particularly important addition since it allows the company to invest in environmental projects in order to qualify for investment tax credits and also to derive a return from such capital investment. Indeed, on the basis of feasibility studies carried out by the company with regards to the construction of new buildings and structures, and the installation of the existing solar farm consisting of 8,211 solar Photo Voltaic (PV) panels taking up an area of circa 21,078 sq.m. at roof level, it is estimated that the renewable energy that will be generated over a 20-year period will amount to circa 3,392 MWH.

Such capital investment, amounting to circa €5,080,387, was carried out by Medserv Operations Limited by virtue of Planning Authority Permit DN00628/13 (*vide* Section 6.1(iii)) in order to meet its obligation for the First Investment in accordance with the notarial deed of the 5<sup>th</sup> December 2012. The company also entered into a contractual agreement with Enemalta Corporation on the terms of sale of electricity in accordance with the provisions of L.N.71 of 2013, Feed-In Tariffs (Electricity Generated From Solar Photovoltaic Installations) (Amendment) Regulations, which presently provides for a Feed-In Tariff of €0.17c per KWH of electricity over a 20-year period (8<sup>th</sup> July 2014 to 7<sup>th</sup> July 2034).

Although the regulations provide for a Feed-In Tariff of €0.17c per kWh of electricity for roof-mounted PV panels, the company is actually being paid at the rate of €0.16c per kWh as the PV panels were considered to be ground-mounted, in view of the fact that the PV support steel structures in place do not fall within the strict definition of roof-mounted PV panels in terms of the regulations. In addition, in accordance with the Fourth Schedule of the regulations, the amount of electricity generated by the PV solar farm in excess of an annual yield of 1,600kWh (that is, over 3,219,200 units per annum) is paid at the rate of €0.11c per kWh.

It is worth noting that the PV solar farm at the Malta Freeport Terminals was completed and became operational on the 8<sup>th</sup> July 2014. In addition, the average annual income from the 8<sup>th</sup> July 2014 to the valuation date of the 12<sup>th</sup> September 2022 amounts to circa €499,411 per annum.

In this respect, the valuation of the Property is based upon the following approach:

- (i) The valuation of the Property was carried out on the basis of a *Market Approach* on the assumption that the property rights could be sold subject to any existing third party obligations. The basis of value for the valuation of the Property of Medserv Operations Limited is, therefore, *Market Value*. The property valuation was also based upon publically-available data and comparable recent market transactions on an arm's length basis, together with TBA Periti's analysis and experience in the local real estate market and information provided by the management of MEDSERVREGIS, including projections of expected future investments and costs.
- (ii) The valuation of the Property has been carried out for the time period 13<sup>th</sup> September 2022 to the 28<sup>th</sup> May 2060, bearing in mind, however, the contractual conditions of investment and labour provision incumbent upon Medserv Operations Limited for the commencement of the lease for the period 29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060, beyond the expiration of the present emphyteutical grant on the 28<sup>th</sup> May 2045.
- (iii) The components which contribute towards enhancing the Market Value of the Property comprise the land, the existing overlying buildings and structures as

detailed in Table 1, the balance of the capitalised rental value of the potential commercial use of the ancillary quayside facilities, the expected capitalised income derived from the generation of electricity by the PV solar farm for the remainder of the 20-year contractual period commencing on the 8<sup>th</sup> July 2014 as well as the expected capitalised income derived from the service agreement with Air Liquide Oil & Gas Services Limited for a period of 10 years commencing on the 1<sup>st</sup> November 2020 and ending on the 31<sup>st</sup> October 2030.

- (iv) On the other hand, the cost components which must be considered in arriving at the Market Value of the Property include the balance of rent which is to be paid out by the company to the Malta Freeport Corporation Limited for the land and for the use of the ancillary quayside facilities, throughout the remaining emphyteutical grant period (13<sup>th</sup> September 2022 to 28<sup>th</sup> May 2045) and the subsequent lease period (29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060), and the balance of payments to be made by the company for the 24 x 7 security guard service. Furthermore, in the property valuation report as at the 31<sup>st</sup> May 2013, a prudent provision (10% shortfall) was made in order to take account of the penalties that would be incurred by the company within the period 29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060, if there were to be a shortfall in the labour provision below the 3-year rolling average contractual threshold of 90 Full Time Employees (FTEs) that are to be employed by the company within this period (as per notarial deed of the 5<sup>th</sup> December 2012). Since then, the 3-year rolling average number of FTEs was always more than 90 FTEs and, therefore, subsequent property valuation reports excluded a provision for a 10% shortfall in the contractual threshold of 90 FTEs. However, for the period 1<sup>st</sup> January 2022 to 12<sup>th</sup> September 2022, the 3-year rolling average FTEs amounted to 89 FTEs, which falls just 1 FTE below the contractual threshold of 90 FTEs stipulated in the notarial deed of the 5<sup>th</sup> December 2012. It should be noted that the company would have been subject to a marginal penalty envisaged due to a shortfall in the level of FTEs amounting to €25,000 per FTE shortfall X 1 FTE, that is, €25,000, had such shortfall in the contractual threshold of 90 FTEs occurred within the lease period 29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060.
- (v) With respect to the First Investment mentioned in the lease agreement of the 5<sup>th</sup> December 2012, as described earlier, the capital investment in new



buildings and structures as well as the overlying solar PV panels was carried out, and it is expected to provide a return on the capital investment which should pay for itself. For the purposes of this property valuation, therefore, it was considered that this investment should neither feature as an asset nor as a cost component within the property valuation calculations.

- (vi) The Second Investment mentioned in the lease agreement of the 5<sup>th</sup> December 2012 was also carried out by the company. Since this investment was intended to be devoted solely for the purpose of purchasing additional plant and equipment that was required by the company in order increase its production and turnover, it was considered that this investment should likewise pay for itself and, therefore, it should also neither feature as an asset nor as a cost component within the property valuation calculations.
- (vii) Finally, the Market Value of the Property of Medserv Operations Limited was computed by subtracting the sum of the net present values of the cost components calculated in Paragraph (iv) above from the sum of the net present values of the contributory components calculated in Paragraph (iii) above.

## **10. Property Inspection**

As part of its professional work, an inspection of the buildings, structures and ancillary facilities was carried out by TBA Periti in order to obtain a better understanding of the Property and to identify any visible defects that could have an impact upon the valuation of the Property. This inspection did not represent a building survey and should not be construed as such. TBA Periti has neither carried out any detailed structural surveys, nor tested building services nor exposed parts of the structure which were covered, unexposed or inaccessible. Whilst the valuation has taken due regard with regards to the present apparent general condition of the Property based upon visual inspections, TBA Periti cannot, therefore, provide any assurance that the Property is free from structural defects.

For the purposes of the property valuation, TBA Periti has also relied upon the floor plans and surveys of the land and overlying buildings, structures and facilities provided by the management of MEDSERVREGIS, and has not undertaken any detailed measurement of the property. All measurements and areas quoted in this

valuation report are, therefore, to be considered as approximate for the purposes of this property valuation report. Details of tenure of the property considered within the valuation emanate from the notarial deeds, lease agreement, operational licence and other relevant documents provided by the management of MEDSERVREGIS. Furthermore, the property valuation calculations were based upon information made available by the management of MEDSERVREGIS, including projections of expected future investments and costs.

An assumption can be defined as a supposition taken to be true. Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that by agreement, need not be verified by a valuer as part of the valuation process. In undertaking the valuation of the Property, TBA Periti has made certain assumptions and has relied upon certain sources of information. TBA Periti believes that the assumptions made within this property valuation report are reasonable, taking into account its knowledge of the Property and the contents of reports and other information made available by the management of MEDSERVREGIS. However, in the event that any of the information or assumptions on which the valuation of the Property is based is subsequently found to be incorrect, then the conclusions in this valuation report may also be incorrect or invalid.

In addition, the management of MEDSERVREGIS have confirmed that they have provided TBA Periti with all the information that could be material for the purposes of the valuation of the Property.

## **11. Sources of Information**

For the purposes of this property valuation report, TBA Periti has relied upon the following information provided by the management of MEDSERVREGIS or their advisors or which was otherwise in the public domain:

- (i) The notarial deed between Malta Freeport Corporation Limited and Medserv Limited (now Medserv Operations Limited) dated 29<sup>th</sup> May 1997;
- (ii) The notarial deed between Malta Freeport Corporation Limited and Medserv Limited (now Medserv Operations Limited) dated 23<sup>rd</sup> December 1999;
- (iii) The Parliamentary Resolution dated 27<sup>th</sup> October 2003;

- (iv) The notarial deed between Malta Freeport Corporation Limited and Medserv Limited (now Medserv Operations Limited) dated 22<sup>nd</sup> June 2004;
- (v) The lease agreement between Malta Freeport Corporation Limited and Medserv Operations Limited dated 5<sup>th</sup> December 2012;
- (vi) The operating licence issued by Malta Freeport Corporation Limited to Medserv Operations Limited dated 5<sup>th</sup> December 2012;
- (vii) Drawings of plans and sections of the Property;
- (viii) Health and Safety information relating to the Property;
- (ix) Audited Financial Statements for the financial years ended 31<sup>st</sup> December 2019, 31<sup>st</sup> December 2020 and 31<sup>st</sup> December 2021;
- (x) Management accounts for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> August 2022;
- (xi) Other relevant details in relation to the Property.

The Market Value of the Property was also determined on the basis of real estate market statistical data on industrial property of a similar type and location gathered by TBA Periti, including real estate market statistical data on industrial property of a similar type and location gathered from various information sources, including:

- (a) Extensive sale price statistics on more than 100 industrial properties advertised online by local real estate agents. Conservatively, the sale price data obtained from this source were reduced by a factor of 15% in order to make allowance for the fact that, in practice, the final contract sale prices are usually lower than the advertised sale prices, following buyer/seller negotiations on the property transactions.
- (b) Trends of property price variations obtained from statistical data published by the Central Bank of Malta.
- (c) Trends of property price variations obtained from statistical data published by the National Statistics Office.
- (d) Real estate property market statistics on industrial properties gathered and reported in the online database at <https://dashboard.djar.com>, and published regularly by Ernst & Young (EY) Malta.

## **12. Assumptions**

In the preparation of this property valuation report, TBA Periti has made the following assumptions:

- (i) The buildings on the property are in a good state of repair;
- (ii) The building services and ancillary facilities are in good working order;
- (iii) The Property is not contaminated and no contaminative or potentially-contaminative uses have ever been carried out on it;
- (iv) There are no known abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of the Property;
- (v) With reference to Capital Market Rule 7.4.1.6, all the buildings and structures on site are covered by the relevant valid Planning Authority development planning permits, and they have been erected in accordance with these building permits.
- (vi) The Property complies with all applicable laws and regulations, including those relating to health and safety;
- (vii) Only minor costs will be incurred if any modification or alteration is necessary in order for the Property to comply with the provisions of relevant disability and access laws.
- (viii) The Property is insured against all usual risks at normal, commercially-acceptable premiums and will remain so throughout the term of the emphyteusis and subsequent lease;
- (ix) The Property has in place, and will continue to have in place over the period of the emphyteusis and subsequent lease, all the necessary licences and other enablers required to continue to be applied to its permitted uses;
- (x) The current permitted use of the Property will continue throughout the period of the emphyteusis and subsequent lease.
- (xi) The valuation of the Property was carried out on the basis of the Market Value on the assumption that the property rights could be sold on the open market subject to any existing third party obligations.
- (xii) Since the 15-year lease from 2045-2060 commences directly after the 48-year emphyteutical grant from 1997-2045 (precisely on the 29<sup>th</sup> May 2045), the

cumulative 63-year title of Medserv Operations Limited is considered to be a continuing right on the same Property, which is equivalent to a long leasehold (over 50 years) as defined in Capital Market Rule 7.4.6 in the Capital Market Rules.

- (xiii) While the open market for the Property is necessarily related to the corresponding permitted development and uses as discussed earlier within Section 6, the valuation of the Property is not confined only to the nature of the business carried out by Medserv Operations Limited, since there are several other possible industrial operations that could also be permitted upon the Property. Consequently, in this case, the present capital value of the Property in its existing state (as per Capital Market Rule 7.4.1.10) and the valuation of the Property for business use (as per Capital Rule 7.8) are both equivalent to the Market Value on the open market. Furthermore, the Market Value on the open market for the alternative uses of the Property does not vary significantly from the Existing Use Value of the Property.
- (xiv) The valuation is based on the assumption that the Property will only be encumbered by privileges and hypothecs necessary for its financing and operation.
- (xv) The valuation does not reflect any liability to tax, stamp duty and any other transaction costs arising on the disposal or acquisition of the Property.
- (xvi) All measurements, areas and ages quoted in the property valuation report are approximate. As explained earlier within Section 5 of this property valuation report, for the purposes of the valuation of the Property, the area of 47,929 sq.m. mentioned within the text of the notarial deed of the 22<sup>nd</sup> June 2004 was increased by 5% to give 50,325 sq.m., which is marginally below the surveyed area of 50,850 sq.m..
- (xvii) Capital Market Rules 7.4.1.11, 7.4.7 and 7.4.8 are not applicable to this property valuation report.
- (xviii) No special assumptions have been relied upon in the preparation of this property valuation report.

## ***II. Other Important Information***

### **1. Consent to Publication and Use**

This property valuation report should not be distributed, quoted or referred to, in whole or in part, without our prior written consent. TBA Periti understands that MEDSERVREGIS will require the express consent in writing of TBA Periti for this property valuation report to be included in its entirety in the prospectus covering the issue of debt securities as part of the public offer of MEDSERVREGIS. Before granting such consent, TBA Periti will require sight of a final draft of such Prospectus. The consent of TBA Periti for the whole or part of this property valuation report to be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, is on the basis that TBA Periti does not owe such third parties any duty of care as a result of giving such consent.

### **2. Limitation of Liability**

This property valuation report is subject to the comments made throughout and to all the assumptions and limiting conditions set forth herein. TBA Periti has performed its professional work in accordance with applicable professional standards and accepted practice for this type of engagement. The duties of TBA Periti in relation to its professional work are owed solely to MEDSERVREGIS, and accordingly TBA Periti does not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of this property valuation report.

### **3. Other**

TBA Periti wishes to point out that there exists a significant degree of judgement involved in selecting methods, the basis for valuation and a significant number of items, which may be subjectively considered when arriving at such valuation, including projections of expected future investments and costs. It follows that valuations are not a prediction of price or a guarantee of value and, whilst TBA Periti considers its valuation of the Property to be both reasonable and defensible, others may arrive at a different conclusion. Furthermore, the variation between projected

and actual results may be material and such variation may materially affect the valuation of the Property.

Unless otherwise specifically stated, the analysis set out in this document takes into account all information known and made available to TBA Periti up to 12<sup>th</sup> September 2022 and is, therefore, current as at that date.

#### **4. Valuation Opinion**

On the basis of the information set out in this document including the stated assumptions, publically-available data and comparable recent market transactions on an arm's length basis, together with TBA Periti's analysis and experience in the local real estate market and information provided by the management of MEDSERVREGIS, it is the professional opinion of TBA Periti that the Market Value of the Property as at the 12<sup>th</sup> September 2022 amounts to **€60,972,500 (Sixty Million Nine Hundred and Seventy-Two Thousand and Five Hundred Euro)**.<sup>1</sup>

Yours Faithfully,



**Perit Prof. Marc Bonello**

**B.E.&A.(Hons)(Melit.), M.Sc.(Lond.), Ph.D.(Lond.), D.I.C., M.A.S.C.E., M.S.E.I., Eur.Ing.(FEANI)**

*Partner*

For and on behalf of

**TBA Periti**

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<sup>1</sup> Earlier this year, TBA Periti had been commissioned by Medserv Operations Limited to undertake an independent valuation of the Property and had reported that its value as at 31<sup>st</sup> December 2021 amounted to **€57,020,000 (Fifty-Seven Million and Twenty Thousand Euro)**. This valuation was referred to in the published annual financial statements of the company for the financial year ending on the 31<sup>st</sup> December 2021. On the other hand, the value reported as at the 12<sup>th</sup> September 2022 is 6.93% higher than the corresponding value reported as at the 31<sup>st</sup> December 2021, thereby reflecting a higher confidence in the local real estate market for industrial property in the period post the COVID-19 pandemic.

## ***APPENDIX A: Description of the Property Rights***

The Property is presently granted on temporary emphyteusis until the 28<sup>th</sup> May 2045 with all its rights and appurtenances as described within the various notarial deeds listed below. By virtue of the lease agreement dated 5<sup>th</sup> December 2012, Medserv Operation Limited extended its title upon the Property by way of lease for the period commencing on the 29<sup>th</sup> May 2045 and ending on the 28<sup>th</sup> May 2060, subject to certain contractual obligations. The salient points of the notarial deeds, the lease agreement, the Parliamentary Resolution and the operating licence are discussed below:

### **A.1 Notarial Deed of the 29<sup>th</sup> May 1997**

The principal rights and conditions emanating from this notarial deed are described below:

- (i) Medserv Operations Limited acquired on temporary emphyteusis a plot of land at Malta Freeport Terminals in Marsaxlokk measuring circa 40,000 sq.m. at an annual consideration of Lm1.50 (€3.49)/sq.m. revisable for inflation up to a maximum of 15% every 4 years.
- (ii) Malta Freeport Corporation Limited pledged to hand over the site within two years of the date of the notarial deed, that is, by the 29<sup>th</sup> May 1999.
- (iii) Medserv Operations Limited pledged to relocate its premises from Manoel Island in Gzira to the premises in Malta Freeport Terminals within one year from taking over the site, that is, by the 29<sup>th</sup> May 2000. In actual fact, Medserv Operations Limited took over the site on the 1<sup>st</sup> April 2002, since the Malta Freeport Corporation Limited had delayed handing over the site to the company.
- (iv) In view of the construction works, the ground rent was to be reduced to Lm0.25 (€0.58)/sq.m. per annum within the period 1<sup>st</sup> April 2002 to 29<sup>th</sup> May 2003.
- (v) Medserv Operations Limited was granted exclusive use of a quay of length 200m together with a wharf space measuring 200m x 25m, that is, having an area of circa 5,000 sq.m. at the following day rates:



Years 1 & 2 (2003 & 2004):	Lm10.00 (€23.29)/vessel/day
Years 3 & 4 (2005 & 2006):	Lm12.50 (€29.12)/vessel/day
Years 5 & 6 (2007 & 2008):	Lm15.00 (€34.94)/vessel/day
Year 7 onwards (2009 – 2045):	Lm15.00 (€34.94)/vessel/day + inflation increases (up to a maximum of 15% every 4 years).

- (vi) Medserv Operations Limited was granted an option to acquire a further circa 10,000 sq.m. of land with the same terms and conditions as for the land measuring circa 40,000 sq.m..
- (vii) The duration of the temporary emphyteusis is 48 years from the 29<sup>th</sup> May 1997, that is, up to the 28<sup>th</sup> May 2045. Therefore, this implies that there remains circa 24 years of title of temporary emphyteusis as from the valuation date.

## **A.2 Notarial Deed of the 23<sup>rd</sup> December 1999**

By virtue of this notarial deed, Medserv Operations Limited acquired the optional circa 10,000 sq.m. land area under a title of temporary emphyteusis up to the 28<sup>th</sup> May 2045 under the same terms and conditions as for the circa 40,000 sq.m. land area acquired earlier by virtue of the notarial deed of the 29<sup>th</sup> May 1997.

## **A.3 Parliamentary Resolution of the 27<sup>th</sup> October 2003**

As required by the notarial deed of the 29<sup>th</sup> May 1997, by virtue of this Parliamentary Resolution, the House of Representatives gave its consent for the transfer of shares in Medserv Operations Limited such that Albert Abela Group of Companies was permitted to own less than 51% of the shares in Medserv Operations Limited and/or lose effective control of the company.

## **A.4 Notarial Deed of the 22<sup>nd</sup> June 2004**

The principal rights and conditions emanating from this notarial deed are described below:

- (i) The Malta Freeport Corporation Limited took back circa 2,071 sq.m. of land from the property previously acquired by the Medserv Operations

Limited. According to a drawing annexed to this deed, the land under the control of Medserv Operations Limited measures circa 50,850 sq.m..

- (ii) Medserv Operations Limited was granted the right of exclusive use of a further 39m of quays (in addition to the 200m quay length already under the control of the company), the use of a further circa 785 sq.m. of wharf space (in addition to the circa 5,000 sq.m. of wharf space and overlying quay rooms already under the control of the company), together with a right of passage over a further circa 1,600 sq.m. of wharf space at no further consideration.

#### **A.5 Lease Agreement of the 5<sup>th</sup> December 2012**

The principal rights and conditions emanating from this lease agreement are described below:

- (i) Medserv Operations Limited was granted a lease for a further 15 years (29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060) over the same property, which shall commence on the expiry of the present emphyteutical grant on the 28<sup>th</sup> May 2045 and conditional upon certain investment and labour provision targets, which are to be implemented within stipulated timeframes.
- (ii) The text of this notarial deed states that the land forming part of the lease agreement measures circa 47,929 sq.m.. As explained earlier in Section 5, for the purposes of the valuation of the property rights of Medserv Operations Limited as at the 12<sup>th</sup> September 2022, the area of 47,929 sq.m. was increased by 5% to give an area of 50,325 sq.m., as permitted by local case law.
- (iii) The rent was established at a lump sum of €430,000 per annum, exclusive of VAT, with an increase of 10% of the *pro tempore* rent every five years.
- (iv) With respect to the first contractual condition of investment, the notarial deed obliged Medserv Operations Limited to carry out two separate tranches of investment. The First Investment, which involved the sum of €5,000,000 and which was invested by the company by the 31<sup>st</sup> December 2016, was to cover the cost of paving of the outside areas of the property, to purchase plant and equipment, to construct an additional warehouse

with specialized internal stacking systems and to upgrade the fendering system along the quays. Furthermore, the Second Investment, which involved the sum of €4,000,000 and which was invested by the company by the 31<sup>st</sup> December 2021, was to cover the purchase additional plant and equipment.

- (v) The permitted use on the leased property shall be solely and exclusively for the purpose of carrying out the activities, which are set out within the operating licence.
- (vi) The second contractual condition concerns the obligation of Medserv Operations Limited of maintaining the three-year rolling average number of Full Time Employees (FTEs) within the period 29<sup>th</sup> May 2045 to 28<sup>th</sup> May 2060 to not less than 90 (ninety) FTEs, in default of which the company would be liable to pay a penalty of €25,000 (which, however, is not indexed with the rate of inflation) per FTE shortfall for the duration that such FTE shortfall shall persist. As stated earlier in Section 9(iv), the company has generally maintained a 3-year rolling average number of FTEs of more than the contractual threshold of 90 FTEs.
- (vii) Within the period 2045-2060, Medserv Operations Limited may sublet and/or assign to third parties, licensed by the Malta Freeport Corporation Limited, part or all of the emphyteutical property under a management or operating agreement or by way of concession. It is worth noting that this right of the company to sublet and assign the emphyteutical property was expressly forbidden in the notarial deed of the 29<sup>th</sup> May 1997.
- (viii) Within the period 2045-2060, Medserv Operations Limited may not assign or otherwise transfer the lease in part or in whole without the written consent of the Malta Freeport Corporation Limited. This contractual condition was also present in the notarial deed of the 29<sup>th</sup> May 1997.

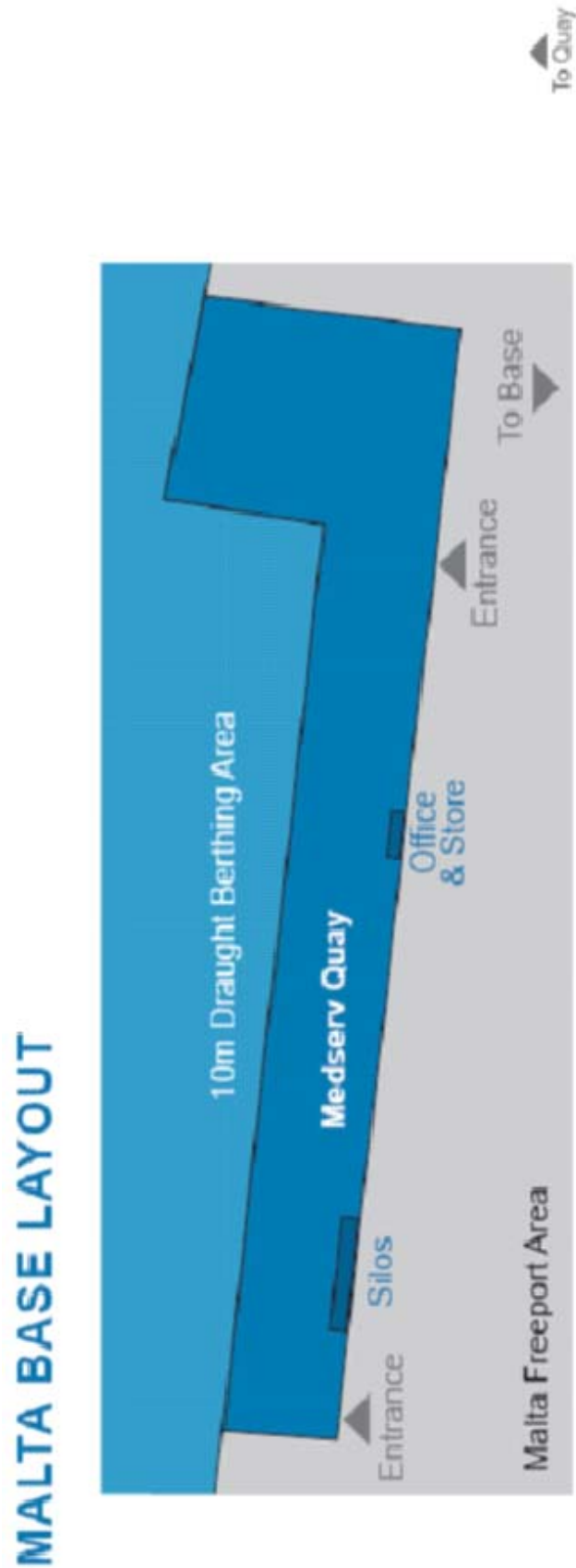
#### **A.6 Operating Licence Issued by the Malta Freeport Corporation Limited to Medserv Operations Limited on the 5<sup>th</sup> December 2012**

The principal rights and conditions emanating from this operating licence are described below:

- (i) The operating licence of the 5<sup>th</sup> December 2012 is the second such licence issued by the Malta Freeport Corporation Limited to Medserv Operations Limited and supersedes the first operating licence.
- (ii) The date of coming into force of the first operating licence was the date of hand over of the site by the Malta Freeport Corporation Limited, that is, the 1<sup>st</sup> April 2002.
- (iii) The second operating licence, which has immediate effect, shall be extended automatically between the period 2045–2060, provided that Medserv Operations Limited satisfies certain contractual conditions with regards to investment and labour provision targets, which are to be implemented within stipulated timeframes.
- (iv) The licensed activities as per Schedule A of the first operating licence were :
  - (a) General trade, operations, management and marketing of a storage, service and spare parts centre for the oil industry at the Malta Freeport in Kalafrana at the Port of Marsaxlokk in Malta, and the establishment, supply maintenance and operation of all services related or ancillary thereto.
  - (b) The carrying on of all or any of the trades or businesses of carriers and handlers by land, water and air products.
  - (c) Acting as advisers, consultants, brokers and agents.
  - (d) Acting as marine engineering and storage contractors, wharfingers and warehousemen.
  - (e) The production, manufacture, processing, importing, exporting, storing and dealing in all kinds of machines, articles, products, apparatus and things necessary or useful for the above activities.
- (v) In addition to the afore-mentioned five permitted uses in the first operating licence, the Malta Freeport Corporation Limited introduced a sixth permitted use within the second operating licence, namely the rendering of services that are analogous or complimentary to the foregoing permitted uses, including initiatives that may benefit the environment.

- (vi) Schedule B in the second operating licence contains specific conditions in order to ensure adherence to the Malta Freeports Act (Cap.334 of the Laws of Malta) by Medserv Operations Limited.

***APPENDIX B: Site Plan of Base of Medserv Operations Limited at Malta Freeport***





**Legend:**

- ① Warehouses - 17 No. each 400sqM = 6800 sq M
- ② Offices - 2 floors each 133 sq M = 266 sq M
- ③ Offices - 3 floors each 480 sq M = 1440 sq M
- ④ Canteen, 2 classrooms & server room at Ground = 179 sqM,  
Offices at First floor - 135 sqM. Total Area = 314 sqM
- ⑤ Trailer used as Mosque - 14.5 sqM
- ⑥ Office Trailers each 14.5 sqM. 7 at Ground = 101.5 sqM. 4 at higher level = 58 sqM. Total = 159.5 sqM
- ⑦ Yard Staff amenities = 63 sqM at Ground floor, 83.5 sqM at First Floor. Total = 146.5 sq M  
Sub-station and switch room at Ground Floor = 60 sqM
- ⑧ Stores at Ground - 68 sqM, Canteen & Archives at First Floor - 90 sqM. Total area = 158 sqM
- ⑨ Workshop at Ground - 220 sqM.

**Legend:**

- ⑩ Covered Warehouse = 219 sqM
- ⑪ Security Gate house - 15.5 sqM
- ⑫ Transformer Room - 38.5 sqM
- ⑬ Inverter Room - 87 sqM
- ⑭ Covered Storage - 586 sqM
- ⑮ Warehouse - 2672 sqM
- ⑯ Warehouse - 294 sqM
- ⑰ Warehouse - 1760 sqM
- ⑱ Workshop - 200 sqM
- ⑲ Covered Storage - 3055 sqM

***APPENDIX C: Summary of Hypothecs, Privileges and Other Securities***

<b>Date</b>	<b>Notary</b>	<b>Hypothec No.</b>	<b>Type of Security</b>	<b>Amount €</b>	<b>Creditor</b>	<b>Comments/ Description</b>	<b>Reductions</b>
29/05/1997	Tonio Spiteri	8700/1997	Privilege	-	Malta Freeport Corporation Limited	Constitution of Privilege in favour of the Malta Freeport Corporation Limited in respect of the payment of ground rent over a plot of land measuring 40,000sq.m. forming part of the Medserv Site	-
23/12/1999	Tonio Spiteri	57/2000	Privilege	-	Malta Freeport Corporation Limited	Constitution of Privilege in favour of the Malta Freeport Corporation Limited in respect of the payment of ground rent over a plot of land measuring 10,000sq.m. forming part of the Medserv Site	-
18/10/2013	Pierre Attard	H14911/2013	General Hypothec and Special Hypothec	€20,000,00 and Interest and Costs	HSBC Bank Malta Plc	Constitution of General Hypothec and Special Hypothec over a plot of land measuring 50,000sq.m. forming part of the Medserv Site	-
14/10/2015	Pierre Attard	H18324/2015	Overdraft & Security (General Hypothec and Special Hypothec)	€2,500,000	HSBC Bank Malta Plc	Constitution of General Hypothec and Special Hypothec over a plot of land measuring 50,000sq.m. forming part of the Medserv Site	-



**Medserv Operations Limited**  
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14/10/2015	Pierre Attard	H18325/2015	Overdraft & Security (General Hypothec and Special Hypothec)	€5,000,000	HSBC Bank Malta Plc	Constitution of General Hypothec and Special Hypothec over a plot of land measuring 50,000sq.m. forming part of the Medserv Site	-
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# Securities Note

Dated 9 November 2022

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and of the Prospectus Regulation. This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the Bonds. Application has been made for the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. 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 €13,000,000 5% Secured Bonds 2029 of a nominal value of €100 per Bond issued at par by



MedservRegis p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 28847

ISIN: MT0000311259

Sponsor



Registrar & Manager



Legal Counsel



Security Trustee



**THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE.**

**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.**

**A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN 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 INDEPENDENT FINANCIAL ADVISER.**

Approved by the Directors

**Mr Anthony S. Diacono**

in his capacity as Director, and on behalf of David O'Connor, Olivier Bernard, Carmelo sive Karl Bartolo, Laragh Cassar, Keith Grunow, Monica Vilabril and Jean Pierre Lhote.

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## 1.0 Important Information

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 9 NOVEMBER 2022 AND CONTAINS INFORMATION ABOUT MEDSERVREGIS P.L.C. IN ITS CAPACITY AS ISSUER AND ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED 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 SUB-SECTION 9.18 OF THIS SECURITIES NOTE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE COMPANY OF A MAXIMUM OF €13 MILLION SECURED BONDS 2029 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 20 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 20 DECEMBER 2023. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 20 DECEMBER 2029.

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

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.

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 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.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. 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 INDEPENDENT PROFESSIONAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

SAVE FOR THE PUBLIC 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 SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS REGULATION), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

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 THE PROSPECTUS HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO 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 COMPANIES ACT.

**IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MALTA FINANCIAL SERVICES AUTHORITY. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.**

**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.**

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

THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISERS TO THE ISSUER NAMED IN SECTION 6.3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

## 2.0 Definitions

Unless defined hereunder, the capitalized terms used in this Securities Note shall bear the same meaning to that given in the Registration Document.

In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>Applicant/s</b>	any person or persons, natural or legal, who subscribe for the Bonds;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Intermediaries in accordance with the terms of this Securities Note;
<b>Application Form/s</b>	the form of application for subscription of Bonds, specimen of which is contained in Annex 1 of this Securities Note;
<b>Authorised Intermediaries</b>	the licensed financial intermediaries whose details are listed in Annex 3 of this Securities Note;
<b>Bond Issue Price</b>	the price of €100 per Bond, being the nominal value per Bond;
<b>Bonds</b>	the €13,000,000 secured bonds due 2029 of a nominal value of €100 per bond payable in full upon subscription and redeemable at their Redemption Value on the Redemption Date, bearing interest at the rate of 5% <i>per annum</i> ;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>Callable Bond Security</b>	the security granted in favour of the Callable Bondholders over the Medserv Site to secure the performance of the Issuer's obligations under the Callable Bonds;
<b>Callable Bond Transfer</b>	the subscription for Bonds by a Callable Bondholder settled, after submitting the pre-printed Application Form (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Callable Bonds held by such Callable Bondholder as at the Cut-Off Date;
<b>Callable Bondholders</b>	holders of the Callable Bonds (as defined immediately below) appearing on the applicable register held at the CSD as at the Cut-Off Date;
<b>Callable Bonds</b>	the €13,000,600 6% secured bonds issued pursuant to the base prospectus dated 12 August 2013 to be redeemed early pursuant to an early redemption option to be announced by the Issuer between the date of issuance of this Prospectus and the issuance of the Bonds;
<b>CET</b>	Central European Time;

<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Cut-Off Date</b>	close of business on 9 November 2022 (corresponding to the last trading session of the Malta Stock Exchange on the 7 November 2022);
<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
<b>Interest Payment Date</b>	20 December of each year between and including each of the years 2023 and the year 2029, 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;
<b>Intermediaries' Offer</b>	an offer for subscription of any remaining Bonds not subscribed for by Callable Bondholders made by the Issuer to the Authorised Intermediaries through subscription agreements as further detailed in sub-section 9.3 of this Securities Note;
<b>Issue Date</b>	on or around the 20 December 2022;
<b>Issue Period</b>	the period between 08:30 hours CET on 21 November 2022 and 12:00 hours CET on 2 December 2022 during which the Bonds are available for subscription by Callable Bondholders;
<b>MiFIR</b>	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
<b>Redemption Date</b>	20 December 2029;
<b>Redemption Value</b>	the nominal value of each Bond, that is, €100 per Bond;
<b>Secured Creditors</b>	the creditors set out in section 9.7 of this Securities Note having prior ranking security comprising special privileges, general hypothecs and/or special hypothecs over the Medserv Site;
<b>Securities Note</b>	this document in its entirety;
<b>Security</b>	the general hypothec and the special hypothec granted by MedOps over its emphyteutical rights over the Medserv Site as security for the punctual performance of the Issuer's payment obligations under the Bonds, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee;

<b>Security Trust Deed</b>	the trust deed entered into by the Issuer and the Security Trustee pursuant to which the Security is settled on trust in favour of the Bondholders as security for the punctual performance of the Issuer's obligations under the Bonds, details of which are set out in section 15 of the Registration Document entitled ' <i>Material Contracts</i> ';
<b>Security Trustee</b>	Alter Domus Trustee Services (Malta) Limited, a private limited liability company registered in Malta with company registration number C 63887 and having its registered office at Vision Exchange Building, Territorials Street, Mriehel, Birkirkara BKR 3000, Malta, duly authorised to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Cap. 331 of the laws of Malta); and
<b>Terms and Conditions</b>	the terms and conditions of the Bonds, set out in sub-section 7.3 (' <i>Issue Statistics</i> '), section 9 (' <i>Terms and Conditions of the Bonds</i> ') and section 11 (' <i>Terms and Conditions of Application for the Bonds</i> ') of this Securities Note.

## 2.1 Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice-versa*;
- (b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- (d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- (e) any reference to a person includes that person's legal personal representatives, successors and assigns;
- (f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- (g) any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.



### 3.0 Risk Factors

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

THE NOMINAL VALUE OF THE BONDS IS REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE 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 SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, AND PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP'S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND COULD, THEREBY, NEGATIVELY AFFECT THE ABILITY OF THE ISSUER TO MEET ITS OBLIGATIONS IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE BONDS AND REPAYMENT OF PRINCIPAL WHEN DUE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR, THE REGISTRAR & MANAGER OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

### 3.1 Forward-looking statements

This Securities Note contains "forward-looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer's directors. Such forecasts and projections do not bind the Issuer with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

### 3.2 General

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Cap 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- (i) 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 to the Prospectus or any applicable supplement;
- (ii) 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;
- (iii) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;

- (iv) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks; and
- (v) is able to assess as to whether an investment in the Bonds shall achieve his/her/its investment objective.

### 3.3 Risks Relating to the Bonds

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- (a) The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets generally in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- (b) Security Trust Deed - By acquiring the Bonds, the Bondholder is considered to be bound by the terms of the Security Trust Deed as if he had been a party to it. The Security Trust Deed contains a number of provisions which the investors ought to be aware of prior to acquiring the Bonds and therefore investors ought to read the description of the Security Trust Deed contained in section 15 of the Registration Document entitled '*Material Contracts*' before acquiring any of the Bonds. For instance, in terms of the Security Trust Deed: a) the Security Trustee is not liable for any default or breach of duty or trust committed by it or for any loss of profits unless such default or breach is caused by the fraud, wilful misconduct or gross negligence of the Security Trustee or if it is not entitled to an indemnity under Maltese law; b) the Security Trustee is not bound to take any such steps or proceedings to enforce the Security unless requested to do so in writing by not less than 75% in value of the Bondholders; and c) the Bondholders are entitled to require the Security Trustee to convene a meeting of the Bondholders provided that such request is made by at least 10% in value of the Bondholders at that time. The Security Trust Deed contains additional provisions which the prospective investors should be aware of.
- (c) The Issuer and MedOps may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital) provided that MedOps shall be prohibited from, throughout the term of any Bond, creating or permitting to subsist any prior ranking charges over its assets other than those arising by operation of law or those existing as at the date hereof.
- (d) The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional obligations of the Issuer and shall be secured in respect of both the interest due and the principal amount under said Bonds by the Security over the Medserv Site given by MedOps in favour of the Security Trustee, acting in the interests of the Bondholders. The Bonds shall, at all times, rank *pari passu* without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by applicable law.
- (e) The Bonds are secured by a general hypothec and a special hypothec over the Medserv Site, both granted by MedOps. The Issuer has not granted any security over any of its assets and therefore, the Issuer's obligations under the Bonds are unsecured obligations ranking equally with its other present and future unsecured obligations. However, in view of the Security being provided by MedOps, if the Issuer had to default on its obligations and an Event of Default occurs, Bondholders may use MedOps' assets and its rights on the Medserv Site to settle the amounts due under the Bonds. Save for the existing security described in section 9.7 hereof and other prior ranking security arising by operation of the law, MedOps' obligations shall rank senior over its all other present and future obligations.
- (f) The Security will at all times rank junior to the special privilege granted to the Freeport Authority, to the security granted to Secured Creditors, as described in section 9.7 hereof and also to any prior ranking security interest arising by operation of law. Having prior ranking security means that in the event of insolvency of MedOps, its assets or proceeds will be used to settle the prior ranking debts before settling the amounts due under the Bonds.
- (g) The Issuer undertakes to procure the cancellation of the Callable Bond Security in favour of the Security Trustee within fourteen (14) Business Days after the Issue Date of the Bonds. The intended use of the proceeds received from the Bonds is the repayment of the Callable Bonds secured by the Callable Bond Security. In the event

that the Issuer does not fulfil this obligation, each Bondholder shall be entitled to declare his Bonds due and demand immediate redemption thereof at the Redemption Value, together with accrued interest, if any, to the date of repayment. The proceeds from the Bond Issue (representing: i) Cash Top-Ups or additional amounts applied for by Callable Bondholders; or ii) amounts submitted pursuant to the Intermediaries' Offer, if any) shall be held by the Security Trustee and shall only be released simultaneously with the cancellation of the Callable Bond Security and the constitution of the Security by MedOps in favour of the Security Trustee for the benefit of Bondholders.

- (h) Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should, theoretically, move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.
- (i) The Bonds are being issued with a fixed coupon rate and hence have a fixed rate of return. As such, subsequent changes in market interest rates, which are affected by a number of variables including the rate of inflation, may have an impact on the market value of the Bonds which typically moves inversely to movements in interest rates. Therefore, when market interest rates rise (currently market rates are experiencing an upward trend largely fuelled by the elevated levels of inflation), the price of the Bonds tends to decline and as a result the investor might not be able to recoup all of the capital invested if the Bonds are sold before maturity. On the other hand, when market interest rates decline, the price of the Bonds tends to increase. The extent of the change in the market value of the Bonds is also dependent upon the remaining term to maturity whereby the longer the term to maturity, the higher the impact. Moreover, given that the coupon rate is fixed, as inflation rises, the real rate of return on the Bonds declines as inflation reduces the value of the remaining coupon payments. The extent of the impact on the real rate of return depends on the changes in the level of inflation (higher inflation, lower real return) as well as the remaining years to maturity whereby the longer the term to maturity, the higher the impact on real returns.
- (j) Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain 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 suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- (k) In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 9.18 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- (l) A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.
- (m) The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Capital Markets Rules, the Companies Act and the Prospectus Regulation 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 law or administrative practice after the date of the Prospectus.

## 4.0 Persons Responsible

This Securities Note has been drawn up in accordance with the Prospectus Regulation. It includes information given in compliance with the Capital Markets Rules for the purpose of providing prospective investors with information with regards to the Issuer and the Bonds. Anthony S. Diacono, David O'Connor, Olivier Bernard, Carmelo sive Karl Bartolo, Laragh Cassar, Keith Grunow, Monica Vilabril and Jean-Pierre Lhote, being all of the Directors of the Issuer as further detailed in the Registration Document, accept responsibility for the information contained in the Prospectus.

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 hereby accept responsibility accordingly.

## 5.0 Authorisation Statement

This Securities Note has been approved by the Malta Financial Services Authority, as the competent authority under the Prospectus Regulation. This Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

The Malta Financial Services Authority only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Bonds.

## 6.0 Consent

For the purposes of any subscription for Bonds through any of the Authorised Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised 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 herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- (a) in respect of Bonds subscribed for through Authorised Intermediaries;
- (b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
- (c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Bonds.

The Issuer and its advisers do not accept any responsibility for any actions of any Authorised 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, placement or other offering of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor have 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 or the Sponsor and neither the Issuer nor the Sponsor have any responsibility or liability for the actions of any person making such offers.

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

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, such information and/or representation must not be relied upon as having been authorised by the Issuer. The Issuer does not accept responsibility for any information not contained in the Prospectus.

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

Any resale, placement or offering of Bonds to an investor by an Authorised Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Intermediary and such investor, including price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relative Authorised Intermediary at the time of such resale, placement or other offering to provide the prospective investor with that information and the Issuer does not have any responsibility or liability for such information.

**Any Authorised 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 or placement 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 Intermediaries unknown at the time of the 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.medservregis.com](http://www.medservregis.com).

## 7.0 Key Information

### 7.1 Reasons for the Issue and Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12,521,434, will be used by the Issuer for the redemption of the outstanding amount of the Callable Bonds. As at the date of the Prospectus, the aggregate value of Callable Bonds in issue stands at €13,000,600.

The issuance of the Bonds is conditional upon a minimum of €10,000,000 being raised. In the event that the said minimum is not raised, the subscription for the Bonds shall be deemed not to have been accepted by the Issuer, the Issuer shall refund the proceeds received to the respective Applicants and the Bond Issue shall be cancelled forthwith. In the event that the said minimum is not raised, the Issuer shall refund the proceeds received to the respective Applicants. In the event that the minimum amount of €10,000,000 is raised however the proceeds received from Applications does not reach €13,000,000, the Issuer shall use its own funds to settle the balance due on the redemption of the Callable Bonds. Once the Bond Issue has raised the minimum of €10,000,000, the Issuer shall proceed with the issuance of the notice of early redemption of the Callable Bonds, thus enabling the applications or proceeds from this Bond Issue to be utilised to redeem the Callable Bonds.

### 7.2 Estimated Expenses

The Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with the Bond Issue. Such expenses, which shall be borne by the Issuer, are estimated not to exceed approximately €478,566, with approximately €130,000 being attributed to selling commission fees and approximately €348,566 to professional, MSE, regulatory and ancillary fees. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to approximately €12,521,434. There is no particular order of priority with respect to such expenses.

### 7.3 Issue Statistics

Amount	€13,000,000;
Application Forms being mailed to Callable Bondholders	14 November 2022;
Bond Issue Price	€100, being the nominal value of the Bonds;
Closing Date for Applications to be received by Callable Bondholders	2 December 2022 at 12:00 CET;
Denomination	Euro (€);
Events of Default	The events set out in sub-section 9.15 hereof;
Form	The Bonds will be issued in fully registered and dematerialized 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;
Governing Law & Jurisdiction	The Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
Interest	The Bonds shall bear interest from and including the Issue Date (expected to be on or around the 20 December 2022) at the rate of 5% per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Date	Annually on 20 December of each year between and including each of the years 2023 and 2029, as from 20 December 2023 (the first interest payment date), provided that 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;
Intermediaries' Offer	In the event that following closing of the Issue Period there are Bonds which remain unallocated, such Bonds shall form part of an Intermediaries' Offer as set out in sub-section 9.3;
ISIN	MT0000311259;
Issue Period	The period between 08:30 hours CET on 21 November 2022 and 12:00 hours CET on 2 December 2022 during which the Bonds are available for subscription;
Redemption Date	20 December 2029;
Redemption Value	€100 (that is, at par);

Listing	<p>The Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List.</p> <p>Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;</p>
Minimum amount per Application	<p>€2,000 in nominal value of Bonds and in multiples of €100 thereafter per individual Bondholder;</p>
Plan of Distribution	<p>The Bonds are open for subscription by:</p> <ul style="list-style-type: none"> <li>(i) Callable Bondholders; and</li> <li>(ii) Authorised Intermediaries pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Callable Bondholders;</li> </ul> <p>Preferred allocations: Callable Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Callable Bonds at par value, subject to a minimum Application of €2,000 in Bonds. Any Callable Bondholders whose holding in Callable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form ("<b>Cash Top-Up</b>").</p> <p>Callable Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Callable Bonds held by them as at the Cut-off Date (including any Cash Top-Up necessary as stated above) ("<b>Callable Bond Transfer</b>") shall be allocated Bonds for the corresponding nominal value of Callable Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Callable Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Callable Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.</p> <p>Bonds applied for by Callable Bondholders by way of Callable Bond Transfer as described above shall be allocated prior to any other allocation of Bonds.</p> <p>A Callable Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Callable Bonds held by him/her/it as at the Cut-off Date (including Cash Top-Up, where applicable) may subscribe for such additional Bonds by completing the appropriate section in the Application Form in terms of sub-section (i) below;</p> <p>In the event that the aggregate value of the Applications received from Callable Bondholders transferring all or part of the Callable Bonds held by them as at the Cut-Off Date through Callable Bond Transfer (including Cash Top-Up, where applicable) and any additional Bonds applied for is in excess of €13,000,000, the Issuer (acting through the Registrar) shall:</p> <ul style="list-style-type: none"> <li>(i) first allocate Bonds applied for by Callable Bondholders by way of Callable Bond Transfer (including Cash Top-Ups) where total amount is less than or equal to €13,000,000; and</li> </ul>

- (ii) scale down additional amounts applied for by Callable Bondholders in excess of their holding in the Callable Bonds (other than Cash Top-Up), *pari passu*, without priority or preference between them in accordance with the allocation policy to be issued in terms of sub-section 9.5 hereof.

Accordingly, in the event that the aggregate value of the Applications received from Callable Bondholders transferring all or part of the Callable Bonds held by them as at the Cut-Off Date through Callable Bond Transfer (including Cash Top-Up, where applicable) is equal to or in excess of €13,000,000 the Issuer (acting through the Registrar) shall:

- (i) allocate in full up to the Callable Bond amount and scale down the Cash Top-Up portion *pari passu*, without priority or preference between them and
- (ii) not allocate any Bonds to Callable Bondholders applying for additional Bonds;

Payment of Interest on Callable Bonds	Applicants being Callable Bondholders electing to subscribe for Bonds through the Callable Bond Transfer, shall relinquish their right to receive interest under the Callable Bond as from the date of issuance of the Bonds (expected to be on or around the 20 December 2022). Accordingly, up to and including 19 December 2022, they shall receive interest on the Callable Bonds and thereafter, only on the Bonds;
Redemption Value	€100 (that is, at par);
Status of the Bonds	<p>The Bonds, as and when issued and allotted, shall constitute the general, direct, and unconditional obligations of the Issuer to be secured by the Security granted by MedOps.</p> <p>The Bonds shall at all times rank <i>pari passu</i>, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, save for such exceptions as may be provided by applicable law; and</p>
Underwriting	The Bond Issue is not underwritten.

## 7.4 Interests of Natural and Legal Persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) and any fees payable to the Sponsor and to the Registrar & Manager for their roles as such, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.



## 8.0 Expected Timetable

Application Forms mailed to Callable Bondholders	14 November 2022
Closing date for Applications to be received from Callable Bondholders	2 December 2022
Intermediaries' Offer (in the event that Applications from Callable Bondholders does not reach €13,000,000)	7 December 2022
Announcement of basis of acceptance through a company announcement	12 December 2022
Refund of unallocated funds, if any	20 December 2022
Dispatch of Allotment Letters	20 December 2022
Expected date of Admission of the Bonds to the Official List of the MSE	20 December 2022
Commencement of interest on the Bonds (and for the Callable Bondholders electing to subscribe for Bonds through the Callable Bond Transfer, the relinquishment of the interest on the Callable Bonds)	20 December 2022
Expected commencement date of trading in the Bonds	21 December 2022
Cancellation of Callable Bond Security and creation of Security in favour of Security Trustee for the benefit of Callable Bondholders and release of Bond Issue proceeds by the Security Trustee in favour of the Issuer	Latest 11 January 2023

## 9.0 Terms and Conditions of the Bonds

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 hereafter described and to accept and be bound by the said Terms and Conditions.

### 9.1 General

- (a) Each Bond forms part of a duly authorised issue of 5% secured bonds 2029 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €13,000,000 (except as otherwise provided under sub-section 9.17 'Further Issues' below).
- (b) The Issue Date of the Bonds is expected to be on or around the 20 December 2022. The Bond Issue is to be secured by the Security.
- (c) The issuance of the Bonds is conditional upon a minimum of €10,000,000 being raised. In the event that the said minimum is not raised, the subscription for the Bonds shall be deemed not to have been accepted by the Issuer, the Issuer shall refund the proceeds received to the respective Applicants and the Bond Issue shall be cancelled forthwith. In the event that the minimum amount of €10,000,000 is raised however the proceeds received from Applications does not reach €13,000,000, the Issuer shall use its own funds to settle the balance due on the redemption of the Callable Bonds.
- (d) The currency of the Bonds is Euro (€).

- (e) The Bonds shall bear interest at the rate of 5% per annum payable annually in arrears on 20 December of each year, with the first interest payment falling due on 20 December 2023 (covering the period between 20 December 2022 and 19 December 2023 (both dates included)). 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.
- (f) Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000311259.
- (g) The Bonds are expected to be listed on the Official List on or around the 20 December 2022 and dealing can be expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.
- (h) All outstanding Bonds not previously purchased and cancelled shall be redeemed by the Issuer at par (together with accrued interest up to (but excluding) the date fixed for redemption) on the Redemption Date.
- (i) In the event that Applications by Callable Bondholders are subject to a Cash Top-Up and/or have applied for additional Bonds, as applicable, and have been allocated a number of Bonds which is less than the number of Bonds applied for, the Applicant shall receive the balance of the price of the Bonds applied for but not allocated, without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form by latest 20 December 2022. Neither the Issuer nor the Registrar will be responsible for any charges, loss or delay in transmission of such refunds. In this regard, 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, 1994 (Cap 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- (j) There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital (as detailed in sub-section 9.13 below), enforcing the Security (through the Security Trustee) in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note, and in accordance with the ranking specified in sub-section 9.7 of this Securities Note.
- (k) The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000, and in multiples of €100 thereafter.
- (l) Any balance of the Bonds not subscribed to by Callable Bondholders upon closing of the Issue Period, shall be offered for subscription to Authorised Intermediaries participating through an Intermediaries' Offer. In this eventuality, Authorised Intermediaries need to submit completed subscription agreements indicating the number of Bonds they are interested to subscribe for by latest 7 December 2022 at 12:00 hours CET. The Issuer, acting through the Registrar, will communicate the number of Bonds each Authorised Intermediary has been allocated in terms of the respective subscription agreement by latest 12:00 hours CET on 9 December 2022.
- (m) Applicants being Callable Bondholders electing to subscribe for Bonds through the Callable Bond Transfer, shall relinquish their right to receive interest under the Callable Bonds from and including the date of issuance of the Bonds expected to be on or around 20 December 2022. Accordingly, up to (but excluding) the date of the issuance of the Bonds, they shall receive interest on the Callable Bonds and thereafter, only on the Bonds.
- (n) The results of the Bond Issue will be announced by the Issuer through a company announcement by latest 12 December 2022. It is expected that allotment letters will be dispatched to Bondholders by 20 December 2022.
- (o) The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act and the Prospectus Regulation.
- (p) The Bond Issue is not underwritten.
- (q) All Applications shall be subject to the Terms and Conditions of Application for the Bonds as set out in section 11 hereunder, the terms of which shall form an integral part hereof.

## 9.2 Applications by Callable Bondholders by surrendering their Callable Bonds

- (a) The consideration payable by Callable Bondholders applying for Bonds may be settled by the transfer to the Issuer of all or part of the Callable Bonds held by such Applicant as at the Cut-off Date, subject to a minimum application of €2,000, which transfer shall be effected at the par value of the Callable Bonds. Any Callable Bondholders whose holding in Callable Bonds is less than €2,000 shall be required to pay the difference (the "**Cash Top-Up**").
- (b) Callable Bondholders electing to subscribe for Bonds through Callable Bond Transfer shall be allocated Bonds for the corresponding nominal value of Callable Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Callable Bonds to the Issuer in consideration for the subscription for Bonds shall

cause the obligations of the Issuer with respect to such Callable Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.

- (c) Bonds applied for by Callable Bondholders by way of Callable Bond Transfer shall be allocated prior to any other allocation of Bonds.
- (d) In the event that the aggregate value of the Applications received from Callable Bondholders transferring all or part of the Callable Bonds held by them as at the Cut-Off Date through Callable Bond Transfer (including Cash Top-Up, where applicable) is in excess of €13,000,000, the Issuer (acting through the Registrar & Manager) shall allocate in full up to the Callable Bond amount and scale down the Cash Top-Up portion *pari passu*, without priority or preference between them in accordance with the allocation policy to be issued in terms of sub-section 9.5 of this Securities Note.
- (e) A Callable Bond Transfer shall be without prejudice to the rights of Callable Bondholders to receive interest on the Callable Bonds up to but excluding the date of issuance of the Bonds, expected to be on or around 20 December 2022. The Callable Bonds shall be redeemed thirty (30) days after the issuance of the notice of redemption, which is expected to take place between the date of issuance of the Prospectus and the issuance of the Bonds.
- (f) Payment by Applicants of the Cash Top-Up referred to in sub-section (a) above, and the full price of any additional Bonds applied for referred to in sub-section i) below, shall be made in Euro and in cleared funds at the Bond Issue Price, either through a bank transfer to the respective Authorised Intermediary or by any other method of payment as accepted by the respective Authorised Intermediary.
- (g) Callable Bondholders subscribing for Bonds by means of a Callable Bond Transfer are, in virtue of such subscription, confirming:
  - (i) that all or part (as the case may be) of the Callable Bonds held by the Applicant as at the Cut-Off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;
  - (ii) that the Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
    - (a) cause the transfer of the said Callable Bonds in the Issuer's name in consideration of the issue of Bonds; and
    - (b) engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Callable Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
  - (iii) that in respect of the payment of the Cash Top-Up in terms of sub-section (a) above and/or the exercise of the option to subscribe to additional Bonds set out in sub-section i) below, the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar & Manager reserve the right to invalidate the relative Application, and 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 Issuer, acting through the Registrar & Manager (which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer 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).
- (h) Where the Applicant is the holder of Callable Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form.
- (i) In addition to the aforesaid, Callable Bondholders transferring all of the Callable Bonds held by them as at the Cut-Off Date pursuant to sub-section a) above may apply for an amount of Bonds in excess of the amount of Callable Bonds being transferred by Callable Bond Transfer (including Cash Top-Up, where applicable). In such case Callable Bondholders may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of the Application Form.

Callable Bondholders shall have priority in the allocation of Bonds solely with respect to that number of Bonds subject of a Callable Bond Transfer, subject to a Cash Top-Up, as and if applicable.

In the event that Callable Bondholders apply for additional Bonds other than by Callable Bond Transfer, no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall be subject to an allocation policy as determined by the Issuer, without priority or preference between them, as shall be determined by the Issuer in accordance with sub-section 9.5 of this Securities Note.

- (j) All Applications for the subscription of Bonds by Callable Bondholders must be submitted to any Authorised Intermediary (which include the Sponsor and the Registrar & Manager) by 12:00 hours CET of 2 December 2022.
- (k) Callable Bondholders who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 9.2 shall receive all capital and accrued interest (up to but excluding the date of redemption of the Callable Bonds). After the issuance of the Prospectus, but before the issuance of the Bonds, the Issuer shall issue the notice of redemption of the Callable Bonds – the redemption will then take place (thirty) 30 days after the issuance of the said notice of redemption.

### 9.3 Intermediaries' Offer

- (a) Any balance of the Bonds not subscribed to by Callable Bondholders upon closing of the Issue Period, shall be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by Callable Bondholders, but limited to any remaining balance of Bonds after fully allocating to Callable Bondholders the Bonds applied for as detailed in sub-sections above.
- (b) In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total aggregate amount of €13,000,000 during the Intermediaries' Offer.
- (c) In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, up to the total amount of Bonds as indicated therein, subject to the Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions of the Prospectus, will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these Authorised Intermediaries would have paid to the Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.
- (d) In terms of the subscription agreements, Authorised Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers. The minimum which each Authorised Intermediary may apply for in terms of the applicable subscription agreement is €2,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.
- (e) Completed subscription agreements, together with evidence of payment, are to reach the Registrar by 12:00 hours CET on 7 December 2022. The Issuer, acting through the Registrar, shall communicate the amount allocated under each subscription agreement by 12:00 hours CET on 9 December 2022. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 12 December 2022.

### 9.4 Plan of distribution and allotment

- (a) The Bonds are open for subscription by:
  - (i) Callable Bondholders up to the amount of Callable Bonds held as at the Cut-Off Date and subject to any Cash Top-Up, as and if applicable;
  - (ii) Callable Bondholders in respect of any number of additional Bonds applied for other than by Callable Bond Transfer exceeding in value the aggregate nominal value of Callable Bonds held by them as at the Cut-Off Date (including Cash Top-Up, as and if applicable); and
  - (iii) Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Callable Bondholders, as aforesaid.
- (b) Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) subject to a minimum Application of €2,000 and in multiples of €100 thereafter.
- (c) It is expected that an allotment letter will be issued by the Issuer to Applicants by 20 December 2022. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Callable Bonds, as the case may be, 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 will not bear interest while retained as aforesaid.
- (d) Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

## 9.5 Allocation policy

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

- (a) first to Callable Bondholders applying for Bonds by way of Callable Bond Transfer (and subject to any Cash Top-Up as and if applicable) in accordance with sub-section 9.2 above, and subject to a minimum application of €2,000. In the event that the aggregate value of the Applications received from Callable Bondholders transferring all or part of the Callable Bonds held by them as at the Cut-Off Date through Callable Bond Transfer (including Cash Top-Up, where applicable) is in excess of €13,000,000, the Issuer (acting through the Registrar & Manager) shall allocate in full up to the Callable Bond amount and scale down the Cash Top-Up portion *pari passu*, without priority or preference between them in accordance with the allocation policy to be determined by the Issuer;
- (b) the balance of the Bonds not subscribed for by Callable Bondholders limitedly by means of a Callable Bond Transfer (and subject to any Cash Top-Up as and if applicable), if any, shall be made available for subscription to Callable Bondholders in respect of any additional Bonds applied for other than by Callable Bond Transfer exceeding in value the aggregate nominal value of Callable Bonds held by them as at the Cut-off Date. Should Applications exceed €13,000,000, the Issuer (acting through the Registrar & Manager) shall scale down such additional amounts applied for *pari passu*, without priority or preference between them in accordance with the allocation policy to be determined by the Issuer. Accordingly, in the event that the aggregate value of the Applications received from Callable Bondholders transferring all or part of the Callable Bonds held by them as at the Cut-Off Date through Callable Bond Transfer (including Cash Top-Up, where applicable) is equal to or in excess of €13,000,000, Callable Bondholders applying for additional Bonds shall not get any allocation of Bonds; and
- (c) in the event that following the allocations made pursuant to sub-sections (a) and (b) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Intermediaries through an Intermediaries' Offer as detailed in sub-section above. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 12:00 hours CET on 9 December 2022. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 12 December 2022.

In the event that the Bond Issue is subscribed for in full by Callable Bondholders, the Intermediaries' Offer shall not take place.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance of all Applications and the allocation policy to be adopted through a company announcement by latest 12 December 2022.

## 9.6 Security

The Issuer's payment obligation in respect of principal and interest under the Bonds shall be secured by a general hypothec and a special hypothec granted by MedOps in favour of the Security Trustee over the emphyteutical rights MedOps holds in respect of the Medserv Site (which shall expire on 29 May 2045). The Security Trustee shall hold the Security on trust for the benefit of the Bondholders.

On the basis of the land registry searches dated 24 October 2022 and official public registry searches carried out in respect of the period between the dates 28 September 2006 and 20 October 2022, the following privileged and/or hypothecary rights are currently registered against MedOps:

Date & Hypothec No	Notary	Amount	Creditor	Description
29/5/1997 8700/1997	Tonio Spiteri	€3.49 per sqm (as from commencement of operations from the Medserv Site) revisable every 4 years to take into account movements in index of inflation (maximum being 15%)	Freeport Authority for payment of ground rent	Privilege over 40,000sqm plot forming part of Medserv Site
23/12/1999 57/2000	Tonio Spiteri	€3.49 per sqm (as from commencement of operations from the Medserv Site) revisable every 4 years to take into account movements in index of inflation (maximum being 15%)	Freeport Authority for payment of ground rent	Privilege over 10,000sqm plot forming part of Medserv Site
18/10/2013 H14911/2013	Pierre Attard	€20,000,000 and interests and costs*	HSBC Bank Malta p.l.c.	General Hypothec & Special Hypothec over 47,929sqm plot forming part of Medserv Site
14/10/2015 H18324/2015	Pierre Attard	€2,500,000**	HSBC Bank Malta p.l.c.	General Hypothec & Special Hypothec over 47,929sqm plot forming part of Medserv Site
14/10/2015 H18325/2015	Pierre Attard	€5,000,000**	HSBC Bank Malta p.l.c.	General Hypothec & Special Hypothec over 47,929sqm plot forming part of Medserv Site
18/03/2022 H5977/2022	Pierre Attard	€5,000,000***	Bank of Valletta p.l.c.	General Hypothec

\* the amount of borrowing outstanding as at the date hereof is €13,000,600

\*\* the amount of borrowing outstanding with HSBC Bank Malta p.l.c. as at the date hereof is €2 million. This facility is an overdraft facility renewed on an annual basis.

\*\*\* the amount of borrowing outstanding with Bank of Valletta p.l.c. as at the date hereof is €4 million. This loan is a COVID Malta Development Bank facility and the repayment date is September 2026.

## 9.7 Ranking of the Bonds

The security held by HSBC Bank Malta p.l.c. in the amount of €20,000,000 represents the security held by the holders of the Callable Bonds, which, as indicated in section 6 hereof, shall be cancelled within a maximum of 14 Business Days from the issuance of the Bonds. Simultaneously with the cancellation of the Callable Bond Security, the Issuer shall procure that MedOps shall create the Security in favour of the Security Trustee as trustee for the Bondholders.

In addition to the Callable Bond Security (which shall be cancelled), the following privileges and hypothecs:

- (a) the privilege granted to the Freeport Authority;
- (b) the General Hypothecs and Special Hypothecs bearing registration numbers H18324/2015 and H18325/2015 registered in favour of HSBC Bank Malta p.l.c.;
- (c) the General Hypothec bearing registration number H5977/2022 registered in favour of Bank of Valletta p.l.c.; and
- (d) other prior ranking security arising by operation of the law;

shall at all times rank in priority to the hypothecary rights to be granted to the Security Trustee as trustee for the Bondholders. The Bondholders shall be deemed to acknowledge that the Bonds shall rank junior and subsequent to such prior ranking security interests.

Subject to the foregoing, the Issuer shall procure that MedOps shall not, for as long as any principal or interest under the Bonds or any of them remains outstanding, create or permit to subsist any prior ranking security interest upon the whole or any part of MedOps' present or future assets to secure any indebtedness, other than security which arises by operation of the law. MedOps shall be at liberty to create or permit to subsist additional security interests over its present or future assets provided they rank after the Bondholders' interests.

By acquiring Bonds, whether on issuance or thereafter, Bondholders will be deemed to have acknowledged and accepted the Security and the terms and conditions contained in each of the Security Trust Deed and the public deeds constituting the Security. In particular, each Bondholder shall be bound by the terms of the Security Trust Deed as if he had been a party thereto and as if the Security Trust Deed covenants on the part of each Bondholder to observe and be bound by all the provisions thereof.

## 9.8 Rights Attached to the Bonds

- (a) This Securities Note incorporates the Terms and Conditions of the Bond Issue and, in its entirety, creates the contract between the Issuer and a Bondholder.
- (b) A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:
  - (i) the payment of interest;
  - (ii) the repayment of capital;
  - (iii) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-section 9.7 above;
  - (iv) in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note, to enforce the Security through the Security Trustee;
  - (v) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
  - (vi) the right to enjoy all such other rights attached to the Bonds emanating from the Prospectus.

## 9.9 Interest

- (a) The Bonds shall bear interest from and including 20 December 2022 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 20 December 2023 (covering the period 20 December 2022 up to and including 19 December 2023). 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. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal amount in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus 1%, but in any event not in excess of the maximum rate of interest allowed by Maltese law. 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 principal on the Bonds is barred by the lapse of five (5) years.
- (b) 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.

## 9.10 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5% per annum.



## 9.11 Registration Form, denomination and title

Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers and Legal Entity Identifiers (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. Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. A Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept at 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 multiple of €100 provided that on subscription, the Bonds will be subscribed for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 and multiples of €100 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 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 sub-section 6 of this Securities Note.

## 9.12 Pricing

The Bonds are being issued at par, that is €100 per Bond.

## 9.13 Payments

Payment of the principal amount of a Bond 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 may designate from time to time, provided such bank account is denominated in Euro and held with any licensed financial institution (net of bank transfer charges). 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 or any charges in connection therewith. For as long as the Bondholder does not provide details of a Euro denominated account, the Issuer shall retain the interest payment for the benefit of the Bondholder until such time as a valid IBAN is provided by the Bondholder.

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 will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the 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 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 or any charges in connection therewith.



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

No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 3. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

#### 9.14 Redemption & Purchase

- (a) Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest up to (but excluding) the date fixed for redemption) on 20 December 2029. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which are payable by the Bondholders.
- (b) Subject to the provisions of this sub-section 4, 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.
- (c) All Bonds so redeemed or re-purchased will be cancelled forthwith and may not be re-issued or re-sold.

#### 9.15 Events of Default

The Bonds shall become immediately due and repayable at their principal amount, together with any accrued interest, if any of the following events ("**Events of Default**") shall occur:

- (a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (b) the Issuer shall duly fail 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 any Bondholder; or
- (c) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- (d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- (f) the non-cancellation of the Callable Bond Security and the non-registration of the Security in favour of the Bondholders within 14 Business Days of the Issue Date of the Bonds.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

Furthermore, the Security Trustee may, in its absolute and uncontrolled discretion and shall, upon the request in writing of not less than 75% in value of the Bondholders, by notice in writing to MedOps and the Issuer, declare that, in terms of the Prospectus the Bonds to have become immediately payable.

#### 9.16 Transferability of the Bonds

- (a) The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Issue Period and the Intermediaries' Offer (if it takes place). As such, 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.

- (b) Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered in their name as holder of the Bond or to have some person nominated by them registered as the transferee thereof. If the person so becoming entitled shall elect to be registered, that person shall deliver or send to the CSD a signed notice in writing confirming such election. If a person elects to have another person registered, such election shall be testified by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.
- (c) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- (d) The costs 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 person to whom the transfer / transmission has been made.
- (e) 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.

## 9.17 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.

## 9.18 Meeting of Bondholders

- (a) 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 affect any change to the applicable Terms and Conditions of the Bonds.
- (b) A meeting of Bondholders shall be called by the Directors or the Security Trustee by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 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 of 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 sub-section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- (c) Upon request made at any time by Bondholders holding at least 10% of the outstanding value of the Bonds, the Security Trustee shall call a meeting of the Bondholders. Additionally, the Security Trustee at any time and at the cost of the Issuer prior to exercising any power or discretion under the Security Trust Deed.
- (d) No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is made at a meeting of Bondholders duly convened and held for that purpose in accordance with the terms hereof.
- (e) 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 (2) 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 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 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, 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 and decided upon during, the adjourned meeting.

- (f) 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.
- (g) Once a *quorum* is declared present by the chairperson 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 being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time 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.
- (h) The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.
- (i) 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, or at any adjourned meeting, as the case may be, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- (j) 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.

## 9.19 Authorisations and Approvals

The Board of Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a Board of Directors' resolution passed on 26 October 2022.

## 9.20 Admission to Trading

- (a) 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 2022.
- (b) Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.
- (c) The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 20 December 2022 and trading is expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

## 9.21 Representations and Warranties

The Issuer represents and warrants to 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 Terms and Conditions of the Prospectus.

## 9.22 Bonds Held Jointly

In respect of any Bonds held jointly by several persons (including spouses), the person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or the first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bonds so held.

## 9.23 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. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bonds so held and shall have the right to receive interest on the Bonds and to vote at meetings of the Bondholders but shall not, during the existence of the Bonds, have the right to dispose of the Bonds so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds (which shall be due to the bare owner).

## 9.24 Governing Law and Jurisdiction

- (a) The Bonds are governed by and shall be construed in accordance with Maltese law.
- (b) Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

## 9.25 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 proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her/its registered address and posted.

# 10.0 Taxation

## 10.1 General

**Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to the acquisition, holding and disposal of Bonds, as well as any interest payments made by the Issuer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned. This information, that does not constitute legal or tax advice and does not purport to be exhaustive, refers only to Bondholders who do not deal in securities in the course of their normal trading activity.**

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 who do not deal in the acquisition and disposal of securities in the course of their normal trading activities. 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.

## 10.2 Maltese Income Tax arising upon acquisition of Bonds

The acquisition of Bonds in the Issuer does not trigger any Maltese income tax or duty liability for the Bondholders.

## 10.3 Maltese Income tax on interest income arising from the holding of bonds

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder to receive the interest gross of any withholding tax or if 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), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (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. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek professional advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term "Recipient", which includes (*inter alia*) a person (both corporate or non-corporate) who is resident in Malta during the year in which investment income is payable to him/her, and EU/EEA nationals (and their spouse were applicable) who are not resident in Malta for Maltese tax purposes but who apply (at their option) the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their world-wide income.

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/her income tax return (to the extent that the interest is paid net of tax). No person (whether corporate or non-corporate) shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund, as the case may be.

The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts of interest paid and tax so deducted, including the identity of the recipient.

In the case of a valid election made in writing 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 their Maltese income tax return and be subject to tax on such interest at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue 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) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out therein, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual/s who are ordinarily resident and domiciled in Malta, 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.

## 10.4 Exchange of Information

In terms of the applicable Maltese legislation, the Issuer and/or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically, or on request, forward the information to other relevant tax authorities subject to certain conditions.

Relevant legislation includes, but is not limited to:

- (a) the Agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through the Exchange of Information (United States of America) (FATCA) Order (Subsidiary Legislation 123.156 of the Laws of Malta) ("**FATCA Legislation**");
- (b) Cooperation with Other Jurisdictions on Tax Matters Regulations (Subsidiary Legislation 123.127) which transposes into Maltese law Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, as well as the Standard for Automatic Exchange of Financial Account Information in Tax Matters ("**Common Reporting Standard**" or "**CRS**"), as developed by the Organisation for Economic Co-operation and Development and for which legal

force was attained through the Multilateral Convention for Mutual Administrative Assistance in Tax Matters which Malta ratified on 29th May 2013; and

- (c) The Implementing Guidelines on Automatic Exchange of Financial Account Information ('the Guidelines') issued by the Commissioner for Revenue in terms of Article 96(2) of the Income Tax Act, (Cap 123 of the laws of Malta).

Under FATCA Legislation, Financial Institutions ("**FIs**") in Malta (defined as such for the purposes of FATCA) are obliged to identify and report financial accounts held by Specified U.S. Persons, as defined under FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under FATCA Legislation, to the Commissioner for Revenue. The latter is in turn required to exchange such information to the US Internal Revenue Service. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

Pursuant to obligations under FATCA Legislation, FIs reserve the right to store, use, process, disclose and report any required information, including all current and historical data related to the past and/or present account(s) held by Reportable Persons, including, but not limited to, the name, address, date of birth, place of birth and US tax identification number ("**TIN**"), the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Commissioner for Revenue.

The CRS requires Malta based FIs to identify and report to the Commissioner for Revenue financial accounts held by Reportable Persons, as defined under the CRS Legislation, and certain entities with one or more Controlling Persons which are classified as Reportable Persons in terms of the CRS. Financial information relating to Bonds and the holders of the Bonds may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

In particular with respect to CRS, FIs reserve the right to store, use, process, disclose and report to the Commissioner for Revenue the following information in respect of each reportable account maintained by the FIs:

- The name, address, jurisdiction of tax residence, TIN and date and place of birth;
- The account number (or functional equivalent in the absence of an account number);
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;
- The total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

The Commissioner for Revenue shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority, any relevant information that may fall to be classified as reportable, and vice versa.

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

## 10.5 Maltese Income 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 should be chargeable in respect of a transfer of the Bonds.

## 10.6 Duty on documents and transfers on transfer of the Bonds

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".

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the aforementioned legislation and, therefore, the transfer/transmission thereof should not be chargeable to duty.

## 11.0 Terms and Conditions of Application For the Bonds

- 11.1** 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 Bondholders.
- 11.2** The issue and allotment of the Bonds is conditional upon the Bonds being admitted to trading on the Official List. In the event that the Bonds are not admitted to the Official List, no Callable Bond Transfers (see section ) shall take effect and any application monies received by the Issuer from all Applicants will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant/Authorised Intermediary on the relative Application Form/ subscription agreement.
- 11.3** Application for the Bonds may be lodged with any Authorised Intermediary (which include the Sponsor and the Registrar & Manager) by not later than 12:00 hours (CET) on 2 December 2022. Applications by Callable Bondholders must be accompanied by the corresponding Cash Top-Up amount and/or the full price of any additional Bonds applied for as applicable, in Euro. Payment may be made by credit transfer, by cheque payable to the respective Authorised Intermediary or by any other method of payment as accepted by the respective Authorised Intermediary. In any case, acceptance of payment shall be made at the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised 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, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment).
- 11.4** It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.
- 11.5** The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the Terms and Conditions set out in this Securities Note.
- 11.6** If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer acting through the Registrar, but it shall not be the duty or responsibility of the Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 11.7** Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier ("LEI") (which needs to be unexpired) in the space provided on the Application Form. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer, acting through the Registrar, and subscription monies will be returned to the Applicant in accordance with the terms set out herein.
- 11.8** In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to listing on the Official List of the MSE. Neither the Issuer nor the Registrar shall be responsible for any charges, loss or delay arising in connection with such credit transfer.
- 11.9** 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.
- 11.10** 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 signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided



that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

- 11.11** The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 11.12** No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any regulation or other legal requirements. Having considered the circumstances, the Issuer has formed the view (due to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements) not to send Application Forms to Callable Bondholders having their address as included in the register of bondholders outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.
- 11.13** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 11.14** Subject to all other Terms and Conditions set out in the Prospectus, the Issuer or the Authorised Intermediary as applicable reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, acting through the Registrar, is not properly completed in all respects in accordance with the relative instructions or is not accompanied by the required documents.
- 11.15** Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, subscription agreements, in any of the annexes and in any other document issued pursuant to the Prospectus.
- 11.16** The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 11.17** Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to revoke the Bond Issue at any time before the closing of the Issue Period and/or the Intermediaries' Offer (if any). The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 11.18** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.
- 11.19** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01), as may be amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Cap 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 11.20** It shall be incumbent on the respective Authorised Intermediaries 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 MiFIR requirements as well as applicable MFSA Rules for investment services providers, all applicable Anti-Money Laundering and Counter Terrorist Financing rules and regulations, as well as the applicable MFSA Conduct of Business Rules.



**11.21** By completing and delivering an Application Form, the Applicant:

- (a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- (b) warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (c) authorises the Registrar and the MSE to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer, the Registrar, the respective Authorised Intermediary and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Cap 586 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to them as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must further be signed by the Applicant to whom the personal data relates;
- (d) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the 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;
- (e) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the Callable Bonds, as the case may be, 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;
- (f) agrees to provide the Issuer acting through the Registrar, with any information which they may request in connection with the Application;
- (g) 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 their Application in any 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 Bonds or his/her/its Application;
- (h) warrants that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with;
- (i) 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) and that they are not 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;
- (j) agrees that unless such Application is made with Rizzo, Farrugia & Co (Stockbrokers) Ltd as an Authorised Intermediary, Rizzo, Farrugia & Co (Stockbrokers) Ltd will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Rizzo, Farrugia & Co (Stockbrokers) Ltd will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;

- (k) agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, 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 Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;
- (l) 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;
- (m) irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the Terms and Conditions thereof and the Memorandum and Articles of Association of the Issuer;
- (n) warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar reserves 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 or to enjoy or receive any rights in respect of such Bonds, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Intermediary (which acceptance shall be made in the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised 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, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment));
- (o) agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- (p) warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
- (q) warrants that he/she is not under the age of 18 years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;
- (r) confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
- (s) agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

## 12.0 Statements of Experts

Save for the Financial Analysis Summary set out in Annex 2 of this Securities Note and the Valuation Report set out in Annex 1 of the Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert.

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

# Annex 1 - Specimen Application Form



REGIS

MEDSERVREGIS P.L.C.  
€13,000,000 5% SECURED BONDS 2029  
APPLICATION FORM - CALLABLE BONDHOLDERS

Prospectus dated 9 November 2022 (the "Prospectus"). Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

<b>A APPLICANT</b> (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
		E-MAIL ADDRESS	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
<b>B ADDITIONAL (JOINT) APPLICANTS</b> (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
<b>C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES</b> (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
<b>D I/WE APPLY TO PURCHASE AND ACQUIRE</b> (see note 9):			
BOX 1 - Nominal Value of Callable Bonds		CALLABLE BOND AMOUNT BOX 1	
BOX 2 - Amount of Bonds applied for in addition to the nominal holding in the Callable Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.		€	
BOX 3 - I/We wish to purchase and acquire the amount set out in BOX 3 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus (minimum €2,000 and in multiples of €100 thereafter).		AMOUNT ADDED IN FIGURES BOX 2	
AMOUNT IN WORDS		€	
		TOTAL AMOUNT IN FIGURES BOX 3	
		€	
<b>E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION</b> (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
<b>F NON-RESIDENT - DECLARATION FOR TAX PURPOSES</b> (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
<b>G INTEREST, REFUND AND REDEMPTION MANDATE</b> (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Issuer to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Issuer may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)		Date	
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE		APPLICATION NUMBER

## Notes on how to complete this Application Form and other information

*The following notes are to be read in conjunction with the Prospectus dated 9 November 2022 regulating the Bond Issue*

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 6% MedservRegis p.l.c. secured bonds 2020/2023 (the "Callable Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the 5% MedservRegis p.l.c. Secured Bonds 2029 (the "Bond/s") so as to transfer to the Issuer all or part of the holding in the Callable Bond held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel D. By submitting this signed Application Form, Callable Bondholders shall be deemed to:

- i. cause the transfer of the said Callable Bonds in the Issuer's name in consideration of the issue of Bonds; and
  - ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Callable Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.
1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 11 of the Securities Note dated 9 November 2022 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
  2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
  3. The MSE account number pertaining to the Callable Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Callable Bonds held at the CSD as at 9 November 2022 (trading session of the 7 November 2022). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.  
Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. 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 may be found on <https://eportfolio.borzamalta.com.mt/Help>.
  4. 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 proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
  5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
  6. **CALLABLE BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
  7. Where a 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 included in Panel C.
  8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
  9. **The amount set out in Box 3 of Panel D overleaf must be for a minimum of €2,000 and in multiples of €100.** Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Callable Bonds set out in Box 1 of Panel D, the Applicant may do so by including such higher amount in Box 3 in Panel D. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Callable Bonds being transferred as set out in Box 2.
  10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.  
In terms of Section 10.3 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if 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), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
  11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.  
*The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.*
  12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
  13. The Issue Period will open at 08:30 hours on 21 November 2022 and will close at 12:00 hours on 2 December 2022. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex 3 of the Securities Note during normal office hours. **Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.** If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
  14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form 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 amended from time to time;
    - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer.Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

**The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.**

# Annex 2 - Financial Analysis Summary



Rizzo, Farrugia & Co (Stockbrokers) Ltd  
Airways House, Fourth Floor, High Street, Sliema SLM1551, Malta  
T. +356 22583000 E. info@rizzofarrugia.com W. www.rizzofarrugia.com

The Board of Directors  
**MedservRegis p.l.c.**  
Malta Freeport,  
Port of Marsaxlokk,  
Birzebbugia, BBG3011  
Malta

9 November 2022

Dear Sirs,

## **MedservRegis plc –Financial Analysis Summary (the “FAS”)**

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

The purpose of the FAS is that of summarising key financial data appertaining to MedservRegis plc (the “**Issuer**”) in relation to the €13 million 5.0% Secured Bonds 2029 issued by the Company in 2022.

The data in this FAS is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2019 to 2021 extracted from the Issuer’s audited statutory financial statements for the three years in question;
- (b) The forecast data for the financial year ending 31 December 2022 and projections for the year ending 31 December 2023 has been derived from the financial information provided by the management of the Issuer;
- (c) Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the audited financial statements and assisted by management of the Issuer;
- (d) The ratios quoted in the FAS have been computed by us applying the definitions set out beneath each ratio; and
- (e) Relevant financial data in respect of other issuers with same-maturing bond issues as analysed in Part D of this report has been extracted from public sources such as the web sites of the companies concerned or financial statements filed at the Registry of Companies.

The FAS is meant to assist existing and potential investors by summarising the more important financial data of the Issuer. The FAS does not contain all data that is relevant to potential investors and is meant to complement and not replace financial and/or investment advice. The FAS does not constitute an endorsement by our firm of the listed bonds that the Issuer has outstanding on the Official List of the Malta Stock Exchange and should not be interpreted as a recommendation to invest in the bonds or otherwise. We shall not accept any liability for any loss or damage arising out of the use of the FAS and no representation or warranty is provided in respect of the reliability of the information contained herein. Potential investors are encouraged to seek professional advice before investing in the Issuer’s securities.

Yours sincerely,



**Vincent E Rizzo**  
Director



## FINANCIAL ANALYSIS SUMMARY

9 November 2022

*Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority on 5 March 2013 and last updated on 21 August 2021.*





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## LIST OF ABBREVIATIONS

AES	Angola Environmental Servicos Lda
BP	BP plc
BP Egypt	BP Exploration (Delta) Limited
CPF	Central Processing Facility
EBITDA	Earnings before interest, tax, depreciation, and amortisation
Eni	Eni S.p.A.
IEA	International Energy Agency
IEC	International Energy Companies
IEOC	IEOC Production B.V. (Eni's subsidiary in Egypt)
ILSS	Integrated Logistics Support Services
MedOps	Medserv Operations Limited
MOG	Mellitah Oil & Gas B.V. (Libyan Branch)
OCTG	Oil Country Tubular Goods
OPEC	Organisation of the Petroleum Exporting Countries
PDO	Petroleum Development Oman
RUL	Regis Uganda Limited
SONILS	Sonangol Integrated Logistics Services Lda
Sumitomo	Sumitomo Corporation Middle East FZE
TotalEnergies	TotalEnergies SE
UAE	United Arab Emirates



## IMPORTANT INFORMATION

### PURPOSE OF THE DOCUMENT

MedservRegis plc (the “**Issuer**” or the “**Company**” or the “**Group**”) is issuing €13 million 5.0% Secured Bonds 2029 pursuant to a prospectus dated 9 November 2022 (the “**Bond Issue**”). This Financial Analysis Summary (“**FAS**”) is being issued in line with the requirements of the Listing Policies of the Malta Financial Services Authority dated 5 March 2013 and last updated on 21 August 2021. The purpose of this report is to provide information on the performance and on the financial position of the Company.

### SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Company’s website ([www.medservregis.com](http://www.medservregis.com)), the audited Financial Statements for the years ended 31 December 2019, 2020 and 2021, forecasts for financial year ending 31 December 2022 and projections for financial year ending 31 December 2023.

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

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

### PREVIOUS FAS ISSUED

The Company has published the following FAS which are available on its website:

- |  |  |
|--|--|
| • FAS dated 30 August 2013<br><i>(appended to the final terms)</i> | • FAS dated 7 April 2014<br><i>(appended to the final terms)</i> |
| • FAS dated 15 May 2015  | • FAS dated 18 May 2016  |
| • FAS dated 5 April 2017   | • FAS dated 11 May 2018  |
| • FAS dated 22 May 2019  | • FAS dated 15 July 2020   |
| • FAS dated 28 June 2021   | • FAS dated 26 July 2022   |



## 1 UPDATE ON THE OIL AND GAS INDUSTRY

The global oil and gas industry has undergone significant changes in the past few years, mainly driven by a period of rebalancing in inventories, a pandemic-fuelled economic recession, and a marked shift across the globe towards the increased use of sustainable, renewable, and more environment-friendly sources of energy. In 2021, the International Energy Agency (“IEA”) published a detailed report which describes the changes in energy demand and energy mix if the world is to achieve net-zero emissions by 2050, including the eventual halt to new oil and gas exploration projects<sup>1</sup>. The forecasted changes in demand combined with the complex and changing political situation in the Middle East and North Africa, makes the oil and gas sector an extremely challenging business for every company that is dependent on it.

The Organisation of Petroleum Exporting Countries (“OPEC”) is composed of 13 member countries, which together hold an estimated 80.4% of the world’s proven oil reserves<sup>2</sup>. Along with some of their industry allies such as Russia, Azerbaijan and Oman, they are collectively referred to as OPEC+. The OPEC+ countries represent the majority of the world oil production, which was about 57% in 2016 and declined to 51% in 2020. OPEC+ market share is expected to recover to above 52% by 2026 and continue to increase thereafter as non-OPEC+ countries shift to other energy sources.

The fundamental challenge for this industry remains the intrinsic volatility within the sector. International Energy Companies (“IEC”) need time to address the swings of an over- or under-supplied market and develop a resilient strategy to mitigate the risks related thereto. This uncertainty leads to caution threading by the oil and gas companies who in recent years have curbed their investment for a while, assessing the right opportunity that is indicative of stabilisation of the industry dynamics.

The IEA expects world oil demand for 2022 to increase by 1.8 mb/d (million barrels per day) on average to 99.4 mb/d. Russia’s invasion of Ukraine since February 2022 presented major disruptions to the industry as various countries opted to impose sanctions on Russian fuels. By June 2022, the European Union agreed on six packages of sanctions which are set to ban about 90% of Russian oil imports to the EU.

Meanwhile, the interest in drilling activity by the large IECs continued in the east Mediterranean following various gas finds in the waters between Egypt and Cyprus, which offer substantial opportunities for the provision of Integrated Logistics Support Services (“ILSS”) within the region.

From an oil price perspective, Brent crude exceeded pre-pandemic levels of around \$60 to \$70 per barrel during 2021 and continued to climb following an extensive global vaccination programme and various fiscal incentives as well as accommodative monetary policies, which boosted economic activity and led to increased demand for oil. As a result, the oil price hovered around the \$80 per barrel level by the end of 2021. Russia’s invasion of Ukraine towards the end of February 2022 led to a further uplift in the price of oil as the various

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<sup>1</sup> IEA, *Net Zero by 2050, May 2021*

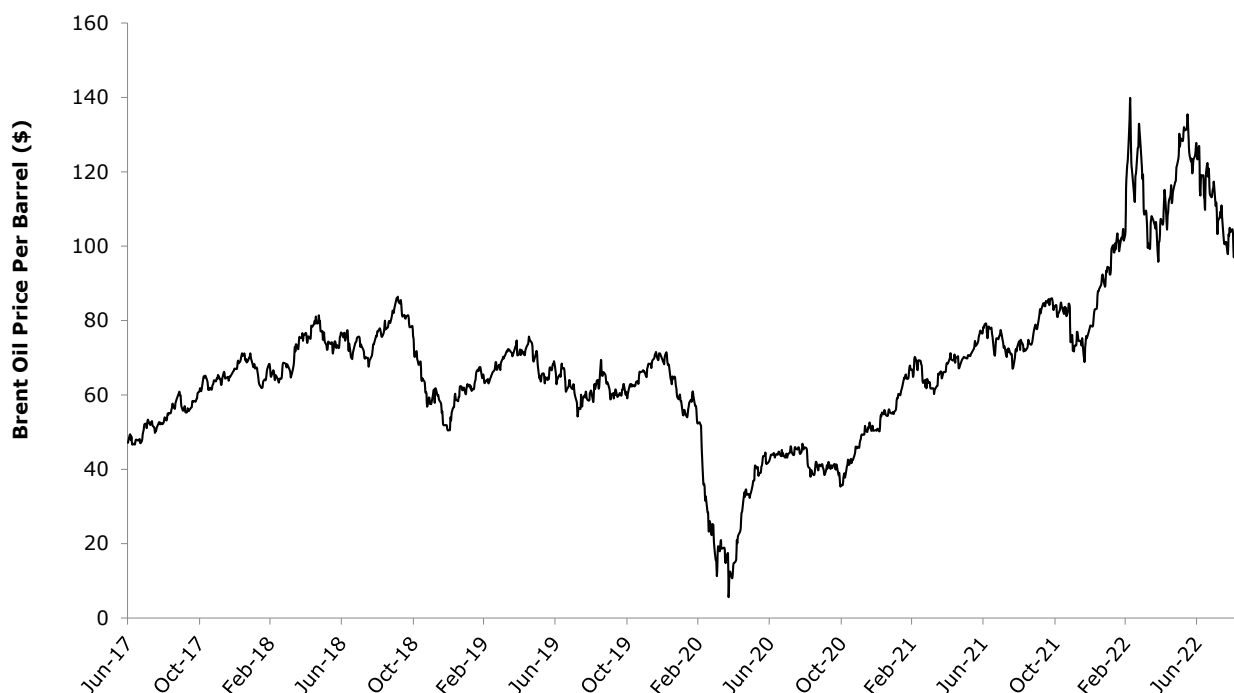
<sup>2</sup> OPEC share of world crude oil reserves, 2021: [https://www.opec.org/opec\\_web/en/data\\_graphs/330.htm](https://www.opec.org/opec_web/en/data_graphs/330.htm)



sanctions imposed on Russian fossil fuelled by the governments of major economies led to a sharp reduction in the supply for oil and gas. In fact, in March 2022, Brent crude even reached a 15-year high of almost \$140 per barrel and continued to trade above the \$100 level until September:

### **Brent Oil Price Movements**

*June 2017 to September 2022*



Source: Refinitiv Eikon

## **2 COVID-19**

The COVID-19 pandemic resulted in the creation of significant uncertainties within the energy industry, which consequently necessitated the Group to take quick and tough decisions. The pandemic also led to the suspension of most offshore drilling and mining activities from Q2 2020 to Q4 2021, due to the inability to provide a safe working environment.

Throughout the worst phase of the pandemic, the Group's main objective was to preserve liquidity and ensure that it continues to register positive earnings before interest, tax, depreciation, and amortisation ("EBITDA"). In this respect, immediate cost containment measures were put in place across all the Group's operations. These included restructuring to the new norm and postponing any capital expenditure plans. Such measures ensured that MedservRegis had sufficient funds to meet its obligations through the course of 2020 and 2021. Furthermore, the Group also benefitted from a number of schemes adopted by the various governments where the Group operates to mitigate the significant economic and financial repercussions from the COVID-19 pandemic.



### 3 KEY RECENT DEVELOPMENTS AND OUTLOOK FOR 2022 AND 2023

#### TRANSACTION WITH REGIS HOLDINGS LIMITED

As economic activity across the world started to rebound in the second half of 2020, the Group sought opportunities to consolidate its market position, broaden its geographic footprint in strategic locations, and strengthen its financial position. To this effect, an agreement was reached with Regis Holdings Limited (“Regis”) in April 2021 for the two companies to join forces and create a truly global player that will allow the combined entity to successfully respond to the deep changes taking place in the energy market. Through its subsidiaries, Regis provides logistics, equipment, procurement, and specialised services to a wide range of customers, including national and international energy companies, drilling and mining companies, as well as product and equipment manufacturers and other heavy industry-related contractors in South Africa, Mozambique, Uganda, and Angola.

Following the completion of the share for share exchange with Regis on 25 June 2021, the global outreach of MedservRegis now spans across four continents, comprising a presence in twelve countries and operations out of twelve bases.

In addition, the trading prospects of Medserv plc following the transaction with Regis will enable the combined Group to:

- (i) present an integrated logistics solution to its customers in the Sub-Saharan region whilst also allow it to participate in some significant upcoming logistics projects in Africa;
- (ii) offer energy companies mill-to-well supply chain management services in new jurisdictions whilst also onboard new clients operating in other sectors with a view of reducing the overall exposure and reliance on the energy segment;
- (iii) cross-sell in new countries;
- (iv) increase its geographical, product, and client spread, thus contributing to reducing the Group’s concentration risks as a result of increased diversification whilst also reducing the fluctuations in earnings and improve underlying profitability; and
- (v) strengthen the financial and equity base in support of its growth ambitions and targets.

#### MEDITERRANEAN OPERATIONS

##### MALTA OPERATIONS (INCLUDING LIBYA BRANCH)

In recent years, the Malta base continued to provide shore base services for the development of offshore Libya projects. Despite the ongoing political and hostile environment currently ensuing in Libya, management is confident that the Company will remain the shore base for all oil and gas operations offshore Libya. This is because the Company’s base in Malta is seen as a reliable and safe haven for the storage and mobilisation of oil field equipment employed by companies engaged in offshore Libya projects.



Following the completion of the Bahr Essalam Phase II project in August 2019 (which was Libya's largest offshore producing gas field), MedservRegis will be acting as the logistics base for the development of new gas offshore structures for Mellitah Oil & Gas B.V. (Libyan Branch) ("**MOG**") which, in turn, is a joint venture between the Libyan National Oil Corporation and Eni North Africa B.V. In aggregate, MedservRegis will be providing the necessary logistics for MOG's projects involving the drilling of over 30 wells. These projects are now expected to start during year 2023. In addition to the provision of ILSS, the Company's contract with MOG also covers the management of a considerable volume of Oil Country Tubular Goods ("**OCTG**") and related equipment.

In March 2020, the Company signed a long-term agreement with Air Liquide Oil & Gas Services Ltd to install and operate a compressed gases filling plant to provide diving and welding gases to the offshore industry in the Mediterranean basin. After obtaining necessary permits, the facility was installed at MedservRegis' base at the Malta Freeport and operations commenced in Q4 2020.

Also in 2020, the Company was awarded a contract by Eni to provide logistics marine base and associated services for its oil and gas activities taking place offshore Libya. The term of the contract is three years with the option for Eni to extend for a further year and came into effect on 1 January 2021. Moreover, MedservRegis was also awarded a contract by OMV AG (a multinational integrated oil and gas company headquartered in Vienna with operational activities in the onshore Murzuk and Sirte basin of Libya) to provide international freight forwarding services including the transportation of goods and drilling related equipment from global sites to specified locations in Libya through the facilities that MedservRegis has at the Malta Freeport. The framework agreement entered into force on 30 October 2020 and is for a duration of three years with the option to extend for a further two years.

As such, the Malta base which also supports the activity offshore Libya continued to serve the aforementioned business in 2021, although much of the activity related to the contracts with MOG and Eni North Africa was suspended throughout the year due to COVID-19 coupled with the political instability in Libya. Nonetheless, as the Company managed to renew its contracts with its two major clients operating offshore Libya for the coming years, the Malta base is expected to continue acting as the logistics hub for such activity going forward, including the installation of structures for MOG which represents the key operating activity for the Group out of its base located in the Malta Freeport.

## CYPRUS OPERATIONS

Following the end of the first phase of drilling of the ExxonMobil campaign, Medserv Cyprus went into non-active mode on 1 April 2019. During this phase, ExxonMobil have requested that Medserv Cyprus continues providing a number of services, including the storage of their equipment at the Limassol base.

In 2019, Medserv Cyprus was awarded another logistics contract by TotalEnergies E&P Cyprus BV who were expected to drill 2 wells in Block 11 as the operators in a joint venture with Eni Cyprus in April 2020. The Company is contracted to provide its services from its facilities in the port of Limassol. The award of this



contract was another major step to broaden the Company's oil and gas client portfolio within the Eastern Mediterranean region.

2020 and 2021 were characterized by the COVID-19 pandemic. In 2020, the Company incurred significant operational losses given that the personnel it recruited from the period of November 2019 had to be let go during 2020 when the projects were postponed after notice was received by Eni due to the port closures as a result of COVID-19. Similarly in 2021, the Company was again active in Q4 of the year, supporting ExxonMobil in its drilling campaign of one well in Block 10, with ramping up of operations taking place between October and November 2021 and the activity starting officially mid-December 2021 until completion in June 2022. During the non-active period in 2021, Medserv Cyprus still provided a number of logistic and inspection services.

Meanwhile, Eni/TotalEnergies have started drilling again in Block 6 on the 'Cronos-1' prospect. Eni and TotalEnergies are collaborating together on this project with Eni who holds a participating interest of 50% acting as the operator while TotalEnergies has the remaining 50%. The well was spudded at the beginning of June 2022 and was completed by the end of July 2022. This drilling campaign started in March 2022 with the preparation work at the supply base for the drilling. The Company's contract with Eni Cyprus has been extended during the year until 18 June 2023 however management is cautiously anticipating a lower level of activity throughout 2023 on the back of expected shorter drilling campaigns. Nonetheless, going forward, Cyprus is expected to take a central role in the oil and gas industry in the Mediterranean basin and has other business opportunities should arise.

## EGYPT OPERATIONS

### IEOC Production B.V. ("IEOC") Contract

The contract with IEOC Production B.V. ("IEOC") expired on 31 December 2020 and was extended until 30 June 2021. This resulted in a downsize in the scope (i.e. equipment provided to IEOC) which took place during the contract extension beyond June 2021. Another reduction in scope took place in September 2021 through another addendum which extended the contract to June 2022. The current IEOC contract was again extended in May 2022 until 31 December 2022.

### BP Egypt Contracts

The Company secured two 3+1 year contracts with BP Egypt in 2021 – the first one was awarded in January 2021 whilst the second contract was awarded in May 2021. Similar to the IEOC contract, the BP Egypt contract provides for fixed monthly rates for the provision of equipment and manpower.

Under the scope of the first contract with BP Egypt, the Company performs Integrated Materials Management and Warehousing Services for BP Egypt in Idku. The second contract, which covers an Integrated Facility



Management of the West Nile Delta Site in Idku, namely consists of the provision of the management, mobilisation and delivery of all hard and soft facilities management, maintenance and catering services.

## MIDDLE EAST OPERATIONS

### OMAN OPERATIONS

In January 2017, Sumitomo Corporation Middle East (“**Sumitomo**”) announced the extension of their contract to supply OCTG’s to Petroleum Development Oman (“**PDO**”) for a further 5 years. Sumitomo first started supply of OCTG including Supply Chain Management services to PDO, the Sultanate’s largest oil and gas producer, in 2003. Since then, the companies have enjoyed a continuous and mutually beneficial relationship.

As a result, in February 2017, METS was awarded the Sumitomo contract for a period of five years with a five-year renewal option and a new METS company (METS Duqm) was established. Consequently, the Company set up a new facility of 119,622 sqm at the port of Duqm in order to be able to cater for the significant increase in volumes of product to be handled and ensuing business.

In Oman, the demand for seamless OCTG has increased slightly during 2021 compared to 2020 at the height of the pandemic, and this can be confirmed by the volumes of OCTG handled by both the company and the group entity in Sohar.

Oman OCTG volumes are on the increase as PDO intensifies its drilling program from 600 wells drilled annually to over 800 wells to be drilled starting in August 2023 and reach 1,000 wells drilled annually in 2025/2026. As this schedule increases in volume coupled with the current international disruption in the shipping lines calling at Duqm Port, Sumitomo are occasionally using Sohar yard for OCTG goods. Consequently, in January 2022 METS Sohar signed a five-year agreement with Sumitomo to provide import product management and storage facilities for 30,000MT of OCTG.

During February 2022, Marubeni has been awarded a three-year tubing supply contract with Oman Oil in the North. Average materials will be 15,000MT per year. Marubeni confirmed that they will be using METS Sohar for the OCTG incoming management until customer call-off. The amount of OCTG handling at Duqm in FY2022 is expected to be a record high for the company, while that for FY2023 is expected to be aligned to historic averages.

### UNITED ARAB EMIRATES OPERATIONS

In September 2020, METS UAE secured a new contract with Tenaris in Abu Dhabi for the supply of tubular handling, equipment, yard and inspection services. This award was the result of the exceptional work done for Tenaris over the past years. The contract is for a period of 3 years starting 1 October 2020 until 30 September 2023. The contract may be extended for an additional term of 1+1 year upon written agreement between the parties.





The new management drive following the merger with Regis and the improved market conditions are expected to surpass the Company's revenues generated in previous years and register a profit in both 2022 and 2023, inclusive of METS UAE share of corporate costs. The main contributors for this improvement are the increase in the machine shop order book and increased demand for services by Tenaris in Abu Dhabi.

#### IRAQ OPERATIONS

In 2021, the Company managed to regain the position and generate an adequate amount of revenue from machine shop. In fact, during 2021, the Company generated revenues of \$3.2 million (2020: \$1.9 million). Management explained that while machine shop services increased by 92% and inspection revenue dropped 89% over that of 2020, revenue from handling and storage increased by 59% as a result of the Company's ability to secure a number of rig storage packages during the year.

During 2022, BP continued to remain a significant generator of the Company's revenue but through management efforts the Company increased its client base and managed to secure new clients and generate substantial new revenues both in machine shop orders and storage and handling of rigs. In fact, the Company is projecting to generate \$4 million in terms of revenues during 2022 which represents a 25% increase over that generated during the prior year, with 58% of revenue to be generated from the Company's machine shop and the remaining 42% from handling and storage of rigs. A similar performance is expected for FY2023.

#### AFRICAN OPERATIONS

##### ANGOLA OPERATIONS

Business in Angola is conducted through Regis Management Services Ltd which is based in Mauritius. The main clients of Regis Management Services are Sonangol Integrated Logistics Services Lda ("**SONILS**") and Angola Environmental Servicos Lda ("**AES**") with which Regis Management Services has yearly contracts.

Regis Management Services acts as a 'one stop solution' with an emphasis on global procurement and logistics. It procures a wide range of products and services for its clients including personal protection equipment, valves, piping, heavy machinery, computer equipment and pre-engineered steel structures. The company also contracts staffs to its clients and provides technical services. In addition, the company provides comprehensive procurement services from sourcing to delivery as per client requirements.

Despite the fall in revenue over the past couple of years mainly attributable to COVID-19, the business is expected to sustain a minimum level of revenue given its agreements with clients. Furthermore, the economic activity in Angola is expected to start recovering in 2022 with rising oil prices and the gradual loosening of output cuts implemented when demand for oil collapsed in 2020. Management anticipate the level of business achieved in FY2022 will be retained in FY2023.



## MOZAMBIQUE OPERATIONS

Regis Mozambique is a fully owned subsidiary of MedservRegis plc (indirect holding via Regis Holdings Limited and Regis Management Services Limited). It operates a fully-fledged logistics facility in Pemba, Mozambique. The size of this Logistics Service Centre is approximately 50,000 sqm. The Cabo Delgado province in Northern Mozambique has seen major discoveries of natural gas and graphite over the last numbers of years and Regis Mozambique is well located to serve these projects.

The company provides laydown facilities and integrated logistics solutions to the multinational subcontractors and local contractors working for the international energy companies. The company also provides rental of equipment and manpower to Syrah Resources Limited, the Australia-based industrial minerals and technology company engaged in the production of natural graphite products from Balama Graphite Operation in Mozambique.

Despite the operational challenges presented by COVID-19 and the declaration of force majeure by TotalEnergies, following the Jihadist insurgency in Cabo Delgado province in early 2021 threatening regional security the company has remained fully operational and continued to service its clients.

Oil and gas activity in this African region is expected to resume during the second half of 2023.

## UGANDA OPERATIONS

Regis Uganda Limited (“RUL”) represents Regis’ early penetration in Uganda in anticipation of the construction of a 1,440 km crude oil pipeline from Uganda’s Albertine region to Tanzania’s seaport of Tanga. RUL imported a fleet of equipment to establish a logistics service centre to service the oil and gas industry and the technical service providers to general heavy industry. Activity is expected to increase significantly as a result of the recent final investment decision to start construction of the pipeline.

RUL provides integrated logistics services and all lifting and materials handling related support in Uganda. The company has a fleet of cranes and forklifts. The Group has invested heavily in Uganda and have a dedicated service base in Kampala, procuring its own fleet and local workforce. The company has been engaged on several infrastructure-related works, including positioning of flyover bridges in Kapchorwa, a similar project in Kampala, as well as construction works aligned to the sugar industry in Jinja.

Despite the operational challenges presented by COVID-19, the company remained fully operational and during the pandemic continued to service its clients.

Management expects the results for year 2022 to improve over year 2021 as the company has signed a conditional letter of intent with a major OCTG supplier for the provision of OCTG associated services in relation



to the call for tender issued by TotalEnergies for its Tilenga projects.<sup>3</sup> Further revenue increases are expected to be registered in Uganda during FY2023 in line with the anticipated ramp-up in business activity.

In addition, the company leased a site measuring 24,000 sqm to set up a new base for the upcoming projects in Uganda. The land is located in the Buliisa district, 4km away from the Central Processing Facility (“CPF”) being developed by TotalEnergies. This site will be developed into a logistics facility providing a staging point and supporting solution to TotalEnergies CPF facility.

#### **4 KEY CLIENTS AND CONTRACTS**

The Group identifies Eni, Sumitomo, and BP as its major key clients.

In the case of Eni, the relationship extends over 40 years and involves a number of independently operated entities forming part of this Group. Notwithstanding this, the Issuer has been gaining recognition internationally with other blue-chip IECs and sub-contractors, and these are now contracting the Group companies for various drilling and exploratory projects.

Following the acquisition of METS in February 2016 and the large contract awarded to METS Oman in February 2017, Sumitomo also became a key client of MedservRegis. Similarly, the volume of business with BP increased significantly in 2021 following the award of long-term contracts in Egypt. However, prior to the award of these long-term contracts, through its shareholding in METS, MedservRegis already had a strong business relationship with BP as the latter represented the primary source of revenue for the Company’s operations in Iraq.

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<sup>3</sup> Further information about the Tilenga project is available at: (i) <https://totalenergies.com/projects/liquids-low-carbon-fuels/tilenga-and-eacop-acting-transparently>; and (ii) [https://totalenergies.com/sites/g/files/nytnzq121/files/atoms/files/uganda-projects\\_introduction.pdf](https://totalenergies.com/sites/g/files/nytnzq121/files/atoms/files/uganda-projects_introduction.pdf).



## 5 GOVERNANCE & MANAGEMENT

The Board of Directors is currently composed of the following directors:

BOARD OF DIRECTORS	ROLE
Mr Anthony S. Diacono	Executive Chairman
Mr Carmelo <i>sive</i> Karl Bartolo	Executive Director
Mr David O'Connor	Executive Director
Mr Olivier Bernard	Executive Director
Dr Laragh Cassar	Non-Executive Director & Company Secretary
Mr Keith Grunow	Non-Executive Independent Director
Mr Jean Pierre Lhote	Non-Executive Independent Director
Ms Monica De Oliveira Vilabril	Non-Executive Independent Director

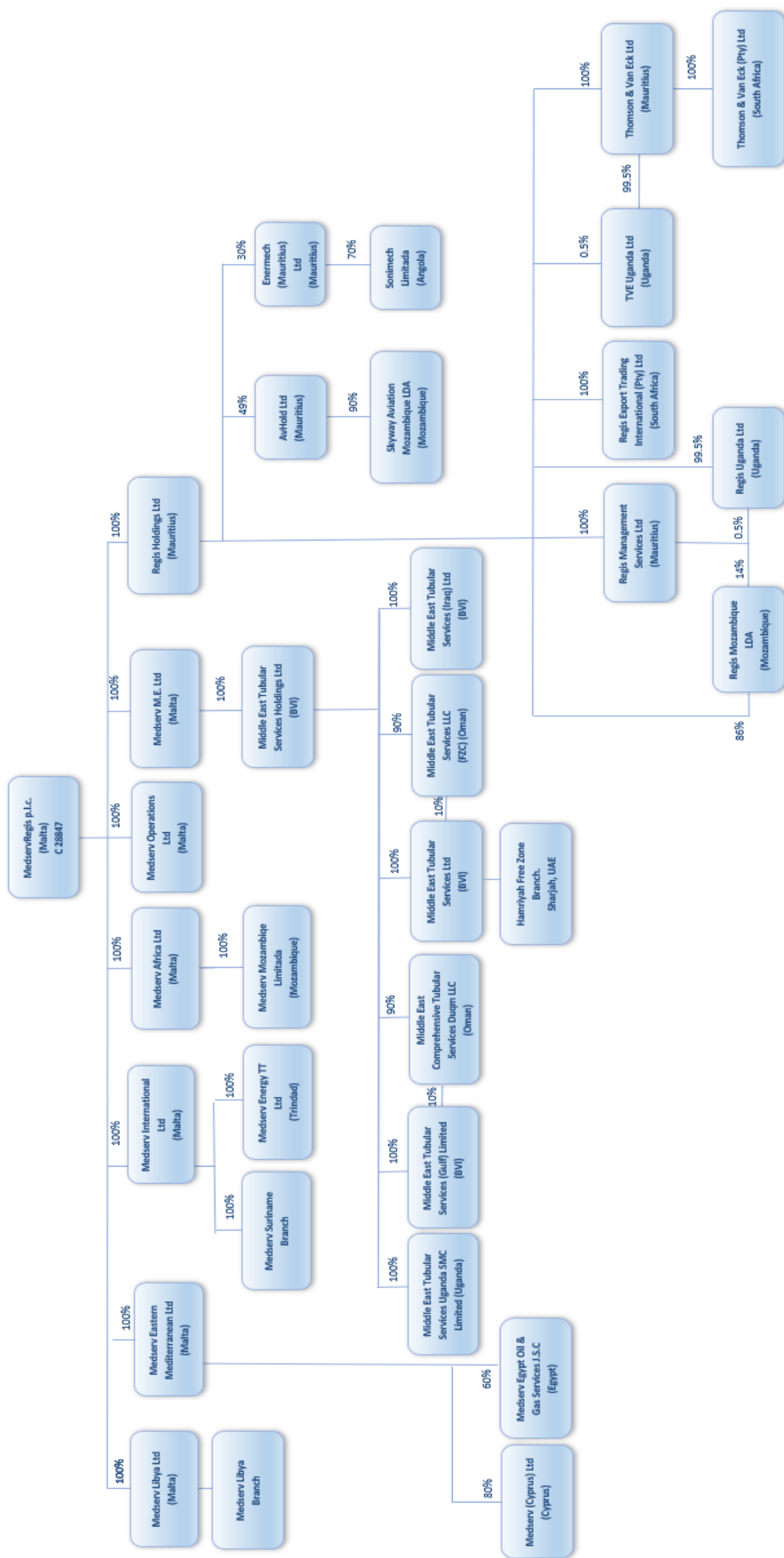
On 25 June 2021, pursuant to the completion of the share for share transfer, Mr Anthony J. Duncan, Mr Etienne Borg Cardona and Mr Kevin Rapinett resigned from their position of directors of the Company. Mr David O'Connor, Mr Olivier Bernard and Mr Keith Grunow were appointed in their stead.

The Executive management of MedservRegis plc is composed of the following:

EXECUTIVE MANAGEMENT	ROLE
Mr Anthony S. Diacono	Chairman
Mr David O'Connor	Chief Executive Officer
Mr Carmelo <i>sive</i> Karl Bartolo	Deputy CEO for Business and Operations
Mr Olivier Bernard	Deputy CEO for Finance, Administration, Investment and Trading
Mr Alessandro Roca	Group Finance Director
Mr Silvio Camilleri	Chief Financial Officer
Mr Edward Farrugia	Chief Information Officer
Mr George Douglas	Chief Health, Safety, Security, Environmental and Quality Corporate Officer
Mr Godfrey Attard	Chief Special Projects Officer
Ms Linda De Beer	Chief HR Officer
Mr Robert Bennett	Chief Business Development Officer

## 6 GROUP STRUCTURE

The Group is composed of the Issuer, which is the holding company of several subsidiary companies, as shown in the organigram overleaf. MedservRegis plc is continuously working to cross-sell its services across the Group's various geographical locations and client base.





## 7 MAJOR ASSETS

The Group's major capital assets are split in three: 'Property, Plant & Equipment' (PPE); 'Intangible Assets & Goodwill'; and 'Right-of-use assets' (ROU).

The below schedule provides a split of the components within each asset class.

As at 31 December	FY2019	FY2020	FY2021*
	€'000	€'000	€'000
<b><u>Property, Plant &amp; Equipment</u></b>	<b>31,472</b>	<b>27,736</b>	<b>36,052</b>
<i>Buildings &amp; base Improvements</i>	13,512	13,338	13,846
<i>Plant &amp; equipment</i>	12,322	9,845	18,743
<i>PV farm</i>	2,871	2,663	2,474
<i>Cargo carrying units</i>	1,647	1,300	575
<i>Furniture, fittings &amp; office equipment</i>	710	302	306
<i>Motor vehicles</i>	183	53	108
<i>Assets not yet in use</i>	226	235	-
<b><u>Intangible Assets &amp; Goodwill</u></b>	<b>11,751</b>	<b>9,836</b>	<b>21,108</b>
<i>Goodwill</i>	2,668	2,403	9,209
<i>Brand</i>	175	147	1,139
<i>Customer Relationships</i>	8,696	7,286	10,760
<i>Licences</i>	212	-	-
<b><u>Right-of-use assets</u></b>	<b>75,848</b>	<b>62,190</b>	<b>50,014</b>
<b>Total Major Assets</b>	<b>119,071</b>	<b>99,762</b>	<b>107,174</b>
<b>Total Assets</b>	<b>150,446</b>	<b>121,768</b>	<b>150,786</b>
<b>Major Assets as a % of Total Assets</b>	<b>79.1%</b>	<b>81.9%</b>	<b>71.1%</b>

\*Note: The balance sheet for the year ending 31 December 2021 has been produced taking into account the combination of the Medserv Group and the Regis Group, while the assets listed for FY2019 and FY2020 are of Medserv plc.

Property, Plant and Equipment ("PPE") includes those assets used in the operations of the Group, which in turn are primarily composed of 'Buildings and base improvements' and 'plant and equipment'. The majority of the 'buildings and base improvements' relate to the shore base in Malta and includes warehouses, workshops, open yard facilities and offices. Meanwhile, 'plant and equipment' consist mainly of heavy lifting equipment spread across the Group and fully equipped bulk plant facilities in Malta for the cutting of and storage of cement, barite and bentonite. The value of 'plant and equipment' doubled in FY2021 when compared to FY2020 as a result of the combination of the Medserv Group and the Regis Group. The PV farm is located at the Group's base in Malta and consists of over 8,000 photovoltaic panels producing around 2MWp



of electricity which is sold back to the local grid. The Group also owns a fleet of cargo carrying units (CCUs), furniture, fittings and office equipment as well as a number of motor vehicles.

The Intangible Assets & Goodwill were first recognised in FY2016 upon the acquisition and consolidation of the METS Group. The intangible assets consist mainly of acquired customer relationships and is being amortised over a period of ten years. The remaining intangible assets are amortised over their useful life. Following the completion of the transaction with Regis, the Intangible Assets and Goodwill more than doubled, primarily due to the increase in goodwill attributable to future customer contracts, the synergies expected to be achieved from combining the operations of both groups, together with their skills and technical talent. The combination of the two groups also led to the recognition of additional customer relationships. Goodwill has been capitalised as an intangible asset and an impairment assessment is carried out at least annually for the trademarks, tradenames, and related assets with an indefinite useful life, and whenever there is an indicator of impairment on all intangibles including the customer contacts and non-contractual customer relationships.

The Right-of-Use Assets relate to the recognition of the leases of the Group's bases, namely in Malta, Cyprus, Oman, UAE and Iraq in line with International Financial Reporting Standards (IFRS 16 – *Leases*). The majority of the right-of-use assets consist of the revalued property rights held at the Malta Freeport Terminals, which comprise industrial land and the overlying buildings and facilities and the property rights at Hal Far Industrial Estate, which comprise two adjacent plots of industrial land. The valuation of all these property rights was carried out on the basis of market value on the assumption that the property rights could be sold subject to any existing third-party obligations. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.



*The share for share transaction with Regis Holdings Limited concluded on 25 June 2021 was considered a reverse acquisition which necessitated the consolidation of Medserv plc into Regis Holdings Limited, as the latter was considered the accounting acquirer in the transaction. As such, the audited financial statements covering FY2021 represented a continuation of Regis Holding Limited's financial statements (which also included a number of business activities which have since been discontinued and do not form part of the merged group). As a result, the income statement for FY2021 was based on a 12-month period of Regis Holdings Limited coupled with only a six-month contribution from Medserv plc (from 1 July 2021 to 31 December 2021). Therefore, the figures for FY2021 are not comparable to the performance of Medserv plc in FY2019 and FY2020.*

*Review of the performance in FY2019 and FY2020 of Medserv plc (prior to the share for share transaction) can be respectively viewed in the:*

FAS dated 15 July 2020	<a href="https://www.medservenergy.com/Fleximanager/Siteimages/editorupload/20200715135325519.pdf">https://www.medservenergy.com/Fleximanager/Siteimages/editorupload/20200715135325519.pdf</a>
FAS dated 28 June 2021	<a href="https://www.medservenergy.com/Fleximanager/Siteimages/editorupload/20210628142708897.pdf">https://www.medservenergy.com/Fleximanager/Siteimages/editorupload/20210628142708897.pdf</a>

## 8 ISSUER PERFORMANCE & FINANCIAL POSITION OVERVIEW

This section provides an analysis of the FY2021 figures. The historic information is in the main sourced from the published annual report as issued by the Group, supported by additional information sourced from management.

The projections for the current financial year ending 31 December 2022 have been prepared by management and are based on the new structure of MedservRegis plc. The forecasts have been based on the key developments that the Group expects to happen during FY2022 and FY2023, as described further in section 3 and below.

Unless otherwise stated, all amounts in the tables below are in thousands of Euro (€'000) and have also been subject to rounding.

**Note: The analysis for FY2021 was presented in an FAS published by the Company on 26 July 2022<sup>4</sup>. No changes have been made thereto in this FAS.**

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<sup>4</sup> This may be accessed from <https://www.medservenergy.com/Fleximanager/Siteimages/editorupload/20220726151805557.pdf>





## 8.1 INCOME STATEMENT

*Note: The FY2021 income statement comprises the first six months of operations of Regis Holdings Limited as well as a six-month contribution (July to December 2021) from MedservRegis plc, as further detailed in Section 8.5 of this report.*

	Actual*	Actual*	Actual	Updated Forecast	Projections
<i>for the year ended 31 December</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	€'000	€'000	€'000	€'000	€'000
Revenue	68,730	32,412	29,925	54,694	59,216
Cost of Sales	(50,257)	(21,178)	(17,140)	(34,359)	(36,637)
<b>Gross Profit</b>	<b>18,473</b>	<b>11,234</b>	<b>12,785</b>	<b>20,335</b>	<b>22,579</b>
Other income	1,376	2,214	2,286	196	38
Administrative expenses	(7,017)	(7,614)	(8,812)	(8,901)	(8,272)
Impairment loss on financial assets	(69)	(258)	(440)	-	-
Other expenses	(44)	(10)	(544)	-	(194)
Share of profit of equity-accounted investees			29	-	-
<b>EBITDA</b>	<b>12,719</b>	<b>5,566</b>	<b>5,305</b>	<b>11,630</b>	<b>14,151</b>
Depreciation	(7,840)	(7,974)	(4,328)	(6,381)	(6,596)
Impairment on PPE & intangible assets	-	(1,351)	(7,229)	-	-
Amortisation of Intangible Assets	(1,791)	(1,791)	(1,145)	(2,056)	(2,008)
<b>Results from operating activities</b>	<b>3,088</b>	<b>(5,550)</b>	<b>(7,397)</b>	<b>3,193</b>	<b>5,547</b>
Finance income	51	1,043	2,426	-	-
Finance costs	(5,693)	(5,044)	(2,390)	(4,045)	(3,612)
<i>Net finance (costs) / income</i>	<i>(5,641)</i>	<i>(4,001)</i>	<i>36</i>	<i>(4,045)</i>	<i>(3,612)</i>
<b>Loss before tax</b>	<b>(2,553)</b>	<b>(9,551)</b>	<b>(7,361)</b>	<b>(852)</b>	<b>1,935</b>
Tax income / (expense)	(808)	756	58	1,146	(257)
<b>Profit (Loss) from continued operations</b>	<b>(3,361)</b>	<b>(8,795)</b>	<b>(7,303)</b>	<b>294</b>	<b>1,678</b>
Profit from Discontinued Operations	28	-	100	-	-
<b>Profit / (Loss) for the period</b>	<b>(3,333)</b>	<b>(8,795)</b>	<b>(7,203)</b>	<b>294</b>	<b>1,678</b>

\*FY2019 and FY2020 relate to the financial performance of Medserv plc before the share for share exchange.

	Actual	Actual	Actual	Updated Forecast	Projections
<i>for the year ended 31 December</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<i>Within:</i>	€'000	€'000	€'000	€'000	€'000
Cost of Sales - PPE & Intangible Assets	(4,528)	(4,564)	(3,657)	(4,843)	(5,154)
Cost of Sales - Right of Use Asset	(4,607)	(4,702)	(1,729)	(3,523)	(3,376)
Administrative and other expenses	(496)	(499)	(86)	(71)	(74)
<b>Total depreciation and amortisation</b>	<b>(9,631)</b>	<b>(9,765)</b>	<b>(5,472)</b>	<b>(8,437)</b>	<b>(8,604)</b>



## FY2021 REVIEW

The business conditions during FY2021 were characterised by uncertainties due to the continued suspension of client projects due to the pandemic, the fragmented political situation in Libya and the conflict in northern Mozambique. Meanwhile, the Group was awarded two substantial projects in Egypt which commenced mid-2021 and continued to operate profitably in the Middle East as detailed in section 3.

The Group's total revenues in FY2021 amounted to €29.9 million, of which €11.3 million were generated by Regis Holdings Limited primarily in Sub-Saharan Africa while €18.6 million represent the six-month contribution from Medserv plc through its activities in Malta, Cyprus, Egypt and the Middle East. From a sectoral perspective, most of the income (€20.2 million) was generated from the 'Integrated Logistics Support Services' ("ILSS") while the remaining income was generated by the 'Oil Country Tubular Goods' ("OCTG") segment (€8.18 million), 'Trading Activity' (€1.29 million)<sup>5</sup>, and the Photovoltaic farm (€0.22 million).

On the expenditure side, cost of sales amounted to €17.1 million while other costs net of other income amounted to €7.5 million. As a result, EBITDA for FY2021 amounted to €5.3 million.

The financial performance in 2021 was impacted by depreciation and amortisation charges totalling €5.5 million as well as impairments on PPE and intangible assets of €7.2 million. The Group registered an operating loss of €7.4 million.

The Group also accounted for net finance income of €0.04 million as the unrealised currency exchange differences, interest receivables, and net fair value gains of financial assets outweighed the interest charges and other finance costs of the Group.

Overall, the Group registered a pre-tax loss of €7.4 million and a net loss of €7.2 million.

## UPDATED FORECASTS FOR FY2022 & PROJECTIONS FOR FY2023

The updated forecasts provided for FY2022 include the full year contribution of the consolidated group and thus give a more appropriate gauge of the business performance of the MedservRegis Group, albeit FY2022 is still expected to be characterised by a number of delays following the suspension of client projects due to the pandemic and the fragmented political situation in some of the regions in which the Group operates in. The situation in FY2023 is expected to continue to generally register an improvement over the performance achieved in FY2022.

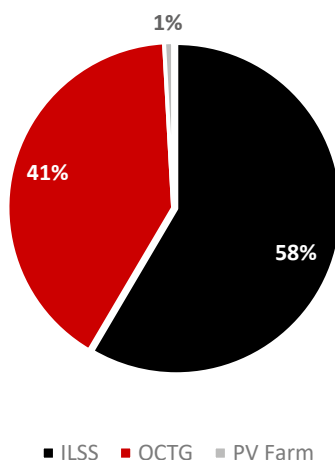
Revenues are expected to reach €54.7 million in FY2022 and €59.2 million in FY2023, as exploratory activity resumes.

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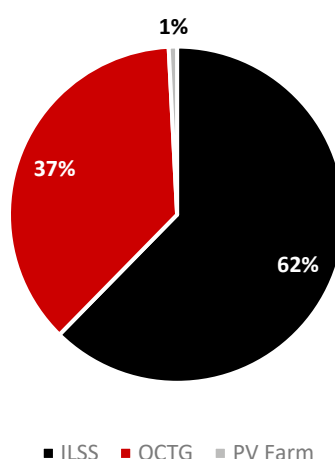
<sup>5</sup> Trading activity relates to trading and exportation of agricultural commodities and supplies by Regis Holdings Limited in South Africa. This activity was discontinued following the reverse acquisition.



FY2022 (F) Revenue Generation by Sector



FY2023 (P) Revenue Generation by Sector



From a sectoral perspective, the ILSS segment is anticipated to generate the lion's share of revenues in both years, whilst the OCTG segment is the other major income generator.

Revenue generated from operations within the Mediterranean region and the Middle East are expected to each contribute over €20 million for each of FY2022 and FY2023, with the balance expected to be generated from operations within the Sub-Sahara and East Africa.

Within the Mediterranean, the Group's income is envisaged to emanate primarily from improved drilling activity in Cyprus and Egypt as well as from the Malta base where the Group is also offering a number of non-oil and gas services. In the Middle East, most revenues are generated in Oman while in the African continent, the income is predominantly generated from Mozambique and Angola. Moreover, operations at the Group's Uganda business unit are expected to achieve double digit growth following the decision taken by the project's



joint venture partners and Uganda National Oil Company for Uganda's Lake Albert development project in February 2022 that will result in increased activity for this segment as explained further in section 3 above.

The Group is anticipating cost of sales for the two years under consideration to increase largely in line with the growth in business operations to €34.4 million and €36.36 million, respectively (excluding depreciation and amortisation charges). EBITDA is expected to reach €11.63 million and €14.2 million in FY2022 and FY2023, respectively, representing an EBITDA margin of 21.3% in FY2022 and improving to 23.9% in FY2023.

Depreciation and amortisation charges are expected to amount to €8.4 million and €8.6 million in the years under consideration. Net finance costs in FY2022 are expected to reach €4 million, while in FY2023 these are expected to go down to €3.6 million reflecting a full year of refinancing rate differences.

Overall, the Group is anticipating a pre-tax loss of €0.9 million for FY2022 and a pre-tax profit of €1.9 million for FY2023. After accounting for a tax credit in FY2022 and a tax charge in FY2023, profit after tax is expected to be €0.3 million in FY2022 and €1.7 million for FY2023.



## 8.2 STATEMENT OF CASH FLOWS

*Note: The FY2021 statement of cash flows comprises the first six months of operations of Regis Holdings Limited as well as a six-month contribution (July to December 2021) from MedservRegis plc, as further detailed in Section 8.5 of this report.*

	Actual	Actual	Actual	Updated Forecast	Projections
-	2019	2020	2021	2022	2023
for the year ended 31 December	€'000	€'000	€'000	€'000	€'000
Net cash from / (used for) operating activities	8,675	10,124	6,580	9,834	12,530
Net cash from / (used for) investing activities	(1,171)	(1,680)	(1,893)	(2,443)	(4,054)
<b>Free Cash Flow</b>	<b>7,504</b>	<b>8,444</b>	<b>4,687</b>	<b>7,391</b>	<b>8,476</b>
Net cash from / (used for) financing activities	(9,036)	(3,976)	(5,290)	(7,392)	(7,058)
<b>Net movements in cash and cash equivalents</b>	<b>(1,532)</b>	<b>4,467</b>	<b>(603)</b>	<b>(1)</b>	<b>1,418</b>
Cash and cash equivalents at beginning of the year	2,407	625	8,637	9,107	9,107
Effects of exchange rate fluctuations on cash held	(223)	(414)	1,153	-	-
ECL allowance on cash balances	(27)	(27)	(80)	-	-
<b>Cash and cash equivalents at end of year</b>	<b>625</b>	<b>4,652</b>	<b>9,107</b>	<b>9,106</b>	<b>10,525</b>

### FY2021 REVIEW

*Similar to the income statement, the statement of cash flows for FY2021 was based on a 12-month period of Regis Holdings Limited coupled with only a six-month contribution from Medserv plc (from 1 July 2021 to 31 December 2021), thus the movement in cash flows in FY2021 are not comparable to those of Medserv plc in FY2019 and FY2020 as presented above. For this reason, the opening cash balance of FY2021 does not tally with the closing cash balance of FY2020.*

The Group generated net cash from operating activities of €6.6 million comprising the cash generated from its ordinary course of business, net of bank interest and tax payments.

With respect to investing activities, the Group acquired PPE amounting to €2 million and also incurred a cash outflow of €2.7 million in connection with the disposal of discontinued operations. Meanwhile, the reverse acquisition resulted in a cash inflow of €2.7 million. Overall, net cash used in investing activities amounted to €1.9 million, resulting in free cash flow of €4.7 million.

In terms of financing activities, during FY2021, the Group incurred cash outflows related to interest payments and repayments of bank loans as well as dividend payments (effected prior to the reverse acquisition). Overall, the net cash used in financing activities amounted to €5.3 million, resulting in overall negative cash movements of €0.6 million. However, the Group benefitted from currency exchange differences of €1.2 million on cash held, which ultimately resulted in a cash and cash equivalents balance at end of year of €9.1 million.



## UPDATED FORECASTS FOR FY2022 & PROJECTIONS FOR FY2023

The cash flow forecasts for FY2022 (and beyond) include the full year contribution of the consolidated group.

The anticipated net cash from operating activities of €9.8 million and €12.5 million for FY2022 and FY2023, respectively, reflects the growing business activity of the Group following its enhanced presence in strategic locations associated with energy markets as well as the activity related to the several projects that were awarded in recent years as explained in earlier sections of this document.

The Group is envisaging net cash outflows in both financial years 2022 and 2023 from investing activities amounting to €2.4 million and €4.1 million respectively, as it continues to invest in assets that support its various activities. In this respect, the capital expenditure for FY2022 primarily involves the purchase of equipment and the setting up of the new base in Uganda during the year. Additionally, in FY2023 the Group is planning further investments in Mozambique, Uganda and UAE in anticipation of its business pipeline. Furthermore, the Group will also invest in a new Environmental, Health, and Safety software to improve the Group's operational efficiency and reporting, as well as reduce costs and better manage the environmental impact. As a result, the free cash flow for FY2022 is projected to reach €7.4 million and €8.5 million in FY2023.

Meanwhile, in terms of financing activities, the Group is forecasting net cash outflows amounting to €7.47 million reflecting payment of lease liabilities, interest payments as well as the repayment of borrowings in line with the Group's strategy of restructuring its debt, including a partial repayment of its outstanding €20 million 6.00% bond and the refinancing of the balance through another bond issue. The €7.1 million cash outflow from financing activities in FY2023 relate to the payment of lease liabilities, interest payments and loan principal repayments, net of a new bank loan which was drawdown during Q3 2022 to finance the early redemption of part of the Group's outstanding €20 million 6.00% bond.

Overall, the Group is projecting an overall cash inflow amounting to €1.4 million over the two-year period under consideration.



### 8.3 STATEMENT OF FINANCIAL POSITION

*Note: The statement of financial position for the year ending 31 December 2021 and forecast as at 31 December 2022 have been produced taking into account the combination of the Medserv Group and the Regis Group.*

	Actual	Actual	Actual	Updated Forecast	Projections
as at 31 December	2019	2020	2021	2022	2023
	€'000	€'000	€'000	€'000	€'000
<b>ASSETS</b>					
Goodwill and intangible assets	11,751	9,836	21,108	19,052	17,044
Property, plant and equipment	31,472	27,736	36,052	35,654	36,488
Contract Costs	368	-	-	-	-
Loan Receivable	-	-	4,147	-	-
Investments at FVTPL	-	-	4,007	4,007	4,007
Right of Use Asset	75,848	62,189	50,014	47,835	47,818
Deferred tax assets	4,065	3,491	-	-	-
<b>Total non-current assets</b>	<b>123,504</b>	<b>103,252</b>	<b>115,328</b>	<b>106,548</b>	<b>105,357</b>
Inventories	1,383	1,087	1,067	772	772
Current tax asset	107	183	306	300	300
Contract costs	318	318	-	-	-
Contract Assets	1,608	32	202	-	-
Trade and other receivables	17,784	9,629	21,882	23,951	25,050
Cash at bank and in hand	5,743	7,267	11,984	9,576	10,525
Assets held for sale	-	-	17	-	-
<b>Total current assets</b>	<b>26,942</b>	<b>18,516</b>	<b>35,458</b>	<b>34,599</b>	<b>36,647</b>
<b>Total assets</b>	<b>150,446</b>	<b>121,768</b>	<b>150,786</b>	<b>141,147</b>	<b>142,004</b>
<b>LIABILITIES</b>					
Deferred Income	31,072	30,575	-	-	-
Loans and borrowings	2,449	5,508	3,912	5,978	4,702
Bond (listed)	50,343	49,799	49,491	41,499	41,869
Trade and other payables	1,860	2,120	71	-	-
Lease Liability	29,171	17,345	12,720	12,484	13,561
Deferred tax liabilities	1,984	608	5,318	4,003	3,397
Provisions & Employee Benefits	960	799	1,427	1,177	1,298
<b>Total non-current liabilities</b>	<b>117,839</b>	<b>106,755</b>	<b>72,939</b>	<b>65,141</b>	<b>64,827</b>
Current tax payable	12	6	6	-	243
Deferred income	776	812	193	194	194
Lease Liability	1,374	1,024	1,722	1,166	1,315
Loans and borrowings	7,264	4,427	4,415	2,536	2,003
Trade and other payables, Provisions & Employee Benefits	9,095	4,453	8,692	9,016	8,996
<b>Total current liabilities</b>	<b>18,519</b>	<b>10,722</b>	<b>15,028</b>	<b>12,912</b>	<b>12,751</b>
<b>Total liabilities</b>	<b>136,358</b>	<b>117,477</b>	<b>87,967</b>	<b>78,053</b>	<b>77,578</b>



<b>EQUITY</b>					
Share capital	5,374	5,374	10,164	10,164	10,164
Share Premium	12,004	12,004	27,778	27,778	27,778
Reserves	9,829	8,499	(1,063)	(335)	(335)
Retained earnings/(losses)	(12,439)	(20,533)	23,151	22,022	23,185
<b>Total equity attributable to equity-holders of the Company</b>	<b>14,768</b>	<b>5,344</b>	<b>60,030</b>	<b>59,629</b>	<b>60,792</b>
Non-controlling interest	(680)	(1,052)	2,789	3,466	3,634
<b>Total equity</b>	<b>14,088</b>	<b>4,292</b>	<b>62,819</b>	<b>63,095</b>	<b>64,426</b>
<b>Total equity and liabilities</b>	<b>150,446</b>	<b>121,769</b>	<b>150,786</b>	<b>141,148</b>	<b>142,004</b>

## FY2021 REVIEW

The Group's total asset base expanded by 23.8% to €150.8 million reflecting the combination of the Medserv Group and the Regis Group following the completion of the share-for-share exchange with Regis Holdings Limited. Among the major assets, 'Property, Plant and Equipment' increased by 30% to €36.1 million reflecting the additional equipment spread across the Group following the merger. The reverse acquisition also led to a surge in 'Goodwill and Intangible Assets' which more than doubled to €21.1 million primarily due to the increase in goodwill attributable to future customer contracts, the synergies expected to be achieved from combining the operations of both groups as well as the skills and technical talent. The combination of the two groups also led to the recognition of additional customer relationships. The reverse acquisition also resulted in an increase in 'trade and other receivables' which more than doubled to €21.9 million (FY2020: €9.6 million) as well as an increase of 65% in cash balances to €12 million. Meanwhile, right-of-use assets declined to €50 million (FY2020: €62.2 million) largely due to a reduction in the recognition of right-of-use assets of MedOps which was brought about by the negative effect of the revaluation of the land due to the impact of the pandemic on real estate in Malta, coupled with a decrease in the discount rate in view of the low interest rate environment prevailing during the year.

The Group also registered a reduction in liabilities, primarily due to the derecognition of €30.6 million in deferred income as well as the recognition of lower levels of lease liabilities. The Group also reduced its bank loans by €1.6 million which, combined with the aforementioned reduction in lease liabilities, resulted in a reduction of 7.5% in the Group's total debt amounting to €72.3 million (including €14.4 million in lease liabilities).





	Actual	Actual	Actual	Updated Forecast	Projections
<i>for the year ended 31 December</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	€'000	€'000	€'000	€'000	€'000
Loans and borrowings (non-current)	2,449	5,508	3,912	5,978	4,702
Bond (listed)	50,343	49,799	49,491	41,499	41,869
Loans and borrowings (current)	7,264	4,427	4,415	2,536	2,003
Lease liabilities	30,545	18,370	14,442	13,650	14,876
<b>Total Debt</b>	<b>90,600</b>	<b>78,104</b>	<b>72,260</b>	<b>63,663</b>	<b>63,450</b>
Cash at bank and in hand	5,743	7,267	11,984	9,576	10,525
<b>Net Debt</b>	<b>84,857</b>	<b>70,837</b>	<b>60,276</b>	<b>54,087</b>	<b>52,925</b>

*\*Note: The Total Debt and Net Debt for FY2019 and FY2020 are being restated as lease liabilities are now included as per IFRS16.*

The reverse acquisition also led to a substantial improvement in the Group's equity position as it increased to €62.8 million as at 31 December 2021 from just €4.2 million as at the end of FY2020.

#### UPDATED FORECASTS FOR FY2022 & PROJECTIONS FOR FY2023

The Group's total assets are expected to decline by 6.4% to €141.1 million by the end of FY2022, reflecting the effect of depreciation on PPE and right-of-use assets (ROU), and amortisation charges on goodwill and intangible assets. Some of this is reversed in FY2023, as PPE is expected to increase due to the investment in equipment necessary for the purposes of servicing the Group's clients in Mozambique, Uganda and UAE.

The Group's cash position is also expected to be lower by the end of FY2022 at €9.6 million, reflecting the repayment of part of its outstanding bonds. Cash is expected to increase to €10.5 million by the end of FY2023, reflecting the expected improvement in operations during the year, as discussed in earlier parts of this report.

Following the reduction in outstanding bonds, albeit part of this is being replaced by bank financing, MedservRegis plc's total debt is anticipated to be 10.3% lower at €54.1 million as at 31 December 2022, and €52.9 million as at end of FY2023, including €14.9 million in lease liabilities.

The Group's total equity is forecasted to improve marginally to €63.1 million by the end of FY2022 and to €64.4 million by the end of FY2023, reflecting the forecast profit for the year.



## 8.4 RATIO ANALYSIS

The following set of ratios have been computed by Rizzo Farrugia & Co (Stockbrokers) Ltd using the figures extracted from annual reports and management information.

*Note: where the ratios were non-computable because of a negative return or a negative result, the ratio has been recorded as 'n/a' or excluded from the list of ratios presented in view of negative returns in all years under review.*

### PROFITABILITY RATIOS

The below is a set of ratios prepared to assist in measuring the Company's ability to generate profitable sales from its assets.

	Actual FY2019	Actual FY2020	Actual FY2021	Updated Forecast FY2022	Projections FY2023
<b>Gross Profit margin</b> (Gross Profit / Revenue)	26.88%	34.66%	42.72%	37.18%	38.13%
<b>EBITDA margin</b> (EBITDA / Revenue)	18.51%	17.17%	17.73%	21.26%	23.90%
<b>Operating Profit margin</b> (Operating Profit / Revenue)	4.49%	n/a	n/a	5.84%	9.37%
<b>Net Profit margin</b> (Profit for the period / Revenue)	n/a	n/a	n/a	0.54%	2.83%
<b>Return on Equity</b> (Profit attributable to owners of the Company / Average Equity attributable to owners of the Company)	n/a	n/a	n/a	n/a	2.37%
<b>Return on Capital Employed</b> (Profit for the period / Average Capital Employed)	n/a	n/a	n/a	0.25%	1.48%
<b>Return on Assets</b> (Profit for the period / Average Assets)	n/a	n/a	n/a	0.20%	1.19%

*Since the FY2021 income statement comprise the twelve-month operations of Regis Holdings Limited as well as the six-month operations of Medserv plc, the profitability ratios of FY2021 are not fully comparable to the ratios of the previous two years which were compiled from the income statement of Medserv plc on a stand-alone basis.*



In FY2021, the Group registered a gross profit margin of just under 43% and an EBITDA margin of close to 18%. However, in FY2021 MedservRegis plc posted an operating loss as the depreciation, amortisation and impairment on PPE & intangible assets were higher than the level of EBITDA.

Profitability ratios for FY2022 and FY2023 are expected to improve, reflecting the improved level of business expected to be achieved during the said years, save for a marginal dip in gross profit margin in FY2022 reflective of the faster increase in cost of sales when compared to the increase in revenue generated for the year.

## LIQUIDITY RATIOS

The below is a set of ratios prepared to assist in measuring the Company's ability to meet its short-term obligations.

	Actual FY2019	Actual FY2020	Actual FY2021	Updated Forecast FY2022	Projections FY2023
<b>Current Ratio</b> (Current Assets / Current Liabilities)	1.45x	1.73x	2.36x	2.68x	2.87x
<b>Cash Ratio</b> (Cash & cash equivalents / Current Liabilities)	0.31x	0.68x	0.80x	0.74x	0.83x

The consolidation of the Medserv Group and the Regis Group brought a substantial improvement to the Group's current assets when compared to previous years. Indeed, the current ratio increased to 2.36 times as at the end of FY2021, boosted by higher levels of 'trade and other receivables' and 'cash and cash equivalents'.

General improvements in the Group's liquidity ratios are also observed in the forecast for FY2022 and the projections for FY2023. The current ratio is expected to increase further to 2.68 times as at 31 December 2022 and 2.87 times as at the end of FY2023 as the Group will seek to restructure its debt and hold lower levels of current loans and borrowings. In view of the lower level of cash when comparing FY2022 to FY2021, following the part repayment of the outstanding bonds through cash reserves, the cash ratio for FY2022 is lower than that of FY2021, albeit a recovery and improvement is expected in FY2023.



## SOLVENCY RATIOS

The below is a set of ratios prepared to assist in measuring the Company's ability to meet its debt obligations.

	Actual FY2019	Actual FY2020	Actual FY2021	Updated Forecast FY2022	Projections FY2023
<b>Interest Coverage ratio</b> (EBITDA / Net finance costs)	2.25x	1.39x	n/a	2.88x	3.92x
<b>Gearing Ratio (1)</b> (Net debt inc. leases / Total Equity)	6.02x	16.51x	0.96x	0.86x	0.82x
<b>Gearing Ratio (2)</b> [Total debt inc. leases / (Total Debt plus Total Equity)]	0.87x	0.95x	0.53x	0.50x	0.50x
<b>Net Debt to EBITDA</b> (Net Debt inc. leases/ EBITDA)	6.67x	12.73x	11.36x	4.65x	3.74x

Since the FY2021 income statement comprise the twelve-month operations of Regis Holdings Limited as well as the six-month operations of Medserv plc, the EBITDA for FY2021 is not comparable to the previous two years and as such, debt metrics using the EBITDA value of FY2021 do not provide the most appropriate gauge of the Group's ability to meet its financing obligations. Furthermore, in FY2021 the Group registered a net finance gain as its finance income outweighed its finance costs. As a result, the interest coverage ratio for FY2021 is not applicable. In FY2022, the interest coverage ratio is expected to reach 2.88 times, and 3.92 times in FY2023 reflecting the expected improvement in business activity and EBITDA.

From a gearing perspective, the consolidation of the Medserv Group and the Regis Group resulted in a stronger financial position due to the significant improvement in the Group's equity position. Indeed, the Group's net debt was lower than its total equity as at the end of FY2021, resulting in a gearing ratio (calculated as Net debt inc. leases / Total Equity) of 0.96 times from 16.51 times in FY2020. Similarly, the gearing calculated as total debt divided by total debt plus equity moved sharply lower to 0.53 times as at 31 December 2021, compared to 0.95 times in the previous year. As the Group expects to lower its borrowings during 2022, the gearing is anticipated to improve further to 0.50 times as at the end of each of FY2022 and FY2023.

The improvement in the financial performance of MedservRegis plc coupled with the reduction in debt, the net debt to EBITDA multiple is envisaged to go down to 4.65 times for FY2022, and improve further to 3.74 times by the end of FY2023.

## ADDITIONAL RATIOS

Since the company did not register a net profit in FY2019, FY2020 and FY2021, the Earnings Per Share ratio cannot be computed. Similarly, the Group did not declare any dividends during the years under review and as such, the computation of the Dividend Cover ratio is not possible.



For FY2022 and FY2023, the Company is expected to return to profit, and the ratio computations for the said forward looking periods are included below:

	Actual FY2019	Actual FY2020	Actual FY2021	Updated Forecast FY2022	Projections FY2023
<b>Earnings per Share (€)</b> <i>(Profit for the year / No of shares in issue)</i>	N/A	N/A	N/A	0.003	0.017



## 8.5 VARIATIONS IN THE ISSUER'S FORECASTS FOR FY2022

In the FAS dated 26 July 2022, the Company published a forecast income statement covering FY2022. Since then, the Group has had improved visibility of its expected performance, and thus revised its forecasts for the said year as laid out in section 8.1. The variances between the two sets of forecasts are being explained hereunder.

	Forecast in July 2022 FAS	Updated Forecast	Variance	
<i>for the year ended 31 December</i>	FY2022	FY2022		
	€'000	€'000	%	€'000
Revenue	48,780	54,694	12.12%	5,914
Cost of Sales	(29,502)	(34,359)	16.46%	(4,857)
<b>Gross Profit</b>	<b>19,278</b>	<b>20,335</b>	5.48%	1,057
Other income	78	130	66.67%	52
Administrative expenses	(9,013)	(8,901)	-1.24%	112
Other expenses	(6)	66	-1200.00%	72
<b>EBITDA</b>	<b>10,337</b>	<b>11,630</b>	12.51%	1,293
Depreciation	(6,349)	(6,381)	0.50%	(32)
Amortisation of Intangible Assets	(2,056)	(2,056)	-0.02%	0
<b>Results from operating activities</b>	<b>1,931</b>	<b>3,193</b>	65.31%	1,262
Finance costs	(3,653)	(4,045)	10.73%	(392)
<i>Net finance costs</i>	(3,653)	(4,045)	10.73%	(392)
<b>Loss before tax</b>	<b>(1,722)</b>	<b>(852)</b>	-50.51%	870
Tax income / (expense)	1,034	1,146	10.83%	112
<b>Profit (Loss) for the period</b>	<b>(688)</b>	<b>294</b>	-142.76%	982

The main factor giving rise to the variances above relates to the updates in the revenue forecasts. Given the increase in the scope of works derived from the ENI contract in Cyprus, as well as increased activity in the machine shops in UAE for FY2022 led to a higher forecasted revenue figure of €54.7 million compared to the €48.8 million included in the July FAS. This change also drives the variances in other related line items such as cost of sales and administrative expenses.

The net finance cost has been revised higher to reflect the higher interest rate scenario as well as the higher incidence of financing costs related to lease modifications.

As a result of these changes, particularly the improved level of revenue expected to be generated by the end of this current financial year, the Group is expecting to close the year at a profit as opposed to the net loss expected back in July of this year.



## PART C

## LISTED SECURITIES

MedservRegis plc's ordinary shares are listed on the Official List of the Malta Stock Exchange – details as follows:

ISIN: MT0000310103

Issued Shares: 101,637,634 ordinary shares

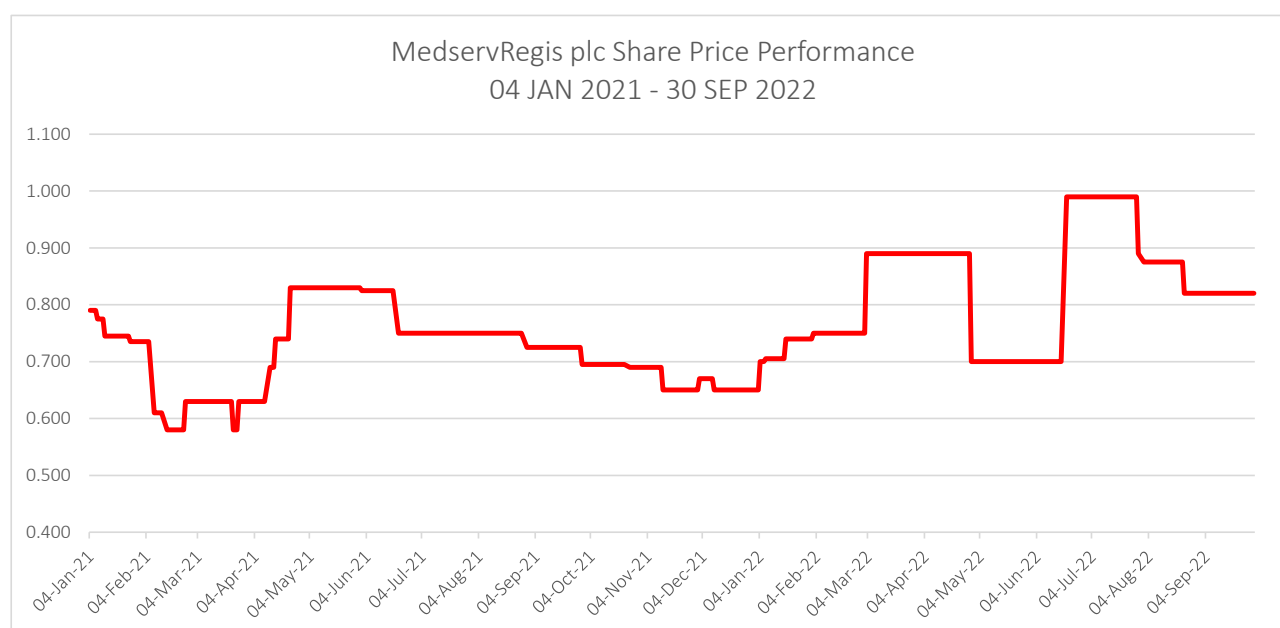
Nominal Value: €0.10

2021 Year-End Price: €0.650

Current Market Price: €0.820 (as at 30 September 2022)

Enterprise Value<sup>6</sup>: €141.37 million

Price to Earnings Ratio: n/a



<sup>6</sup> Based on the market capitalisation as at 30 September 2022 and the figures extracted from the Statement of Financial Position as at 30 June 2022.



Apart from the shares, the Issuer has other debt securities which are also listed on the Official List of the Malta Stock Exchange. Details of these bonds are found in the table below:

ISIN	Details	Maturity	Nominal Amount
MT0000311218	6% Secured & Guaranteed 2020/2023 S1 T1 (€)	Callable between 30/09/2020 and 30/09/2023	13,000,600 <sup>7</sup>
MT0000311234	4.5% Unsecured 2026 (€)	05/02/2026	21,982,400
MT0000311242	5.75% Unsecured 2026 (USD)	05/02/2026	9,148,100

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<sup>7</sup> MedservRegis plc intends to redeem this bond in January 2023 mainly through the issuance of a fresh bond of €13 million pursuant to the Prospectus dated 9 November 2022.



**PART D****COMPARATIVES**

*NB: The table below seeks to compare the securities of MedservRegis plc with a selection of securities with a similar term. It is to be noted, however, that there are significant differences in the business models of each of the listed companies being compared below and an exact match to the operations and business of the Issuer is not available. Thus, while the metrics below can be used as a gauge of MedservRegis's financial strength against other issuers listed locally, they do not capture the quantitative factors such as the different business models of each issuer, their competitive position in the market, KPIs, etc.*

<i>Bond Details</i>	<i>Amount Outstanding (€)</i>	<i>Gearing (%)*</i>	<i>Net Debt to EBITDA (times)</i>	<i>Interest Cover (times)</i>	<i>YTM (as at 30.09.2022)</i>
4.00% MIDI plc 2026 (Secured)	50,000,000	32.7%	23.6x	0.9x	4.00%
4.00% Int. Hotel Investments plc 2026 (Secured)	55,000,000	40.1%	38.1x	0.6x	3.35%
4.00% Int. Hotel Investments plc 2026 (Unsecured)	60,000,000	40.1%	38.1x	0.6x	4.12%
3.90% Plaza Centres plc 2026	5,680,000	14.7%	2.8x	5.7x	3.90%
<b>4.50% MEDSERVREGIC PLC 2026</b>	<b>21,982,400</b>	<b>47.9%</b>	<b>11.0x</b>	<b>2.3x</b>	<b>5.78%</b>
3.25% AX Group plc 2026	15,000,000	25.6%	7.0x	3.0x	3.27%
3.75% Premier Capital plc 2026	65,000,000	47.2%	0.9x	11.7x	3.49%
<b>5.00% MEDSERVREGIS PLC 2029 (Secured)</b>	<b>13,000,000</b>	<b>47.9%</b>	<b>11.0x</b>	<b>2.3x</b>	<b>5.00%</b>
4.50% ENDO Finance plc 2029	13,500,000	53.3%	4.2x	4.7x	4.77%
4.00% SP Finance plc 2029 (Secured)	12,000,000	48.5%	36.8x	0.5x	3.48%
3.65% Stivala Finance plc 2029 (Secured)	15,000,000	26.5%	33.6x	0.8x	3.37%
3.80% HILI Finance Company plc 2029	40,000,000	60.3%	2.7x	14.3x	3.83%
3.75% AX Group plc 2029	10,000,000	25.6%	7.0x	3.0x	3.75%

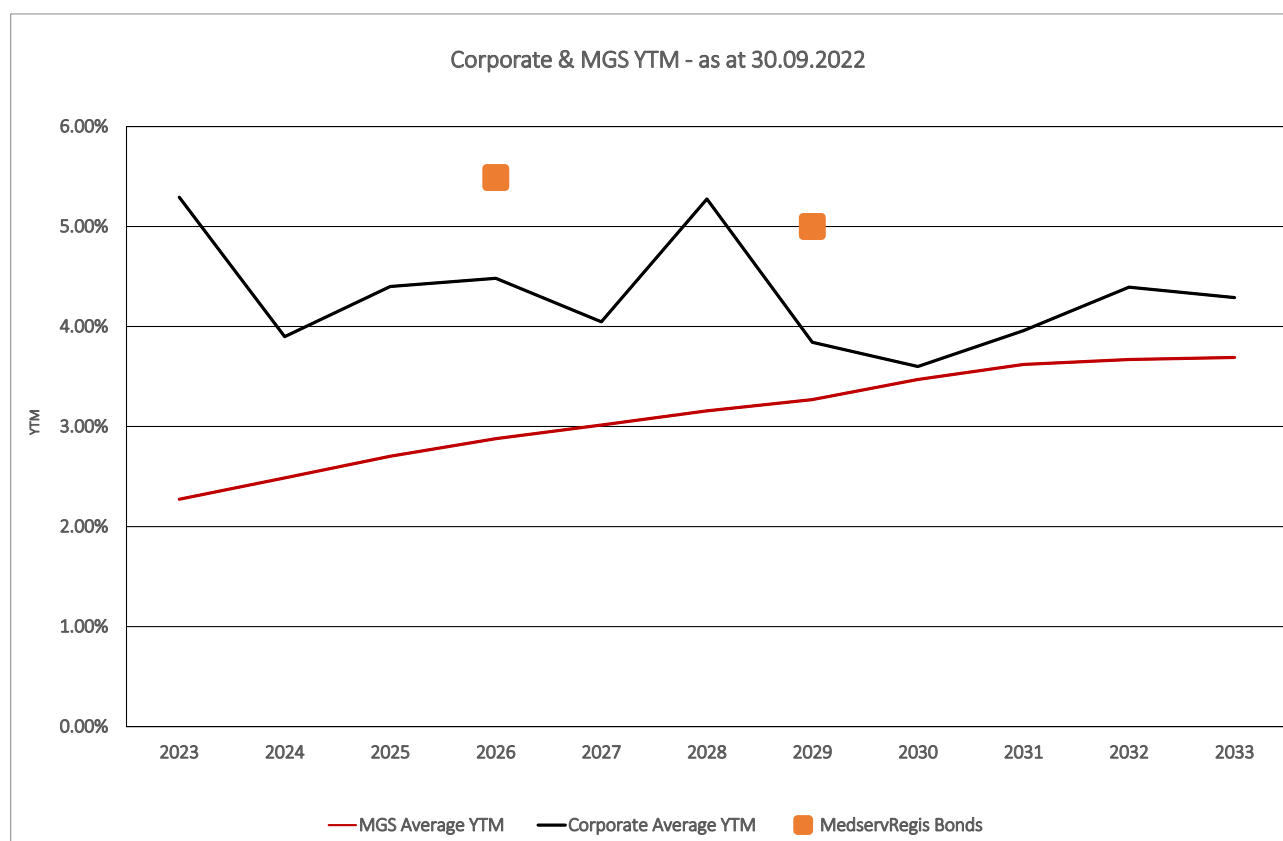
Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Rizzo, Farrugia & Co (Stockbrokers) Ltd

\*Gearing:  $(\text{Net Debt} / [\text{Net Debt} + \text{Total Equity}])$  [Net debt excludes leases]



The chart below compares the 4.5% MedservRegis plc Unsecured 2026 and the 5.00% MedservRegis plc Secured 2029 bonds to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 30 September 2022.

#### MEDSERV PLC BONDS' YTM VS CORPORATE & MGS YTM – AS AT 30.09.2022



The 4.5% MedservRegis plc 2026 bond is yielding 101 basis points over the corporate bonds average YTM maturing in the same year and 261 basis points over the average MGS YTM for a similar maturity. The 5.00% MedservRegis plc 2029 Secured bond is yielding 116 basis points over the corporate bonds average YTM for 2029 and 173 basis points over the average MGS YTM for a similar maturity.

**INCOME STATEMENT EXPLANATORY DEFINITIONS**

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
EBIT	Earnings before interest and tax.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

**CASH FLOW STATEMENT EXPLANATORY DEFINITIONS**

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



## STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

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

## PROFITABILITY RATIOS

Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity (ROE)	ROE measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by average shareholders' equity.
Return on Capital Employed (ROCE)	ROCE indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets (ROA)	ROA measures the rate of return on the assets of the company. This is computed by dividing profit after tax by average total assets.



## LIQUIDITY RATIOS

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

## SOLVENCY RATIOS

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

## 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.
Earnings per Share (EPS)	EPS is calculated by dividing the company's profit by the number of shares in issue.
Dividend Cover	Dividend cover is calculated by dividing the EPS by the dividend per share.
Enterprise Value (EV)	EV measures the company's total value comprising its market capitalisation and net debt.
Price to Earnings (P/E)	The P/E ratio is a valuation multiple used to compare the company's share price with its EPS.



Prepared by:  
**Rizzo, Farrugia & Co (Stockbrokers) Ltd**  
E: [sponsors@rizzofarrugia.com](mailto:sponsors@rizzofarrugia.com)  
T: +356 2258 3000

## Annex 3 - Authorised Intermediaries

Name	Address	Telephone
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2122 6644
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp St Venera SVR 1011	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
CiliaFormosa Financial Advisors Ltd	Triq id-Delu Mosta, MST 3355	2226 0200
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta' Xbiex XBX 1403	2134 2342
Hogg Capital Investments Ltd	NuBis Centre, Mosta Road, Lija LJA 9012	2132 2872
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1112
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0A St Marta Street Victoria, Gozo VCT 2550	2258 7000
MZ Investment Services Ltd	61, St. Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000